

Core Principles and Parameters of
State Authorization Reciprocity Agreements
September, 2012

As the Commission considers an array of options in an effort to arrive at consensus recommendations in furtherance of its mission, the ongoing work of several organizations merits significant attention. The two proposed reciprocal agreements referenced in the matrix are the Western Interstate Commission for Higher Education (WICHE) State Authorization Reciprocity Agreement (July 2012 draft) and the Council of State Governments (CSG)/Presidents' Forum Model for State Authorization Reciprocity Agreement (August 2012 draft). The WICHE draft is reliant upon a network of voluntary reciprocity agreements based on regional compacts. The CSG/Presidents' Forum draft, in contrast, uses a national body to oversee and administrate the reciprocal agreement between states. Both operate on the basic idea that a duly accredited institution should be answerable for the laws of its home state only, not the laws of each state in which an institution wishes to operate through distance education.¹ Both agreements rely on complementary efforts by the governing "triad"-- states, the federal government, and accrediting bodies; and both anticipate significant savings to institutions through the elimination of the cumbersome, expensive process of state-by-state authorization.

In addition, two smaller-scale reciprocity agreements for distance education are currently active: the Southern Regional Education Board's (SREB) Electronic Campus and WICHE's Internet Course Exchange (WICHE ICE). Neither of these programs operates at the scale envisioned by the two reciprocal agreements analyzed below, but they are worth noting as currently operating reciprocal programs. The SREB Electronic Campus relies on accreditation and SREB standards as quality control for distance course offerings within its "electronic marketplace." WICHE ICE is a program used by institutions in WICHE states that offers seats in home institution classes to distance learners (even as the distance learners remain enrolled in their home state institution).

¹ The CSG/Presidents' Forum agreement applies to degree-granting postsecondary institutions (p.8) while the WICHE proposal includes "all postsecondary education institutions" including institutions offering "certificates, diplomas, and/or degrees." (p.7) The CSG/Presidents' Forum agreement permits degree-granting institutions to conduct non-degree activities without pursuing separate authorization. (p.11)

	WICHE STATE AUTHORIZATION RECIPROCITY AGREEMENT	CSG/PRESIDENTS' FORUM MODEL FOR STATE AUTHORIZATION RECIPROCITY AGREEMENT
<p>Appropriate Trigger for Required State Authorization: What constitutes institutional "physical presence" so that state authorization is required if the institution wishes to participate in the reciprocity agreement?</p>	<p>"Physical presence" is limited to those institutions that provide an actual physical location for instructional purposes or maintain an administrative office (including a mailing address or phone number) in the state.</p> <p>A number of institutional activities do not meet the definition of "physical presence" including:</p> <ul style="list-style-type: none"> • Offering courses online with no physical meeting in the state; • Advertising; • Experiential learning opportunities; • Courses on military installations; • Faculty residing in the state but not meeting students; • Holding proctored exams in the state. (pp.9-10) 	<p>"Physical presence" is limited to those institutions that provide an actual physical location for instructional purposes or maintain an administrative office (including a mailing address or phone number) in the state.</p> <p>A number of institutional activities do not meet the definition of "physical presence" including:</p> <ul style="list-style-type: none"> • Offering pure distance education courses; • Advertising; • Experiential learning opportunities; • Courses on military installations; • Faculty residing in the state but not meeting students; • Holding proctored exams in the state. (pp. 5-7)

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<p>Core Institutional Requirements for Participation: What requirements must an institution meet to be authorized by a state/participate in the reciprocity agreement?</p>	<p>Criteria for institutions operating under the proposed agreement include:</p> <ul style="list-style-type: none"> • Demonstrate federally recognized accreditation; • Be deemed "financially responsible" for participation in federal Title IV programs or if the institution does not meet a certain federal score(the home state may determine financial responsibility status); • Provide accurate and truthful information about the institution in advertisements, recruitment, and other communications with the public; • Provide full disclosure of tuition/fees and admissions requirements to students; • Have processes in place to address complaints. (pp. 11-13) 	<p>Criteria for institutions operating under the proposed agreement include:</p> <ul style="list-style-type: none"> • Demonstrate federally recognized accreditation; • Comply with the home state and accrediting agency's quality standards (does not include meeting program requirements for licensure in other member states); • Provide indemnification as required by the home state; • Have a process in place to protect students when an institution closes (transcript storage and teach-out arrangements) (pp.9-14) <p>Home states must verify that institutions meet detailed standards for the quality, rigor, and effectiveness of online courses. (pp. 17-24)</p>
<p>Additional Requirements States May Impose on Institutions</p>	<p>States may require additional demonstration of quality for institutions within the state but must accept base level accreditation for reciprocity purposes. (p. 11)</p>	<p>A home state may place additional restrictions on out-of-state recruiters operating at an institution. (p. 12)</p>

