

## **Overview of Commission Policies and Procedures for Institutional Changes Requiring Commission Notification or Approval Effective July 1, 2010**

### **Introduction**

This document provides an overview of Higher Learning Commission policies on institutional change current as of July 1, 2010. **Part 1** presents current Commission policy in chart form. It identifies the categories of institutional change, defines specific types of changes for each category, and specifies Commission requirements of institutions related to these changes. **Part 2** provides an overview of the process and timeline for seeking approval of a proposed change. The policies and procedures described in this document have implications for the institution's financial aid office and its academic affairs office, so it is important that these offices communicate with each other on these matters.

### **Part 1: Changes Requiring Commission Notification or Approval**

An institution has the obligation to report institutional changes to the Commission as identified below and to seek and receive Commission approval where appropriate prior to implementing specific changes. The institution shall use the Commission's change reporting protocol for this purpose.

- Changes identified as requiring **prior Commission approval** prior to implementation shall be included in the institution's accreditation only after the Commission has reviewed the change through a process identified in this policy and formally acted to approve the change.
- Changes identified as requiring **Commission notification** are included in the institution's accreditation provided that the institution provides timely notification to the Commission through the Annual Institutional Data Update and other data reporting instruments established by the Commission according to a schedule established by the Commission.
- Institutions that have access to the **Notification Program for Additional Locations** must notify the Commission and receive acknowledgment prior to initiating the Additional Location. Such access does not cover the addition of campuses.

<b>Category</b>	<b>Changes within the Institution</b>	<b>Requirement</b>
<b>Mission</b>	Changes in actual or apparent mission of the institution or its educational objectives	Prior Commission Approval
<b>Student Body</b>	Significant changes in the character or nature of the student body of the institution, particularly, but not limited to,	Prior Commission Approval

	those changes involved in seeking international students for the first time or acquiring students being taught-out of programs provided by a closing institution	
<b>Academic Program</b> (See Note 1 below)	Initiation of new academic program(s) or major(s) other than those listed below, or cancellation or suspension of academic programs	Commission Notification
	The addition of academic program(s) at a degree or credential level not previously included in the institution's accreditation by the Commission	Prior Commission Approval
	The addition of academic program(s), including Title IV-eligible Certificate programs not related to existing degree programs, that represent a <i>significant departure</i> from programs previously included in the institution's accreditation	
	The addition of academic programs that require allocation of substantial financial investment or resources, or any programs acquired from another institution	
	Offering courses at a higher degree level or outside the range of institutional programs currently approved by the Commission	
	The addition of academic programs outside stipulations imposed by a previous Commission action	
	A change from clock to credit hours in one or more institutional programs or a substantial increase or decrease in the number of clock or credit hours awarded for successful completion of an academic program	
<b>Distance or Correspondence Education</b> (See Note 2 below)	Offering a new distance or correspondence education program wherein 50% or more of the courses or credits in the academic program are provided through the alternate delivery	Commission Notification
	The initiation or expansion, as defined by the Commission, of distance or correspondence or other education wherein 50% or more of the courses or credits in one or more academic programs are provided through the alternate delivery	Prior Commission Approval
<b>Additional Locations</b> (See Note 3 below)	The establishment of a campus or an additional location	Prior Commission Approval <i>unless the institution has been approved for access to the Notification Program for Additional</i>

		<i>Locations (such access does not cover the addition of campuses)</i>
	The acquisition of a campus or an additional location from another institution, including one established or acquired in order to provide for teach-out of the students from another institution	Prior Commission Approval <i>unless the institution has been approved for access to the Notification Program for Additional Locations (such access does not cover the addition of campuses)</i>
	Closure or suspension for more than one semester of any of the following: 1) a course location outside the state of the institution's main campus at which an institution offers five or more courses per year, 2) an additional location, or 3) a campus	Commission Notification
	The establishment of a course location at either an international location or at a location outside the institution's home state at which the institution offers five or more courses per year	Prior Commission Approval
<b>Contractual Arrangements</b>	<i>The initiation of a contractual or other arrangement wherein an institution outsources some portion of one or more of its educational programs to any of the following parties: an unaccredited institution; an institution that is not accredited by an accreditor recognized by the U.S. Department of Education; or a corporation or other entity:</i>	
	less than 25% of any educational program outsourced to the other party	Commission Notification
	25%-50% of any educational program outsourced to the other party	Prior Commission Approval
	more than 50% of any educational program outsourced to the other party. [Note that 34 CFR 668.5(3)(ii)(A) provides that educational programs provided through contractual arrangements between an accredited institution and an ineligible entity wherein more than 50% of the educational program is being provided by the ineligible entity will not receive Title IV assistance even if approved by the accreditor]	will receive intense scrutiny and will not be approved by the Commission except in exceptional circumstances

