An Institutional Cost Savings Study of SARA Participation: Technical Report

NCHEMS

Prepared for the National Council for State Authorization Reciprocity Agreements (NC-SARA)

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Executive Summary

Over the past few decades, distance education has significantly transformed higher education and is now offered at most institutions across the United States. Distance education has also allowed students to attend a postsecondary institution that may not be located in their own state. For institutions, however, unlocking this potential out-of-state enrollment is complicated by vastly different authorization requirements and fees in each state. To simplify the oversight and regulation of each state's postsecondary education system and recognize future demand for distance education, the State Authorization Reciprocity Agreements (SARA) was established in 2013. Before SARA, states and institutions faced numerous regulatory requirements, diverse administrative processes, and dynamic fee structures as thousands of institutions sought to operate in multiple states and territories.

SARA is designed, in part, to minimize the costs institutions face when operating in multiple states. To quantify these savings, the National Council for State Authorization Reciprocity Agreements (NC-SARA) partnered with the National Center for Higher Education Management Systems (NCHEMS) to study the costs of operating in other states that institutions would incur if they did not participate in SARA.

This 2025 study updates an earlier analysis conducted by NCHEMS in 2021, which employed a similar methodology. The results of this study indicate that SARA-participating institutions cumulatively save over $953 million in initial authorization costs and over $488 million annually in renewal costs through participation in SARA alone. This is an increase in cost savings for SARA-participating institutions since the 2021 study, which estimated savings of $402 million in initial authorization costs and $133 million annually in renewal costs through participation in SARA.

NCHEMS identified five major drivers for this increased cost savings estimate.

1. More than twice as many institutions responded to the NC-SARA/NCHEMS survey in 2025 than in 2021, leading to more extensive and detailed cost data.
2. The 2025 response group included additional large and highly enrolled institutions than the 2021 group. Large institutions tend to incur higher costs because they typically operate more programs and serve a greater number of states.
3. The 2025 study includes new data on out-of-state learning placements, which may have increased estimated costs for those institutions that do not offer distance learning but participate in SARA to provide experiential education[1].
4. Several states have updated their non-SARA authorization fees since 2021. This can raise the authorization costs for some institutions.
5. The 2021 study was based on data collected prior to the COVID-19 pandemic. Institutions have since expanded their distance education offerings. This could increase authorization fees and overall costs that institutions not participating in SARA could have paid, depending on the state's fee structure.

[1] According to the NC-SARA policy manual, an "Out-of-state learning placement" represents experiential learning placements such as, but not limited to, clinical rotations, internships, or student teaching offered by SARA-participating institutions in locations outside their home state.

The results of both the 2021 and 2025 analyses indicate that institutions participating in SARA typically save both time and financial resources compared to when institutions enroll the same distance student population without participating in SARA.

Overview and Key Findings

The National Council for State Authorization Reciprocity Agreements (NC-SARA) commissioned the National Center for Higher Education Systems (NCHEMS) to conduct an independent, third-party study of institutional cost savings associated with SARA participation. The project involved compiling information from individual state authorization websites, data collected by NC-SARA, and the results of a short survey of SARA-participating institutions during the 2024-25 academic year.

Key Findings

- Based on the survey (n=537), in 2024-2025, the median costs for SARA-participating institutions (depending on state and institution size) ranged from $3,700 to $11,175 for initial authorization, and $2,375 to $9,100 for annual renewal.
    - If the same institutions from this survey respondent group chose not to participate in SARA in 2025, the estimated median costs (depending on state and institution size) would range from $174,950 up to $2,158,939 for initial authorization, and $127,575 to $804,875 for annual renewal.
- Generally, institutions participating in SARA in 2024-2025 (n=2,418) would spend between 47.3 and 100.5 times more for initial authorization and 32.9 and 39.5 times more for annual renewal than if they were not participating in SARA. These additional costs would result from obtaining authorization to operate in each individual state in which they currently serve students.
- The estimated total cost savings across all SARA-participating institutions (n=2,418) is $953 million for initial authorization and $488 million per year for annual renewal.
- The estimated average savings for an individual SARA-participating institution (depending on institutional size) is $394,289 for initial authorization and $201,943 for annual renewal.
- The average savings resulting from SARA participation vary among institutions based on their size, their tuition revenue, the number of programs they offer to students in other states, and other similar factors.

About SARA

Recognizing the growing demand for distance learning opportunities, higher education stakeholders joined together in 2013 to establish the State Authorization Reciprocity Agreements (SARA). These stakeholders included – including regulators, education leaders, accreditors, the U.S. Department of Education, and institutions. SARA is a voluntary agreement among member states, districts, and territories that establishes standards for the reciprocal authorization of institutions providing distance education across state lines. As of 2025, 49 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands have voluntarily joined SARA. More than 2,400 institutions have received approval from their home state to participate in the agreement.

About NC-SARA

The National Council for State Authorization Reciprocity Agreements (NC-SARA) is a private nonprofit organization [501(c)(3)] that coordinates the implementation of State Authorization Reciprocity Agreements (SARA) in collaboration with the four regional, interstate education compacts:

- Midwestern Higher Education Compact (MHEC).
- New England Board of Higher Education (NEBHE).
- Southern Regional Education Board (SREB).
- Western Interstate Commission for Higher Education (WICHE).

NC-SARA supports the regional education compacts and states as they implement the agreement and carry out their SARA-related work. Additionally, NC-SARA facilitates information exchange among the regional compacts, member states, and SARA institutions regarding participation and compliance.

About NCHEMS

The National Center for Higher Education Management Systems (NCHEMS) is a nonprofit organization that partners with institution, system, government, and community leaders to effectively use evidence to improve strategic decision-making in postsecondary education. NCHEMS envisions a future in which postsecondary education expands opportunities for all, strengthens communities, and advances the public good.

