



NATIONAL ASSOCIATION OF STATE ADMINISTRATORS
AND SUPERVISORS OF PRIVATE SCHOOLS

Federal Rules Update: State Authorization and Reciprocity

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2024 NASASPS Annual Conference

April 7-10 | Charleston, SC

Overview



- **2023 Rulemaking**
- **2024 Rulemaking**
- **How to participate in the rulemaking process**

2023 Rulemaking - State Closure Laws

Title IV institutions must comply with applicable state laws **related to closure** in each state:

- where institution is located
- where online students are located



2023 Rulemaking - State Closure Laws

- Applicable state laws related to closure could include:
 - record retention laws,
 - teach-out plan or agreement requirements, or
 - tuition recovery funds or surety bonds requirements.
- Rule will take effect July 1, 2024
- Rule codified at 34 CFR 668.14(b)(32)(iii)(32)(iii)

2023 Rulemaking - Prof. Licensure

Rule requires institutions to determine that programs meet requirements for prof. licensure in state where program is offered and where online students are located.



2024 Rulemaking

- Negotiated rulemaking held Jan. - March 2024
- Considered changes to rules on state authorization, reciprocity
- No consensus reached
- Next step: Dept. issues proposed rule, accepts public comments

2024 Rulemaking - State Authorization

- Dept.'s proposal would eliminate exemptions based on:
 - Accreditation status
 - More than 20 years in operation
- Dept.'s proposal would limit state authorization via reciprocity to schools with under 500 students enrolled in state



2024 Rulemaking - Reciprocity



- Dept.'s proposal would:
 - require reciprocity agreements to permit states to enforce state laws related to closure
 - require institutions with more than 500 students enrolled in the state to seek direct authorization
 - allow member states to condition/revoke authorization of SARA schools based on violations of state's general purpose laws.

2024 Rulemaking - Reciprocity

Complaint handling:

Dept.'s proposal would require reciprocity agreements to permit states to accept complaints even if complaint did not first go through the institution's complaint process.



2024 Rulemaking - Reciprocity



Governance

- Addressing concerns that SARA policy gives NC-SARA Board veto power over all policy changes
- NC-SARA Board includes:
 - reps of regulated institutions, and
 - non-state actors who are not accountable to member states
- Dept.'s proposal would limit governing board to state regulators, state licensing bodies, and state AGs

2024 Rulemaking - Distance Ed

Dept.'s proposals would:

- disallow aid for “clock hour” asynchronous courses
- create a “virtual location” for collecting data on distance ed courses
- add a new attendance-taking requirement for distance education programs

How to participate in rulemaking

- Meet w/Dept. officials to propose reforms
- Serve as a negotiator or nominate a colleague to serve
- During the neg reg, reach out to negotiators to express your views, propose text, or submit materials
- Make a public comment during the neg reg sessions
- Submit public comments to the Dept. about proposed rules



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Questions?

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Thank you!

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