



Middle States Commission on Higher Education

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Policy Statement

Substantive Change

(Effective January 22, 2010)

When an institution is accredited, or its accreditation is reaffirmed, that action applies to conditions 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. *While the decision to modify an institution is an institutional prerogative and responsibility, the Commission is obligated to determine the effect of any substantive change on the quality, integrity, and effectiveness of the total institution.*

Accreditation and Candidacy Status are subject to modification or revision in the event of changed circumstances that the Commission reasonably determines require such actions.

A principle of institutional accreditation is that everything done in the name of the institution is covered by its accreditation. Conversely, anything done without appropriate concern for consistency with an institution's stated mission and concern for quality and integrity may threaten the accredited status of the entire institution.

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 on Higher Education 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.

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.

The Commission considers the following types of change to be substantive and therefore to require Commission review and approval. Substantive change includes, but is not limited to the following:

➤ **Significant Changes in Mission, Goals, or Objectives of an Institution, Other Changes that Significantly Affect the Institution**

This includes any changes that might affect mission, goals, or objectives including merger, acquisition, closure, expansion, adoption of new delivery modes, establishment of a new program that is not a logical extension of programs currently offered, or other event deemed to be significant by the accreditor, whether or not specifically listed in this policy or in the language of the U.S. Department of

Education.

➤ **Distance Education; New Courses and Programs; Change in Content or Method of Delivery**

This includes instruction constituting at least 50% of a degree or certificate program that represents a significant departure, in terms of either the **content or method of delivery**, from those assessed when the institution was most recently evaluated (e.g., a business school now offering nursing; distance education; correspondence courses).

Although an institution may have offered one or more distance education courses in the past, the Commission requires that the institution receive prior approval through the substantive change procedures before offering 50% or more of a degree or certificate program through distance education. The 50% standard includes only courses offered in their entirety via distance education, not courses utilizing mixed delivery methods. At its discretion, the Commission may determine that only specified programs(s) delivered through alternative methods are included within the scope of accreditation.

The Commission requires that the first two programs for which 50% or more is offered through distance education be submitted for Commission review and prior approval. In special circumstances further programs may require formal Commission review and action.

The Commission requires that institutions have in place processes to verify that the student who registers in a distance education course or program is the same student who participates in and completes the program and receives academic credit. Institutions may verify student identity by using methods such as a secure login and pass code or proctored examinations, and new or other technologies that are effective in verifying student identity. Institutions must also use processes that protect student privacy and must notify students at the time of registration or enrollment of any additional student charges associated with the verification of student identity.

➤ **Higher Degree or Credential Level**

The addition of the first two courses or programs offered at a degree or credential level above that which is included in the institution's current accreditation or pre-accreditation must be approved by the Commission prior to implementation.

Included in higher degree or credential level are first professional degrees at any level. Certificate programs at the pre-baccalaureate and post-baccalaureate level are considered a substantive change if such certificate programs are offered at a level higher than what is currently offered by the institution and included within the scope

of its accreditation. Institutions considering establishing a new degree level should be in contact with the institution's designated Commission liaison as soon as it is aware of the potential change and prior to submitting comprehensive information to the Commission.

The National Center for Education Statistics defines a First Professional degree as “a degree that signifies both completion of the academic requirement for beginning practice in a given profession and a level of professional skill beyond that normally required for a bachelor's degree.”

Examples of First Professional degrees include the fields of dentistry, medicine, optometry, chiropractic, law, physical therapy, occupational therapy, and theological and Talmudic professionals.

After Commission approval of the first two programs, new programs at an existing degree or credential level ordinarily do not require Commission review. However, the addition of such programs may necessitate prior approval if these new programs significantly alter the mission of the institution or affect significantly the institution's ability to continue to support existing and proposed programs. Institutions should consult with the Commission liaison before submitting substantive change proposals for new programs at an existing degree level.

At its discretion, the Commission may determine that only specified program(s) at the new degree level are included within the scope of accreditation.

Because branch campuses and additional locations operate with some independence from the main campus (including the resources available on each campus), the Commission also may require a branch campus or additional location to request a substantive change for the addition of programs at a higher degree level at that site, even if the main campus already offers that degree.

