



SUBSTANTIVE CHANGES

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Substantive Changes for Postsecondary Institutions

Section 1: General

- a. When an institution is accredited by the Commissions on Elementary Schools and/or the Commission on Secondary Schools, that action applies to the institution and its programs, policies, operations, resources, etc. existing at the time of the Commission(s)' action.
- b. While the decision to modify an institution is an institutional prerogative and responsibility, the Commissions are obligated to determine the effect of any substantive change to the institution on the quality, integrity, and effectiveness of the total institution and upon which accreditation was granted.
- c. Accreditation and candidacy are subject to modification or rescission in the event of substantive changes the Commissions reasonably determine require such actions.
- d. The Commissions on Elementary and Secondary Schools are institutional accreditors. A principle of institutional accreditation is that everything within the institution is included in the institution's accreditation. Conversely, anything done without appropriate concern for consistency with an institution's stated mission and concern for quality and integrity may threaten the accreditation status of the entire institution.
- e. Substantive changes are not automatically included in an institution's accreditation or candidate status and, therefore, require a review of the accreditation or candidate status of the institution. Therefore, institutions planning a substantive change are required to inform the Commission(s) by which it is accredited (Commission on Elementary Schools and/or Commission on Secondary Schools) following the procedures in this policy.

- f. The Commissions reserve the right to rescind approval of a substantive change or other Commission action if subsequent developments might have affected the Commission(s)' decision.
- g. Because branch campuses and additional locations may operate with some independence from the main campus (including the resources available on each campus), the Commission(s) may require a branch campus or additional location to submit a Request for Approval of a Substantive Change even if the subject of the Request has been approved for inclusion in the accreditation of the main campus.

Section 2: Definition of a Substantive Change.

A substantive change is a change of such magnitude as to alter significantly the institution's mission, goals, scope of its offerings, autonomy, sponsorship, and/or the locus of control over the institution. This includes an institution's plans to offer programs in other locations and/or to change the geographic area(s) served.

If an institution is uncertain whether a proposed change is substantive, the institution should contact the Commissions' staff with preliminary information regarding the nature and purposes of the planned change. This should be done as early in the planning process as possible. Based on this preliminary review, the staff will advise the institution in writing of its decision.

Within this policy the default definitions and requirements apply to all institutions accredited by the Commission on Elementary Schools and/or the Commission on Secondary Schools.

Section 3: Requests for Approval of a Substantive Change.

Substantive changes that are initiated subsequent to the most recent awarding of candidate or accredited status **are not** automatically included in the institution's accredited or candidate status.

Accredited and candidate institutions must submit a Request for Approval of a Substantive Change to the appropriate Commission(s) describing the requested change, the rationale for the change, the impact of the change on the quality of education offered by the institution, and providing documentation supporting the need for the change. The form for submitting a Request for Approval of a Substantive Change is included as Appendix A to this policy.

Requests for Approval of a Substantive Change shall be submitted to the President of the Commissions according to the time frame noted for each type of substantive change.

Section 4: Review of Requests for Approval of a Substantive Change.

A Request for Approval of a Substantive Change is submitted to the President of the Commissions who will determine whether the institution's change falls within the provisions of this policy and, if so, the actions to be taken by the Commission's staff in response to the request.

Substantive Change requests are reviewed by the Commission's staff and acted on by the appropriate Commission(s) or by their Executive Committees.

Onsite Visits.

A Request for Approval of a Substantive Change that involve one or more of the following changes requires an onsite visit within the time frame noted for each type of substantive change:

- 1) Change in legal status, ownership, sponsorship, and/or control;
- 2) Opening of a branch campus;
- 3) Opening of an additional location if the institution has three or fewer additional locations approved by the Commission(s);

- 4) Opening of an additional instructional site if the institution has three or fewer instructional sites approved by the Commission(s);
- 5) Merger of two or more institutions, or division of an institution into two or more institutions.

Section 5: Action by the Commission(s).

If, upon initial review by Commission(s)' staff, the staff determines that the Request for Approval of a Substantive Change does not have sufficient information or detail for the Commission to consider the Request, the staff shall request the institution to re-submit the substantive change request with the additional information specified by the staff.

If the President of the Commissions determines that the substantive change should not be included within the scope of an institution's accreditation, the President may recommend that the Commission(s) denies the institution's request to include the change within its accreditation. The institution may then re-submit the substantive change request after the Commission(s)' concerns are addressed.

The Commission(s) reserve the right to decline to entertain a substantive change request by any institution that is not in compliance with Commissions' Standards for Accreditation, and/or the Commissions' policies, or if the institution's accreditation status is Probationary Accreditation.

Effective Date of Approval of a Substantive Change.

The effective date on which a substantive change is included in the institution's accreditation is the date on which the Commission(s) approves the substantive change and is not retroactive.

However, if the substantive change is a change in ownership, the effective date of approval may be the date of the change in ownership if the accreditation decision is made within 30 days of the change in ownership.

Change to Accreditation Timeline.

When the Commission receives a Request for Approval of a Substantive Change, the Commission may determine that the proposed change, if approved, would result in an extensive transformation of the institution from the institution that was granted accreditation in its most recent review, the Commission may, at the time of Substantive Change action, direct the institution to undertake a self-study and seek accreditation/reaccreditation within the time frame prescribed by the Commission(s).

At the discretion of the Commission(s) the following changes might be considered substantially extensive for the Commission to request a new comprehensive evaluation of an institution:

- a. A change to the institution's mission and purposes that is so significant that it would result in a substantially different institution from that which was last accredited;
- b. More than one change of ownership within a three-year period;
- c. Significant increase in the student population;
- d. Significant change in the institution's financial stability and/or viability;
- e. Significant change in the mode(s) of delivery of the educational program;
- f. Rapid growth of branch campuses and/or additional locations;
- g. Significant reductions in the institution's—
 - 1) Faculty and staff; and/or
 - 2) Enrolled students.
- h. Takeover of the institution by a state or other governmental agency;
- i. Loss of eligibility to participate in federal Title IV student loan programs.

In the case of a change in ownership, the institution or new entity must also demonstrate as part of the substantive change process that it meets all the MSA-CESS Standards for Accreditation.

Section 6: Failure to Report Substantive Change.

Failure of an accredited or candidate institution to request approval of the Commission(s) of a substantive change as required by this policy may be grounds for the Commission(s) to issue a show cause action for the institution to offer reasons why the institution's accreditation should not be removed.

Section 7: Types of Substantive Changes Applicable to All Accredited and Candidate Institutions.

- a. The following sections of this policy provide instructions regarding specific changes to an institution that are considered as "substantive" by the Commissions and, therefore, require the institution to submit a Request for Approval of a Substantive Change.
- b. This list is not exhaustive inasmuch as there might be other types of substantive changes to an institution that would require submitting a request for approval prior to the change's being implemented.
- c. If an institution is planning a change that is not included in the following sections and is unsure whether it constitutes a substantive change as defined by this policy, it is the institution's responsibility to consult with the staff of the Commissions before proceeding with any planning.

Any Change in the Established Mission or Objectives of the Institution.

A Request for Approval of a Substantive Change must be submitted not later than three months *prior* to the date on which the changed mission and/or objectives will be in effect.

A Request for Approval of a Substantive Change must be submitted when an institution plans any change that might affect the mission and/or objectives of the institution, including merger, acquisition, closure, expansion of initiatives, or other events deemed to be significant by the Commission(s), whether or not specifically listed in this policy.

Evidence Documentation Required. The following evidence/documentation must be submitted with the Request for Approval of a Substantive Change:

- a. The current and the changed mission
- b. The current and the changed goals

Any Change in the Legal Status, Form of Control, or Ownership of the Institution. A Request for Approval of a Substantive Change must be submitted when an institution plans changes to the legal status, form of control, and/or ownership of the institution include sale of a proprietary institution or beginning or ending public sponsorship and control.

