



# More Than SARA: The Out-of-State Activity Compliance Rules All Institutions Should Care About (Yes, Even in California)

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USDLA Policy Week  
January 20, 2026



# Agenda

Introduction

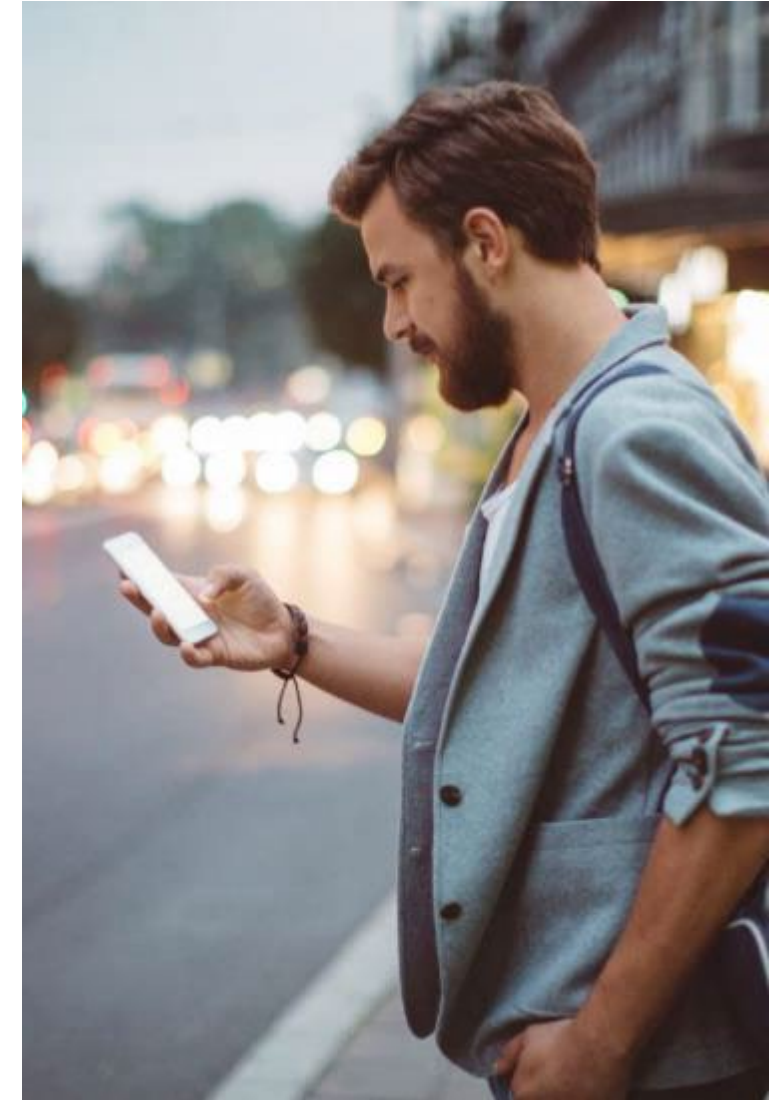
Foundational Principles for  
Out-of-State Activity  
Compliance

