

## Policy on Substantive Change

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### Background

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

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

### Policy

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

It is the institution's responsibility to demonstrate the effect of a substantive change on the quality, integrity, capacity and effectiveness of the total institution. Substantive changes must be approved by the Substantive Change Committee prior to implementation.<sup>2</sup> The Committee will not approve a substantive change to be effective on a date prior to its action on the substantive change. The approval of a substantive change ~~request proposal~~ will be effective on the date the Substantive Change Committee votes affirmatively to approve the change. **When appropriate, the Substantive Change Committee may refer a substantive change request to the Commission for action.**

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<sup>1</sup> 34 C.F.R. § 602.15(a)(3).

<sup>2</sup> 34 C.F.R. § 602.22.

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

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

### **Timing of Substantive Change Request**

Substantive change approval by the Commission through its Substantive Change Committee is needed before a change in program can be accredited, and before the affected courses and programs can qualify for federal financial aid. Thus, prior to approval, the change may not be represented or advertised as a part of the institutional accreditation.

Accredited institutions seeking substantive change are aware of the standards and, per Standard I.C.12, have committed to remaining in compliance with standards at all times. When an institution undertakes a change, it must have proceeded sufficiently to demonstrate with evidence that the change meets the evaluation criteria. Unless the Substantive Change Committee can determine that the evaluation criteria are currently met, the change is not ready to receive accredited status or (if pertinent) qualify for federal student aid. A substantive change request is timely when the institution has progressed in its implementation to a point where there is demonstration and evidence of the change meeting standards and any specific evaluation criteria.

In the following circumstances, an institution can seek provisional approval of its plans for a substantive change:

- change of ownership
- addition of a new location
- creation of a branch campus

Prior to receiving approval of the provisionally-approved change, the institution must provide updated information concerning its implementation efforts.

Institutions may not submit a substantive change ~~Proposal~~ request:

- in the six-month period preceding a comprehensive evaluation team visit.
- ~~The Substantive Change Committee may defer consideration of a substantive change request~~ if an institution is on a sanction such as Warning, Probation, or Show Cause until the conditions that resulted in a sanction have been resolved and the Commission has reaffirmed accreditation. However, if the sanction includes a specific recommendation which cites as non-compliance the institution's failure to seek substantive change approval of an existing program, delivery mode, or location, then to the extent of that recommendation only, the institution may proceed with a substantive change request.
- If the institution is ~~Institutions which are~~ subject to withdrawal of accreditation, pending the outcome of administrative remedies, ~~may not submit a Substantive Change Proposal.~~

### Comprehensive Institutional Evaluations Triggered

Major substantive changes or the area potentially affected by the substantive change may cause the Substantive Change Committee to decide that ~~a site visit is required or that~~ comprehensive evaluation is required to make a determination regarding the substantive change<sup>3</sup>. Situations which may trigger this determination include:

- change of ownership/control/legal status during reaffirmation of accreditation or candidacy status;
- complete or significant change in mission and/or a significant change of mission sought within two years of a change of ownership and change of control;
- any relocation coupled with a change of mission;
- a change of classification from an off-site location to a stand-alone institution;
- student indebtedness compared to program, job market, and salary;
- poor student graduation rates, program quality, performance and/or program outcomes;
- rapid growth in the number of sites where more than 50% of an educational program is offered;
- any change that results in the transition to a 100% distance education institution; or
- other circumstances or the accumulation of changes as determined by the Substantive Change Committee.

### Special Report and Visit

Certain circumstances, which may come to the attention of the Substantive Change Committee, may cause the Substantive Change Committee to recommend to the Commission that a special report ~~or comprehensive evaluation~~ is needed from an institution. These circumstances are:

- information concerning a significant departure from meeting the Commission's Standards;
- a substantive change site visit, substantive change request, or special substantive change report that indicates noncompliance with the ERs, Accreditation Standards or Commission policies;
- evidence of unethical practices;
- closure of a program or institution due to loss of state authorization or licensing; or
- lack of effective educational policies and practices;
- other circumstances or the accumulation of changes wherein the Commission concludes the institution, to which it granted accreditation, has effectively ceased to operate under the conditions upon which accreditation is granted.