The Request for Approval of a Substantive Change must be submitted not later than three months *prior* to the date on which the legal status, form of control, and/or ownership of the institution will be changed.

The institution must notify the Commission and submit a request for approval of a substantive change as soon as it is aware of the potential change, such as negotiations for transfer of ownership.

The Commission will conduct an on-site visit to an institution that plans to undergo a merger, change in legal status, change of ownership, or other change that resulted in a change of control as soon as practicable, but not later than six months after the change of ownership.

Definitions: The following definitions apply—

- a. Legal Status. Legal status refers to a change in the legal definition of a school, system of schools, or company/corporation, which is usually a change from a for-profit organization to a non-profit organization or vice versa.
- b. Control. Control refers to the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a corporation, partnership, or individual, whether

through the ownership of voting securities, by contract, or otherwise.

- 1) At some candidate, or accredited institutions, the governing body shares decision-making responsibility with one or more non-accredited “related entity” concerning functions and operations, such as finances, planning, governance, budget and approval processes, recruitment, information systems, or employee compensation. This policy is intended to ensure that the Commission(s) receives appropriate assurances and sufficient information and documentation to determine whether such institutions comply with Commissions’ Standards for Accreditation and policies.
 - 2) A related entity may be a corporate parent, institutional groups, system administration or board, religious sponsor, funding sponsor (which, in some cases, may include an equity or investment fund) or other entity that can affect decisions related to accreditation.
 - 3) Ordinarily, local, county, and state legislatures, other accreditors, local advisory boards, and government agencies are not related entities.
- c. Ownership. Ownership or ownership interest refers to a legal or beneficial interest in an entity, or a right to share in the profits derived from the operation of an entity. The term does not include the interests of a mutual fund that is regularly and publicly traded, an institutional investor, or a profit-sharing plan in which all employees of an entity may participate.
- 1) A change in ownership of an institution that results in a change of control may include, but is not limited to merger of two or more eligible institutions, conversions of the institutions from a for-profit to a nonprofit institution, sale of the institution, transfer of the controlling interest of stock of the institution or its parent corporation, transfer of the liabilities of an institution to its parent corporation, or transfer of assets that comprise a substantial portion of the educational business of the institution (except where the transfer consists exclusively in the granting of a security interest in those assets).
 - 2) If the change in ownership is due to the retirement or death of the owner, and the ownership is transferred either to a family member or to a person with ownership interest who has been involved in the management of the institution for at least two years preceding the transfer, the institution should contact the Commissions’ staff to determine whether approval or review is necessary.
 - 3) Accredited or candidate status is not automatically transferred or extended to an acquiring institution or organization; the fact of change in control may itself constitute grounds for modification or termination of status.
- d. The acquisition of any program or location of another institution.

Evidence Documentation Required. The following evidence/documentation must be submitted with the Request for Approval of a Substantive Change:

- a. Description of the reasons and rationale for the change in legal status, form of control, and/or ownership of the institution;
- b. Minutes of the meeting(s) at which the governing body approved the change in the legal status, form of control, or ownership of the institution; and
- c. All legal documents related to the change in the legal status, form of control, or ownership of the institution.

Occupying New or Significantly Renovated Physical Facilities. A Request for Approval of a Substantive Change must be submitted when an institution plans to occupy a new or significantly renovated physical facility.

The Request for Approval of a Substantive Change must be submitted not later than three months *prior* to the date on which the new/renovated physical facility will be occupied.

Prior to submitting the Request to the Commission(s) for action, the President shall direct that an onsite visit is conducted to ensure the new/renovated physical facility meets the Facilities and Health and Safety

Standards for Accreditation. The report of the onsite visitor shall accompany the Request for Approval of a Substantive Change throughout the review and decision phases.

The President may waive the requirement for an onsite visit if the institution is able to supply the following:

- a. Certificate of Occupancy issued by the appropriate civil authority;
- b. Records of any fire and safety inspections required by the appropriate civil authority to indicate the new/renovated physical facility meets all applicable fire and safety codes of the appropriate civil authority; and
- c. Photographs of the new/renovated facility.

Evidence Documentation Required. The following evidence/documentation must be submitted with the Request for Approval of a Substantive Change:

- a. Certificate of Occupancy issued by the appropriate civil authority;
- b. Records of any fire and safety inspections required by the appropriate civil authority to indicate the new/renovated physical facility meets all applicable fire and safety codes of the appropriate civil authority; and
- c. Photographs of the new/renovated facility.

Establishing a Branch Campus. A Request for Approval of a Substantive Change must be submitted when an institution plans to establish a branch campus.

The Request for Approval of a Substantive Change must be submitted not later than six months *prior* to the date on which the branch campus will be operational.

MSA-CESS Policy: Scope and Category of Membership defines a branch campus as a location of an institution that is geographically apart from the main campus of the institution. A branch campus may be within the United States or outside the United States. A location is a branch campus if it meets all or most of the following criteria:

- a. With the main campus and other branch campuses, is part of a single legal and/or ownership framework;
- b. Is governed by the same governing body as the main campus and other branch campuses;
- c. Legally, is part of the same financial entity as the main campus and other branch campuses (although may have a separate budget);
- d. *For Public Schools Only*—Has not been assigned its own school number by the state or other civil authority in whose jurisdiction it operates;
- e. *For Non-Public Schools Only*—Is not recognized as a single entity by a school system or corporation under whose authority it operates;
- f. The head administrator or leader of the main campus oversees the operations of the campus;
- g. Offers a complete educational program similar to the program of the main campus and that leads to a diploma, certificate, or other recognized educational credential;
- h. Serves essentially the same client pools as the main campus;
- i. Is sufficiently accessible to the main campus and other branch campuses to make possible genuine interchange of personnel, resources, and ideas on a frequent basis;
- j. Employs similar types of staff members as the main campus and other branch campuses;
- k. Offers to the staff similar professional development opportunities as are provided at the main campus and other branch campuses;
- l. Provides student services (special needs, ELL, guidance and counseling, health care, etc.) similar to those provided by the main campus and other branch campuses;
- m. Provides resources (food services, security services, transportation, cleaning, physical plant, technology, information resources, etc.) similar to and of the same quality as those provided at the main campus and other branch campuses; and

- n. Has a similar quality and atmosphere of student and community life (personal and group relationships, communication and dissemination of information to students and parents, traditions, co-curricular activities, etc.) as the main campus and other branch campuses.

An addition to the annual dues is charged to an institution for each branch campus. In addition, branch campuses may require additional costs to the institution for hosting an onsite accreditation team visit. Increased costs might be due to the number of branch campuses, the size and complexity of the institution and its branch campuses, and/or the distance of the branch campus(es) from the main campus of the institution.

The Commission(s) will include a branch campus within the scope of the institution's accreditation only after it evaluates the information and data submitted in the request for approval and takes whatever other actions it deems necessary to determine that the branch campus has sufficient educational, financial, operational, management, and physical resources to allow the institution to continue to meet the Commissions' Standards for Accreditation.

The Commission(s) will conduct an onsite visit to a branch campus as soon as practicable after the receipt of the Request for Approval of a Substantive Change but not later than six months after the branch campus is operational,

Evidence Documentation Required. The following evidence/documentation must be submitted with the Request for Approval of a Substantive Change:

- a. Description of the location of the branch campus and its distance from the main campus;
- b. Description of the educational program to be offered at the branch campus;
- c. Description of the physical facilities of the branch campus;
- d. Evidence that the institution has the financial resources need to establish and operate the branch campus;
- e. Budget for operation of the branch campus;
- f. Description of any additional personnel required for the branch campus; and
- g. Description of how the branch campus will be managed.

Establishing an Additional Location. A Request for Approval of a Substantive Change must be submitted when an institution plans to establish an additional location at which at least 50 percent of one or more of the components of the institution's educational program will be offered.

The Request for Approval of a Substantive Change must be submitted not later than three months *prior* to the date on which the additional location will be operational.

