

September 7, 2016

MEMORANDUM

TO: State Board of Regents

FROM: David L. Buhler

SUBJECT: USHE – State Authorization Reciprocity Agreement (SARA) Institution Membership Fees

Issue

In accordance with Utah Code §63J-1-504 – Budgetary Procedures Act, the Commissioner requests Board approval to establish membership fees for USHE and non-USHE accredited Utah institutions which choose to participate in State Authorization Reciprocity Agreement (SARA). The fees will cover administrative costs incurred as the portal agency for the state of Utah.

Background

Utah Code §53B-16-109 authorizes the State Board of Regents to execute an interstate reciprocity agreement regarding interstate offering of postsecondary distance education courses and programs, known as SARA. As a SARA state, the Board of Regents, via the Commissioner's office, serves as the portal agency—the agency which administers the SARA consortium in Utah. Public and private accredited institutions may apply to the Board to be members of the consortium, thereby allowing member institutions to provide online education in any other SARA state without the cost and administrative burden of complying with each state's specific educational consumer protection and certification laws.

The statute also grants the Board authority to establish membership fees that will cover the administrative costs associated with serving as the portal agency, including staffing, travel to national SARA meetings, developing and maintaining the Utah SARA website, and annually reviewing membership applications. An estimated 20 accredited postsecondary institutions domiciled in Utah will voluntarily apply to participate as SARA institutions.

The annual fee is based on an institution's total full-time equivalent (FTE) enrollment as shown in the Integrated Postsecondary Education Data System (IPEDS); the fee amount mirrors the national SARA consortium assesses as part of the application process, and is as follows:

Enrolled FTE as reported to IPEDS	Annual Fee
under 2,500	\$2,000
2,500-9,999	\$4,000
10,000 or more	\$6,000

Staff anticipates the total fees collected each year will fund approximately .5 FTEs, which matches the expected workload for administering the consortium. Staff will annually assess if the fee is appropriately covering administrative costs and adjust the fee amount upward or downward as appropriate.

Because the fee is collected as a revenue source that pays for services, the State Budgetary Procedures Act requires the Board to approve the fee in a public meeting and submit the fee schedule annually to the Higher Education Appropriations Subcommittee for approval. Approving the above fee proposal will ensure the Board complies with the Act and will allow the Commissioner's office to move forward with receiving applications for membership in SARA.

Commissioner's Recommendation

The Commissioner recommends the Regents approve the annual fee schedule for qualified Utah institutions to participate in SARA.

David L. Buhler
Commissioner of Higher Education

DLB/KLH/GTL