



State Council of  
Higher Education for Virginia

# What You Need to Know If Your Institution Offers Distance Education

History, Law, State Authorization  
and the Birth of SARA

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Private and Out-of-State Postsecondary Education

# Today's Agenda

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- Definitions
- Virginia Requirements - Physical Presence
- Program Approvals for Online Programs
- State Authorization
- State Authorization Reciprocity Agreement (SARA)
- How State Authorization impacts certified institutions in Virginia
- Case Studies

# DEFINITIONS

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## The Code of Virginia

Current: § 23-276.1- § 23-276.16

Effective 10/1/2016: § 23.1-213- § 23.1-229

- Does not define “Distance” or “Online” education
- Refers to instruction via “telecommunications” equipment
- Does not define “telecommunications”

# DEFINITIONS

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## The Virginia Administrative Code

8VAC40-31 et seq.

- Defines "Distance education" as “education that uses the Internet ... to deliver instruction to students who are separated from the instructor...”
- Defines “Telecommunications activity” as “any course offered by a postsecondary school...where the primary mode of instructional delivery is by television, videocassette or disc, film, radio, computer, or other telecommunications devices.”

# DEFINITIONS

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## Dictionary

- Defines “Telecommunication” as “communication over a distance by cable, telegraph, telephone, or broadcasting.”

# Definitions

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For the purposes of this presentation:

- “Distance Education” will refer to as education that uses the Internet to deliver instruction to students.
- Distance Education will be used interchangeably with Online education.

# Virginia Requirements

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- Virginia does not regulate online education unless the institution has physical presence in the Commonwealth
  - A building
  - Online education that originates from equipment located in Virginia

# Virginia Requirements

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- These items do not trigger physical presence:
  - Instructors teaching online courses for an institution outside of Virginia
  - Virginia residents taking online courses originating outside of Virginia
  - Advertising in Virginia by online institutions outside the Commonwealth
  - Internships, Externships or Clinical Placements in Virginia

# Virginia Requirements

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- New schools that wish to offer strictly online education must prove they are not “shadow institutions” prior to being granted a certificate to operate.

# Virginia Requirements

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## QUIZ TIME

Can the following institutions offer online education to Virginia residents without becoming certified?

- University of North Carolina
- Beach Haven College (an unaccredited college located in California)
- Atlas Institute (an accredited non-degree training school located in Florida)
- Medical Coding School of Springfield (An unaccredited non-degree school located in Illinois)

# New Program Approvals

- Once upon a time, SCHEV did not require that institutions report the modality of the education provided by the institution
- Internal policy changed when new regulations were approved in February 2014
- New program approvals require that the institution report whether the PROGRAM is face-to-face, online or hybrid.

# Program Approvals

- Important Definitions
  - Online Program: One that is completed by the student in an entirely online format
  - Hybrid Program: One that is completed by the student by taking a combination of online courses and face-to-face courses
  - An institution may have the same program in three different modes of delivery: face-to-face, online and hybrid

# State Authorization

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- A condition of the Higher Education Act that requires institutions to be authorized in the state in which they are located as a condition for eligibility to receive Title IV Federal student aid.

# State Authorization

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- On 10/29/2010, the US Department of Education issued the final Program Integrity regulations.
- The document clarified the role and minimum expectations of states.
- The US Department of Education declared that state authorization was a long standing requirement for institutions to be eligible for Title IV funding.

# State Authorization

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- In simple terms, an institution is properly authorized by a state if:
  - the State has a process to review and appropriately act on complaints concerning the institution; and
  - the institution meets specific authorization criteria outlined in the program integrity regulation

# State Authorization

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- The explanation of how institutions can meet the state authorization requirements is complex and still somewhat confusing six years after the fact. However; the following is an attempt to simplify the three ways institutions meet the state authorization requirement in Virginia:

# State Authorization

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## #1

- The institution is established by name as an educational institution (done by a state through a charter, statute etc.) and is authorized to operate educational programs beyond secondary education
- This is how public institutions in Virginia are authorized
- This is also how SCHEV authorizes institutions that are no longer required to certify

**or**

# State Authorization

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#2

- The institution complies with any applicable State approval requirements.
- SCHEV certified institutions meet the requirement in this manner

**or**

# State Authorization

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## #3

- The institution is exempt from State authorization as a religious institution under the State constitution or by State law.

# State Authorization

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The US Department of Education requirement that the state have a process to review and appropriately act on complaints concerning the institutions in Virginia has been met. SCHEV is the state agency responsible for all student complaints. The POPE unit responds complaints from all Virginia institutions.

# State Authorization

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- The program integrity rules specifically addressed the issue of distance education as follows:
  - If an institution is offering postsecondary education through distance or correspondence education to students in a State in which it is not physically located or in which it is otherwise subject to State jurisdiction as determined by the State, the institution must meet any State requirements for it to be legally offering postsecondary distance or correspondence education in that State. An institution must be able to document the State's approval upon request.

# State Authorization

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## QUIZ TIME

- 50 students who live in Pennsylvania wish to enroll in Liberty University (LU) Online. Does LU need approval from Pennsylvania to enroll them?
- New York University (NYU) wants to put up a huge billboard in Boston to advertise its online MBA program. Does NYU need approval from Massachusetts to do this?
- Duke University wants to enroll 4 students from Maine in its online Bachelor of Science in Accounting. Does it need approval from Maine to do this?

# State Authorization

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## QUIZ TIME

- What issues does an institution with online presence in 50 states face?