The Commission defines an additional location as a location, other than a branch campus, that is geographically apart from the main campus and at which an institution offers at least 50% of one or more of the components of its educational program.

The addition of such a location must be preapproved by the Commission(s) unless the Commission(s) determines, and issues a written determination stating that the institution has—

- a. Successfully completed at least one cycle of accreditation of maximum length offered by the Commissions and one renewal, or has been accredited for at least ten years;
- b. At least three additional locations that the Commission(s) has approved; and
- c. Met criteria established by the Commissions indicating sufficient capacity to add additional locations without individual prior approvals, including at a minimum satisfactory evidence of a system to ensure quality across a distributed enterprise that includes:
 - 1) Clearly identified academic control;
 - 2) Regular evaluation of the locations;
 - 3) Adequate faculty, facilities, resources, and academic and student support systems;

- 4) Financial stability; and
- 5) Long-range planning for expansion.

The Commission shall conduct an on-site visit within six months of the approval of the substantive change if the institution:

- a. Has a total of three or fewer additional locations;
- b. Has not demonstrated to the Commission(s)' satisfaction that it has a proven record of effective educational oversight of additional locations; or
- c. Has been placed on warning, probation, or show cause by the Commission(s) or is subject to some limitation by the Commission(s) on its accreditation.

If an institution has approval of the Commission(s) for three additional locations, a request for preapproval is not required for additional locations.

- a. However, an institution establishing more than three additional locations must notify the Commission(s) in writing within 30 calendar days of the establishment of a new location and attest that the location meets all of the Commission(S)' requirements for maintain quality in the components of its educational program that are offered at the location.
- b. For institutions with more than three approved additional locations, the Commission(s) shall conduct visits to a representative sample of the additional locations at least once every three years.
- c. The Commission may conduct additional reviews as it deems appropriate, such as unannounced inspections.

Evidence Documentation Required. The following evidence/documentation must be submitted with the Request for Approval of a Substantive Change:

- a. Description of the location of the additional location and its distance from the main campus;
- b. Description of the educational program to be offered at the additional location;
- c. Description of the physical facilities of the additional location;
- d. Evidence that the institution has the financial resources need to establish and operate the additional location;
- e. Budget for operation of the additional location;
- f. Description of any additional personnel required for the additional location; and
- g. Description of how the additional location will be managed.

Adding, Discontinuing, or Changing a Major Component of the Educational Program.

A request for approval of a substantive change must be submitted when there are plans to change the institution's educational program by adding a major component, discontinuing a major component, or otherwise changing a major component such that the educational program will be significantly different in content than it was when the institution was last accredited.

The Request for Approval of a Substantive Change must be submitted not later than six months *prior* to the date on which the addition, deletion, or change will be effective.

Major Component of the Educational Program. A major component of the educational program is a) a major curricular area of study (e.g., language arts, Spanish as a world language, music, etc.) or b) a program of study such as Advanced Placement®, International Baccalaureate, etc.). a within the institution's overall educational program

Adding a Major Component of the Educational Program. A Request for Approval of a Substantive Change must be submitted when an institution plans to add a major component of the educational program (e.g., addition of a program of Advanced Placement® courses, establishment of the International Baccalaureate Program, addition of an alternative school, etc.)

Discontinuing a Major Component of the Educational Program. A Request for Approval of a Substantive Change must be submitted when an institution plans to discontinue permanently a major component of the educational program that was included in the institution's educational program when the Commission(s) last accredited/reaccredited the institution.

- a. If the institution plans to discontinue a program permanently, evidence must be presented that no students shall be deprived of the opportunity to complete the program(s) in which they are enrolled, either by action of the institution to keep the program operating until all current students have completed the program or by an approved teach-out agreement.

Significant Changes to a Major Component of the Educational Program. A Request for Approval of a Substantive Change must be submitted when an institution plans to change a major component of the educational program such that it will be significantly different in content than it was when the institution was last accredited.

Evidence Documentation Required. The following evidence/documentation must be submitted with the Request for Approval of a Substantive Change:

- a. Adding a Major Component.
 - 1) The rationale for adding the component;
 - 2) The scope and sequence for the added component. If none, explain;
 - 3) Description of the institution's provision of personnel required to deliver the added component; and
 - 4) Description of the physical facilities available for delivering the added component.
- b. Discontinuing a Major Component.
 - 1) Description of the major component to be discontinued'; and
 - 2) The rationale for discontinuing the major component.
- c. Change to a Major Component.
 - 1) Description of the change(s) to be made; and
 - 2) Rationale for making the change(s).

Adding or Discontinuing a Grade Level(s) or Changing the Institution's Grade Level Configuration.

A request for approval of a substantive change must be submitted when there are plans to add, or discontinue a grade level(s) or to change the institution's grade level configuration.

The Request for Approval of a Substantive Change must be submitted not later than six months *prior* to the date on which the addition, deletion, or change will be effective.

Evidence Documentation Required. The following evidence/documentation must be submitted with the Request for Approval of a Substantive Change:

- a. Adding a Grade Level or Grade Levels.
 - 1) Grade level of grade levels to be added;
 - 2) Rationale for adding the grade level or grade levels;
 - 3) Description of the institution's plan for incorporating the additional grade(s) into the existing institution and educational program;
 - 4) Description of the institution's provision for personnel required to serve the additional grade(s);
 - 5) Description of the physical facilities available for serving the additional grade(s).
- b. Discontinuing a Grade Level or Grade Levels.
 - 1) Grade level(s) to be deleted;
 - 2) Rationale for deleting the grade level(s); and
 - 3) Description of the institution's plan for ensuring students currently enrolled in the grade level(s) to be deleted are able to continue and/or complete their education.
- c. Changing the Institution's Grade Level Configuration.
 - 1) Description of the proposed grade level configuration;

- 2) Rationale for changing the grade level configuration; and
- 3) Description of changes, if any, that must be made in the institution's operation, personnel, physical facilities, and finances to serve the changed grade level configuration.

Change to the Institution's Financial Stability and/or Viability.

A request for approval of a substantive change must be submitted when there is a significant change to the institution's financial stability and/or viability such that the institution's ability to continue operating as an educational institution in the short and long term is called into question.

The Request for Approval of a Substantive Change must be submitted not later than one month after the determination has been made that there is a significant change in the institution's financial stability and/or viability.

Changes to the institution's financial stability that are considered to be a substantive change include but are not limited to the following:

- a. Expenditures exceed revenues to a significant degree for three or more years;
- b. Finances are not stable, and projections indicate continuing instability;
- c. Based on the history of the institution's revenues and expenditures, the institution has demonstrated fiscal instability over the last three years, and projections indicate continuing instability; and
- d. The institution has major contingent liabilities or on-going litigations that potentially could affect the institution's ability to continue operation.

Evidence Documentation Required. The following evidence/documentation must be submitted with the Request for Approval of a Substantive Change:

- a. Description of the significant change in the institution's financial stability and/or viability and its effect on the institution's ability to continuing operating as an educational institution in short and long term;
- b. Statement of financial revenues and expenditures for the current and two previous fiscal years;
- c. Most recent audit or financial review by an agency external to the institution;
- d. Statement of current assets and liabilities;
- e. Description of plans to stabilize the institution's finances and to make the institution financially viable; and
- f. Projected financial revenues, expenditures, assets, and liabilities for the next three fiscal years.

Merger of Two or More Institutions or Division of an Institution into One or More Institutions.

A request for approval of a substantive change must be submitted when there is a plan to merge two or more institutions or to divide an accredited institution into one or more institutions.

The Request for Approval of a Substantive Change must be submitted not later than six months *prior* to the date on which the planned merger or division will occur.

Definition of a Merged Institution Eligible for This Policy: A merged institution is one that is the result of two or more institutions combining into a single entity. At least one of the original institutions involved in the reorganization must be an accredited institution in good standing with the Commission(s).

