

ATTACHMENT 5

SARAS State Supplemental Sheet for Institutions

SARA provides a degree of flexibility for states as they implement the agreement. Information about state-specific provisions may be added on this page for items such as fees (if any) to be charged in-state institutions, criteria for consideration of appeals of institutions having financial responsibility index scores between 1.0 and 1.49, etc.

State fee

Institutions will pay an annual fee to the Puerto Rico Council on Education (PRCE) to support the costs of the annual affiliation with SREB and administrative costs associated with SARA membership.

Puerto Rico fee schedule:

FTE ¹	Paid to PRCE
0 - 2,500	\$2,000
2,500-9,999	\$4,000
10,000 and over	\$6,000

¹ Most recent year reported to IPEDS

Licensed institutions are required to maintain active public liability insurance with an insurance company approved by the Puerto Rico Insurance Commission to cover the risks of bodily damage to all persons who come to its grounds, buildings and other structures. The coverage will not be less than five hundred thousand dollars (\$500,000.00) for each individual case and one million dollars (\$1,000,000.00) per event. Institution must also demonstrate that they maintain updated contingency plans for natural disasters and other fortuitous and foreseeable events, and a policy that guarantees that students may conclude their academic degree program in case of a moratorium, closing of a specific program or institutional or unit closing.

Although PRCE does not require a bond, it is recommended that institutions create and maintain a restricted fund to be used to refund unearned tuition in the event of closure.

All institutions are required to comply with Chapter VI of Regulation for the Licensing of Institutions of Higher Education in Puerto Rico, No. 8265 of 2012 that establishes the process for institutional closing which includes standards for the management of student records and teach out agreements.

Financial responsibility criteria for ratings 1.0-1.49

Institutions with a financial responsibility rating between 1.0 and 1.49 are permitted to provide evidence of financial solvency to PRCE. PRCE will evaluate the evidence provided and make a determination regarding participation in SARA on a case by case basis. Institutions with a financial responsibility score between 1.0 and 1.49 can be permitted to participate in SARA for one year. Failure to provide a financial responsibility score above 1.5 after one year will preclude further participation in SARA until a score of 1.5 is obtained.

PRCE will calculate the financial responsibility score using the U.S. Department of Education formula for institutions that do not participate in federal financial aid.

**STATE AUTHORIZATION RECIPROcity AGREEMENT (SARA) INSTITUTION APPLICATION
PUERTO RICO SUPPLEMENT**

I, the undersigned President of the named institution, in conjunction with the enclosed application for membership in SARA, hereby certify:

The institution has a federal financial composite score of 1.5 or above. Evidence is enclosed.

OR

The institution has a federal financial composite score of 1.0 – 1.49 and additional information is provided as requested to demonstrate financial solvency.

AND

The institution accepts the authority and responsibility of the Puerto Rico Council on Education to investigate and adjudicate complaints. The institution will cooperate in the investigation and will accept the adjudication. The institution acknowledges that failure to cooperate or comply with an adjudication can result in termination of membership in SARA.

AND

The institution has a policy that guarantees that students may conclude their academic degree program in case of a moratorium, closing of a specific program or institutional or unit closing and will comply with the standards for management of student records and teach out agreements established on Chapter VI of Regulation for the Licensing of Institutions of Higher Education in Puerto Rico, No. 8265 of 2012.

AND

The institution maintains an active public liability insurance with an insurance company approved by the Puerto Rico Insurance Commission to cover the risks of bodily damage to all persons who come to its grounds, buildings and other structures. The coverage will not be less than five hundred thousand dollars (\$500,000.00) for each individual case and one million dollars (\$1,000,000.00) per event.

AND

The institution must demonstrate that they maintain updated contingency plans for natural disasters and other fortuitous and foreseeable events, and a policy that guarantees that students may conclude their academic degree program in case of a moratorium, closing of a specific program or institutional or unit closing.

Name of Institution

Print Name of President or Chief Operating Officer

Signature of President or Chief Operating Officer

Date