

September 24, 2026

ITEM 226-103-R0926

Request for Approval to Revise Board of Regents Policy 221, State Authorization, and Adopt New Policy on Applications to Participate in the State Authorization Reciprocity Agreement

THAT

The Montana Board of Regents approves amendments to BOR Policy 221 regarding state authorization to strengthen consumer protection and make Montana's requirements more closely align with current best practices and regulatory requirements. The Board also approves the adoption of a new policy governing applications for participation in the State Authorization Reciprocity Agreement.

EXPLANATION

The proposed revisions to BOR Policy 221 represent a comprehensive package of changes to the Board's state authorization policy by: (1) clarifying that authorization is required both to establish a physical presence in Montana and to offer distance education to students in Montana; (2) listing the types of institutions that are authorized without additional process; (3) cleaning up the language for the religious exemption; (4) outlining the process and requirements for direct authorization; (5) adding an annual renewal process for direct authorization; (6) revising the surety bond requirements so that all institutions holding direct authorization must submit a bond based on gross Montana tuition revenue; (7) adding additional student consumer protections; (8) adding a requirement that institutions notify the Office of the Commissioner of Higher Education within 30 days of certain events, such as an adverse action by an accrediting agency or a change of ownership; (9) adding certain notification requirements for institutions that plan to discontinue operations in Montana; (10) revising the student complaint process; (11) adding a contingency provision in the event that the State Authorization Reciprocity Agreement ceases to exist or Montana withdraws from the Agreement; (12) clarifying which enforcement actions the Office of the Commissioner of Higher Education may take; (13) allowing institutions authorized prior to these policies revisions to serve already enrolled Montana students until the conclusion of their program of study; and (14) adding a definitions section.

The new policy on applications for participation in the State Authorization Reciprocity Agreement clarifies the process for applying for participation in the State Authorization Reciprocity Agreement and for appeals of a determination regarding an institution's application.

ATTACHMENTS

Attachment #1: Proposed revisions to BOR Policy 221

Attachment #2: Description of revisions to BOR Policy 221 following July meeting

Attachment #3: Proposed new BOR Policy regarding applications for participation in the State Authorization Reciprocity Agreement