Definition of a Divided Institution Eligible for This Policy: A divided institution is one that separates into two or more separate institutions. The original institution involved in the reorganization must be an accredited institution in good standing with the Commission(s).

Transferring Accreditation to a Merged Institution: In order to transfer accreditation to the merged institution, the merged institution must demonstrate the following:

- a. The fundamental philosophy, mission, and purposes of the accredited institution are unchanged;
- b. The governance and ownership of the accredited institution are unchanged;
- c. The organizational design and staff of the merged institution are substantially unchanged or is comparable;
- d. The educational program, services, and activities of the merged institution are substantially unchanged or are comparable;
- e. The merger institution remains fiscally stable and viable; and
- f. Copies of documents showing approval of the merger by the institutions' governing authorities.

Transferring Accreditation to Divided Institutions: In order to transfer accreditation to the accredited institution to the institution(s) resulting from the divided accredited institution, the resulting institutions must demonstrate the following:

- a. The fundamental philosophy, mission, and purposes of the institutions resulting from the division are unchanged or comparable to those of the accredited institution;
- b. The governance and ownership of the institutions resulting from the division are the same as the accredited institution;
- c. The organizational design and staff of the of the institutions resulting from the division are the same or comparable to those of the accredited institution;
- d. The educational program, services, and activities of the institutions resulting from the division are the same or are comparable to those of the accredited institution;
- e. The institutions resulting from the division are fiscally stable and viable; and
- f. Copies of documents showing the approval of the division by the resulting institutions' governing authorities.

An onsite visitor may be appointed to validate that Commission(s) standards are met in the newly reorganized institution. Costs of any visit shall be borne by the institution(s).

Establishing the Accreditation Timeline for the Newly Reorganized Institution. Future accreditation activities shall typically be based on the accreditation timeline of the institution originally accredited by the Commission(s).

Extent of Reorganization: A member institution that is so reorganized that it is no longer eligible under the set of Standards for Accreditation by which it entered the Commissions on Elementary and Secondary Schools must apply for new membership as a candidate member.

Evidence Documentation Required. The following evidence/documentation must be submitted with the Request for Approval of a Substantive Change:

- a. Merger of Two or More Institutions.
 - 1) Copies of documents showing approval of the merger by the institutions' governing authorities.
 - 2) *Evidence of the following:*
 - a) The fundamental philosophy, mission, and purposes of the institutions resulting from the division are unchanged or comparable to those of the accredited institution;
 - b) The governance and ownership of the institutions resulting from the division are the same as the accredited institution;
 - c) The organizational design and staff of the of the institutions resulting from the division are the same or comparable to those of the accredited institution;
 - d) The educational program, services, and activities of the institutions resulting from the division are the same or are comparable to those of the accredited institution;

- e) The institutions resulting from the division are fiscally stable and viable
 - f) The merged institution meets the Facilities, Health and Safety, and Information Resources Standards for Accreditation.
- b. Division of an Institution into One or More Institutions
- 1) Copies of documents showing approval of the division by the resulting institutions' governing authorities.
 - 2) *Evidence of the following:*
 - a) The fundamental philosophy, mission, and purposes of the institutions resulting from the division are unchanged or comparable to those of the accredited institution;
 - b) The governance and ownership of the institutions resulting from the division are the same as the accredited institution;
 - c) The organizational design and staff of the of the institutions resulting from the division are the same or comparable to those of the accredited institution;
 - d) The educational program, services, and activities of the institutions resulting from the division are the same or are comparable to those of the accredited institution;
 - e) The institutions resulting from the division are fiscally stable and viable
 - f) The resulting institutions meet the Facilities, Health and Safety, and Information Resources Standards for Accreditation.

Takeover of Control by the State or Other Governmental Authority.

A request for approval of a substantive change must be submitted if a state or other governmental authority takes control over the governance and operation of an accredited or candidate institution.

The Request for Approval of a Substantive Change must be submitted immediately upon the decision to take over the but not later than one month after the takeover has been implemented.

Upon receipt of such a request, the Commission(s) shall conduct an investigation within 60 calendar days to determine whether the takeover has resulted in changes to the institution that make the institution no longer able to meet the Standards for Accreditation and/or other requirements of the Commission(s) upon which the institution's most recent accreditation was based.

Upon conclusion of the investigation, a report shall be submitted to the appropriate Commission(s) for action to affirm or to change the institution's accreditation.

Evidence Documentation Required. The following evidence/documentation must be submitted with the Request for Approval of a Substantive Change:

- a. Description of the bases upon which the takeover is based;
- b. Copies of all documents related to the takeover by the state or other governmental authority; and
- c. Evidence to demonstrate the institution taken over by the state or other governmental authority will continue to meet the Standards for Accreditation.

Closing an Entire Institution.

A request for approval of a substantive change must be submitted if the institution's governing authority plans to close the entire institution.

The Request for Approval of a Substantive Change must be submitted at least six months *prior* to the date on which the closing would be effective.

Evidence Documentation Required. The following evidence/documentation must be submitted with the Request for Approval of a Substantive Change:

- a. Rationale for closing the institution.
- b. The institution's plans to ensure that currently enrolled students will be provided reasonable

- opportunities to complete their program
- c. Copies of documents showing approval of the closing by the institution's governing authority.

Closing a Branch Campus or Additional Location.

A request for approval of a substantive change must be submitted if the institution's governing authority plans to close a branch campus.

The Request for Approval of a Substantive Change must be submitted at least six months *prior* to the date on which the closing would be effective.

Evidence Documentation Required. The following evidence/documentation must be submitted with the Request for Approval of a Substantive Change:

- a. Rationale for closing the branch campus.
- b. The institution's plans to ensure that currently enrolled students will be provided reasonable opportunities to complete their program
- c. Copies of documents showing approval of the closing by the institution's governing authority.

Changing the Method of Delivery.

A request for approval of a substantive change must be submitted if the institution plans to increase the percentage of programs/courses delivered by a distance education modality to 50% or more of the institution's programs/courses.

The Request for Approval of a Substantive Change must be submitted at least six months *prior* to the date on which the change in the method of delivery is to be implemented. The 50% standard includes only programs/courses offered in their entirety via a distance education modality, not courses delivered with a blended delivery method.

Evidence Documentation Required. The following evidence/documentation must be submitted with the Request for Approval of a Substantive Change:

An accredited institution that plans to increase the percentage of its programs/courses by a distance education modality to 50% or more of those programs/courses must submit a request for approval of a substantive change.

Section 8: Substantive Changes for Postsecondary Institutions

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General.

- a. When an institution is accredited by the Commission on Secondary Schools that action applied to the institution and its programs, policies, operations, resources, etc. existing at the time of the Commission's decision. The Commission requires that all institutions be reevaluated periodically because institutions are in continual processes of change.
- b. While the decision to modify an institution is an institutional prerogative and responsibility, the Commission is obligated by the criteria of the U.S. Secretary of Education for recognition as a Title IV gatekeeper to determine that the effect of any substantive change to the institution does not adversely affect the quality, integrity, and effectiveness of the total institution and its educational program.
- c. Accreditation and Candidacy for Accreditation are subject to modification or rescission in the event the Commission reasonably determines that a substantive change requires such an action.
- d. The Commission on Secondary Schools is an institutional accreditor. A principle of institutional accreditation is that everything within the institution is included in the institution's accreditation. Conversely, anything done without appropriate concern for consistency with an institution's stated mission and concern for quality and integrity of an institution's educational program may threaten the accreditation status of the entire institution.
- e. Substantive changes are not automatically covered by the institution's accreditation or candidate status and may precipitate a review of the accredited or candidate status of the institution. Institutions planning a substantive change have the responsibility to inform the Commission in advance, following the procedural guidelines. **Prior approval** of the plan for substantive change **is required** before the change is included in the institution's previously granted Candidate or Accredited status. **Approval is not retroactive.**
- f. The Commission reserves the right to rescind approval of a substantive change or other Commission action if subsequent developments might have affected the Commission(s)' decision to approve the substantive change.
- g. Because branch campuses and additional locations may operate with some independence from the main campus (including the resources available on each campus), the Commission may require a branch campus or additional location to submit a Request for Approval of a Substantive Change even if the subject of the Request has been approved for inclusion in the accreditation of the main campus.

