

Policy on Substantive Change

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Background

The U.S. Department of Education regulations require that accrediting agencies have adequate policies and procedures to ensure that any substantive changes to the educational mission, or programs of an institution, maintain the capacity of the institution to continue to meet Accreditation Eligibility Requirements, Accreditation Standards, and Commission policies. Membership of the Substantive Change Committee is set forth in the ACCJC Bylaws and represents the composition of academic and administrative personnel, and of public representatives, required of decision-making bodies by the U.S. Department of Education.¹ In addition, educators with specialized expertise may be invited to serve as expert advisors to the Committee to facilitate consideration of substantive change applications involving programs or single-purpose institutions that prepare students for a specific profession. These expert advisors are not members of the Substantive Change Committee and do not vote on substantive change requests.

Federal law mandates that accrediting agencies require institutions to obtain accreditor approval of a substantive change before the change is included in the scope of the accreditation granted to the institution. The scope of an institution's accreditation covers all activities conducted in its name. The Commission's Substantive Change Committee is the decision-making body of the Commission for substantive change requests. Unless the Substantive Change Committee decides to refer a matter to the Commission for review and action, the Committee's action on a substantive change request serves as the final decision.

Policy

The Commission, through its Substantive Change Committee and processes, ensures that institutions continue to meet the Eligibility Requirements, Accreditation Standards, and Commission policies. The substantive change process requires evidence of institutional planning, resource commitment to the proposed change, and evidence that following the change, the institution continues to meet the Eligibility Requirements, Accreditation Standards and Commission policies.

It is the institution's responsibility to demonstrate the effect of a substantive change on the quality, integrity, capacity and effectiveness of the total institution. Substantive changes must be approved by the Substantive Change Committee prior to implementation.² The Committee will not approve a substantive change to be effective on a date prior to its action on the substantive change. The approval of a substantive change application will be effective on the date the Substantive Change Committee votes affirmatively to approve the change.

¹ 34 C.F.R. § 602.15(a)(3).

² 34 C.F.R. § 602.22.

The Commission publishes a *Substantive Change Manual* that describes the approval process. Institutions seeking approval for a substantive change should note that substantive change applications are subject to review, on the basis of specific evaluation criteria below, and on the impact of the change on the institution's ability to sustain compliance with Eligibility Requirements, Accreditation Standards, and Commission policies.

The institution's accreditation will be extended to areas affected by the change upon review and approval by the Substantive Change Committee. Any substantive change approval may include the requirement for a follow-up report and team visit to address specific issues identified by the Substantive Change Committee and to verify that the institution remains in compliance with Eligibility Requirements, Accreditation Standards, and Commission policies as the program implementation moves forward.

POLICY ELEMENTS

I. Timing Considerations for a Substantive Change Application

Substantive change approval is needed before an applicable change can be implemented and before affected students can qualify for federal financial aid. Thus, prior to approval, the change may not be represented or advertised as a part of the institutional accreditation.

Accredited institutions seeking substantive change are aware of and, per Standard I.C.12, have committed to remaining in compliance with Eligibility Requirements, Accreditation Standards, and Commission policies at all times. A substantive change application is timely when the institution has progressed in its planning to a point where it is able to demonstrate and provide evidence that the change meets Eligibility Requirements, Accreditation Standards, and Commission policies and any specific evaluation criteria.

In the following circumstances, institutions may not submit a substantive change application:

- In the six-month period preceding a comprehensive evaluation team visit.
- During the period that an institution is on a sanction such as Warning, Probation, or Show Cause until the conditions that resulted in a sanction have been resolved and the Commission has reaffirmed accreditation. If the sanction includes a specific recommendation which cites as a non-compliance the institution's failure to seek substantive change approval of an existing program, delivery mode, or location, then, to the extent of that recommendation only, the institution may proceed with a substantive change application.
- If the institution is subject to withdrawal of accreditation, pending the outcome of administrative remedies.

