

# CAPITOL RESEARCH

## ● ● ● INTERSTATE COMPACTS

## State Authorization Reciprocity Agreement Backgrounder

### Background

Higher education institutions are increasingly able to offer services to students on a national canvas with the use of technology. Many of today's colleges and universities employ online learning to offer education on a national, and even international scale. As technology continues to improve, many colleges and universities likely will place a greater emphasis on distance learning as a way to offer high quality educational opportunities across state lines.

According to a 2010 survey by the Sloan Consortium, an organization dedicated to improving online education in higher education, enrollment in online courses rose by nearly 1 million students between 2009 and 2010.<sup>1</sup> The same survey indicated that nearly 5.6 million students were enrolled in at least one online course in fall 2009, the most recent year for which figures are available.<sup>2</sup> With a growth rate of more than 20 percent between 2009 and 2010, online enrollment represents the fastest-growing segment of the higher education population. Despite this growth, the distance learning community faces significant challenges.

Higher education regulatory requirements were initially designed to regulate in state residential campuses. On top of that regulatory and evaluative measures vary considerably from state to state. This means states and the institutions that seek approval to offer courses within them are frequently engaged in duplicative, costly, time-consuming and inconsistently applied regulatory processes. The duplicative nature of the regulatory approval process results in higher costs for institutions offering distance learning courses. These costs get passed along to consumers.

As technology continues to improve and institutions with a national footprint continue offering more online and distance learning courses, reform to the state regulatory review and approval process is necessary. If implemented correctly this reform has the potential to improve access to higher education, save states and institutions money and increase nationwide graduation rates. To that end, The Council



of State Governments' National Center for Interstate Compacts and The Presidents Forum have been working to draft a model interstate compact designed to promote interstate reciprocity in online and distance learning.

The State Authorization Reciprocity Agreement aims to reduce barriers and increase access to postsecondary education by providing a process that would make state authorization more efficient and uniform. While state policymakers have several viable options to consider when working cooperatively across state lines, a compact is the most sustainable and enforceable means of achieving interstate uniformity in distance learning.

### About the Agreement

The State Authorization Reciprocity Agreement offers a process that could make state authorization more efficient, more uniform and more effective in dealing with quality and integrity issues that have arisen in some online/distance education offerings. It

also could be less expensive for states and institutions and the students they serve.

The agreement seeks to:

- Assure that states in the agreement have authorization processes that meet minimal standards; and
- Shift the responsibility for authorization to the home state of the institution.

The drafters believe the agreement, to be effective, must establish minimal standards all the member states are comfortable with when granting an institution the authority to operate. Drafters of the compact believe the compact's governing body should set out standards. They did, however, outline broadly what is necessary to promote and ensure trust between member states. Some of those standard criteria include:

- Institutional status;
- Curricula;
- Learning outcomes;
- Award of credit;
- Student support services;
- Academic support services;
- Admissions;
- Recruitment and marketing; and
- Financial services

The compact also shifts the responsibility for authorization and continuing oversight to the home state of the institution. Once a college or university receives approval in its home state, it will not need to seek separate approval in other member states. This represents a significant shift from the way institutions currently are granted approval to operate. Under the current system, an institution must seek and receive approval to operate in each individual state in which

it wishes to offer courses. The drafting team hopes that shifting the focus to the home state will save institutions from having to go through multiple and costly approval processes, reduce the duplicative workload and costs carried by the respective states, and increase student access to high quality distance learning opportunities.

The drafters also are working to develop both an operational structure that includes a self-sustaining financial model that does not rely on member state dues and a governance structure that will have enforcement and oversight capabilities. Additionally, the drafting team, along with CSG and the Presidents' Forum, are continuing to explore partnership opportunities with the existing higher educational regional compacts. The drafting team is expected to consider these issues, along with the minimum number of states needed to trigger the compact, when it meets again.

## Next Steps

The drafting team is expected to meet at least once more in the summer of 2012 to finalize the draft and begin sharing it more broadly with the higher education community. The goal will be to receive broad-based feedback from both policymakers and various stakeholder groups in an effort to promote openness and transparency. CSG, The Presidents Forum and the drafting team are continuing discussions with the existing regional higher education compacts in an effort to create a unified State Authorization Reciprocity Agreement document. The drafting team hopes to have compact language finalized by the end of 2012 and to begin seeking legislative consideration and approval in the 2013 legislative session.



### CSG RESOURCES:

The National Center for Interstate Compacts; <http://www.csg.org/ncic/>  
State Authorization Reciprocity Agreement;  
<http://www.csg.org/NCIC/MultiStateDistanceEducationReciprocityCompact.aspx>

### OTHER RESOURCES:

Lumina Foundation for Education; <http://www.luminafoundation.org/>  
Presidents' Forum; <http://presidentsforum.excelsior.edu/>

### REFERENCES

<sup>1</sup>The Sloan Consortium. "Class Differences: Online Education in the United States." 2010. Accessed on June 13, 2012; [http://sloanconsortium.org/publications/survey/class\\_differences](http://sloanconsortium.org/publications/survey/class_differences).  
<sup>2</sup>Ibid.



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