<b>Consortial Arrangements</b>	<i>The initiation of a consortial or other arrangement wherein a consortium of institution(s) accredited by an accreditor recognized by the U.S. Department of Education provides a significant portion of the academic program:</i>	
	25-50% of one or more of the institution’s educational programs provided by the consortium or other accredited institution	Commission Notification
	more than 50% of one or more of the institution’s educational programs provided by the consortium or other accredited institution	Prior Commission Approval
<b>Change of Control, Structure, or Organization</b>	<p>An institution shall receive Commission approval prior to undergoing a transaction that affects, or may affect, how corporate control<sup>1</sup>, structure or governance occurs at the accredited or candidate institution (hereinafter the “affiliated institution”).</p> <p>Approval of the transaction resulting in the CHANGE OF CONTROL, STRUCTURE, OR ORGANIZATION shall be necessary prior to its consummation to effectuate the continued accreditation of the institution subsequent to the closing of the proposed transaction.</p> <p>The transactions that require prior Commission approval<sup>2</sup> include, but are not limited to, the following:</p> <ol style="list-style-type: none"> <li>1. Sale or transfer to, or acquisition by, a new owner of all, or a substantial portion, of the institution’s assets, or the assets of a branch campus or site (not including any transfer that constitutes only the granting of a security interest);</li> <li>2. Merger or consolidation of an institution with one or more institutions or entities. This includes the consolidation of an institution not accredited or in candidate status with the Commission into the structure of an institution holding status with the Commission;</li> <li>3. The division of the affiliated institution into one or more institutions or entities;</li> <li>4. Stock transaction(s) including Initial Public Offerings of stock as well as those transactions wherein an individual, entity or group<sup>3</sup> acquires and controls 25%</li> </ol>	Prior Commission Approval

<sup>1</sup> Control shall be understood to mean the possession, direct or indirect, of the power to direct or cause the direction of, the management and policies of an institution, corporation, partnership or other entity, whether through the ownership of voting securities, by contract or otherwise.

<sup>2</sup> Such transactions may or may not also require approval from the U.S. Department of Education.

<sup>3</sup> For a definition of a “group” see Section 13(d)(3) of the Securities and Exchange Act of 1934.

	<p>of the total outstanding shares of stock of the affiliated institution, or an individual, entity or group increases or decreases its control of shares to greater or less than 25%, through individual or cumulative transactions, of the total outstanding shares of the stock of the institution;</p> <p>5. Change of corporate form, governance structure, or conversion, including, but not limited to, change from Limited Partnership to Corporation, from Limited Liability Corporation to a Corporation, from a Not-for Profit Corporation to a For-Profit Corporation, a Private to Public, a Not-for Profit Corporation controlled by members to one controlled by its Board of Directors, significant change in the size of the institution’s governing board;</p> <p>6. Any of the transactions in items 1 through 5 above involving a parent corporation that owns or controls the affiliated institution or in any intermediate subsidiary of a parent corporation where that subsidiary has a controlling relationship to the institution and where the transaction may reasonably affect the control of the accredited institution as determined by the Commission or by the U.S. Department of Education;</p> <p>7. Sale, transfer, or release of an interest in the affiliated institution such that there is change in the management or governance of the institution; and</p> <p>8. Transfer of substantial academic or operational control of the affiliated institution to a third-party entity.</p>	
<p><b>Teach-Out Arrangements</b></p>	<p>The institution shall be required to submit a written teach-out plan in any of the following circumstances:</p> <p>(a) the U.S. Department of Education notifies the Commission of an emergency action, or a limitation, suspension or termination or similar action against the institution;</p> <p>(b) the Commission acts to withdraw, terminate or suspend the status of an institution;</p> <p>(c) the institution notifies the Commission that it intends to cease or suspend operations or permanently close a site where it offers at least 100% of either a Certificate or degree program before all students have completed their program of study; or</p> <p>(d) a state licensing or authorizing agency notifies the Commission that an institution’s license or legal authorization to provide an educational program in that state has been or will be revoked.</p>	<p>Prior Commission Approval</p>