Methodology

To estimate the savings associated with institutional participation in SARA, it was first necessary to understand what an institution's costs would be if it instead pursued state authorization from every state in which it provides distance education or places students for supervised field experiences. These costs could then be compared to the required state and NC-SARA costs to create a cost savings multiplier. NCHEMS compiled a list of authorization and renewal fees for states, which is available in Appendix A. Since many fees are influenced by the types and levels of programs provided, NCHEMS needed to collect further data directly from institutions to estimate the costs associated with individual state authorization.

Survey

NCHEMS developed a short survey to capture this information and NC-SARA fielded it via email to all SARA-participating institutions at the time. In total, the survey was sent to all 2,418 SARA-participating institutions. The survey aimed to determine the number of distance learning programs offered by participating institutions, at what award level, and whether all programs were available to all students regardless of their state of residence.

The questions from the survey are below:

1. Institution name.
2. Institution state.
3. For fall 2023, the number of distance learning programs* offered at the following degree levels: *A program for which all the required coursework for program completion is able to be completed via distance education courses.
    - Certificate:
    - Associates:
    - Bachelors:
    - Masters:
    - Doctoral:
4. Are all programs offered uniformly to students residing in all participating SARA states, or is there a subset of programs offered to some specific states?
5. Please feel free to offer further comments or clarifications regarding your distance learning programs.

Survey Respondents

NCHEMS received 537 responses to the survey for a response rate of 22%. Responses largely reflected diversity across SARA-participating institutions in size, sector, and regional compact affiliation as shown in Tables 1 through 3 below. The four regional education compacts provide on-the-ground assistance to and oversight of the states in their respective regions. They include The Midwestern Higher Education Compact (MHEC), The New England Board of Higher Education (NEBHE), The Southern Regional Education Board (SREB), and The Western Interstate Commission for Higher Education (WICHE). Most SARA-participating institutions are in a state that is either a member of a regional education compact or affiliated. Note that for SARA purposes, NEBHE includes New York and New Jersey, and SREB includes Pennsylvania, Puerto Rico, and the U.S. Virgin Islands. Percentages throughout the report may not equal 100% due to rounding.

Table 1: SARA Participation and Survey Responses by Compact

	MHEC	NEBHE	SREB	WICHE

All SARA Participants	27%	15%	46%	12%
Responses	30%	14%	43%	14%
Difference	+3%	-1%	-3%	+2%

Care was taken to further reflect the population of institutions by size and by sector within the original sample, and the responses also reflected this diversity. Overall, the responses closely aligned with SARA participation by institution size. However, as shown in Table 2, there was a greater percentage of small institutions.

Table 2: SARA Participation and Survey Responses by Institutional Size

	Small	Medium	Large	Extra Large
All SARA Participants	54%	34%	9%	3%
Responses	58%	32%	8%	2%
Difference	+4%	-2%	-1%	-1%

Table 3, below, indicates a slight overrepresentation of private not-for-profit institutions and an underrepresentation of public two-year institutions.

Table 3: SARA Membership and Survey Responses by Sector

	Private For Profit	Private, Not-for-Profit	Public 2-year	Public 4-year
All SARA Participants	8%	43%	23%	25%
Responses	6%	52%	17%	24%
Difference	-2%	+9%	-5%	-1%

Analysis

Estimating SARA and Non-SARA Costs

Institution program counts (from the survey) were matched to fall 2023 exclusively distance education enrollment data (from NC-SARA). Institutions whose survey responses could not be matched to the exclusively distance education enrollment data were excluded from the dataset. This excluded any institution that did not submit an exclusively distance education enrollment report to NC-SARA for fall 2023 or those that were not yet SARA participants. For each state where an institution enrolled a student or placed a student for a supervised field experience[2], the estimated authorization and renewal costs for that institution were calculated. If the state based its costs on tuition revenues, the lowest end of the specified range was used. Costs were

[2] "Supervised field experience" means: a student learning experience, occurring in a host state, comprised primarily of the practical application of previously studied theories and skills, under the oversight of a supervisor, mentor, faculty member, or other qualified professional, who has a direct or indirect reporting responsibility to the institution where the student is enrolled, whether or not credit is granted.

estimated based on the total number of distance education programs an institution offered, and not necessarily the specific programs in which students were enrolled. All state costs were combined to create a total estimated authorization cost and total estimated renewal cost for each institution that responded to the survey. Please note that the methodology assumes that if a student is currently enrolled in an out-of-state institution, that institution must obtain authorization in the student's home state, either because the institution has triggered physical presence via other activity or because state regulations require it. Another important note is that not all states charge fees for distance education. The states that did not require a fee were still included in the calculations.

Many states require additional authorization fees upon application or annually, which were not included in the estimated cost because they are highly variable and information about them is sparse and inconsistent. Some of these include:

- Surety Bonds in the event of school closure.
- Change fees.
    - Additional programs.
    - Additional sites.
    - Curriculum modification.
    - Change of location.
    - Change of name.
    - Change of ownership.
- Agent Fees and Agent Permits.
- Site Evaluation.
- Travel.
- Staff stipends.

Using the estimated authorization and renewal costs for each state serving students, NCHEMS determined a median cost across different institutional size categories. Total costs for SARA participation were compiled for each institutional size category, since state and NC-SARA costs are based on these categories. These costs include both NC-SARA costs and any SARA state costs, which are what each state charges to its institutions for SARA participation. A complete list of SARA costs can be found in Appendix A. Calculated costs for authorization were as follows:

Table 4: Cost Calculations by Institutional Size

	Small (<2,500 FTE)	Medium (2,500-9,999 FTE)	Large (10,000-29,999 FTE)	Extra Large (30,000+ FTE)
Median SARA State Cost	$1,500	$1,750	$2,500	$2,375
NC-SARA Cost	$2,200	$4,400	$6,600	$8,800
Total Median SARA Cost	$3,700	$6,150	$9,100	$11,175

On average, the institutions that responded to the survey offered 25 distance education programs in 22 states. As expected, the larger institutions offered more programs to a greater number of students, as shown in Table 5. Costs for these institutions to obtain state authorization as a non-

SARA participant could be up to $15,097,611, and annual renewal costs could be up to $4,515,500.

