



National Council for State Authorization Reciprocity Agreements

A voluntary, regional approach to state oversight of distance education

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Massachusetts Special Commission on Interstate Reciprocity Agreements

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Boston, Massachusetts

Testimony of Marshall A. Hill, Executive Director, NC-SARA

Good afternoon.

Thanks for allowing me to speak with you today.

My name is Marshall Hill, and I am the Executive Director of the National Council for State Authorization Reciprocity Agreements.

I want to speak with you about three things: a brief SARA update, consumer protection under SARA, and finally, respond to a few misconceptions and misrepresentations.

Let me first say a bit about my background so that you can put my remarks in context. I began my career as a faculty member in non-profit and public colleges and universities; for 17 years I taught music and conducted choirs and orchestras. I earned tenure at a public, research-intensive university.

I next spent almost 20 years doing state-level work at two agencies similar to the Massachusetts Department of Higher Education. I spent 11 of those years at the Texas Higher Education Coordinating Board, where for most of that time I was Assistant Commissioner for Universities and Health-Related Institutions. (During my time there, Texas had 35 public universities and eight health science centers; when I left in 2005 those institutions together enrolled more than a half-million students.) For the next eight years I was the head of the Nebraska agency similar to your Department of Higher Education. In both of those state-level positions, among other duties I was responsible for overseeing the regulation of for-profit institutions. In Texas, especially, if my agency and I weren't being occasionally sued, we weren't doing our jobs. (We were, and we did.) In both states, we took our responsibilities to protect students very seriously. After being heavily involved in the creation of SARA, I've been executive director of NC-SARA since its beginning in 2013.

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I would first like to give you a quick status report on SARA. As of today, 42 states and the District of Columbia are members. Additional states are in various stages of pursuing membership: KY and PA are finalizing their applications, which will be considered by SREB in October; CT and NJ plan to apply for membership before the end of the year; SARA-enabling legislation will be introduced in FL and CA for consideration early next year; the NY Board of Regents on September 13 are to consider final approval for having New York join SARA.

As of last Friday, 1080 institutions are participating in SARA; 67 percent of them are public institutions; 29 percent are independent, non-profit institutions; and 4 percent are independent, for-profit institutions. The hand-out I have provided includes those numbers, as well as a breakdown by institutional size.

Let me next say a bit about consumer protection under SARA, especially in regard to for-profit schools. I understand that latter point is of special concern – as it should be.

First, SARA does not affect a state’s regulation of on-the-ground institutions. If MA joins SARA, it would still regulate for-profit schools that have campuses here in the same way it now does. Joining SARA would not affect the way MA deals with any out-of-state institution – public or private, for-profit or non-profit – that has a branch campus here. And it would deal with non-SARA schools that enroll MA students online however it chooses.

In regard to online or distance education delivered to MA students by out-of-state institutions, right now MA doesn’t regulate that activity. SARA does; in fact, that’s our focus. SARA institutions must meet specified standards: they must be degree-granting institutions – because degree-granting schools are far less likely to fail than non-degree-granting schools; they must be accredited by an accrediting body recognized by the U.S. Department of Education; they must demonstrate financial stability through the Department’s methodology; they must agree to abide by the distance education guidelines of the country’s regional accreditors; they must agree to complaint resolution protocols; and they must face renewal every year, when their adherence to SARA requirements is reviewed by their state. They also have to deal with a public accounting for complaints lodged against them that haven’t been resolved by the institution. SARA states report quarterly to my office about appealed complaints; we publish that data – by institution name – on our website.

Under SARA, state attorneys general retain their abilities to deal with consumer protection issues of fraud, misrepresentation and abuse. (More about that in a moment.) For now, I suggest that it strains belief to think that 42 states would join an initiative that removes those abilities from their attorneys general.

So what changes would be necessary for current MA rules? In brief, MA would need to do a “carve out” from certain rules for SARA institutions. Think of it as a TSA Pre-Check for SARA schools. SARA institutions wouldn’t be free of expectations about their behavior; they wouldn’t be free of rules. MA would just deal with them under SARA rules instead of (mostly) one section of the MA AG’s rules affecting proprietary schools.