II. Changes classified as Substantive Changes

Substantive changes include, but are not limited to, the following³:

A. Change in Mission, Objectives, Scope, or Name of the Institution

- Change in the mission or character of the institution; if the mission or character of the institution becomes dramatically different, the Commission reserves the right to require the institution to complete the eligibility, candidacy, and initial accreditation process
- Change in the degree level from that which was previously offered by the institution, i.e., offering a degree at a level higher than the accredited institution offers currently
- Change in the official name of the institution
- Merger of two separately-accredited ACCJC institutions into a single **accreditable** institution
- Reduction of programs to an extent that the institution's mission cannot be accomplished

B. Change in the Nature of the Constituency Served

- Change in the intended student population
- Closure of an institution or loss of state authorization or licensure for the institution or a program, withdrawal of or from accreditation if such withdrawal will result in closure⁴
- Closure of a location geographically apart from the main campus at which students can complete at least 50% of an educational program
- Courses or programs offered outside the geographic region currently served

C. Change in the Location or Geographic Area Served

- Move of the institution to a new location or an addition of a location, geographically apart from the main campus, where students can complete 50% or more of a program. The Substantive Change Committee will determine if an institution applying for substantive change for a new location requires a visit to the site. Considerations related to an additional or new location include the following:
 - The institution must have the fiscal and administrative capacity to operate the additional location. If required, a visit will be arranged within six months of review to an additional or new location the institution establishes. The purpose of the site visit is to verify that the location has

³ Please note that although some change at an institution may not warrant substantive change review, the institution should still take all necessary steps to ensure the Eligibility Requirements, Accreditation Standards, and Commission policies related to that change are being met.

⁴ See the Policy on Closing an Institution for further discussion of requirements related to closing an institution and teach-out plans for institutional or programmatic closures.

the personnel, facilities, and resources the institution claimed to have in its substantive change application.

- The Substantive Change Committee may not approve an institution's addition of locations after the institution undergoes a change in ownership resulting in a change of control⁵ until the institution demonstrates that it meets the conditions for the Commission to pre-approve additional locations.⁶

D. Change in the Control or Legal Status of the Institution

- Change in the form of control, legal status, or ownership of the institution
- Merger with another institution⁷
- Separation of one unit of the institution into separate institutions, dividing an institution into two or more separately controlled and accredited units, or a change of an off-campus site into a separate institution.
- Acquisition of any other institution or program or location of another institution, and/or the addition of a permanent location at the site of a teach-out the institution is conducting

E. Change in Courses or Programs or their Mode of Delivery that Represents a Significant Departure from Current Practice

- Change in the mode or location of courses when the change constitutes 50% or more of a program, degree or certificate. This includes the following:
 - Courses offered at a new or different location,
 - Courses offered through distance education or correspondence education;
 - Course additions that constitute 50% or more of a program.
- Addition of courses or programs that represent a significant departure from existing offerings of educational programs or methods of delivery from those offered when the institution was last evaluated
- Addition of programs at a degree or credential level different from that which is included in the institution's current accreditation.

F. Change in Credit Awarded

- Substantial increase or decrease in the number of clock or credit hours awarded for the successful completion of a program
- Change from clock hours to credit hours

G. Implementation of Direct Assessment⁸

- Change of an instructional program from clock hours or credit hours, to direct assessment of student learning. A program must obtain USDE approval as a direct

⁵ as defined in 34 C.F.R. § 600.3.1

⁶ 34 C.F.R. §602.22(a)(2)(viii)(D)

⁷ See also *Policy on Contractual Relationships with Non-Regionally Accredited Organizations*

⁸ See the *Policy on Direct Assessment of Learning*

assessment program⁹

H. Implementation of a Baccalaureate Degree Program¹⁰

- Instructional program that leads to the award of a baccalaureate degree
- Additional area of emphasis within a baccalaureate degree program of study
- Designation of a minor which can be awarded in association with a baccalaureate degree