Table 5: Characteristics of Survey Respondents by Size (Non-SARA Fees)

				Range of Initial Costs		Range of Renewal Costs	
Size	**N**	**Avg. Number of Programs**	**Average Number of SARA States/Terr. Served**	**Minimum**	**Maximum**	**Minimum**	**Maximum**
Extra Large	12	175	48	$109,160	$15,097,611	$61,385	$4,515,500
Large	43	50	39	$64,000	$3,853,180	$28,000	$1,296,175
Medium	173	30	28	$10,000	$3,302,835	$5,800	$1,187,700
Small	309	13	16	$7,000	$1,562,261	$0	$592,760
Total	537	25	22				

Based on these results from the response group, the median initial authorization cost to offer distance learning ranges from $174,950 for small institutions (less than 2,500 FTE) to $2,158,939 for extra-large institutions (30,000+ FTE). This is compared to a median initial cost of $3,700 for small institutions and $11,475 for extra-large institutions when participating in SARA.

Furthermore, SARA participation costs remain typically consistent over time. Conversely states may revise fee schedules to be higher or lower on an annual basis. Specific figures as well as the resulting cost multipliers can be found in Table 6.

A cost multiplier was calculated for each institutional size category. This multiplier is the result of dividing the median non-SARA estimated cost by the median SARA participation costs for each institutional size category. The multiplier represents how much more an institution would spend as a non-SARA participant. For example, a cost multiplier of 60 means a SARA-participating institution would spend 60 times more on state authorization than its current spending as a non-SARA participant. The 2025 study uses median costs to address various institutional outliers with significantly skewed program counts or enrollment figures. This approach marks a shift from the 2021 study that used average costs. Most of the outliers observed in the 2025 study were linked to large and extra-large institutions that had not reported data in the 2021 study, and their inclusion significantly skews the average results. Using a median provides a measure of “typical” costs that is less susceptible to outliers.

The cost multiplier indicates how much more state authorization costs would be without SARA. For example, a small institution could expect to pay 47.3 times more for initial authorization to operate in the states in which it offers programs, and 34.5 times more each year to maintain authorization in each of those states if they did not participate in SARA.

Table 6: Cost Multiplier Calculation

Size	Count	Median Total Initial Costs	Median Total Renewal Costs	Median Total SARA Initial Costs	Median Total SARA Renewal Costs	Initial Multiplier	Renewal Multiplier
Extra Large	12	$2,158,939	$804,875	$11,175	$2,375	193.2	338.9
Large	43	$914,742	$359,200	$9,100	$9,100	100.5	39.5
Medium	173	$391,735	$202,475	$6,150	$6,150	63.7	32.9
Small	309	$174,950	$127,575	$3,700	$3,700	47.3	34.5

The cost multiplier was then used to create an estimated cost for each state, regional compact, and all NC-SARA participants as a whole, for both initial authorization and annual renewal. NCHEMS excluded the extra-large institution multipliers in these estimates to account for outlying enrollment and program counts. When allowed to remain in the model, the extra-large institution multipliers generated inaccurate cost estimates for the institutional size group. One reason for the inaccuracy is that the extra-large response group includes only 12 institutions operating in only a select number of states. With the small sample size, the variability in cost estimates for this group led to inaccurate results such as the relatively lower median SARA renewal costs exampled in Table 6. To address this issue, the large institution multipliers of 100.5 and 39.5 were applied for extra-large institutions as an alternative method to estimate costs. The national and state SARA fee costs were then subtracted from the estimated costs to calculate an estimated savings amount.

An example of how each state's total was calculated is available in Table 7 using Iowa as a case study. In the example, Iowa's in-state cost fee structure is $2,000 for small schools; $4,000 for medium schools, and $6,000 for large and extra-large schools. When added to the $2,200, $4,400, $6,600 current NC-SARA fees the total costs are $4,200, $8,400, and $12,600 for SARA-participating institutions in Iowa. The total cost number for each size group was multiplied by the number of SARA-participating institutions in Iowa in that group, and then by the cost multiplier noted in Table 7. This resulted in an estimate of $17.04 million that would have been spent on initial authorization by Iowa's institutions in the absence of SARA.

Table 7: Example of Iowa Cost Savings for Initial Authorization Estimated Costs

	No. of SARA Schools	Calculation	Initial Authorization Estimated Costs
Large	3	$12,600 x 3 x 100.5	$3,798,900
Medium	11	$8,400 x 11 x 63.7	$5,885,880
Small	37	$4,200 x 37 x 47.3	$7,350,420
Total	51		$17,035,200

*Iowa does not have any Extra Large (30,000+ FTE) participants.

**Fees used in the calculation are based on the sum of NC-SARA and state SARA fees.

NCHEMS used the multiplier to calculate per-state costs in all SARA-member states. This provides a more accurate reflection of savings for institutions. While the multiplier is likely to vary across individual states, we estimated the per-state costs using the overall cost multiplier, as constructing a separate multiplier for each state would require a much larger sample (i.e., more institutions would have needed to reply to the survey).

Results

Overall, we estimate that SARA participation saves member institutions over $953 million for initial authorization, and saves an additional $488 million annually in renewal costs. Breakdowns of estimated costs and savings by state are available in Tables 8 and 9.