# State Authorization Reciprocity Agreements (SARA)

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- The State Authorization Reciprocity Agreement (SARA) is an agreement among member states that establishes national standards for offering postsecondary distance education across state lines.
- SARA is overseen by a National Council and administered by four regional education compacts. (Including SREB in the south)

# State Authorization Reciprocity Agreements (SARA)

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- SARA centralizes the authorization process for each institution in its “home state.”
- Colleges or universities in a SARA state only need their home state authorization to offer distance education to any other SARA member state.

# State Authorization Reciprocity Agreements (SARA)

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## The Process

- The members of SARA are states, not institutions or students.
- States join one of four regional education compacts.
- After a state becomes a “member” of SARA, institutions can apply to “participate in” SARA through the state portal.
- In Virginia the state portal is SCHEV.

# State Authorization Reciprocity Agreements (SARA)

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## The Process (Cont'd)

- Institutions pay a fee to the National Council for SARA to participate in SARA. This annual fee is based on an institution's total full-time equivalent (FTE) enrollment and can be \$2000, \$4000 or \$6000 per year.
- States also assess a fee for institutional participation. In Virginia, the fee is \$1000, \$2000 or \$3000 and is also based on FTE.

# State Authorization Reciprocity Agreements (SARA)

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## The Process (Cont'd)

- If a State does not become a member of SARA, the institutions in that state cannot participate in SARA.

# State Authorization Reciprocity Agreements (SARA)

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The following states are not yet members of SARA:

- California, Utah, Wisconsin, New York, Kentucky, North Carolina, South Carolina, Florida, Pennsylvania, Connecticut, Delaware, District of Columbia, Hawaii, Massachusetts

# State Authorization Reciprocity Agreements (SARA)

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## Benefits to Institutional Participation

- Cost Saving
  - Fees paid to each state in which the institution must be authorized can be exorbitant
- Time Saving
  - Institutions must complete applications for each state in which they seek authorization

# State Authorization Reciprocity Agreements (SARA)

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Virginia has been a member of SARA since 10/17/2014 and has approved 34 Virginia institutions.

# Virginia SARA Institutions

- Averett University
- Bluefield College
- College of William and Mary
- Danville Community College
- Eastern Mennonite University
- ECPI University
- Germanna Community College
- J Sargeant Reynolds Community College
- James Madison University
- Jefferson College of Health Sciences
- Liberty University
- Longwood University
- Lord Fairfax Community College
- Lynchburg College
- Mary Baldwin College
- Marymount University
- New River Community College
- Norfolk State University
- Northern Virginia Community College
- Old Dominion University
- Patrick Henry College
- Radford University
- Regent University
- Sentara College of Health Sciences
- Shenandoah University
- Stratford University
- Tidewater Community College
- University of Management and Technology
- University of Mary Washington
- University of Virginia
- Virginia Commonwealth University
- Virginia Polytechnic Institute and State University
- Virginia Union University
- Wytheville Community College

# SARA Eligibility

- Virginia institutions seeking approval to participate in SARA must meet ALL the following eligibility requirements:
  - be accredited as a degree-granting institution of higher education by an accreditor recognized by the U.S. Department of Education (USED);
  - be authorized to operate in Virginia as an in-state institution;
  - if not a public institution, document a composite score of at least 1.5 out of 3.0 on the USED financial stability scale.



How Does State Authorization  
Impact SCHEV Certified  
Institutions Offering Online  
Education?

# Virginia In-State Institutions

Accredited, Degree Granting and Title IV Eligible

- If you have students who are residents of states other than Virginia and these students enroll in even one online course:
  - Ensure that your institution is compliant with the requirements for each state where students reside
  - This may mean obtaining the equivalent of “certification” in each of those states; applying for participation in SARA; or both.

# Virginia In-State Institutions

Accredited, Non-Degree and Title IV Eligible

- If you have students who are residents of states other than Virginia and these students enroll in even one online course:
  - Ensure that your institution is compliant with the requirements for each state where students reside
  - This may mean obtaining the equivalent of “certification” in each of those states.
  - Applying for SARA participation is NOT an option for these institutions.

# Virginia Out-of-State Institutions

Accredited, Degree Granting and Title IV Eligible

- Ensure that your “Home State” is in compliance (or working toward compliance) with state authorization requirements for online education being provided to residents of states other than the “Home State.”

# QUIZ TIME

## Case Study #1

Metropolitan College, an in-state, accredited, degree granting, title IV eligible institution located in Alexandria, Virginia enrolls students from 36 different states. A student, who is a resident from New Jersey, goes home for the summer and decides to take two online courses offered by Metropolitan College over summer break to speed up his degree.

Does Metropolitan College need to get state authorization from New Jersey?

What would you recommend to Metropolitan College?



# QUIZ TIME

## Case Study #2

Arlington School of Massage Therapy (ASMT), is an in-state, accredited, non-degree, title IV eligible institution located in Arlington, Virginia. Its massage therapy program has two components. The didactic portion of the program is offered in an online modality and the school has created a platform that meets all the requirements of acceptable online education in accordance with Virginia regulation. The hands on portion of the program is delivered at the location in Arlington. ASMT enrolls students from Virginia, Washington DC and Maryland.

Does ASMT need to get state authorization from DC and Maryland?

What would you recommend to ASMT?



# SARA Information

For additional information regarding SARA

<http://nc-sara.org/>

# SARA Portal in Virginia

## State Portal Agency Contact:

Darlene Derricott  
Director of Academic Services  
State Council of Higher Education for Virginia  
101 N. 14th Street, 9th Floor  
Richmond, VA 23219  
804.225-2621  
[DarleneDerricott@schev.edu](mailto:DarleneDerricott@schev.edu)

For additional information regarding SARA in Virginia:

<http://www.schev.edu/AdminFaculty/SARA.asp>

QUESTIONS?