Federal & State Policy  
Distinctions

Federal Regulations related  
to Out-of-State Activities

Updates for State  
Institutional Approvals

Discussion, Questions, and  
Comments





<https://wcetSAN.wiche.edu>

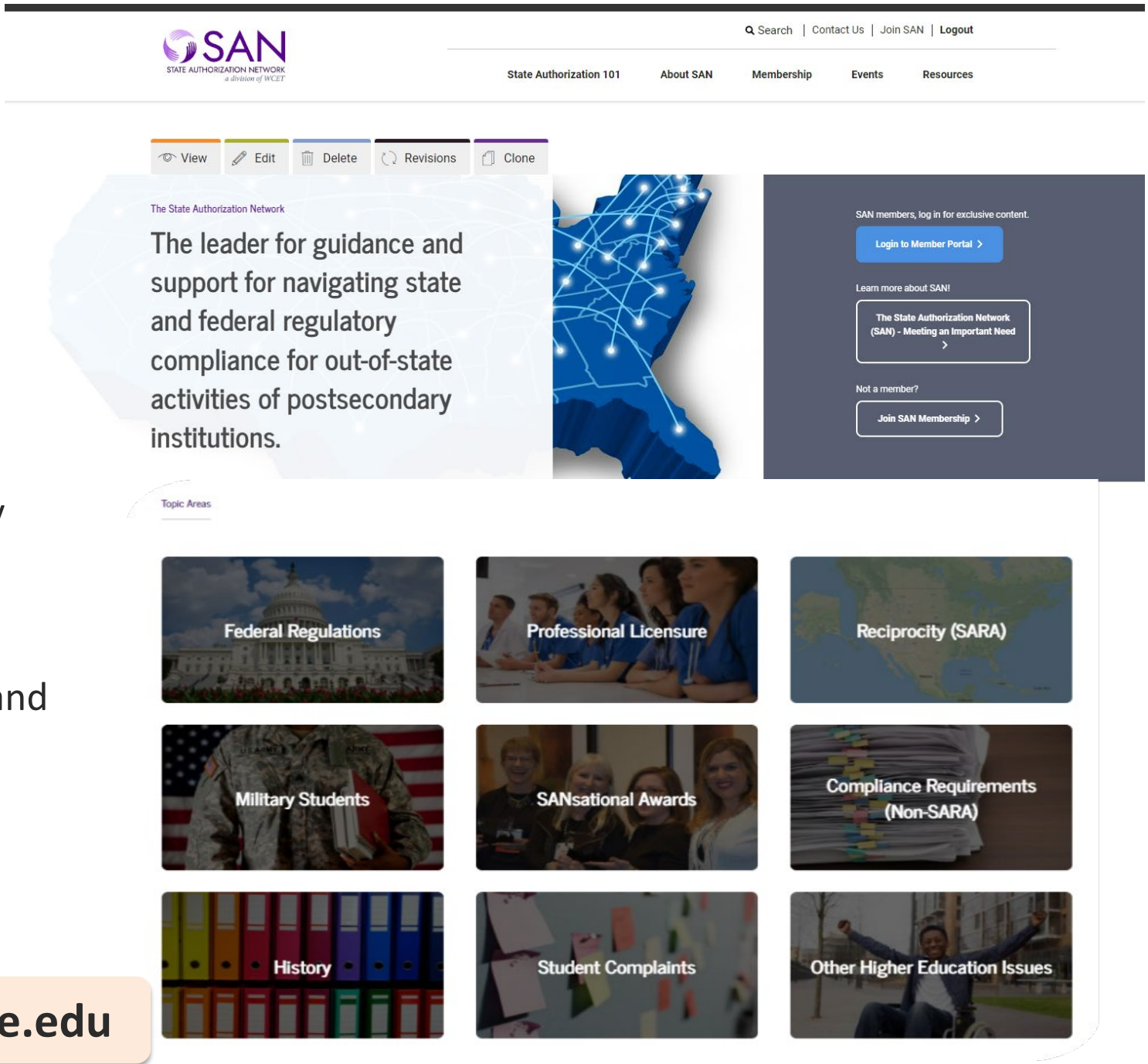
# Introduction

Cheryl Dowd; Senior Director, SAN and WCET Policy Innovations

# Who we are

Since 2011, the State Authorization Network (SAN) has empowered its members to successfully resolve postsecondary statutory and regulatory compliance challenges.

We provide expert analysis, resources and training to prepare for emerging issues, collaborate on compliance strategies, develop solutions and evaluate their efficacy.