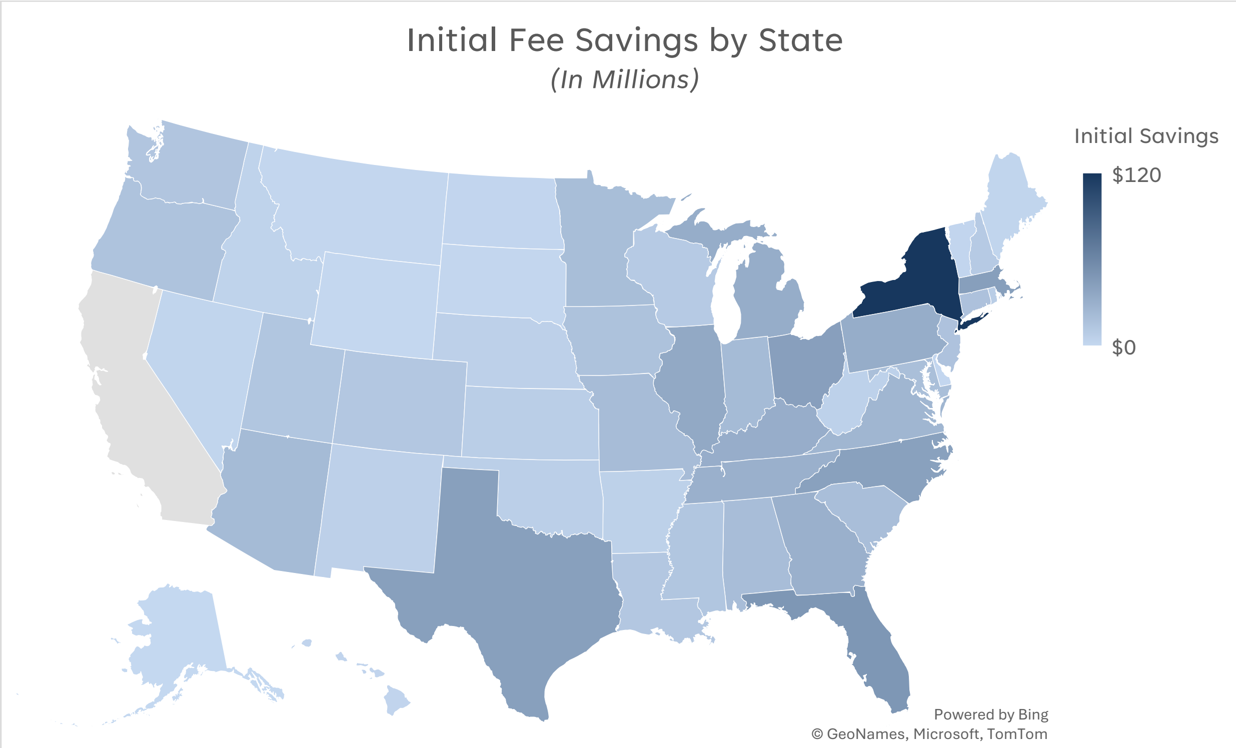
Table 8: Initial Authorization Estimated Savings by State*

State	# of Institutions	Estimated Non-SARA Costs	State and NC-SARA Costs	SARA Affiliation Fee	Estimated Savings
Alabama	42	$20,910,205	$302,600		$20,607,605
Alaska	6	$1,152,870	$19,800		$1,133,070
Arizona	41	$23,052,648	$306,900		$22,745,748
Arkansas	38	$6,671,955	$114,400		$6,557,555
Colorado	45	$13,344,124	$184,800		$13,159,324
Connecticut	24	$17,315,330	$236,200		$17,079,130
Delaware	5	$1,991,434	$24,200		$1,967,234
District of Columbia	15	$11,549,114	$145,600	$50,000	$11,353,514
Florida	100	$49,109,552	$651,200		$48,458,352
Georgia	89	$31,159,970	$482,100		$30,677,870
Hawaii	16	$3,804,199	$64,400		$3,739,799
Idaho	14	$4,752,214	$71,600		$4,680,614
Illinois	107	$35,252,293	$547,700		$34,704,593
Indiana	58	$23,006,911	$354,000		$22,652,911
Iowa	51	$17,033,177	$285,600		$16,747,577
Kansas	47	$8,329,802	$138,600		$8,191,202
Kentucky	50	$31,390,303	$475,400		$30,914,903
Louisiana	39	$13,417,418	$205,900		$13,211,518
Maine	23	$3,450,008	$63,800		$3,386,208
Maryland	39	$19,305,047	$277,400		$19,027,647
Massachusetts	73	$44,329,704	$650,000		$43,679,704
Michigan	71	$33,287,110	$530,400		$32,756,710
Minnesota	64	$21,872,254	$340,050		$21,532,204
Mississippi	33	$14,131,445	$218,400		$13,913,045
Missouri	76	$21,313,214	$356,000		$20,957,214
Montana	12	$2,160,190	$35,200		$2,124,990

State	# of Institutions	Estimated Non-SARA Costs	State and NC-SARA Costs	SARA Affiliation Fee	Estimated Savings
Nebraska	28	$6,170,031	$100,000		$6,070,031
Nevada	10	$3,247,212	$41,800		$3,205,412
New Hampshire	17	$10,986,766	$155,000		$10,831,766
New Jersey	52	$16,939,254	$257,650	$50,000	$16,631,604
New Mexico	25	$6,391,277	$102,000		$6,289,277
New York	159	$118,504,828	$1,781,000	$50,000	$116,673,828
North Carolina	97	$40,038,533	$607,000		$39,431,533
North Dakota	14	$2,927,653	$44,000		$2,883,653
Ohio	88	$40,155,901	$582,000		$39,573,901
Oklahoma	38	$7,362,892	$121,000		$7,241,892
Oregon	31	$15,988,602	$241,000		$15,747,602
Pennsylvania	117	$32,933,290	$525,400	$50,000	$32,357,890
Puerto Rico	30	$11,794,773	$189,000	$50,000	$11,555,773
Rhode Island	12	$8,874,342	$124,800		$8,749,542
South Carolina	49	$20,000,601	$319,200		$19,681,401
South Dakota	17	$2,539,221	$50,300		$2,488,921
Tennessee	66	$30,464,527	$462,000		$30,002,527
Texas	152	$43,923,584	$602,800		$43,320,784
U.S. Virgin Islands	1	$104,024	$2,200	$10,000	$91,824
Utah	18	$14,126,791	$166,200		$13,960,591
Vermont	13	$2,792,938	$44,000		$2,748,938
Virginia	74	$25,652,516	$382,650		$25,269,866
Washington	45	$14,591,012	$225,650		$14,365,362
West Virginia	29	$5,833,129	$98,100		$5,735,029
Wisconsin	50	$11,330,215	$178,200		$11,152,015
Wyoming	8	$1,391,610	$22,000		$1,369,610
	2,418	$871,420,482	$14,507,200	$260,000	$953,390,813