Definition of a Substantive Change.

- a. A substantive change is a change of such magnitude as to alter significantly the institution's mission, goals, legal status, sponsorship, scope of its offerings, method of delivery of its program, and/or the locus of control over the institution. This includes an institution's plans to offer programs in other locations and/or to change the geographic area(s) served.

- b. If an institution is uncertain whether a proposed change is substantive, the institution must contact the Commission's staff with preliminary information regarding the nature and purposes of the planned change. This should be done as early in the planning process as possible. Based on this preliminary review, the staff will advise the institution in writing of its decision.
- c. Within this policy the default definitions and requirements apply to all institutions accredited by the Commission on Elementary Schools and/or the Commission on Secondary Schools. In addition, there are definitions and requirements that apply only to postsecondary, non-degree granting career and technology institutions using their MSA-CSS accreditation to establish eligibility for participation in federal title IV financial aid programs.

Request for Approval of a Substantive Change.

- a. Postsecondary institutions using their MSA-CSS accreditation to establish eligibility to participate in Title IV student loan programs are required to submit a Request for Approval of a Substantive Change to the Commission on Secondary Schools at least six months *prior* to the planned implementation date for the proposed substantive change [§602.22(a)(1)];
- b. Institutions must bear in mind that the Commission meets semi-annually to take accreditation and approval actions, in October and April. Therefore, requests for approval of a substantive change must be submitted at least 90 calendar days prior to the meeting of the Commission at which the institution desires the Commission to take action on its request. The dates for the meetings can be viewed on the Commissions' website at www.msa-cess.org.
- c. A Request for Approval of a Substantive Change is submitted using the Request for Approval of a Substantive Change form.

Review of Requests for Approval of a Substantive Change.

- a. A Request for Approval of a Substantive Change is submitted to the accreditation liaison who will determine whether the institution's change falls within the provisions of this policy and, if so, the actions to be taken by the Commission's staff in response to the request.
- b. Substantive Change requests are reviewed by the Commission's staff and acted on by the Commission or by its Executive Committee.
- c. If the proposed change is sufficiently complex that it requires more in-depth review or requires the Commission to engage a consultant with expertise in a particular area (e.g., accounting, legal, etc.), it is considered a Complex Substantive Change.
- d. Onsite Visits.
 - 1) A Request for Approval of a Substantive Change by postsecondary, non-degree granting career and technology institution institutions that involve one or more of the following changes requires an onsite visit within six months of the change occurring:
 - a) Change in legal status, ownership, sponsorship, and/or control;
 - b) Opening of a branch campus;
 - c) Opening of an additional location if the institution has three or fewer additional locations approved by the Commission;
 - d) Opening of an additional instructional site if the institution has three or fewer instructional sites approved by the Commissions;
 - e) The institution is experiencing rapid growth as defined in section 6.3.18; and
 - f) Merger of two or more institutions, or divisions into two or more institutions.
 - 2) The purpose of the onsite visit is to determine whether the institution remains in compliance with Commission policies and Standards for Accreditation. The institution's report and the onsite visitor report shall be presented to the Commission for review and action at its next regularly scheduled meeting.

Action by the Commission.

- a. If, upon initial review by Commissions' staff, the staff determines that the Request for Approval of a Substantive Change does not have sufficient information or detail for the Commission to consider the request, the staff shall request that the institution re-submits the substantive change request with the

additional information specified by the staff.

- b. If the Commission is not satisfied that the substantive change should be included within the scope of an institution's accreditation, the Commission may deny the institution's request to include the change within its accreditation. The institution may then re-submit the substantive change request after the Commission(s)' concerns are addressed.
- c. The Commission(s) reserves the right to decline to entertain a substantive change request by any institution that is not in compliance with Commissions' Standards for Accreditation, and/or the Commissions' policies, or if the institution's accreditation status is Probationary Accreditation.

Effective Date of Approval of a Substantive Change.

- a. The effective date on which a substantive change is included in the institution's accreditation is the date on which the Commission approves the substantive change and is not retroactive.
- b. However, if the substantive change is a change in ownership, the effective date of approval may be the date of the change in ownership if the accreditation decision is made within 30 days of the change in ownership.

Failure to Report Substantive Change. Failure of an accredited institution to request approval of the Commission(s) of a substantive change as required by this policy may be grounds for the Commission to issue a show cause action for the institution to offer reasons why the institution's accreditation should not be removed.

Change to Accreditation Timeline.

- a. When the Commission receives a Request for Approval of a Substantive Change, the Commission may determine that the proposed change, if approved, would result in a sufficiently extensive transformation of the institution from the institution that was granted accreditation in its most recent review. The Commission may, at the time of Substantive Change action, direct the institution to undertake self-study in lieu of any other previously scheduled review or accelerate the timing of the next self-study.
- b. At the discretion of the Commission the following changes might be considered extensive enough for the Commission to request a new comprehensive evaluation of an institution:
 - 1) A change to the institution's mission and purposes that is so significant that it would result in a significantly different institution from that which was last accredited;
 - 2) More than one change of ownership within a three-year period;
 - 3) Significant increase in the student population;
 - 4) Significant change in the institution's financial stability and/or viability;
 - 5) Significant change in the mode(s) of delivery of the educational program;
 - 6) Rapid growth of branch campuses and/or additional locations;
 - 7) Significant reductions in the institution's—
 - a) Faculty and staff; and/or
 - b) Enrolled students.
 - 8) Takeover of the institution by a state or other governmental agency;
 - 9) Loss of eligibility to participate in federal Title IV student loan programs.
- c. In the case of a change in ownership, the institution or new entity must also demonstrate as part of the substantive change process that it meets all the MSA-CSS Standards for Accreditation for Career and Technical Institutions.

Types of Substantive Changes Applicable to All Accredited and Candidate Postsecondary, Non-Degree Granting Career and Technical Institutions.

- a. The following sections of this policy provide instructions regarding specific changes to an institution that are considered as "substantive" by the Commission and, therefore, require the institution to submit a Request for Approval of a Substantive Change.

- b. This list is not exhaustive inasmuch as there might be other types of substantive changes to an institution that would require submitting a request for approval prior to the change(s) being implemented.
- c. If an institution is planning a change that is not included in the following sections and is unsure whether it constitutes a substantive change as defined by this policy, it is the institution's responsibility to consult with the staff of the Commission before proceeding with any planning.

Any Change in the Established Mission or Objectives of the Institution. A Request for Approval of a Substantive Change must be submitted when an institution plans any change that might affect the mission and/or objectives of the institution, including merger, acquisition, closure, expansion of initiatives, or other events deemed to be significant by the Commission, whether or not specifically listed in this policy or in the language of the U.S. Department of Education's regulations, is considered to be a substantive change.

Any Change in the Legal Status, Form of Control, or Ownership of the Institution. A Request for Approval of a Substantive Change must be submitted when an institution plans changes to the legal status, form of control, and/or ownership of the institution including sale of a proprietary institution or beginning or ending public sponsorship and control.