~~Institutions may not submit a Substantive Change Proposal in the six-month period preceding a comprehensive evaluation team visit. The Substantive Change Committee may defer consideration of a substantive change request if an institution is on a sanction such as Warning, Probation, or Show Cause until the conditions that resulted in a sanction have been resolved and the Commission has reaffirmed accreditation. Institutions which are subject to~~

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

~~withdrawal of accreditation, pending the outcome of administrative remedies, may not submit a Substantive Change Proposal.~~

## **Substantive Changes**

Substantive changes include, but are not limited to, the following<sup>4</sup>:

### **Change in Mission, Objectives, Scope, or Name of the Institution**

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

### **Change in the Nature of the Constituency Served**

- a change in the intended student population
- closure of an institution or loss of state authorization or licensure for the institution or a program, withdrawal of or from accreditation if such withdrawal will result in closure<sup>5</sup>
- closure of a location geographically apart from the main campus at which students can complete at least 50% of an educational program
- courses or programs offered outside the geographic region currently served

### **Change in the Location or Geographic Area Served**

An institution that moves to a new location or opens a new location geographically apart from the main campus where students can complete 50% or more of a program constitutes a substantive change. The Substantive Change Committee will determine if an institution applying for substantive change for a new location requires a site visit. The Substantive

Change Committee will determine if an institution may be exempted from the requirement of a site visit if the following conditions are met:<sup>6</sup>

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<sup>4</sup> Please note that although some change at an institution may not warrant substantive change review, the institution should still take all necessary steps to ensure the Eligibility Requirements, Accreditation Standards, and Commission policies related to that change are being met.

<sup>5</sup> See the Policy on Closing an Institution for further discussion of requirements related to closing an institution and teach-out plans for institutional or programmatic closures.

<sup>6</sup> If the new location meets the definition of a branch campus, then a site visit will be required. A branch campus is defined in 34 CFR 600.2 as a location of an institution that is geographically apart and independent of the main campus of that institution and that (1) is permanent in nature; (2) offers courses in educational programs leading to a degree, certificate, or other recognized educational credential; (3) has its own faculty and administrative or supervisory organization; and (4) has its own budgetary and hiring authority. [Emphasis added.] In addition to other items of review for new

- An institution has successfully completed at least one cycle of accreditation of maximum length offered by the Commission and one renewal or has been accredited for at least ten years and has three additional locations already approved by the Commission through the substantive change process.
- The institution has demonstrated 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: clearly identified academic control; regular evaluation of the locations; adequate faculty, facilities, resources, and academic and student support systems; financial stability; and long-range planning for expansion.

The Substantive Change Committee must determine the institution's fiscal and administrative capacity to operate the additional location. In addition, the Substantive Change Committee shall arrange a visit, within six months of review, to each additional location the institution establishes if the institution has a total of 3 or fewer additional locations, has not demonstrated to the satisfaction of the Substantive Change Committee that it has a proven record of effective educational oversight of additional locations or has been placed on sanction by the Commission.<sup>7</sup> The purpose of the site visits is to verify that the additional location(s) has the personnel, facilities, and resources the institution claimed to have in its **substantive change request** proposal to the Substantive Change Committee for approval of the additional location(s).

The Substantive Change Committee may not approve an institution's addition of locations after the institution undergoes a change in ownership resulting in a change of control<sup>8</sup> until the institution demonstrates that it meets the conditions for the Commission to pre-approve additional locations.<sup>9</sup>

### **Change in the Control or Legal Status of the Institution**

- any change in the form of control, legal status, or ownership of the institution
- a merger with another institution<sup>10</sup>
- the separation of one unit of the institution into separate institutions, dividing an institution into two or more separately controlled and accredited units
- the acquisition of any other institution or program or location of another institution, and/or the addition of a permanent location at the site of a teach-out the institution is conducting
- contracting for the delivery of courses or programs in the name of the institution with a non-regionally-accredited organization
- a change by a parent institution of one of its off-campus sites into a separate institution

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

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locations, the Substantive Change Committee will review the business plan for a branch campus in determining whether to approve a substantive change or not.

<sup>7</sup> 34 C.F.R. § 602.22(c)

<sup>8</sup> as defined in 34 C.F.R. § 600.3.1

<sup>9</sup> 34 C.F.R. § 602.22

<sup>10</sup> See also Policy on Contractual Relationships with Non-Regionally Accredited Organizations

- a change in the mode or location of delivery when the courses constitute 50% or more of a program, degree or certificate and/or are offered at a new or different location or through distance education or correspondence education for the total amount of credits awarded for courses or programs; addition of courses that constitute 50% or more of a program or 50% of the institution's courses offered through a mode of distance or electronic delivery
- the addition of courses or new programs that represent a significant departure from existing offerings of educational programs or methods of delivery from those that were offered when the institution was last evaluated
- addition of programs of study at a degree or credential level different from that which is included in the institution's current accreditation or preaccreditation

### **A Change in Credit Awarded**

- a substantial increase or decrease in the number of clock or credit hours awarded for the successful completion of a program
- a change from clock hours to credit hours
- a change in rigor of the credit hour

