

**LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS**

Bill Number: SB 446a

52nd Legislature, 1st Session, 2015

Tracking Number: .198319.1

Short Title: Interstate Distance Education Act

Sponsor(s): Senator John M. Sapien

Analyst: Travis Dulany

Date: February 20, 2015

AS AMENDED

The Senate Education Committee amendment adds New Mexico Military Institute under the definition of “public post-secondary educational institution.”

Original Bill Summary:

SB 446 creates the *Interstate Distance Education Act* in higher education law.

Among its provisions, the bill:

- defines “state authorization reciprocity agreement” (SARA) as an agreement, developed by the National Council for State Authorization Reciprocity Agreements (NCSARA), that provides uniform standards and parameters for the interstate provision of postsecondary distance education and programs;
- requires the Higher Education Department (HED) to establish a program for facilitating:
 - the receipt of distance education by students in the state; and
 - the provision of distance education by participating postsecondary educational institutions to students in other states;
- allows the department to enter into:
 - an agreement for the Western Interstate Commission for Higher Education (WICHE) to administer, and for the state to participate in, a SARA; or
 - a reciprocal agreement with another state for the:
 - receipt of distance education by New Mexico students from the other state’s institutions that:
 - ✓ provide higher education instruction; and
 - ✓ are approved for participation in the reciprocal agreement by the appropriate agency of the other state; and
 - provision of distance education by participating postsecondary educational institutions to students in the other state.

SB 446 also provides requirements for:

- program participation by postsecondary institutions;
- monitoring; and
- reporting.

Finally, SB 446 adds language to the *Out-of-State Proprietary School Act* to clarify that the provisions of that act do not apply to institutions participating in an agreement under the *Interstate Distance Education Act*.

Fiscal Impact:

SB 446 does not contain an appropriation.

Fiscal Issues:

According to the analysis by HED:

- SARA allows higher education institutions to accept distance education students from other states that have agreed to the SARA;
- fees for higher education institutions to offer distance education programs in other SARA states range from \$2,000 to \$6,000, depending upon enrollment; and
- without the SARA, institutions would need to pay individual state authorization fees as high as \$40,000 in some states.

Likewise, the analysis by the University of New Mexico (UNM) states that, if UNM were to pursue comprehensive interstate authorization without SB 446, the university could see annual costs in processing fees of as much as \$300,000, in addition to the cost in human resources for administration.

Substantive Issues:

The analysis by Western New Mexico University suggests that the bill might result in a duplication of effort. The UNM analysis, however, states that SB 446 would strengthen consumer protection in distance education and facilitate more efficient delivery of high-quality distance education.

According to NCSARA:

- states and territories regulate higher education within their borders, often with varying requirements for out-of-state institutions that want to do business in the state;
- cross-state online education offered by colleges and universities is expanding;
- higher education institutions must seek approval from higher education authorities in each state in which they enroll distance education students;
- as a result, thousands of institutions are required to contact and work through as many as 54 states and authorities in order to provide distance education;
- by collaborating with other states through the SARA, New Mexico higher education institutions can achieve state authorization in a more efficient, less costly way; and
- the SARA agreement further opens up additional educational opportunities for New Mexico students seeking to enroll in distance education in other states.

NCSARA further notes that:

- the SARA program is overseen by a national council and administered by four regional higher education compacts, including the:
 - New England Board of Higher Education;
 - Midwestern Higher Education Compact;
 - Southern Regional Education Board; and
 - WICHE; and

- the following states are participating in the SARA:
 - Alaska;
 - Arizona;
 - Colorado;
 - Idaho;
 - Indiana;
 - Kansas;
 - Louisiana;
 - Minnesota;
 - Missouri;
 - Montana;
 - Nebraska;
 - Nevada;
 - New Hampshire;
 - North Dakota;
 - Oregon;
 - South Dakota;
 - Virginia;
 - Washington; and
 - West Virginia.

Committee Referrals:

SEC/SJC/SFC

Related Bills:

SB 229 *Remove Requirement for Certain School Classes*