- a. The institution must notify the Commission and submit a request for approval of a substantive change as soon as it is aware of the potential change, such as negotiations for transfer of ownership.
- b. The Commission will conduct an on-site visit to an institution that plans to undergo a merger, change in legal status, change of ownership, or other change that resulted in a change of control as soon as practicable, but not later than six months after the change of ownership.
- c. Definitions: The following definitions drawn from the federal accrediting agency recognition criteria and the Title IV regulations—
 - 1) Legal Status. Legal status refers to a change in the legal definition of a school, system of schools, or company/corporation. Which is usually a change from a for-profit organization to a non-profit organization or vice versa.
 - 2) Control. Control refers to the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a corporation, partnership, or individual, whether through the ownership of voting securities, by contract, or otherwise.
 - a) At some candidate, or accredited institutions, the governing body shares decision-making responsibility with one or more non-accredited "related entity" concerning functions and operations, such as finances, planning, governance, budget and approval processes, recruitment, information systems, or employee compensation. This policy is intended to ensure that the Commission receives appropriate assurances and sufficient information and documentation to determine whether such institutions comply with Commission's standards and policies.
 - b) A related entity may be a corporate parent, institutional groups, system administration or board, religious sponsor, funding sponsor (which, in some cases, may include an equity or investment fund) or other entity that can affect decisions related to accreditation.
 - c) Ordinarily, local, county, and state legislatures, other accreditors, local advisory boards, and government agencies are not related entities. Institutions with related entities must comply with the requirements in the Commission's policy on "Related Entities."
 - 3) Ownership. Ownership or ownership interest refers to a legal or beneficial interest in an entity, or a right to share in the profits derived from the operation of an entity. The term does not include the interests of a mutual fund that is regularly and publicly traded, an institutional investor, or a profit-sharing plan in which all employees of an entity may participate.
 - a) A change in ownership of an institution that results in a change of control may include, but is not limited to merger of two or more eligible institutions, conversions of the institutions from a for-profit to a nonprofit institution, sale of the institution, transfer of the controlling interest of stock of the institution or its parent corporation, transfer of the liabilities of an

- institution to its parent corporation, or transfer of assets that comprise a substantial portion of the educational business of the institution (except where the transfer consists exclusively in the granting of a security interest in those assets).
- b) If the change in ownership is due to the retirement or death of the owner, and the ownership is transferred either to a family member or to a person with ownership interest who has been involved in the management of the institution for at least two years preceding the transfer, the institution should contact the Commissions' staff to determine whether approval or review is necessary.
 - c) Accredited or candidate status is not automatically transferred or extended to an acquiring institution or organization; the fact of change in control may itself constitute grounds for modification or termination of status.
- 4) The acquisition of any program or location of another institution, or the addition of a permanent location at a site at which the institution is conducting a teach-out for students of another institution; and
 - 5) All the types of substantive change in paragraphs

Addition, Discontinuance, or Change to a Career/Technical Program.

- a. Addition of a Career/Technical Program or Component of a Program. A Request for Approval of a Substantive Change must be submitted when an institution plans to add a career/technical program or component of a program at the certificate/credential level.¹
 - 1) Because branch campuses and additional locations operate with some independence from the main campus, the Commission may require a branch campus or additional location to request a substantive change for the addition of a career/technical program or component of that program.
 - 2) The addition of a course or program at the certificate/credential level to those included in the institution's current accreditation;
- b. Discontinuance of a Career/Technical Program or Component of a Program. A Request for Approval of a Substantive Change must be submitted when an institution plans to discontinue permanently a career/technical program or component of a program that was included in the institution's educational program when the Commission last accredited/reaccredited the institution.²
 - 1) If the institution plans to discontinue a program permanently, evidence must be presented that no students shall be deprived of the opportunity to complete the program(s) in which they are enrolled, either by action of the institution to keep the program operating until all current students have completed the program or by an approved teach-out agreement.
 - 2) Because branch campuses and additional locations operate with some independence from the main campus, the Commission may require a branch campus or additional location to request a substantive change for the discontinuance of a career/technical program or component of that program that was included in the institution's educational program when the Commission last accredited/reaccredited the institution.
- c. A Significant Change to a Career/Technical Program or Component of a Program. A Request for Approval of a Substantive Change must be submitted when an institution plans to change in a significant way a career/technical program or component of a program that was included in the program/component when the Commission last accredited/reaccredited the institution.
 - 1) Examples of changes that are considered by the Commission to be significant include but are not limited to:
 - a) Any significant increase in the requirements for successful completion of a program;

¹ Please note that 34 CFR §602.22(2)(iii) states: The addition of courses or programs that represent a significant departure from the existing offerings of educational programs, or method of delivery, from those that were offered when the agency last evaluated the institution. The Commission on Secondary Schools has elected to require a Request for Approval of a Substantive Change for all additions, deletions, and changes to an institution's educational program.

² Please note that 34 CFR §602.22(2)(iii) states: The addition of courses or programs that represent a significant departure from the existing offerings of educational programs, or method of delivery, from those that were offered when the agency last evaluated the institution. The Commission on Secondary Schools has elected to require a Request for Approval of a Substantive Change for all additions, deletions, and changes to an institution's educational program.

- b) Any significant increase in the number of clock or credit hours for successful completion of a program;
- c) An increase of 10% or more in the tuition and/or fees charged for a program.
- 2) Because branch campuses and additional locations operate with some independence from the main campus, the Commission may require a branch campus or additional location to request a substantive change for a change to a career/technical program or component of that program that was included in the program/component when the Commission last accredited/reaccredited the institution.
- d. Addition of Credential or Diploma Component. A Request for Approval of a Substantive Change must be submitted when an institution plans to add a new credential or diploma component to its educational program that was not included in the institution's educational program when the Commission last accredited/reaccredited the institution.
 - 1) Because branch campuses and additional locations operate with some independence from the main campus, the Commission may require a branch campus or additional location to request a substantive change for adding a new credential or diploma component to its educational program that was not included in the institution's educational program when the Commission last accredited/reaccredited the institution

Change from Clock Hours to Credit Hours. A Request for Approval of a Substantive Change must be submitted when an institution plans to change the basis upon which the value ascribed to a component of the institution's educational program from clock hours to credit hours.

- a. Clock Hour. A period of time consisting of—
 - (1) A 50- to 60-minute class, lecture, or recitation in a 60-minute period;
 - (2) A 50- to 60-minute faculty-supervised laboratory, shop training, or internship in a 60-minute period; or
 - (3) Sixty minutes of preparation in a correspondence course.
- b. Credit Hour. Except as provided in 34 CFR 668.8(k) and (l), a credit hour is an amount of work represented in intended learning outcomes and verified by evidence of student achievement that is an institutionally established equivalency that reasonably approximates not less than—
 - (1) One hour of classroom or direct faculty instruction and a minimum of two hours of out of class student work each week for approximately fifteen weeks for one semester or trimester hour of credit, or ten to twelve weeks for one quarter hour of credit, or the equivalent amount of work over a different amount of time; or
 - (2) At least an equivalent amount of work as required in paragraph (1) of this definition for other academic activities as established by the institution including laboratory work, internships, practica, studio work, and other academic work leading to the award of credit hours.
- c. Clock-to-Credit Hour Conversion.
 - 1) If an institution offers an educational program in credit hours, the institution must use the formula contained in paragraph (3) below to determine whether that program satisfies the requirements contained in paragraph (c)(3) or (d) of this section, and the number of credit hours in that educational program for purposes of the Title IV, HEA programs.
 - 2) Formula. For purposes of determining whether a program satisfies the requirements contained in paragraph (c)(3) or (d) of this section, and the number of credit hours in that educational program with regard to the Title IV, HEA programs:
 - a) A semester hour must include at least 30 clock hours of instruction;
 - b) A trimester hour must include at least 30 clock hours of instruction; an
 - c) A quarter hour must include at least 20 hours of instruction.

Substantial Increase in the Number of Clock or Credit Hours.

- a. A Request for Approval of a Substantive Change must be submitted when an institution plans to increase substantially the number of clock or credit hours it will award for completion of a program.

- b. An increase in the number of clock or credit hours for a component of the institution's educational program of 10 percent or more is considered substantive.

Contractual Agreement with a Non-Accredited Institution or Organization. A Request for Approval of a Substantive Change must be submitted when an institution plans to enter into a contractual agreement under which the institution or organization not certified to participate in Title IV HEA programs will offer more than 25 percent of one or more of the accredited institution's approved components of its educational program.