➤ **Contractual Agreements**

Certain contractual agreements with an institution or organization not accredited by a Federally recognized agency to provide any portion of a postsecondary educational program that leads to an academic or professional degree, certificate, or other recognized educational credential on behalf of the accredited institution are subject to Commission review. This includes degree completion programs developed by third parties. In addition, certain contractual relationships with entities accredited by a Federally recognized agency to provide a credit-bearing program are substantive changes. (See also the Commission policy on Contractual Relationships with Non-MSA Accredited Organizations.) The types of factors that will determine whether a particular contract is a substantive change include: the experience of the accredited

institution and of the contracting entity in offering similar contracted services; the percentage of total programs affected; and the location and method of delivery of the program. Other contractual agreements may be considered substantive changes under other circumstances.

Institutions requesting approval of a contractual agreement should submit sufficient documentation to demonstrate that they meet the policy “Contracts by Accredited and Candidate Institutions for Education-Related Services.” The Commission may, at its discretion, request information to assess the capacity of the non-regionally accredited organization to fulfill its obligations.

➤ **Non-credit Offerings that Affect Mission**

Commission review typically covers programs and courses that are offered for academic credit, including credit-bearing non-degree courses and certificate programs offered at either the pre-baccalaureate or the post-baccalaureate levels. Non-credit courses and community services offered in response to constituency needs do not normally fall within the purview of this policy unless they become a major component of the institution’s activities. Nonetheless, the Commission expects that established institutional procedures will ensure their quality and integrity, and will ensure that these offerings do not affect negatively the institution’s ability to meet its mission.

➤ **New Sites/Locations**

Branch Campus

A branch campus is a location of an institution that is geographically apart and independent of the main campus of the institution. Branch campuses may be domestic or international. The location is independent if the location offers courses in educational programs leading to a degree, certificate, or other recognized educational credential; has its own faculty and administrative or supervisory organization; and has its own budgetary and hiring authority.

The institution must notify the Commission if it plans to establish a branch campus and must submit a business plan for the branch campus that describes:

- (i) The educational program to be offered at the branch campus
- (ii) The projected revenues and expenditures and cash flow at the branch campus;
- and
- (iii) The operation, management, and physical resources at the branch campus.

The Commission will include the branch within the scope of the institution’s accreditation only after it evaluates the business plan and takes whatever other actions

it deems necessary to determine that the branch campus has sufficient educational, financial, operational, management, and physical resources to satisfy the Commission's standards.

The Commission will undertake a site visit to the branch campus as soon as practicable, but no later than six months after the establishment of that campus. The Commission considers a branch campus to be "established" when it is operational with students enrolled.

Additional Locations

An additional location is a location, other than a branch campus, that is geographically apart from the main campus and at which the institution offers at least 50% of an educational program. Additional locations may be domestic or international. These include corporate sites and locations for limited, rather than ongoing, provision of programs. *Some additional locations might be subject to other substantive change policies, including contractual agreements for the provision of courses at the site, which might require additional substantive change requests.*

The Commission must determine if the institution has the fiscal and administrative capacity to operate the additional location. In addition, the Commission will visit within six months, each additional location the institution establishes, if the institution:

- (i) has a total of three or fewer additional locations;
- (ii) has not demonstrated, to the Commission's satisfaction, that it has a proven record of educational oversight of additional locations; or
- (iii) has been placed on warning, probation, or show cause by the Commission or is subject to some limitation by the Commission on its accreditation or preaccreditation status;
- (iv) has the first additional location of the institution to be located abroad, regardless of the number of domestic additional locations, unless waived by the Commission liaison.

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 application to the Commission for approval of the additional location.

The Commission may conduct additional reviews as it deems appropriate, such as unannounced inspections. In addition, the Commission will conduct, at reasonable intervals, visits to additional locations of institutions that operate more than three additional locations.

All new additional locations and the closure of locations require Commission review and approval through the Substantive Change Committee. Although the Commission is obligated to conduct visits to the first three additional locations, the Commission may, at its discretion, conduct visits to subsequent new locations.

The Commission shall then modify the institution's SAS accordingly. At its discretion, the Commission may conduct visits to these additional locations.