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<p>Process to Establish Reciprocity: How is reciprocity granted among states and to institutions?</p>	<p>Reciprocity is based upon a two-step process (at the regional and national level).</p> <ul style="list-style-type: none"> • Each regional compact separately admits states into the reciprocal agreement. Institutions within the states may then opt-in to the agreement, allowing for regional reciprocity. • Reciprocity is then coordinated among the compacts (and non-affiliated states) to allow institutions to operate nationally. (p.5) 	<p>The state must submit a plan for reviewing and authorizing institutions to the Interstate Commission.²</p> <ul style="list-style-type: none"> • The state governments of the member states must enforce the reciprocity agreement; the provisions of the agreement will have the force of statutory law. (p.11)
<p>Avenues and Scope of Reciprocity: What does reciprocity allow an authorized institution to do in a member state?</p>	<p>An institution that is authorized to operate by a member state (its home state) in a regional compact may also conduct certain activities in any other member states (host states) in the region and in other cooperating regions,³ including:</p> <ul style="list-style-type: none"> • Offering online courses; • Advertising to students; • Experiential learning opportunities arranged for individual students; • Hiring faculty or other academic or student services staff. (pp. 9-10) 	<p>An institution that is authorized to operate by its home state also may conduct certain activities in any other member states (host states),⁴ including:</p> <ul style="list-style-type: none"> • Offering online courses as well as the portion of blended courses that consist of distance learning and the non-distance portions that meet any requirements a host state may have; • Advertising to students; • Experiential learning opportunities; • New programs authorized by the home state following enactment of the agreement. (pp. 8-9) <p>Faculty members do not have to meet professional licensure</p>

² The CSG/Presidents' Forum agreement becomes effective upon legislative enactment by at least eight states or upon enactment by home states for at least 15% of the total number of accredited degree granting institutions in the U.S. (pp. 44-45)

³ Under the WICHE agreement, a state is the "home state" for all institutions claiming the state as its principal location for accreditation purposes. A "host state" is any state where the institution operates under the agreement, other than the home state. (p.8) "Host states" must meet the requirements of home states.

⁴ Under the CSG/Presidents' Forum agreement, a "home state" is a member state where the institution holds its principal accreditation. A participating institution must declare a home state to participate in the agreement. A "host state" is any state where the institution operates under the agreement, other than the home state. (p.4)

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		<p>qualifications for each member state. (p. 10)</p> <p>Any host state law requiring separate authorization of non-degree activities of degree-granting institutions is superseded by the agreement. (p. 11)</p>
<p>Governance - Compliance & Administrative Enforcement: How are the core institutional requirements maintained and enforced? How are complaints against the institution handled?</p>	<p>To be a member state, the home state must have processes in place to ensure authorized institutions continue to meet quality standards and protect students/consumers.</p> <ul style="list-style-type: none"> • The home state is responsible for holding institutions accountable for the truth/adequacy of recruitment, marketing, and other institutional disclosures (including whether programs meet state licensure requirements); the disclosure of tuition, fees, and other charges; the efficacy of admissions process; and the existence of adequate complaint and concerns procedures. (pp. 12-13) Home states are responsible for affirming or denying authorization for institutions on an annual basis. • The home state must have a procedure in place to investigate all legitimate complaints involving institutions it has authorized, whether the complaint originates in or out of state. For complaints involving academic standards, all states should use standards for the evaluation of distance education adopted by the Council of Regional Accrediting Commissions. (pp. 13-14) Host states must have a process in place to transfer complaints to the home state of an institution. 	<p>The home state must have processes in place to ensure authorized institutions continue to meet quality standards and protect students/consumers.</p> <ul style="list-style-type: none"> • The home state must investigate and resolve complaints involving issues arising from its own standards for authorization (or the SARA agreement standards), and regarding the activities of an institution in a member state to meet the obligations of the agreement. (pp. 13; 15) • Other member states may request that a home state investigate any reported non-compliance with the agreement and report to the SARA Commission the results of the investigation. (p.15) <p>Host states can hold recruiters liable for adherence to, and sanction any violation of, laws of host state not covered by agreement. (p. 12)</p>
<p>Governance - Structure and</p>	<p>The agreement is built upon both regional and national</p>	<p>The agreement will be governed by an Interstate</p>

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<p>Functions of Governing Body: How is the agreement governed?</p>	<p>governing bodies.</p> <ul style="list-style-type: none"> • A regional steering committee establishes criteria for participation in the agreement. This committee accepts and rejects states from the agreement. This committee also will review states on a biennial basis to ensure compliance with the requirements of the agreement. (p.5) • A nationwide coordinating board (including representative of the regional compacts and other groups) will coordinate reciprocity between the regional committees. This committee will also be responsible for harmonizing procedures across the regions to ease the process of reciprocal recognition for institutions. 	<p>Commission that includes voting representatives from each member state and representatives of higher education regional compacts.</p> <ul style="list-style-type: none"> • The Commission will approve state plans for membership and monitor adherence to the agreement standards. • The Commission will promulgate binding rules, enforce those rules, carry out administrative duties (e.g., staff and budget), and report annually to member state governments. • An Executive Committee will oversee administration of the agreement. (pp.26-34)
<p>Governance - Fee Structure: How is the agreement funded?</p>	<p>Fees are collected from institutions in SARA member states that choose to participate in the reciprocity agreement.</p> <ul style="list-style-type: none"> • Home states can continue to charge authorization fees to in-state institutions. (p.7) • Institutions operating outside of their home state will pay an additional interstate fee covering the operational costs of the national coordinating Board and regional compacts, and fees associated with helping host states assist students taking distance education courses from out-of-state institutions. (p. 8) 	<p>Potential fee structure for institutions in member states include:</p> <ul style="list-style-type: none"> • Fees to help home states cover costs of assisting students taking distance education courses from out-of-state institutions. • Operational costs for the Interstate Commission (p. 4)