### **Implementation of a Direct Assessment Program**

- an instructional program that, in lieu of clock hours or credit hours, utilizes direct assessment of student learning
- an instructional program that recognizes the direct assessment of student learning by others
- a program that must obtain USDE approval as a direct assessment program<sup>11</sup>

### **Implementation of a Baccalaureate Degree Program<sup>12</sup>**

- an instructional program that leads to the award of a baccalaureate degree
- an additional area of emphasis within a baccalaureate degree program of study
- the designation of a minor which can be awarded in association with a baccalaureate degree

### **A Contractual Relationship with a Non-Regionally-Accredited Organization**

A contractual relationship with a non-regionally-accredited organization is considered a substantive change when more than 25 percent of one or more of the accredited institution's educational programs is offered by the non-regionally-accredited organization.<sup>13</sup>

### **Actions on Substantive Change**

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

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<sup>11</sup> See 34 C.F.R. § 668.10

<sup>12</sup> See the Policy on Accreditation of Baccalaureate Degrees for specific standards and policies which must be addressed, as well as additional specific evaluation criteria.

<sup>13</sup> 34 C.F.R. § 602.22(a)(2)(vii)

Informal communications and feedback by ACCJC staff with institutional representatives prior to committee review of the institution's substantive change request or to seek minor missing (clerical) info are not committee actions. They are intended to provide assistance to colleges as they progress through the substantive change approval process.

The Substantive Change Committee may take the following actions:

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

Approve the substantive change and require a Follow-Up Report with or without a visit, or a visit without an institutional report. The institution meets the evaluation criteria, but the committee has either specific questions (which don't require deferral), or feels general verification is needed of sustained practice, further implementation stages, etc. Visit timeline should be specified: 6-18 months.

Approve a substantive change subject to a federally mandated site visit. The institution meets the evaluation criteria for a change of ownership, new location,<sup>14</sup> or creation of a branch campus. On-site verification is required by federal regulations.

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

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

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

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

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<sup>14</sup> A new location may not be subject to a federally mandated site visit. Please see the section below on substantive change actions requiring federally mandated site visits.



## **Substantive Change Actions Involving Federally Mandated Visits**

Federal regulations require that certain substantive changes include a site visit as part of the approval:

- Additional location where at least 50 % of an educational program is offered (first three additional locations of an institution— others are exempted if certain criteria are met).
- Establishment of a branch campus.
- Change in ownership resulting in change of control.

### **New location where at least 50% of an educational program is offered**

There are two types of sub change review connected with new locations: those requiring federally mandated site visits, and those which are exempted from federally mandated site visits.

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

1. A total of three or fewer additional locations;
2. Not demonstrated that it has a proven record of effective educational oversight of additional locations;
3. Been placed on warning, probation or show cause;
4. Rapid growth in the number of additional locations.

The federally-mandated visits are for the purpose of verifying the information provided by the institution in its substantive change request (or for verifying that the actions taken align with the planned actions provisionally approved by the committee). They must take place no later than 6 months after the substantive change approval.

No federally mandated site visit is required for a new location (thus making this a “regular” sub change) if:

1. The institution has successfully completed one cycle of accreditation (comprehensive evaluation –midterm review—comprehensive evaluation) and has achieved reaffirmation of accreditation;
2. At least three additional locations were previously approved by the accreditor;
3. The evaluation criteria are met and the institution has a proven record of effective oversight of additional locations;
4. The institution is not on sanction.

The exemption of a new location substantive change from a federally mandated site visit must include findings the institution has met the above conditions and that the evidence demonstrates it has: clearly identified academic control; regular evaluation of the locations; adequate faculty, facilities, resources and academic and student support systems; financial stability; and long-range planning for expansion.

### **Change of ownership**

Changes in the ownership of an institution which result in a change of control are subject to federally mandated site visits. The committee can designate the effective date of its approval as being the date of the actual change, so long as the substantive change committee decision is within 30 days of that change of ownership. There must be a site visit as soon as possible after the change takes effect, in no case later than six months after the change.



## Branch campus

The term branch campus has different meanings under state law. For substantive change purposes, the federal regulation definition is applied. A branch campus is a location of an institution that is geographically apart and independent of the main campus of that institution. The branch location of an institution is independent if it is--(1) is permanent in nature; (2) offers courses in educational programs leading to a degree, certificate, or other recognized educational credential; (3) has its own faculty and administrative or supervisory organization; and (4) has its own budgetary and hiring authority. An institution must provide a business plan in advance of establishing a branch campus (describing the educational programs, the projected revenues/ expenditures/cash flow, the operation, management and physical resources of the branch campus). Approval (accreditation) can only be given after determining the campus has sufficient educational, financial, operational, management, and physical resources. There must be a site visit as soon as possible after the campus is established,<sup>15</sup> in any case no longer than six months after.

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