- a. The contractual arrangement change includes the arrangement that 25% of one or more of the components of the institution's educational program leading to certificate, diploma, or other recognized educational credential are developed by third parties.
- b. The types of factors that are considered with a contractual arrangement include:
 - 1) The experience of the accredited institution and the contracting entity in offering similar contracted services;
 - 2) The percentage of total programs affected; and
 - 3) The location and method of delivery of the educational program.

Acquisition of another Institution, Program, or Location of Another Institution. A Request for Approval of a Substantive Change must be submitted when an institution plans to acquire another institution, program, or permanent site of another institution.

Establishing a Branch Campus. A Request for Approval of a Substantive Change must be submitted when an institution plans to open a branch campus.

- a. A branch campus is a location of an institution that is geographically apart and independent of the main campus of the institution. The U.S. Secretary of Education considers a location of an institution to be independent of the main campus if the location:
 - 1) Is permanent in nature;
 - 2) Offers courses in educational programs leading to a degree, certificate, or other recognized educational credential; and
 - 3) Has its own faculty and administrative or supervisory staff.
- b. The Request for Approval of a Substantive Change to open a branch campus must include a business plan that includes the following information:
 - 1) Description(s) of the components of the institution's educational program that will be offered at the branch campus;
 - 2) Projected revenues and expenditures and cash flow at the branch campus;
 - 3) Description of how the branch campus will be operated and managed;
 - 4) The physical resources the branch campus will use to deliver the component(s) of the institution's educational program;
- c. Upon receipt of the request and after evaluating the business plan, the Commission shall preapprove the Request and include the branch campus in the scope of the institution's accreditation if the Commission has determined that the proposed branch campus has sufficient educational, financial, operational, management, and physical resources to meet the Commission's Standards for Accreditation and the expectations for quality in those components of the institution's educational program that would be offered at the branch campus.
- d. As soon as practicable but not later than six months after the establishment of a preapproved branch campus, the Commission shall conduct an on-site visit to the branch campus.
- e. An addition to the annual dues is charged to an institution for each branch campus. In addition, branch campuses may result in additional costs to the institution for hosting an onsite accreditation team visit. Increased costs might be due to the number of branch campuses, the size and complexity of the institution and its branch campuses, and/or the distance of the branch campus(es) from the main campus of the institution.

Establishing an Additional Location.

- a. A Request for Approval of a Substantive Change must be submitted when an institution plans to establish an additional location at which at least 50 percent of one or more of the components of the institution's educational program will be offered.
- b. The Commission defines an additional location as a location, other than a branch campus, that is geographically apart from the main campus and at which an institution offers at least 50% of one or more of the components of its educational program.
- c. The addition of such a location must be preapproved by the Commission in accordance with paragraph (c) of 34 CFR §602.22(c) unless the Commission determines, and issues a written determination stating that the institution has—
 - 1) Successfully completed at least one cycle of accreditation of maximum length offered by the agency and one renewal, or has been accredited for at least ten years;
 - 2) At least three additional locations that the agency has approved; and
 - 3) Met criteria established by the agency indicating sufficient capacity to add additional locations without individual prior approvals, including at a minimum satisfactory evidence of a system to ensure quality across a distributed enterprise that includes—
 - a) Clearly identified academic control;
 - b) Regular evaluation of the locations;
 - c) Adequate faculty, facilities, resources, and academic and student support systems;
 - d) Financial stability; and
 - e) Long-range planning for expansion.
 - 4) The period for which preapproval for establishing an additional location is valid may not exceed five years.
- d. In its Request for Approval of a Substantive Change, the institution shall be required to provide evidence that it has the fiscal and administrative capacity to operate the additional location.
- e. The Commission shall conduct an on-site visit within six months of the approval of a substantive change if the institution—
 - 1) Has a total of three or fewer additional locations;
 - 2) Has not demonstrated to the Commission's satisfaction that it has a proven record of effective educational oversight of additional locations; or
 - 3) Has been placed on warning, probation, or show cause by the Commission or is subject to some limitation by the Commission on its accreditation.

The purpose of visits to additional locations is to verify that the additional location has the personnel, facilities, and resources it claimed to have in its request to the Commission for approval of the additional location.
- f. The Commission shall not preapprove an institution's addition of locations under this section after the institution undergoes a change in ownership resulting in a change in control as defined in 34 CFR 600.31 until the institution demonstrates that it meets the Commission's conditions for preapproving additional locations as described in this section.
- g. If an institution has approval of the Commission for three additional locations, a request for preapproval is not required for additional locations.
 - 1) However, an institution establishing more than three additional locations must notify the Commission in writing within 30 calendar days of the establishment of the location and attest that the location meets all of the Commission's requirements to maintain quality in the components of its educational program that are offered at the location.
 - 2) For institutions with more than three approved additional locations, the Commission shall conduct visits to a representative sample of the additional locations at least once every three years.
- h. The Commission may conduct additional reviews as it deems appropriate, such as unannounced inspections.

Rapid Growth in the Number of Additional Locations. A Request for Approval of a Substantive Change must be submitted when an institution experiences a rapid growth in the number of additional locations.

- a. The Commission may, at its discretion, conduct visits to additional locations to ensure that an

accredited institution that is experiencing rapid growth in the number of additional locations maintains the expected level of quality in its educational program.

- b. The purpose of such a visit is to verify that the additional locations have the personnel, facilities, and resources it claimed to have in its application to the Commission for approval of the additional location.
- c. Institutions contemplating rapid growth (or uncertain whether planned changes fall under this category) should contact the Commission's staff prior to submitting a request for approval of a substantive change.
- d. The Commission considers rapid growth as 10 percent or more additional locations within a three-year period.

Establishing an Additional Instructional Site. A Request for Approval of a Substantive Change must be submitted when an institution plans to establish an additional instructional site.

- a. The Commission defines an instructional site as a location, other than a branch campus or additional location, at which an institution offers one or more courses for credit.
- b. Commission preapproval is not required for an Instructional Site to be included within the scope of accreditation.
- c. However, if an Instructional Site changes over time and meets the definition of an Additional Location or Branch Campus, a request for approval of a substantive change is required.
- d. Sites established outside of the U.S. for the sole purpose of offering courses through a study abroad experience are not considered to be instructional sites. If 50% or more of a program is offered, the site will meet the definition of an additional location.

Addition of a Permanent Location at a Teach-Out Site. A Request for Approval of a Substantive Change must be submitted when an institution plans to add a permanent location at a site at which the institution is conducting a teach-out for students of another institution that has ceased to operate before all student have completed their programs of study.

Planned Closure of an Accredited Institution. An accredited institution planning to close or merge with another institution shall submit a request for substantive change not later than six months prior to the planned date of closure/merger.

- a. The request for approval of a substantive change must include the institution's plans to ensure that currently enrolled students will be provided reasonable opportunities to complete their program, including any teach-out agreement(s) into which the institution has entered with another institution.
 - 1) Under Federal law, the Commission may approve teach-out agreements only if an agreement is between institutions that are accredited by or have candidate status with an accrediting agency recognized by the U.S. Secretary of Education, is consistent with applicable standards and regulations, and provides for the equitable treatment of students by ensuring that—
 - a) The teach-out institution has the necessary experience, resources, and support services to provide an educational program that is of acceptable quality and reasonably similar in content, structure, and scheduling to that provided by the closed institution; and
 - b) The teach-out institution demonstrates that it can provide students access to the program and services without requiring them to move or travel substantial distances.
 - c) Institutions requesting approval of a teach-out agreement must provide sufficient documentation to demonstrate that they meet the policy "Closing or Merging a Postsecondary Institution."
[See MSA-CESS Policy: Teach-Out Plans and Agreements, for the requirements for Teach-Out Plans and Teach-Out Agreements.]
- b. If an institution is required to obtain approval for closing from any licensing, regulatory, or other legal entities, such approval(s) must be included in the request for approval of a substantive change.

