

## BAASC 15-04: State Authorization Reciprocity Agreement (SARA)

### Summary

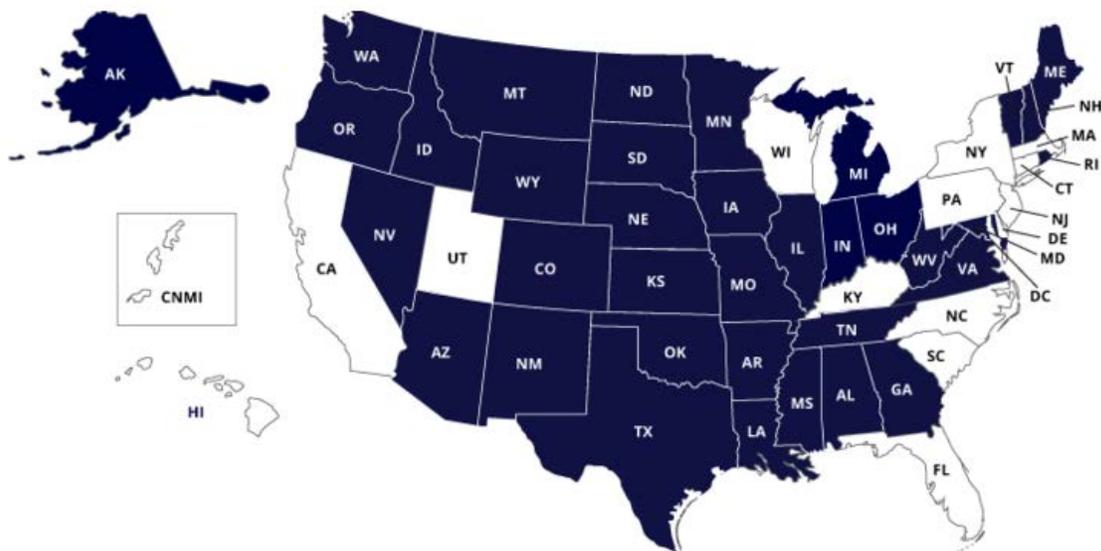
*BAASC Agenda Topic 15-04 asks staff to “assess the impact of SARA, for which KBOR is the Kansas State Authorization Portal.” This report provides an update on the progress and impact resulting from SARA membership. (May 18, 2016)*

### Background

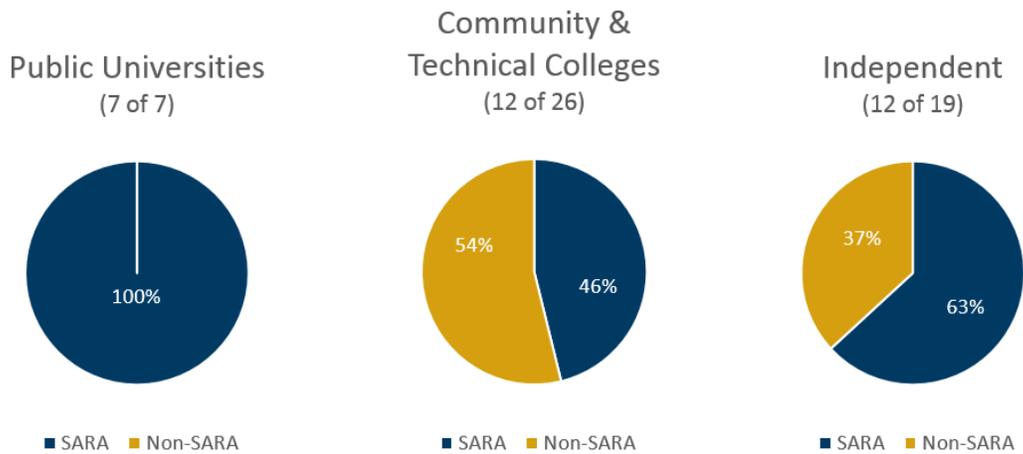
In November 2014, the Midwest Higher Education Compact (MHEC) approved Kansas as a member of the National Council for State Authorization Reciprocity Agreements (NC-SARA). The Kansas Board of Regents serves as the State Portal Agency (SPA) for all institutions domiciled in Kansas, with staffing provided by the Academic Affairs Private Postsecondary Unit. In the fall of 2016, staff will work with MHEC to renew Kansas’ biennial state membership.

Currently, there are over 775 participating institutions representing 36 member states. Additional growth is anticipated as legislative activity continues to occur in a number of potential states and more institutions are approved to participate.

As of April 11, 2016, 36 states have joined SARA (darkened areas).



34 Kansas institutions are participating in SARA as of April 11, 2016. The charts below show participation by sector.



\*Three of the approved institutions are private

### Economic Impact of Membership

A survey of our public universities was completed to determine the institutional cost<sup>1</sup> savings experienced as a result of participating in SARA, reported results varied from \$4,000 to \$23,000 per year. The majority of the respondents expressed the greatest value of SARA was not the reduction of their direct costs but rather the reduction of their opportunity costs to expand distance education offerings into other states.

Most of these institutions had previously sought authorization in a small number of states limiting their expenditures. They are now able to expand the number of states in which they offer distance education while limiting the maximum annual fee<sup>2</sup>. Participating institutions pay an annual fee to NC-SARA based upon their full-time equivalent (FTE) reported annually to the Integrated Postsecondary Educational Data System (IPEDS).

- \$2,000/year for institutions with fewer than 2,500 FTE students
- \$4,000/year for institutions between 2,500-9,999 FTE students
- \$6,000/year for institutions with 10,000 or more FTE students

### Impact on Private Postsecondary Unit

As a result of SARA, the number of out-of-state institutions seeking authorization directly from the Kansas Board of Regents has decreased. In fiscal year 2015, 20 institutions previously holding a certificate of approval from the Board joined SARA in their respective states negating their need for renewal. This change resulted in a reduction of fee revenue of over \$175,000<sup>3</sup>.

The Kansas Private and Out-of-State Postsecondary Institution Act, K.S.A. 74-32,184, authorizes the Board, “to collect and analyze private and out-of-state postsecondary educational information, including,

<sup>1</sup> Fees vary by state with a few states not requiring fees for institutions to operate.

<sup>2</sup> There are no fees associated with submitting the application to the Kansas Board of Regents. The only authority the Board has to collect fees as the SARA State Portal Agency is to reimburse, “any costs associated with investigating and prosecuting complaints and recovering tuition on behalf of any student under the provisions of the state authorization reciprocity agreement” (HB 2544).

<sup>3</sup> Actual fee revenue reduction for fiscal year 2015 was \$177,542.70

but not limited to, student, course, financial aid and program demographics that will assist the board in improving the quality of private and out-of-state postsecondary education.” Institutions participating in SARA will no longer complete this program-level data collection but will instead provide data directly to NC-SARA. The first data collection will be submitted in May 2016 and cover the reporting period of July 1, 2014 through June 30, 2015. At this time, only the number of distance education enrollments by institution will be collected. Demographic and program information will no longer be available, giving the Board less information about Kansans seeking education outside of the state.

This and previous SARA reports are available at [http://kansasregents.org/academic\\_affairs/sara](http://kansasregents.org/academic_affairs/sara).