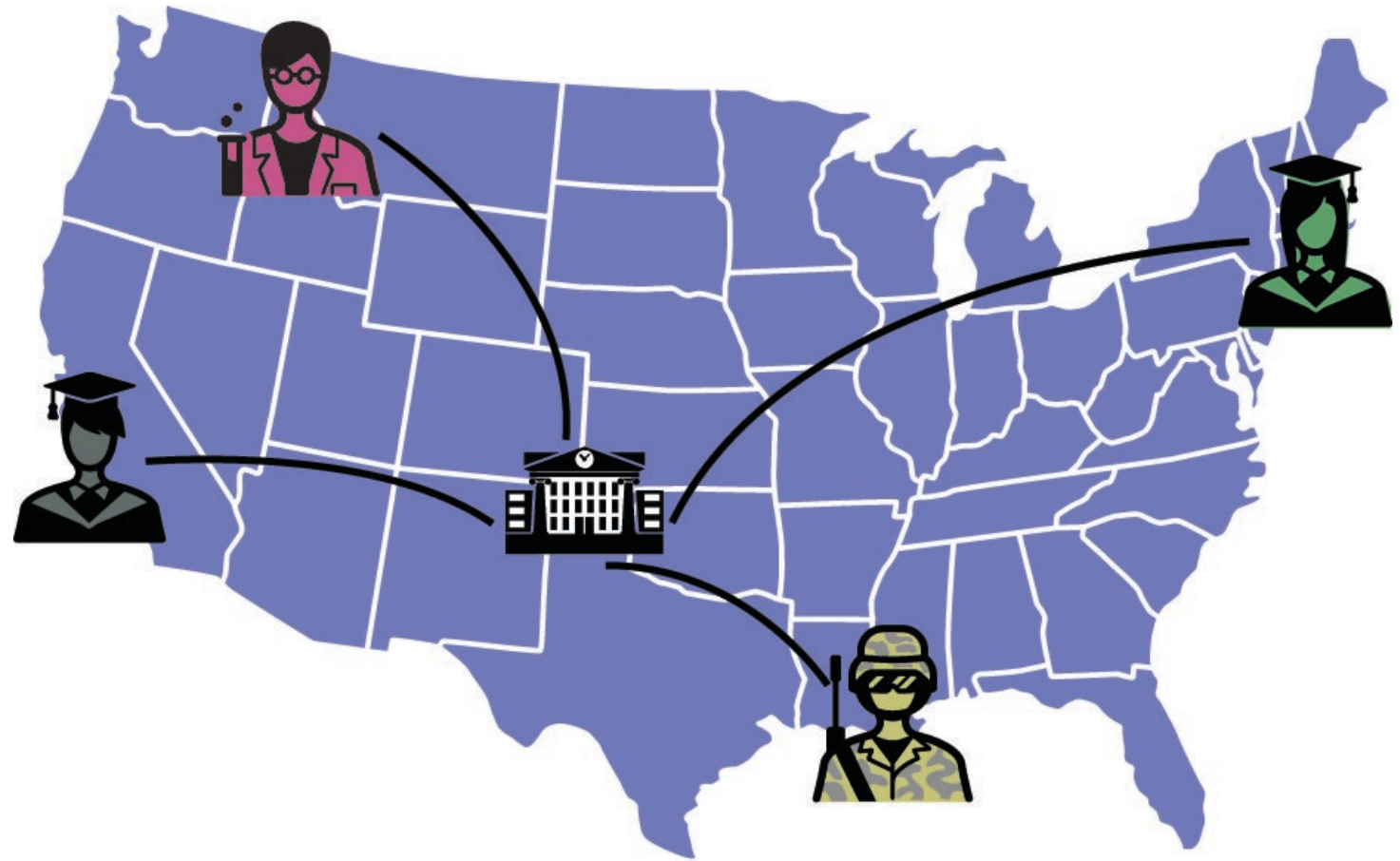




# Foundational Principles for Out-of-State Activity Compliance

# State Compliance for Out-of-State Activities

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## Foundational Principle:

If an activity occurs in another state, the institution must determine if that state has any oversight of that activity.

# Types of State Compliance:

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**States Vary Widely!**

- **State Institutional Approval** – Higher Education Agency or through reciprocity in SARA member states.

## **No reciprocity through SARA for these responsibilities:**

- **State Program Approval** - state professional boards and new Workforce Pell program approvals.
- **State Registration** – State Secretary of State, Revenue Treasury (doing business; agent for service of process)
- **Tax Implications** – Department of Taxation; withhold state income tax for employees (faculty/staff) working from another state and possible digital sales tax implications.
- **Workers Compensation Insurance** – Department of Labor or others primarily for employees, but also for Field Placements in Colorado.

Examples of state requirements for programs leading to a license:

- The actual program must be reviewed by the state.
- The program must be registered in the state.
- The clinical placement must be registered in the state.
- The faculty member must be licensed where the student is located to teach the student in that state.