I. Contractual Relationship with a Non-Regionally-Accredited Organization

- More than 25 percent of one or more of the accredited institution's educational programs is offered by the non-regionally-accredited organization,¹¹

III. Circumstances that may require reports and evaluation

A. Special Report and/or Visit

- As a result of a Substantive Change application or review, circumstances may come to the attention of the Substantive Change Committee that may cause the Committee to recommend to the Commission that a special report is needed to be submitted by an institution. This report may be followed by a visit. These circumstances are:
 - Information that reveals or indicates a significant departure from Eligibility Requirements, Accreditation Standards, and Commission policies;
 - Evidence of unethical practices;
 - Closure of a program or institution due to loss of state authorization or licensing;
 - Lack of effective educational policies and practices; or
 - Other circumstances or the accumulation of changes wherein the Commission concludes the institution, to which it granted accreditation, has effectively ceased to operate under the conditions upon which accreditation is granted.

B. Comprehensive Institutional Evaluations

Major substantive changes may cause the Substantive Change Committee to decide that a comprehensive evaluation is required.¹² Comprehensive Evaluations will include a visit by

⁹ See 34 C.F.R. § 668.10

¹⁰ See the Policy on Accreditation of Baccalaureate Degrees for specific standards and policies which must be addressed, as well as additional specific evaluation criteria.

¹¹ 34 C.F.R. § 602.22(a)(2)(vii)

¹² 34 C.F.R. § 602.22(a)(3) Comprehensive evaluations triggered by a major substantive change will proceed in the same manner as a regularly scheduled comprehensive evaluation, with an institutional self evaluation report, evaluation team visit and evaluation team report, and action by the Commission

a comprehensive evaluation team and a Commission evaluation and decision. Situations which may trigger this determination include:

- Change of ownership/control/legal status during the process of reaffirmation of accreditation or candidacy status;
- Complete or significant change in mission and/or a significant change of mission sought within two years of a change of ownership and change of control;
- Any relocation coupled with a change of mission;
- A change of classification from an off-site location to a stand-alone institution;
- Student indebtedness compared to program, job market, and salary;
- Poor student graduation rates, program quality, performance and/or program outcomes;
- Rapid growth in the number of sites where more than 50% of an educational program is offered;
- Any change that results in the transition to a primarily distance education institution; or
- Other circumstances or the accumulation of changes as determined by the Substantive Change Committee.

IV. Actions on Substantive Change

The charge of the Substantive Change Committee is to ensure that any substantive changes meet the expectations of accreditation (the Eligibility Requirements, Accreditation Standards, and Commission policies) and that implementation of the change will not adversely affect the institution's capacity to continue to meet the Eligibility Requirements, Accreditation Standards, and Commission policies. The actions of the Committee are considered actions of a decision-making body on the accredited status of a member institution (as to the substantive changes). The review is rigorous and verifies compliance with expectations in Eligibility Requirements, Accreditation Standards, and Commission policies.

Informal communications and feedback by ACCJC staff with institutional representatives prior to committee review of the institution's substantive change are intended to provide assistance to colleges as they progress through the substantive change approval process, but staff do not predict the outcomes of the Committee decision.

The Substantive Change Committee may take the following actions:

Approve the substantive change. The institution has demonstrated that it meets the evaluation criteria.

Approve the substantive change and require a Follow-Up Report with or without a visit, or a visit without an institutional report. The institution meets the evaluation criteria, but the committee has specific questions (which don't require deferral), feels

on the accredited status of the institution.

general verification is needed of sustained practice, or has questions concerning further implementation stages. A visit timeline will be specified: 6-18 months. The Committee will review the report(s).