**California does not participate in SARA.*

Figure 1: Initial Fee Savings by State*



**California does not participate in SARA.*

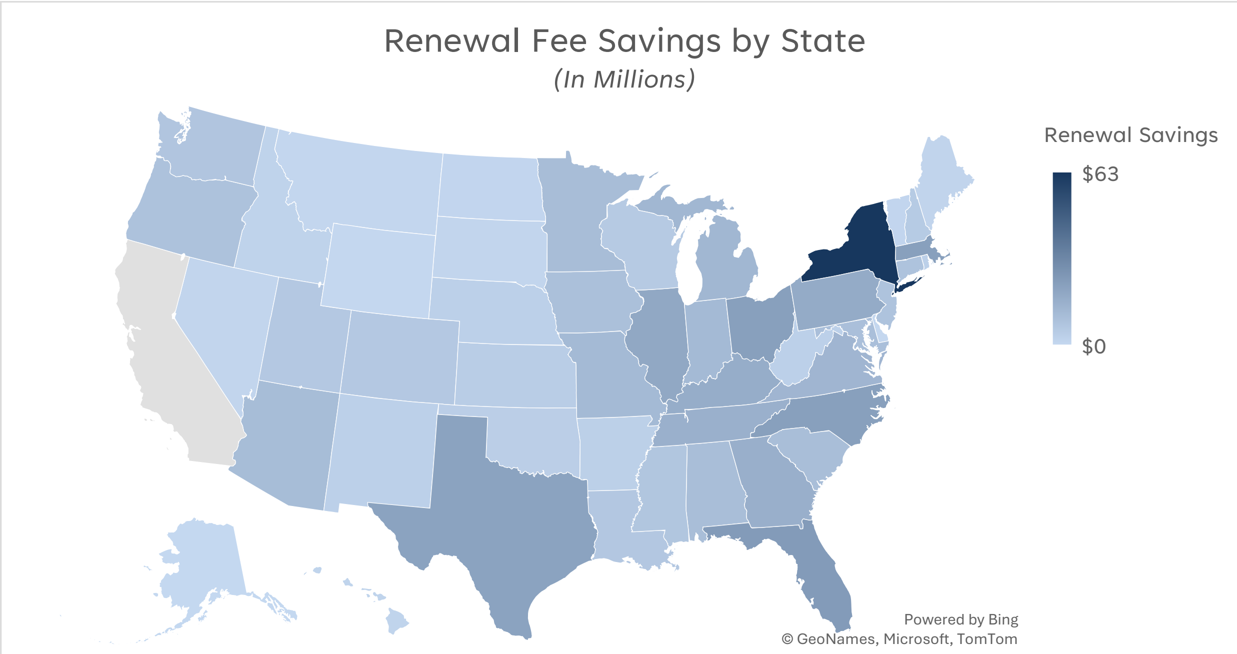
Table 9: Renewal Estimated Savings by State*

State	Number of SARA Member Institutions	Estimated Costs	State and NC SARA Costs	SARA Affiliation Fee	Estimated Savings
Alabama	42	$10,611,469	$302,600		$10,308,869
Alaska	6	$662,147	$19,800		$642,347
Arizona	41	$11,171,835	$306,900		$10,864,935
Arkansas	38	$3,913,302	$114,400		$3,798,902
Colorado	45	$6,532,139	$184,800		$6,347,339
Connecticut	24	$8,366,907	$236,200		$8,130,707
Delaware	5	$886,613	$24,200		$862,413
District of Columbia	15	$5,361,110	$145,600	$50,000	$5,165,510
Florida	100	$23,510,097	$651,200		$22,858,897
Georgia	89	$16,831,749	$482,100		$16,349,649
Hawaii	16	$2,224,809	$64,400		$2,160,409
Idaho	14	$2,524,155	$71,600		$2,452,555
Illinois	107	$18,959,019	$547,700		$18,411,319
Indiana	58	$12,431,846	$354,000		$12,077,846
Iowa	51	$9,892,275	$285,600		$9,606,675