**State Program Approval Possibilities  
(states & professions vary)**

**Don't forget!**

# Activities Occurring Around the World



## Institution Considerations

- Institutional Approval
- Recognition of Degrees
- Data Privacy
- Web Accessibility
- Export Controls
- Tax Implications (VAT & Digital Sales Tax)
- Employment Related issues
- Professional Licensure Requirements

**\*could be applicable to military students as well!**



# Federal and State Distinctions

# Who Oversees the Rules?

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## State Agencies with Oversight

- Higher Education Agency
- Licensing Boards
- Secretary of State
- Department of Taxation
- Department of Labor
- +more

## Federal Agencies with Oversight

- Department of Education
- Department of Justice
- Department of Veterans Affairs
- Department of Defense
- Department of Labor
- + more

# State Authorization Related Examples

## STATE

- **State Institutional Approval**
  - Interstate Distance Education
    - Individual State to State
    - Reciprocity (SARA)
- **State Program Approval**
  - Interstate Prof. Licensure Programs

## FEDERAL

### Department of Education – Title IV

- State Institutional Approval + Location
- Prof. Licensure Programs
  - “Satisfy” State Educational Requirements (PPA Certification)
- Disclosures



Federal Regulations Related to Out-of-State Activities



- 34 CFR 600.9(c)
- 34 CFR 600.2
- 34 CFR 668.43(a)(5)(v) & (c)
- 34 CFR 668.14(b)(32)

Federal Regulations tie compliance to participation in Title IV HEA programs.

Effective since 7/1/20

- State Authorization
- Definition of state authorization reciprocity agreement
- Professional Licensure Disclosures

Effective 7/1/24

- Program Participation Agreement Certification
  - Satisfy state educational requirements for a professional license.

# Interstate Distance Education Regulations

# State Authorization of Distance Education

[34 CFR 600.9\(c\)](#) effective July 1, 2020.



Tied to Aid– Eligibility to disburse aid tied to the institution having approvals demonstrated by:

- Direct approval by the state; or
- Through a state authorization reciprocity agreement.

## Student Location

- Defensible Process – Document & provided to the Secretary upon request
- Determined at the time of enrollment; or
- Formal receipt of information from the student that the location has changed based on processes at the institution.

# Federal Regulation for Professional Licensure Disclosures

[Disclosures \(34 CFR 668.43\(a\)\(5\)\(v\) and \(c\)\)](#) effective July 1, 2020 \*public disclosures amended 2024



- 1.Regulations address **all modalities** (includes Face to Face and Online)
- 2.Educational Programs **designed** or **advertised** as leading to a license **required** for **employment** in the occupation.
- 3.Public notifications – **meets, does not meet**, (states & territories where institution advertises or serves students).
- 4.Direct/individualized notification for prospective or enrolled students.

# PPA Certification Requirements

Program Participation Agreement (PPA)

[34 CFR 668.14\(b\)\(32\)](#)

For the program to be eligible for Title IV – the institution must satisfy state educational requirements

- Where the institution is located.
- Where the student enrolled in distance education
  - On or after July 1, 2024.
  - Is located at the initial time of enrollment.

