

**Proposal from Robyn Smith on the Department's state authorization proposed compromise language**  
March 6, 2024

On top of Carolyn Fast's proposal, I propose the following additional language regarding the ability of states to charge fees necessary for them to be able to handle complaints and investigations regarding the violations of general purpose laws. Most state oversight agencies are funded by fees from licensed institutions, so if a reciprocity agreement prohibits them from charging any fees (other than application fees) states will either not have the capacity to deal with general purpose violations or other institutions that are not approved through a reciprocity agreement will have to subsidize that work. The current SARA agreement prohibits member states (other than home states) from charging SARA-approved schools any fees.

The new text is **highlighted in green and bolded.**

---

**§ 600.9 State authorization.**

\* \* \*

(d) If an institution is authorized to offer distance education in another State under a State authorization reciprocity agreement, as defined in § 600.2:

~~(1) It may be exempted from initial State authorization or licensure requirements in that State.~~

~~(12) Such agreement must:~~

~~(i) Provide for a State-led process through which participating States can propose and collectively adopt, modify, or eliminate substantive policies of the agreement, including policies on State and institutional participation and the scope of reciprocity. Such a process, and such State-adopted or modified policies, cannot be overruled by any external entities that administer the agreement;~~

~~(ii) Allow any member State of the agreement to enforce its own applicable general purpose general-purpose State laws and regulations to institutions approved pursuant to the agreement, including conditioning or revoking authorization under the reciprocity agreement based on violations of such State laws and regulations, and allow states to charge fees necessary to fund their enforcement of applicable general purpose State laws and regulations with respect to institutions approved pursuant to the agreement. outside of the initial approval for State authorization of distance education except for authorization or application fees and processes;~~  
[Moved from 600.2]

\* \* \*