Category	Changes in the Relationship with the Commission	Requirement
<b>Institution's Relationship with the Commission</b>	<ol style="list-style-type: none"> <li>1. Change the stipulations within the current affiliation status.</li> <li>2. Change the date of comprehensive visits beyond the cycle established by policy.</li> <li>3. Change the date of other visits or required reports. Commission staff may make the decision after receipt and evaluation of documentation that shows that such changes are appropriate.</li> <li>4. Relocate accreditation within or among entities already accredited by The Higher Learning Commission. Commission staff may give approval after receipt and evaluation of documentation that the institution or new entity continues to meet Commission requirements and criteria, but will schedule an on-site evaluation to be conducted within a year.</li> </ol>	Prior Commission Approval

**Note 1: Academic Programs** (the term *programs* refers to degree, diploma, and certificate programs)

All the Certificates already listed on an institution's Organizational Profile are considered approved.

The Commission must *separately* approve all additional Title IV eligible certificate or diploma programs that are not substantially related to or derived from existing programs. If 50% or more of the courses in the program were developed for the Certificate program and are NOT derived from courses in existing Certificate or degree programs, then the new certificate or diploma requires Commission approval.

Institutions that need a letter documenting the approval of any certificate program should send an e-mail to [changerequests@hlcommission.org](mailto:changerequests@hlcommission.org) or call (800) 621-7440 - Tamas Horvath at ext. 137.

**Note 2: Distance or Correspondence Education**

The Commission defines a ***distance or correspondence education program*** as one in which a student could earn the credential by taking 50% or more of the work in the distance or correspondence education courses. ***Distance or correspondence courses or credits*** are those in which all or the vast majority (75% or more) of the instruction and interaction occurs via electronic communication, correspondence, or equivalent mechanisms, with the faculty and students physically separated from each other. The new definitions align our practices with federal definitions:

Distance education/course means education that uses one or more of the {following} technologies (i) to deliver instruction to students who are separated from the instructor: and (ii) to support regular and substantive interaction between the students and the instructor, synchronously or asynchronously. The technologies used may include: (i) the internet; (ii) one way and two way transmissions through open broadcast, closed circuit, cable, microwave, broadband lines, fiber optics, satellite, or wireless communications devices; (iii) audioconferencing; or (iv) videocassettes, DVDs, and CD-Roms, if the videocassettes, DVDs or CD-Roms are used in conjunction with any of the technologies listed in clauses (i) through (iii).

Correspondence education/course means: (1) Education provided through one or more courses by

an institution under which the institution provides instructional materials, by mail or electronic transmission, including examinations on the materials, to students who are separated from the instructor. (2) Interaction between the instructor and the student is not regular and substantive, and is primarily initiated by the student. (3) Correspondence courses are typically self-paced. (4) Correspondence education is not distance education.

**The Commission no longer requires program-by-program approval of distance education for those institutions that (a) have had formal Commission approval of one or more programs in the past and (b) after the Commission has formally approved the institution's first distance or correspondence education program.** Therefore, the new policy reduces how often institutions must seek approval for changes in distance education. The Commission has designated four levels of distance education activity across the institution (these levels are defined in the change application for distance or correspondence education available on the Web site). The Commission will only require an institution to seek approval when it plans to increase its distance or correspondence education activity from one level to a higher one. Once the institution is at the fourth level, normally no further substantive change requests are required. Of course, the Commission will continue to review the distance or correspondence education of all institutions during comprehensive accreditation evaluations.

For assistance in locating institutional data or to ask a question, send an e-mail to [changerequests@hlcommission.org](mailto:changerequests@hlcommission.org) or call (800) 621-7440 - Tamas Horvath at ext. 137.

### **Note 3: Additional Locations and Campuses**

The term "Additional Locations" (i.e., >50% of a program) is now used in place of the term "sites." Because the U.S. Department of Education does not have provisions for moving, relocating, or changing the address of a campus or additional location, an institution "moving" a campus or additional location must close the old facility and submit a formal change request to the Commission to open a new facility.

When an institution closes an additional location or a campus that provides at least one full degree program, the institution must submit a teach-out plan detailing how students enrolled in that degree program will complete the academic program in a timely fashion. An institution cannot substitute a distance delivery program for an on-ground program as the only teach-out option for students. All teach-outs must be approved by the Commission.