Instructional Site

An Instructional Site is a location, other than a branch campus or additional location, at which the institution offers one or more courses for credit. Instructional Sites should be noted on the annual Institutional Profile. Commission approval is not required for an Instructional Site to be included within the scope of accreditation. However, if an Instructional Site changes over time and meets the definition of an Additional Location or Branch Campus, further reporting and a substantive change review are required. Sites established outside of the U.S. for the sole purpose of offering courses through the 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 and must be reviewed and approved accordingly.

➤ **Rapid Growth**

The Commission may, at its discretion, conduct visits to additional locations, to ensure that accredited and pre-accredited institutions that experience rapid growth in the number of additional locations maintain educational quality.

Institutions contemplating rapid growth (or uncertain whether planned changes fall under this category) should be in contact with the institution's designated Commission liaison prior to submitting comprehensive information to the Commission.

➤ **Mergers and Other Changes in the Legal Status, Form of Control, or Ownership of the Institution**

This includes, for example, merger or consolidation with another institution; sale of a proprietary institution; or beginning or ending public sponsorship and control.

The institution must notify the Commission as soon as it is aware of the potential change, such as negotiations for transfer of ownership.

The Commission will undertake a site visit to an institution that has undergone a merger, change in legal status, change of ownership, or other change that

resulted in a change of control as soon as practicable, but no later than six months after the change of ownership.

Definitions: These summaries of definitions drawn from the federal regulations may be helpful:

Control. Control means 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.

At some applicant, candidate, or accredited institutions, the institution's governing board shares decision-making responsibility with one or more non-accredited "related" entities concerning some functions and operations such as those involving finances, planning, governance, budget and approval processes, recruitment, information systems, or employee compensation. This policy is intended to ensure that accreditors receive appropriate assurances and sufficient information and documentation to determine whether such institutions comply with Commission standards and policies.

A related entity may be a corporate parent, 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 (herein "Related Entities"). Related entities may include institutional or corporate layers or groups. Institutions with related entities must comply with the requirements stated in the policy on Institutions with Related Entities.

Ordinarily, local, county, and state legislatures, other accreditors, local advisory boards, and government agencies are not related entities. The scope of this policy does not include "contractual relationships" in which the accredited entity contracts for services; these are governed by a separate Commission policy.

Ownership. Ownership or ownership interest means 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, of an institutional investor, or of a profit-sharing plan in which all employees of an entity may participate. 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).

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 Commission liaison to determine whether approval or review is necessary.

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.

➤ **Site Closure**

An institution planning to close or merge an additional location or branch campus should inform the Commission no later than six months prior to the planned closure/merger date or as soon as such plans are approved. Additional locations are those sites at which a student can complete at least 50% of a program. A branch campus is geographically apart and offers courses in educational programs leading to a degree, certificate, or other recognized educational credential; has its own faculty and administrative or supervisory organization; and has its own budgetary and hiring authority.

For sites (other than those whose cohort has completed the course or program), institutions should submit plans describing how any students remaining in the program will be accommodated. Sites established for a specific cohort (such as a corporate site) do not require notification upon closure.

➤ **Institutional Closure**

An institution planning to close or merge should inform the Commission no later than six months prior to the planned closure/merger date. Institutions planning an institutional closure should submit to the Commission for approval any plans to provide students with reasonable opportunities to complete their education, including any teach-out agreements that the institution has entered into or intends to enter into with another institution. Approvals from any licensing, regulatory or other legal entities as may be necessary also should be provided.

Under Federal law, the Commission can approve teach-out agreements only if the agreement is between institutions that are accredited or have Candidate status by a nationally recognized accrediting agency, is consistent with applicable standards and regulations, and provides for the equitable treatment of students by ensuring that:

- 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
- 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.

Institutions requesting approval of a teach-out agreement should provide sufficient documentation to demonstrate that they meet the policy “Closing or Merging a Postsecondary Institution.”

➤ **Clock/Credit Hours**

- change from clock hours to credit hours; or
- a substantial change in the number of clock or credit hours required for the successful completion of a program, or the length of a program.

Processes

Notification to the Commission on Higher Education

Changes that are substantive must be reported to the Commission prior to the planned date of implementation, consistent with the timetable for submission detailed under “Commission Review and Determination of Status.” Requests for prior approval of Substantive Change should be reported to the Commission prior to the planned date of implementation and should be directed to the President of the Commission.

