

State Authorization and Non-Credit Courses



While the Federal State Authorization regulations do not specifically address non-credit courses, several states have requirements addressing non-credit courses. These requirements include both approvals and exemptions. This document is intended to help make informed decisions concerning the offering of Continuing Education/Non-Credit courses to students who are located outside North Carolina.

Most conversations concerning State Authorization center around the Federal Requirements; however, states have long-standing regulations addressing educational offerings within their borders. Federal policy stipulates that an institution must be in compliance with all applicable state laws for an institution to participate in Title IV and other HEA programs. SACSCOC Federal Requirement 4.7 requires an institution be in compliance with Title IV responsibilities.

Following the “Navigating State Authorization Amidst Emerging Reciprocity” webinar hosted by the Midwestern Higher Education Compact (MHEC) on April 16, 2014, a document was posted that includes the following question and answer addressing Continuing Education.

Q1: I have a question about Continuing Education at my institution. They think because they don’t offer credit courses, or financial aid, that they are exempt from state authorization of their online programs and certificates. I feel they should they need [sic] to be under the same authorization as the credited campus courses.

A1: If an entity is “doing business” in another state, they need to be concerned about state authorization (and potentially about getting licensed as a business in that state). Therefore, if your school is accepting money from students in other states for an online Continuing Ed course (even if it’s noncredit and financial aid is not involved), then you can count on many of those states expecting you to be authorized to do business there. This is why it’s important to check every state’s regulations, as each state may treat this case differently. ([Webinar QA](#))

Also, the Cooperative for Educational Technologies (WCET) has published a Talking Points white paper addressing this topic. WCET operates under the auspices of the Western Interstate Commission for Higher Education, and its staff has been active in obtaining and sharing information on state authorization for many years. This document gives a comprehensive overview of state authorization and non-credit courses and includes a list of states that specifically address non-credit courses. ([WCET Talking Points – Non-Credit Courses and Programs](#))

One state that was omitted from the WCET white paper is Arkansas. Section III of that state’s “Rules for Institutional and Program Certification,” effective January 2015, describes instances where exemptions are available including SREB Electronic Campus and SARA participants. The document includes the following statement in which the underline is included:

Institutions that do not meet exemption criteria or offer both non-academic programs such as church-related training and college-credit courses that lead to a degree that is customarily granted by colleges and universities must obtain institutional and course/degree program certification to continue operating in Arkansas. [Institutional Certification Process](#)

While exemptions are available from the state of Arkansas for institutions offering **only** non-credit courses, the following statement is included on Form 17B, "Request for Letter of Exemption from Certification."

*A statement that it is understood that a letter of exemption from certification will **not** be issued if the institution offers college-level degree programs customarily taught in colleges and universities, which are accredited by accrediting agencies recognized by the U.S. Department of Education. ([Academic Affairs Certification](#), Form 17B)*

What does this mean for courses offered via Ed2Go and any other non-credit offerings?

When contacted, Ed2Go provided information that their servers are located in Ohio and their main office is in California. The information posted on the SHEEO state survey indicates that Ohio does not consider computing services to be a physical presence trigger. A list of states where Ed2Go instructors reside has been requested and will be distributed when received.

In the absence of a reciprocity agreement, To offer courses to students within states with regulations specifically addressing non-credit offerings, colleges must comply with those regulations. For other states, a best-practice would be to inquire with the regulating agency to ascertain for certain whether authorization and/or an exemption is required.

Reciprocity Agreements and Non-Credit Courses

Until the agreement expires June 30, 2017, North Carolina is a signatory to the regional SREB Electronic Campus Regional Reciprocity Agreement (SECRRA). Institutions may participate in the SREB Electronic Campus for credit-bearing courses and programs; however, SECRRA excludes continuing education/non-credit courses.

Looking ahead, while SARA does not explicitly address non-credit instruction, although if an institution participates in SARA, its for-credit and non-credit activities are covered by the agreement ([non-covered issues](#)).

When asked about Ed2Go and other third-party providers at a meeting in 2016, Mary Larson, SREB's NC-SARA liaison, stated that students must register and pay the institution to be covered under NC-SARA. The instruction is not covered under SARA if students register and pay the third-party.

SARA also does not deal with offerings provided free and beyond the scope of current regulation of the degree programs of accredited academic institutions (free courses, non-credit MOOCs, etc.). Studies leading to a high school equivalency and other pre-postsecondary activities are not covered by the NC-SARA agreement.

On June 9, 2016, the Southern Regional Education Board (SREB) approved the North Carolina application to join the National Council of State Authorization Reciprocity Agreements (NC-SARA). Our state portal is located at the North Carolina State Education Assistance Authority (NCSEAA). NCSEAA began accepting applications beginning October 1, 2016, from accredited higher education institutions in our state. Participation is a decision to be made by each local college. Applications may be submitted at any time.

The acronym for our state authorization organization is [SARA-North Carolina](#) (State Authorization Reciprocity Agreements of North Carolina). To join SARA-North Carolina, institutions will be required to complete a detailed application and supporting documentation. The application may be viewed at [NC-SARA Institutional Application](#).

Questions for your Campus

A few of the questions which affect the Continuing Education/Workforce Development area directly are:

- Does the institution contract with a third-party to provide instruction?
- Does the institution hire faculty or have students who reside out-of-state?
- Which states are involved?
- Does the institution offer MOOCs or other free courses to out-of-state students?

The decision must be made at the institutional level on how to proceed for state authorization as the situation of both curriculum and continuing education must be considered. For some institutions with little exposure, seeking authorization from individual states may make the most sense. For others, joining SARA will be the best choice.

For more information on the process and questions to consider, please see the Compliance Guide for HEOA-DOE State Authorization Regulations as Related to Distance Learning which can be found in the State Authorization section of the NCCCS VLC website.

Links Referenced

Academic Affairs Certification, Form

17B: http://www.adhe.edu/divisions/academicaffairs/Pages/aa_certification.aspx

Institutional Certification

Process: <http://www.adhe.edu/SiteCollectionDocuments/AcademicAffairsDivision/Institutional%20Certification%20Process.pdf>

Non-covered issues: <http://nc-sara.org/about/issues-sara-does-not-address>

WCET Talking Points – Non-Credit Courses and Programs: <http://wcet.wiche.edu/wcet/docs/talking-points/WCETTalkingPoints-NonCreditCoursesPrograms-04-17-2014.pdf>

Webinar QA: <http://www.mhec.org/sites/mhec.org/files/20140416webinarQA.pdf>