Planned Closure of a Branch Campus, Additional Location, or Additional Site. An institution planning to close a branch campus must submit a request for approval of a substantive change not later than six months prior to the planned effective date of closure.

- a. A request to preapprove the closing of a branch campus or additional location must include evidence that no students shall be deprived of the opportunity to complete the program(s) in which they are enrolled, either by action of the institution to keep the program operating until all current students have completed the program or by an approved Teach-Out Agreement.

Closed Institution without a Teach-Out Plan or Agreement.

- a. A Request for Approval of a Substantive Change must be submitted when an institution closes without an approved Teach-Out Agreement.
- b. If an accredited or candidate institution closes without a teach-out plan or agreement, the Commission shall work with the U.S. Department of Education and the appropriate State agency, to the extent feasible, to assist students in finding reasonable opportunities to complete their education without additional charges.

Change to the Institution's Financial Stability and/or Viability. A Request for Approval of a Substantive Change must be submitted when an institution's financial situation changes so as to threaten the institution's financial stability and/or viability. The Commission considers financial instability when:

- a. Expenditures exceed revenues to a significant degree for three or more years;
- b. Based on the history of the institution's revenues and expenditures, the institution has demonstrated fiscal instability over the last three years, and projections indicate continuing instability; and
- c. The institution has major contingent liabilities or on-going litigations that potentially could affect the institution's financial stability and/or viability.

Takeover of Control by the State or Other Governmental Authority. A Request for Approval of a Substantive Change must be submitted when the state or other governmental authority will be or has taken control of the institution.

- a. The request for approval of a substantive change must be submitted within 30 calendar days of the effective date of the takeover.
- b. Upon receipt of such a request, the Commission shall conduct an investigation within 60 calendar days to determine whether the takeover has resulted in changes to the institution that make the institution no longer able to meet the Standards for Accreditation and/or other requirements of the Commission upon which the institution's most recent accreditation was based.
- c. Upon conclusion of the investigation, a report shall be submitted to the appropriate Commission(s) for action to affirm or to change the institution's accreditation.

Change in Method of Delivery to a Distance Modality. A Request for Approval of a Substantive Change must be submitted when an institution plans to increase the percentage of its programs/courses delivered by a distance education modality to 50% or more of courses in a career/technical program. The 50% standard includes only courses offered in their entirety via a distance education modality, not courses utilizing blended delivery methods.

- a. The Commission requires that the first two programs/courses for which 50% or more of the content is delivered through distance education modality be submitted for Commission review and prior approval. In special circumstances further programs may require formal review and action by the Commission.
- b. To determine whether a program/course proposed to be delivered 50% or more by a distance modality, the Commission will use as their criteria the Indicators of Quality for Distance Education within the Standards for Accreditation, and the Commission's Standards for Curriculum, Instruction, and Assessment.

Change in Operation, Accreditation and/or Licensing of an Accredited Institution.

- a. A Request for Approval of a Substantive Change must be submitted when one or more of the following events occur:
 - 1) The institution is notified by the U.S. Department of Education that the Secretary has initiated an emergency action against an institution, in accordance with section 487(c)(1)(G) of the HEA, or an action to limit, suspend, or terminate an institution participating in any title IV, HEA program, in accordance with section 487(c)(1)(F) of the HEA, and that a teach-out plan is required.
 - 2) A State licensing or authorizing Commission notifies the institution that the institution's license or legal authorization to provide an educational program has been or will be revoked.
 - 3) The institution has been notified by an accrediting agency other than the Middle States Commission on Secondary Schools that that agency has acted or intends to act to take an adverse accrediting action regarding the institution.
- b. The Request for Approval must include the institution's plans to ensure that currently enrolled students will be provided reasonable opportunities to complete their program, including a Teach-Out Plan that includes any Teach-Out Agreement(s) into which the institution has entered with another institution.

[See MSA-CESS Policy: Teach-Out Plans and Agreements, for the requirements for Teach-Out Plans and Teach-Out Agreements.]

Rapid Growth in Student Enrollment.

- a. A Request for Approval of a Substantive Change must be submitted when growth in the enrollment in an approved career/technical program to be rapid when one of the following is reported:
 - 1) If the institution reported an enrollment of less than 100 students in the previous reporting year and reports for the reporting year an enrollment growth of 100 or more students;
 - 2) If the institution reported an enrollment of between 100-300 students in the previous reporting year and reports for the reporting year an enrollment increase of 100% or greater than the previous reporting year or 75% or greater for the two most recent consecutive reporting years;
 - 3) If the institution reported an enrollment of 300 or more students in the previous reporting year and reports for the reporting year an enrollment increase of 75% or greater for one reporting year or 50% or greater for the two most recent consecutive reporting year.
- b. Enrollment in individual career/technical programs and the institution will be reported to the Commission annually in the Annual Report and also in the Five-Year Report.
- c. The Annual and Five-Year Reports require reporting enrollment in career/technical programs and the institution for the reporting year and the two previous reporting years. This permits the Commission to monitor growth in enrollment from reporting year to reporting year as well as by three-year averages.
- d. If an institution reports rapid growth in enrollment in one or more career/technical programs and/or the institution, the institution will include in the Annual and Five-Year Reports:
 - 1) An explanation for the reported rapid growth;
 - 2) Three-year projections for enrollment over the next three years in the program(s) experiencing rapid growth
 - 3) Provisions in the institution's budget and financial resources to support the program(s) experiencing rapid growth
 - 4) Evidence of actions being taken by the institution's leadership to ensure that the rapid growth in the affected programs is not resulting in a decrease in the quality educational programs and the results the programs are producing in terms of student and organizational performance—completion rates, program completer job placement rates, licensing examination pass rates, and student loan default rates
 - 5) Evidence of actions taken by the institution's leadership to provide additional resources required by programs experiencing rapid growth in terms of—
 - a) Number of staff members—faculty, administration, student services, etc.—required by the program(s) to ensure no decrease in student and organizational performance

- 6) Description of how and when the institution will evaluate the effects of rapid growth in terms of student and organizational performance.
- e. The Commission's staff will review the reported enrollment figures, explanations, and evidence. Following the review, the Commission may:
 - 1) Accept the institution's report, explanations, and evidence as acceptable, or
 - 2) If the review determines that the enrollment figures, explanation, and/or evidence in the institution's report do not support the reason(s) and provision(s) for rapid growth satisfactorily, conduct an onsite audit of the institution's enrollment records for the career/technical programs for which there are issues relating to rapid growth.

Occupying a New or Significantly Renovated Physical Facility.

- a. A Request for Approval of a Substantive Change must be submitted when an institution plans to occupy a new or significantly renovated physical facility.
- b. The Request for Approval of a Substantive Change must be submitted not later than six months *prior* to the date on which the new/renovated physical facility will be occupied and used to deliver all or some of the institution's educational program.
- c. Prior to submitting the Request to the Commission for action, the President shall direct that an onsite visit is conducted to ensure the new/renovated physical facility meets the Facilities and Health and Safety Standards for Accreditation. The report of the onsite visitor shall accompany the Request for Approval of a Substantive Change throughout the review and decision phases.
- d. The President may waive the requirement for an onsite visit if the institution is able to supply the following:
 - 1) Certificate of Occupancy issued by the appropriate civil authority;
 - 2) Records of any fire and safety inspections required by the appropriate civil authority to indicate the new/renovated physical facility meets all applicable fire and safety codes of the appropriate civil authority; and
 - 3) Photographs of the new/renovated facility.
- e. Evidence Documentation Required. The following evidence/documentation must be submitted with the Request for Approval of a Substantive Change:
 - 1) Certificate of Occupancy issued by the appropriate civil authority;
 - 2) Records of any fire and safety inspections required by the appropriate civil authority to indicate the new/renovated physical facility meets all applicable fire and safety codes of the appropriate civil authority; and
 - 3) Photographs of the new/renovated facility.