State	Number of SARA Member Institutions	Estimated Costs	State and NC SARA Costs	SARA Affiliation Fee	Estimated Savings
Kansas	47	$4,809,241	$138,600		$4,670,641
Kentucky	50	$16,748,439	$475,400		$16,273,039
Louisiana	39	$7,097,874	$205,900		$6,891,974
Maine	23	$2,158,703	$63,800		$2,094,903
Maryland	39	$9,781,815	$277,400		$9,504,415
Massachusetts	73	$22,690,449	$650,000		$22,040,449
Michigan	71	$13,749,675	$392,400		$13,357,275
Minnesota	64	$11,696,316	$340,050		$11,356,266
Mississippi	33	$7,549,080	$218,400		$7,330,680
Missouri	76	$12,256,526	$356,000		$11,900,526
Montana	12	$1,232,938	$35,200		$1,197,738
Nebraska	28	$3,450,813	$100,000		$3,350,813
Nevada	10	$1,519,558	$41,800		$1,477,758
New Hampshire	17	$5,554,489	$155,000		$5,399,489
New Jersey	52	$8,839,601	$257,650	$50,000	$8,531,951
New Mexico	25	$3,597,138	$102,000		$3,495,138
New York	159	$62,296,436	$1,781,000	$50,000	$60,465,436
North Carolina	97	$21,394,692	$607,000		$20,787,692
North Dakota	14	$1,569,312	$44,000		$1,525,312
Ohio	88	$20,707,456	$582,000		$20,125,456
Oklahoma	38	$4,148,894	$121,000		$4,027,894
Oregon	31	$8,420,233	$241,000		$8,179,233
Pennsylvania	117	$18,106,247	$525,400	$50,000	$17,530,847
Puerto Rico	30	$6,498,624	$189,000	$50,000	$6,259,624
Rhode Island	12	$3,462,267	$99,800		$3,362,467
South Carolina	49	$10,920,009	$319,200		$10,600,809
South Dakota	17	$1,719,072	$50,300		$1,668,772
Tennessee	66	$16,084,590	$462,000		$15,622,590
Texas	152	$21,510,904	$602,800		$20,908,104
U.S. Virgin Islands	1	$75,855	$2,200	$10,000	$63,655
Utah	18	$6,215,663	$166,200		$6,049,463
Vermont	13	$1,515,807	$44,000		$1,471,807
Virginia	74	$13,583,264	$382,650		$13,200,614
Washington	45	$7,746,057	$225,650		$7,520,407
West Virginia	29	$3,434,082	$98,100		$3,335,982
Wisconsin	50	$6,089,956	$178,200		$5,911,756
Wyoming	8	$791,507	$22,000		$769,507
	2418	$464,881,835	$14,344,200	$260,000	$488,298,854

**California does not participate in SARA.*

Figure 2: Renewal Fee Savings by State*



**California does not participate in SARA.*

Changes From the Findings of the 2021 Cost Savings Report

Notably, the estimated cost savings for each institution have risen since the 2021 study, which projected $402 million in savings for initial authorization and $133 million in savings annually for renewal costs (Appendix B). Even when adjusting for inflation, the difference in estimated costs is noteworthy. NCHEMS identified five major drivers for the increased savings.

1. More than twice as many institutions responded to the NC-SARA/NCHEMS survey in 2021 compared to 2025. The larger response group allowed NCHEMS to collect more detailed cost data in the previous study.
2. The 2025 response group included more institutions with larger enrollment and program totals than the 2021 group. Furthermore, the larger institutions also serve many states, each contributing to the total fee totals.
3. The 2025 study includes new data on out-of-state learning placements.
4. Since 2021, several states have updated their non-SARA authorization fees. In many cases, the new fee structures increase the authorization costs for some institutions that do not participate in SARA.
5. The 2021 study was based on data collected prior to the COVID-19 pandemic. Since that time, institutions have expanded their online and distance education offerings. Increased online programs and corresponding enrollments are likely associated with additional authorization fees, resulting in higher costs.

Limitations and Areas for Future Research

While this report presents a reasonable estimate of state authorization costs for non-SARA participating institutions, there are certain methodological limitations. First, estimated state authorization fees may be much less than the true costs. When estimating what the total costs would be for institutions, very few fees were included (as discussed earlier), and these fees often increase the individual state costs by thousands of dollars. In addition, these calculations did not account for indirect costs to an institution, such as staff time spent obtaining state authorization from multiple states and other associated expenses. Minimum costs were used when the cost could not be directly calculated (such as in those states that base their fees on tuition and fees revenue), which may also have led to an underreporting of the true cost.

Second, estimated costs were based on enrollment reported to NC-SARA for fall of 2023 by institutions that were already SARA participants. Institutions may enroll students from other states that are SARA participants because they know they will incur no additional costs. Those not participating in SARA may choose to limit their out-of-state enrollment, thereby reducing costs but also limiting opportunities for student enrollments.

Third, estimates of state authorization costs are based on the most recent publicly available data and are therefore likely to change in the near future. States may adjust fees for SARA participation, and in particular, might raise fees for non-SARA institutions in part due to costs associated with managing individual institution authorizations. Similarly, the cost multipliers provided in this report provide a useful way of examining the cost savings associated with SARA participation but are also subject to change in the future. Fee changes for some states between the 2021 and the 2025 study are evidence of a dynamic fee environment.

It is clear that there is an appetite to better assess the cost savings for SARA-participating institutions. However, a highly varied regulatory environment across the states, compounded by the shifting federal perspectives on state authorization, means that fully and accurately calculating or estimating those savings remains a challenge. Costs associated with compliance, such as personnel, legal, and insurance expenses, which are not included in the authorization fee structures of various states, may remain inadequately accounted for. Further inquiry via a case study approach or a state authorization landscape analysis focused on fees might at least provide interested parties with a taxonomy of the categories of costs and related savings, and a general sense of their magnitude. This could help describe the benefits that SARA has had on this complicated environment.

Finally, further research at both the institutional and state levels will enhance our understanding of authorization costs, value, and associated policies. For example, more should be done to understand who benefits from the savings estimated in this report. Specifically, at the institutional level, are fee savings passed on to students, or are they absorbed into the institution? At the state level, how does participating in SARA impact state expenses and revenues? For instance, theoretically, a state might collect less revenue from authorization fees if it chooses to participate in SARA. However, if a state withdraws from the agreement, external institutions will need to request authorization directly from the state, which may increase fee revenue but also raise administrative burdens and costs. Further research on revenues and expenses will also assist state policymakers in developing an authorization fee structure that generates enough state revenue to ensure effective regulation, while keeping administrative costs down for institutions and states.