OR

- Where the student attests that they intend to seek employment



# Plus!

## Department of Justice Web Accessibility Regulations

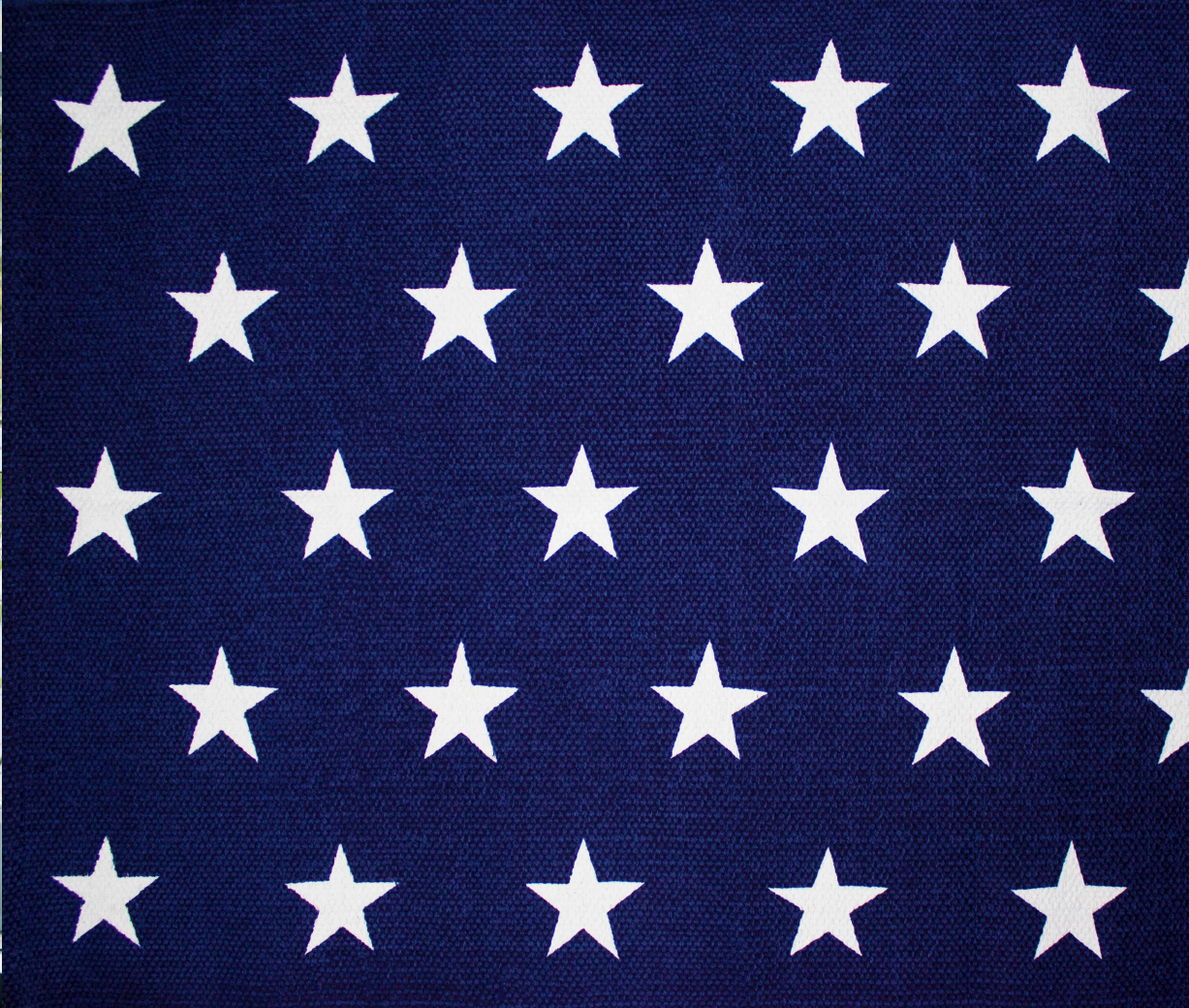


Purpose: Implement Title II Americans with Disabilities Act (ADA)

Who: State & Local Government Entities (public higher education institutions, libraries, recreation centers etc.)

What – International Web Content Accessibility Guidelines (WCAG) 2.1 AA

When – Compliance begins April 2026



Updates for State Institutional Approvals

**Mississippi** – Amended the fee structure to include program fee and reinstatement fee.

**New Jersey** – Clarified registration fee of \$10,000/each degree or certificate program which is different than authorization.

**North Dakota** – No longer approves out-of-state institutions to offer interstate distance education to students in North Dakota if the institution does not participate in SARA (legislation actually says NC-SARA)

**Utah** – Now requires biennial registration and modifications for exemptions, plus changes to registration and surety requirements and outcome disclosures.

**Virginia** – Now requires oversight of out-of-state institutions to offer interstate distance education. Must obtain certification including program inventory and certificate checklist.

**Washington** - Seeks to increase consumer protections for participation in a state authorization reciprocity agreement.

# State Authorization Changes



Questions? Discussion?

# Resources

NEW!! Collaborated Resource: [WCET and SAN Policy Tracker](#)

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- [The Evolution of Compliance for State Authorization of Distance Education](#) (2023)
- [Professional Licensure Handbook 2nd edition](#) (2024)
- [State to State Institutional Approval for Distance Education Handbook](#) (2025)
- Survey Report-[Between the Lines, Behind the Work: Survey Findings on the True Scope of Licensure Compliance](#) (2026) **NEW!**
- SAN Getting Started with Compliance Management Gateway (listing of documents to access topical one-page abstracts and charts): <https://wcetsan.wiche.edu/resources/getting-started>
- [What the “One Big Beautiful Bill Act” Means for Digital Learning in Higher Education](#); WCET Frontiers; 7/22/25
- [Negotiated Rulemaking Underway: Week One Review of the RISE Committee](#); WCET Frontiers; 10/30/25
- [From RISE to AHEAD: What We Learned and What Comes Next in Federal Rulemaking](#); WCET Frontiers; 12/4/25
- [AHEAD Week One Recap: Workforce Pell, State Roles, and Implications for Digital Learning](#); WCET Frontiers; 1/18/26



# Thank you

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