The Institutional Profile annual update is not an appropriate vehicle for notifying the Commission of a substantive institutional change.

Although the Commission requires prior approval of substantive changes within both candidate and accredited institutions, once a request for approval of substantive change has been submitted, **Candidate institutions** must submit to a review of their candidate status (status review visit) as detailed in the Commission’s handbook, *Candidacy for Accreditation*, unless the Commission liaison determines otherwise. Visits or other types of review as required by specific types of change outlined in this policy also may apply.

If the institution is uncertain whether the proposed change is substantive or routine, the institution should contact the designated Commission liaison with preliminary information on the nature and purposes of the activities. This should be done as early in the planning process as possible. Based on this preliminary review, the Commission liaison will advise the institution

and send confirmation by letter if appropriate.

Content of Substantive Change Requests

Substantive change requests should provide the necessary information **and analysis** in as concise a presentation as possible. While the length will vary dependent on the complexity of the substantive change, most requests will not be more than 25 pages. Submission should be loosely bound and paginated. Any supplemental documentation that accompanies the request must be specifically referenced within the proposal itself, and the relevance of any such documentation must be made apparent. Submissions can be made via an electronic mail attachment addressed to the Commission liaison for the institution or by sending five full copies to the Commission office.

If the institution knows the proposed change is a substantive one or if the proposed institutional change is determined to be substantive based on Commission liaison review, the following information should be provided with the substantive change request. Additional elements listed below should be included if relevant to the type of substantive change.

The following information is required unless waived by the Commission liaison in a specific situation:

1. A one-page executive summary of the substantive change proposal;
2. Statement of the nature and purposes of the activities, including relevance to the current institutional mission and evidence of need for the activities;
3. Tentative or final plans in other areas such as expansion, merger, and/or change of size, locations, enrollment, and number or qualifications of faculty;
4. Financial Impact of the proposed change;
5. Analysis of the impact of the proposed change(s) on the rest of the institution or system; and
6. Legal authorization to conduct the program(s) or activity, if required.

In addition, such other information and documentation will be submitted as necessary to evidence continuing compliance with all accreditation standards. These may include submission of a complete long-term strategic plan, including plans for implementation of expansion, merger, and/or change of size, locations, enrollment, number or qualifications of faculty, and other relevant areas.

The institution should include the following as relevant to its particular proposal:

- Basic planning documents including:
 - Budget and other information showing adequate financing for the projected activities; and
 - Provisions for needed resources (faculty, administrators, library, facilities, etc.).

- Intended constituency;
- Governance and administrative organization;
- Plans for the assessment of student learning outcomes;
- Records of institutional procedures followed in approving the activities;
- Copies of contractual arrangements; or
- Publications announcing and/or describing the planned activities, if available.
- When applicable, institutions must also comply with the policy on Institutions with Related Entities and submit the required documentation.
- If the proposed change is to establish a branch campus, the request for inclusion within the scope of accreditation should include a description of the educational program(s) to be offered at the branch; the projected revenues and expenditures and cash flow at the branch; and the operation, management, and physical resources at the branch campus.
- If the proposed substantive change concerns a new degree, academic program, or new delivery method, additional details should be included about the constituency that will be served, provision of necessary resources, expected budget, plans for assessing student learning outcomes, and any other relevant information.
- If the proposed substantive change concerns distance education, the institution should specify its method(s) for verifying student identity and for ensuring student privacy.
- If the Commission or Commission liaison determine that the proposed change indicates rapid growth, the institution's request for inclusion of the substantive change within the scope of accreditation should include:
 - Enrollment and financial projections for a three-year period;
 - Identification of educational programs offered and planned at each site and the mode(s) of instructional delivery;
 - Quality management controls (for the purpose of administrative and academic oversight);
 - Staffing plan for faculty, administration, and student services;
 - Plans (with timetable) for implementing the changes and for evaluating the progress of implementation; and
 - Outlined plans to guide the coordination with existing activities.