Conclusion

In 2021, NCHEMS completed a third-party evaluation of the cost savings that institutions enrolling distance education students in other states would experience if they were members of SARA. The evaluation found that institutions participating in SARA save costs both at the time of initial registration and renewal. This study, repeated in 2025 with only slight methodological adjustments, details the estimated savings linked to SARA participation. The findings reveal substantial cost savings associated with SARA membership and provide evidence that the agreement remains effective in reducing costs and administrative burdens on institutions. When comparing the 2025 results with those of 2021, the increases in estimated savings suggest that the value of SARA membership may also be increasing.

Appendix A: Simplified State Authorization Fees Schedule

This table specifies the simplified institutional costs associated with obtaining an authorization to serve students in other states[3]. This table contains fee information gathered from the 2024 SHEEO survey of state agencies. To verify the fee structures, the table was sent to state agencies for confirmation. Most states replied to confirm or update the fees. As of 2025, this table serves as the most accurate resource for state authorization fees. For more detailed information about individual state fees and regulations, please see the NC-SARA State Authorization Guide. For each state, we describe the following attributes:

- NC-SARA In-State Fee: Many SARA states charge their participating institutions a separate state fee to cover the in-state costs of administering SARA.
- Non-NC-SARA Initial Fee: Listed fees for institutions not participating in SARA. These fees were used to estimate the initial authorization cost an institution would incur if it served the same students and states, but did not participate in SARA.
- Non-NC-SARA Renewal Fee: This is similar to the initial non-SARA fees, but it is associated with the regular renewal of state authorization.
- Non-NC-SARA Cost Drivers: Major institutional variables considered in each fee structure.

State	NC-SARA In-State Fee	Non-NC-SARA Initial Fee	Non-NC-SARA Renewal Fee	Non-NC-SARA Cost Drivers
Alabama	$2,000-$6,000	$2,500/$1,250	$2,500/$1,250	FTE and Tuition Revenue
Alaska	$0	$2,750-$5,000	$500-$2,500 depending on tuition - fee for renewal of authorization, three percent of average of the total annual tuition and fee receipts in the most recent authorization period, in an amount of at least $500, but no more than $2,500	Number of Programs, FTE, and Tuition Revenue
Arizona	$2,500-$18,000	$2,000	$750-$6,000	FTE and Gross Tuition Revenue
Arkansas	$0	$500x DG programs $100xCert	NA	Number of Programs, Number of Courses, FTE, and Tuition Revenue
California	NA	$3,500-$5,000	$3,000-$3,500	Institution

[3] A detailed table of state fees is available upon request.

State	NC-SARA In-State Fee	Non-NC-SARA Initial Fee	Non-NC-SARA Renewal Fee	Non-NC-SARA Cost Drivers
Colorado	$0	$1,200 - $10,000	$800 -$10,000	FTE and Institutional Type
Colorado	$0	$2,500-$5,000	NA	Institutional Type
Connecticut	$3,300 - $11,000	$3,300 - $11,000	$3,300 - $11,000	Institutional Type
Delaware	$0	$5,000-$10,000	NA	Institutional Type
District of Columbia	$3,000-$6,000	$1,000	$2,500	FTE and Institutional Type
Florida	$1,250-$4,250	$3,000 + ($200 per program)	$1,500-$10,000	FTE and Number of Programs
Georgia	$1,500-$4,500	New Degree-Granting - $3,000 + 2/10 of 1% projected tuition and fees	2/10 of 1% projected tuition and fees Degree-granting $1,000-$25,000	FTE and Tuition Revenue
Hawaii	$1,000	$10,000-$19,000	$10,000-$19,000	FTE
Idaho	$1,500	.5% of tuition - $100-$5,000	.5% of tuition - $100-$5,000	FTE and Tuition Revenue
Illinois	$0 CCs & $1,750	In-State - $3,000-$4,000 For-profit - $6,000 - $7,000 Out-of-state $7,000-$8,000	None	FTE and Institution Type
Indiana	$0 -$1,000	$0 - $2,500 + $300 per degree, per campus.	$0 - $1,000 + $25 per program	Institution Type and Number of Programs
Iowa	$2,000-$6,000	$5,000 Initial application fee authorization type registration.	NA	FTE
Kansas	$0	Degree-granting - $2,000 + degree type fees. Non-degree-granting - $1,000 + degree type fees.	$1,200-$10,000 (Based on FTE)	FTE and Degree Type
Kentucky	$4,500-$10,500	New In-State College - $10,000 + program fee. New Out-of-state College - $15,000 + program fee	$1,000-$20,000 (Depending on FTE)	FTE, In-State or Out-of-State Location and Degree Type
Louisiana	$1,500	For Proprietary schools: Initial $2,000 fee, and $1,000 fee contribution to	For proprietary schools: Renewal fees, vary based on the previous year's gross tuition, but start at a minimum of $500.	Tuition Revenue