Finally, let me quickly address a few misconceptions

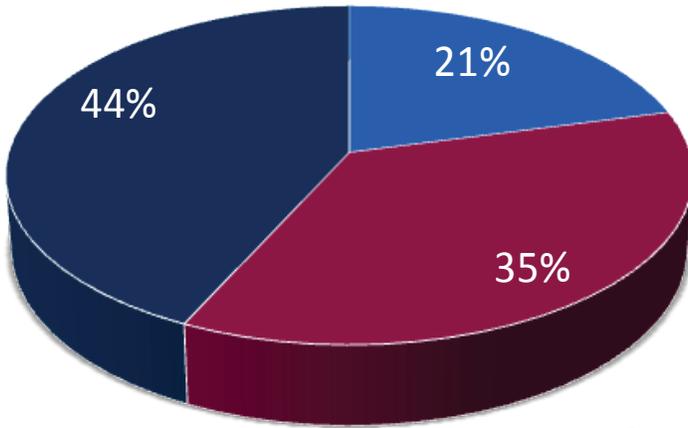
“SARA mainly benefits for-profit schools.” No. Those schools make up only four percent of our institutions. Several for-profit institutions have applied and been rejected. The failing schools that have been in the news – Corinthian, ITT and so forth – would not have met SARA’s membership requirements. SARA was not conceived as a comprehensive methodology to regulate for-profit education. Rather, it is a way to lessen regulatory burdens and costs for institutions that commit to and meet high expectations. Equally important, SARA provides states a way to deal with the hundreds and hundreds of out-of-state institutions that are enrolling their students via distance education.

“State attorneys general can’t act if their state joins SARA.” Let me respond to that with a quote from the material provided the New York Board of Regents by their staff to inform the action the Board was to take yesterday to have NY join SARA: “ Under SARA, state attorneys general retain their ability to take action against IHEs (ed – institutions of higher education) that violate consumer protection laws. For example, the New York State Attorney General currently has the authority to investigate and take action regarding complaints from New York State residents who are enrolled in out-of-state postsecondary distance education based upon New York consumer protection and fraud statutes. *That does not change if New York State joins SARA*” (ed - italics added).

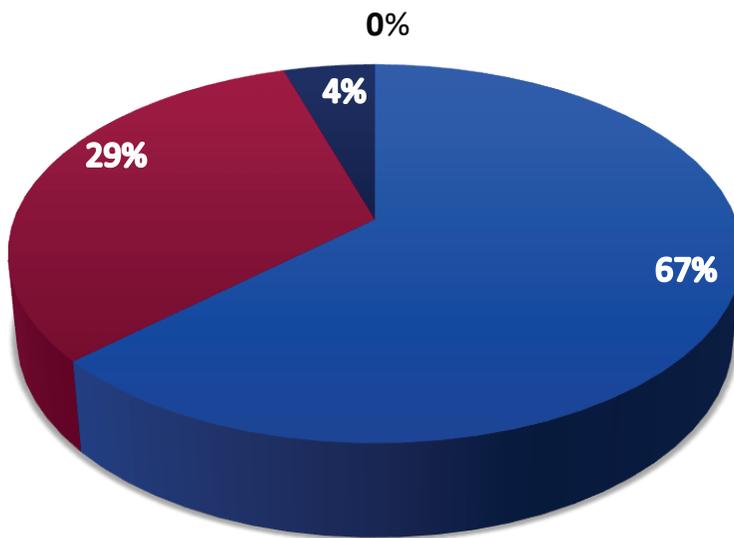
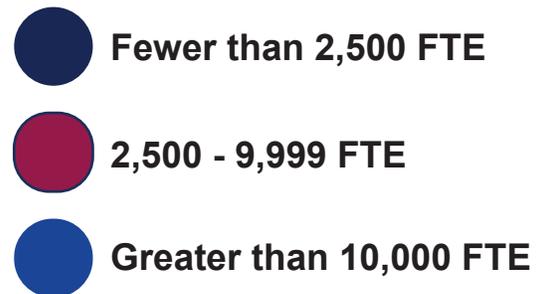
Thank you for your attention and for the opportunity to meet with you today.



Marshall A. Hill, PhD
Executive Director,
National Council for State Authorization Reciprocity Agreements



SARA Institutions by **SIZE**



SARA Institutions by **SECTOR**



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As of September 11, 2016