- If the proposed change concerns change in legal status, form of control, or ownership of the institution, all relevant documents should be disclosed, such as acquisition resolution and agreements, oral or written. When applicable, institutions must also comply with the policy on Institutions with Related Entities and submit the required documentation.
- If the proposed substantive change involves matters requiring the approval of another agency, proof of that approval should be provided. For example: state agency approval (as required) for new degrees or programs should be provided; legal authorization should be included for programs offered in other countries or jurisdictions; etc.
- If an institution has prepared materials for approval by another agency, the institution may use these materials or excerpts from these materials, annotating and supplementing them as needed to meet the above information requirements.

Requests for approval of substantive change that fail to include adequate analysis (rather than merely provide documentation) may be rejected.

Commission Review and Determination of Status

The Commission liaison has authority to designate any activity as a substantive change, or to waive its treatment as substantive change, provided that the Commission liaison's actions comply with all applicable laws and regulations. The types of factors the Commission liaison may consider, for example, are the effect on other programs of the institution, the experience of the institution in the area of substantive change, the nature of an additional location, and other relevant information.

Substantive changes are usually brought for review and recommendation to an appropriate committee of the Commission such as the Committee on Substantive Change or the Committee on Follow-Up/Candidate Institutions. In some cases, substantive changes may be reviewed and an action may be recommended by the Commission liaison. In such cases, the action will be placed on a consent agenda for committee review. All recommendations are submitted to the Executive Committee, which will make decisions on behalf of the Commission.

In order to assure timely review and response, institutions preparing substantive change requests should adhere to the following timetable:

Submit report by:	for Executive Committee action at its meeting in:
September 1	October
November 1	December
January 1	February
March 1	April
May 1	June
July 1	August

Commission Action

If the Commission has determined that there is insufficient information to substantiate the institution's compliance with one or more accreditation standards should the substantive change request be granted, the Commission may postpone a decision and request a supplemental information report.

If, upon initial review by the Commission liaison, it is clear that the substantive change request does not have sufficient information or detail for the Commission to consider the request, the Commission liaison also may request that the institution re-submit the substantive change request with additional information as specified by the Commission liaison.

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 re-submit the substantive change request after the Commission's concerns are addressed.

The timing of final Commission approval or denial of a substantive change application depends on the specific situation.

The Commission reserves the right to decline to entertain a substantive change request by any institution that is not in compliance with the requirements of affiliation and accreditation standards, policies, guidelines, and practices including those institutions subject to Warning, Probation, or Show Cause.

The range of possible Commission actions includes termination of Accreditation or Candidacy, refusal to consider or grant the substantive change, further review including on-site evaluation or complete self-study evaluation, and those other actions included in the policy statement, "Range of Commission Actions on Accreditation."

The Commission may amend its public disclosure statement to inform the public of a possible substantive change.

Site Visits/On-Site Review

In order to meet its obligations as an accrediting agency, the Commission may direct a site visit or require other action of an institution planning or undergoing change, as provided above, prior and/or subsequent to official action on the proposed change. The Commission and the Commission liaison will determine the individual(s) best suited to carry out the site visit.

The Commission reserves the right to conduct special monitoring activities prior and/or subsequent to the submission of and prior to approval of a substantive change proposal should there be institutional issues (e.g., reduction of programs, closure of instructional sites, financial

exigencies, etc.) or other circumstances (e.g., adverse actions by other quality assurance agencies, investigations by regulatory agencies, legal issues that could affect the operations of the institutions, etc.), which might also affect the institution's ability to implement the proposed substantive change, to operate, or to fulfill its educational purposes.

Follow-up Reporting

Through specific follow-up activities directed by the Commission, or as part of the Periodic Review report or self-study, the institution may be asked to provide updated information to the Commission at critical stages in the implementation of the substantive change.

After review of the follow-up information (whether presented separately or as part of a self-study or PRR) the Commission may take any action provided in "Range of Actions" and require further review including, where appropriate, on-site evaluation of the activities, complete self-study re-evaluation of the entire institution, revocation of approval of the substantive change, or such other measures as the Commission may determine.

Extra-Regional Activities

Institutions conducting educational activities or establishing locations in other regions will be evaluated under the procedures outlined in "Inter-regionally Operating Institutions." An instructional site located in a region other than that of its home campus, if it functions independent of operational control of the parent college or university, will be considered under the policy, "Separately Accreditable Institutions."