State	NC-SARA In-State Fee	Non-NC-SARA Initial Fee	Non-NC-SARA Renewal Fee	Non-NC-SARA Cost Drivers
		the student protection fund.		
Maine	$0	$0	$0	None
Maryland	$2,000-$6,000	$7,500+$850	$7,500+$850	FTE and Program
Massachusetts	$3,000-$12,000	$10,000 + $2,000(degree)	$4,000 $4,500 for each new degree	Institutional Type and Number of Programs
Michigan	4,000 (2,000+2,000)	$4,000 (In-State) $10,000(Out-of-State)	$2,000(Renewal)$5,000(Renewal)	Institutional type
Minnesota	$750+$7,500	$2,000 to $3,500 per program depending on degree type. + $250-$1000	$1,500	FTE and Degree type
Mississippi	$2,000-$6,000	$2,500+$500 (for-profit) $3,000+$250 for new programs(nonprofit)	$500 or $1,000/.0025%(FTE) depending on what is greater. (for-profit) Mirror NC-SARA Fee Schedule (nonprofit)	FTE and Number of Programs
Missouri	$1,500	$600	$600-$6,600	FTE
Montana	$0	$0	$0	None
Nebraska	$0-$350	Private institutions -$360 +$135 per program Out-of-State - $1,515 + ($300) Public $800-$1,400 depending on # of programs and physical location	Private institutions - $220 + $75 Out-of-State Renewal $300 Public - $1,350 programs and $800 courses only	Number of Programs and Institution Physical Location
Nevada	$0	$2,000	$2,000	None
New Hampshire	$2,500-$40,000 (depending on out-of-state online headcount)	$10,000 + $2,000 per program (review) Out-of-U.S. $20,000 + $2,000 per program (review)	N/A	FTE, Institutional Type and Number of Programs
New Jersey	$1,062.50	In-State - $500-$10,000 (depending on enrl.)	In-State - $250-$5,000 (depending on enrl.) Out-of-State - $1,000 - $7,500 (depending on enrl.) $900 every two years (Private/CTE)	FTE and Number of Programs

State	NC-SARA In-State Fee	Non-NC-SARA Initial Fee	Non-NC-SARA Renewal Fee	Non-NC-SARA Cost Drivers
		Out-of-State - $2,000 - $15,000 (depending on enrl.) +$25-$5,000 fee $1,150 (Private/CTE)		
New Mexico	$1,000 application fee	$5,000+$500	$200	FTE
New York	$5,000-$9,000	$17,000	$17,000	FTE
North Carolina	$4,000-$6,000	$5,000 (Proprietary) $5,000 (additional charges based on how many degrees offered)	$2,500(Proprietary) + $750 $4,000-$16,000(additional charges based on how many degrees offered)	FTE, Number of Programs, and Institutional Type
North Dakota	$0	$250-$4,000 depending on physical presence $1,000(CTE)	$250-$2,000 depending on physical presence $500 (CTE)	Institution
Ohio	$2,000-$6,000	Base Fee - $3,000-$5,000 +In-State - $3,000 +Out-of-State - $5,000 +$1,000 additional program review fee. (Career Schools - $200-$1,000(depending on tuition revenue).)	In-State - $3,000Out-of-State - $3,500 (Career Schools) $400-$2,000(depending on tuition revenue)	FTE, In-State or Out-of-State Location, Tuition Revenue and Number of Programs
Oklahoma	$0	$1,284 following a 7% increase + $200/person to license each Solicitor. $3,000 (Regents Institution)	$1,284 following a 7% increase + $200/person to license each Solicitor. $2,500(Regents Institution)	Institutional Type
Oregon	$3,000-$7,000	In-State - $1,000-$2,000 + $2,000-$4,000 for each program (depends on degree type) Out-of-State - $7,000 + 1,000 for each new program.	Same for renewal as for initial	Number of Programs and In-State or out-of-state location

State	NC-SARA In-State Fee	Non-NC-SARA Initial Fee	Non-NC-SARA Renewal Fee	Non-NC-SARA Cost Drivers
Pennsylvania	$1,000-$7,000	Fees depend on type of institution and number of programs offered.	$2,000 every 5 years	Tuition Revenue and Number of Programs
Puerto Rico	$2,000-$6,000	$0	$0	FTE
Rhode Island	$3,500-$8,500	Nonprofits - $5,000-$10,000 For-profits - $2,000	Nonprofit out-of-state - $5,000-$10,000 For-profit - $200	FTE, Institutional Type and In-State or Out-of-State Location
South Carolina	$2,000-$6,000	$150-$5,000 depending on tuition. (.05%)	$150-$5,000 depending on tuition. (.05%)	FTE and Tuition Revenue
South Dakota	$4,000	NA	$250	None
Tennessee	$2,200-$8,800	$3,000 + $500 per program	$500-$3,500	FTE
Texas	$0	$8,000 for private institutions in TX - non-accredited only $1,001 for small school $3,000 for a large school	$8,000 for private institutions in TX	Institutional Type and In-State or Out-of-State Location
Utah	$2,000-$6,000	$850	$850	FTE
Vermont	$0	$0	$0	None
Virginia	$1,250-$3,750	$2,500- $10,000 depending on institutional type. +$150	$250-$10,000 depending on tuition	FTE and Tuition Revenue
Washington	$1,250	$2,000+$1,000 for each program Field placement - $2,000 $250-$2,500	$1,000+$250 for each program Field placement - $1,000 $250-$2,500	Number of Programs and Tuition Revenue
West Virginia	$500	$2,000 2yr. $500 4 yr.	$500	Institutional Type
Wisconsin	$0	$2,000-$5,100 depending on degree type, $500 distance learning school Program fees - $500-$4,500	NA	Institutional type and Program Type and Number of Programs
Wyoming	$0	Degree-granting $100	NA	Institutional Type

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Appendix B – Key Findings From the NCHEMS/NC-SARA 2021 Cost Study

From 2019 to 2021, NCHEMS conducted the first SARA cost savings study. The study included a survey of nearly 600 institutions. A total of 171 institutions responded with complete data and were included in this analysis. Analysis of these responses included these key findings:

- In 2021, institutions participating in SARA spent (on average, depending on state and institution size) between $3,351 and $11,221 for initial authorization, and $3,258 and $11,033 on annual renewal.
    - If these institutions were not SARA participants in 2021, it is estimated that these costs would be up to $2,180,000 initially, and up to $402,000 annually.
- Overall, the average institution would spend 38.6 times as much for initial authorization and 13.6 times as much annually as a non-SARA participant.
- The 2021 report estimated a total cost savings across all SARA participating institutions of $402 million on initial authorization and $133 million annually on renewal.
- On average, regardless of institution size, initial authorization to offer interstate distance education nationally will cost an institution over $100,000, compared to less than $12,000 for SARA participation.