Institutions may be asked by the U.S. Department of Education to demonstrate that their campuses and additional locations are approved by the Commission in order to ensure continuous access of students at those campuses and locations to Title IV. Only those campuses and locations in the Commission's database are approved. Institutions should check their data on the Commission's Web site to make certain all current additional locations and branch campuses are listed: <http://www.ncahlc.org/directory>.

Enter the institution's name in the window, then click on it to access the record. Scroll to "Off-campus Activities" to see current additional locations and branch campuses in the Commission's record. If the information is not up to date, the institution should send an e-mail to [changerequests@hlcommission.org](mailto:changerequests@hlcommission.org) to inquire as to whether the institution needs to submit a change request.

The Commission informs the U.S. Department of Education monthly as to actions regarding additional locations and branch campuses. **Federal regulations prohibit the Commission from providing retroactive approvals under any circumstance.**

## Part 2: Submitting Change Requests: Process and Timeline

### Changes Requiring Commission Notification

Currently, institutions will inform the Commission of changes requiring notification through the Annual Institutional Data Update (AIDU) or through scheduled Commission evaluations.

### Changes Requiring Prior Commission Approval

All change requests must follow the new process and document requirements. Application forms with instructions are available on the Commission's Web site.

The types of changes that may use the new forms include:

- ◆ New programs
- ◆ Certificate programs (the form will explain those certificates that need to be reviewed for approval and those that need no separate approval)
- ◆ Courses at a new Degree Level
- ◆ New additional locations or branch campuses
- ◆ Teach-out of an existing location or branch campus
- ◆ Change in clock or credit hours
- ◆ Initiation or expansion of distance education activity to a new level
- ◆ Contractual or consortial arrangements in delivering one or more existing programs (Note: the institution should contact the Commission staff liaison regarding contractual programs where more than 50% of any educational program is outsourced to the other party)
- ◆ Course locations out-of-state and outside the United States

Institutions that have access to the **Notification Program for Additional Locations** must notify the Commission and receive acknowledgment prior to initiating the additional location. Such access does not cover the addition of campuses.

Requests related to **Change of Control, Structure, or Organization** follow a separate process and require a different type of documentation and a different fee schedule. Institutions considering this type of change should write to [ccaine@hlcommission.org](mailto:ccaine@hlcommission.org) or call (800) 621-7440, ext. 125. This communication will initiate a conversation between the Commission staff liaison assigned to the institution and the Commission's office of legal and governmental affairs about how to proceed with the proposed change.

The time required for the Commission to review and decide on approval of a substantive change varies with the type and complexity of the change and the quality and completeness of the request. The average timeframe for change review is three months. However, it is always possible that a change request may require an on-site visit. Therefore, an institution should plan for the potential of an eight-month timeframe.

Most change processes are subject to a fee. See the Commission's [fee schedule](#). The fee schedule is updated annually. New or revised fees are effective on September 1.

**Review Processes.** The Commission will determine the appropriate process for review of the proposed change: Commission Change Panel, Commission Change Visit, or Commission Desk Review.

Recommendations from these processes are forwarded to the appropriate Commission decision-making body for final action.

- **Commission Change Panel.** A Commission Change Panel will consist of three or more Commission Peer Reviewers who will review applications for approval of substantive change submitted by institutions. The Change Panel may seek additional information from the institution if such information is being sought to explain or clarify the materials provided by the institution in its application for change. The Change Panel may recommend that the change be denied or that it be approved with or without additional monitoring as appropriate. The institution is given an opportunity to review the recommendation and provide an institutional response prior to consideration of the recommendation by the decision-making body. Alternatively, the Change Panel may recommend that the change be further evaluated by an on-site evaluation team, either by a Change Visit or by a previously scheduled focused or comprehensive evaluation.
- **Commission Change Visit.** A Change Visit consists of a team of two or more Commission peer reviewers who review applications for approval of substantive change submitted by institutions. The Change Visit team may recommend that the change be approved, approved subject to additional monitoring, or denied. The institution is given an opportunity to review the recommendation and provide an institutional response prior to consideration by the decision-making body.
- **Commission Desk Review.** A Commission Desk Review consists of a review of a proposed institutional change conducted by an individual Commission official.

## Questions / Information

For more information on Commission change policies or on how to submit a change request, institutions should

- ◆ consult the Commission's Web page on substantive change (<http://www.ncahlc.org/information-for-institutions/institutional-change.html>),
- ◆ send a query to [changerequests@hlcommission.org](mailto:changerequests@hlcommission.org), or
- ◆ call the office at (800) 621-7440 - Tamas Horvath at ext. 137.