Provisionally approve a planned substantive change that is subject to a federally mandated site visit. The institution's submitted plans for a change of ownership, new location, or creation of a branch campus demonstrate future actions that will meet the evaluation criteria. The provisional approval allows the institution to move forward with steps of implementation in preparation for seeking approval of the substantive change. The provisional approval may include a site visit. The provisional approval must state a date, not to exceed three years, by which the change must be approved for inclusion in the institution's accreditation. If that time is exceeded, then the substantive change request process must be initiated anew. A new location which requires a federally mandated site visit cannot be provisionally approved if there has been a change in ownership since the institution has successfully had three new locations approved by substantive change. The Committee may require additional reports or visits before the approval is final.

Defer pending additional information. Consideration of the request cannot move forward without receipt of additional information demonstrating the evaluation criteria are met.

Deny the substantive change. The institution has not demonstrated that the change meets the evaluation criteria.

Refer the proposed change to the Commission. The substantive change application can be referred by the Substantive Change Committee to the Commission when it has determined there may be the need for a comprehensive evaluation or for a special report and visit. The evaluation of the institution's substantive change follow-up report and/or visit may also be referred to the Commission when deemed appropriate for review by the full Commission. The Committee's referral to the Commission will include the reasons for such referral.

V. Substantive Change Actions Involving Federally Mandated Visits

Federal regulations require that certain substantive changes include a site visit as part of the approval¹³. Generally visits are required when there is an additional location where at least 50% of a program is offered, when a branch campus is established, or when there is a change in ownership that results in a change of control.

A. New location where at least 50% of an educational program is offered

When there is a change that constitutes 50% or more of a program, certificate, or degree, at a new location, a federally-mandated site visit is required. The purpose of the visit is to verify that the information provided by the institution in its substantive change application was accurate and complete. It is also used to verify that the actions implemented align with the plans that received provisional approval by the committee. Visits must take place no later than 6 months after the substantive change approval.

¹³ 34 C.F.R § 602.22(c)

A federally mandated site visit is required if the institution has:

- Three or fewer additional locations;
- Not demonstrated that it has a record of effective educational oversight of additional locations;
- Been placed on warning, probation or show cause;
- Rapid growth in the number of additional locations (more than 20%) within one year.

A federally mandated site visit is not required for a new location if there are findings that the institution has met the conditions below and that the evidence demonstrates it has clearly identified academic control; regular evaluation of the locations; adequate faculty, facilities, resources and academic and student support systems; financial stability; and long-range planning for expansion. The conditions for an exemption from a federally mandated site visit include:

- The institution has successfully completed one cycle of accreditation (comprehensive evaluation –midterm review –comprehensive evaluation) and has achieved reaffirmation of accreditation; and
- Has at least three additional locations that were previously approved by the accreditor; and
- Has a demonstrated record of effective oversight of additional locations; and
- The institution is not on sanction.

B. Branch campus

Substantive Change uses the federal regulation definition¹⁴ of a Branch Campus. Federal regulations define a branch campus as a location of an institution that is geographically apart and independent of the main campus of that institution. The branch location of an institution is independent if it is (1) is permanent in nature; (2) offers courses in educational programs leading to a degree, certificate, or other recognized educational credential; (3) has its own faculty and administrative or supervisory organization; and (4) has its own budgetary and hiring authority. An institution must provide a business plan in advance of establishing a branch campus (describing the educational programs, the projected revenues/ expenditures/cash flow, the operation, management and physical resources of the branch campus). Approval (accreditation) can only be given after determining the campus has sufficient educational, financial, operational, management, and physical resources. There must be a site visit as soon as possible after the campus is established,¹⁵ in any case no longer than six months after.

C. Change of ownership

Changes in the ownership of an institution which result in a change of control are subject to federally mandated site visits. The Substantive Change Committee can designate the

¹⁴34 CFR §600.2

¹⁵ The campus will be deemed to be established when classes are first offered after the criteria for independence are met.

effective date of its approval as being the date of the actual change, so long as the Committee decision is within 30 days of that change of ownership. There must be a site visit as soon as possible after the change takes effect, in no case later than six months after the change.