

Substantive Change Manual

POSTSECONDARY INSTITUTIONS



2010 EDITION

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Substantive Change Manual

POSTSECONDARY INSTITUTIONS

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I. Introduction

This *Substantive Change Manual* is designed to assist institutions as they consider significant changes and to guide institutional reflection on the impact these changes have on the institution's ability to continue to meet eligibility requirements, accreditation standards and Commission policies. The manual is also intended to guide development of the Substantive Change Proposal, which the institution produces to seek Commission review and approval of the change. In providing this information, the Commission hopes to clarify the meaning, intent, and process of substantive change.

II. Principles Underlying Substantive Change

The following principles underlie the purpose of substantive change:

- *The Commission encourages change.* The Commission promotes educational innovation and experimentation that is responsible and appropriate to the institutional mission.
- *The Commission requires change to improve the institution.* A primary purpose of accreditation is to promote institutional improvement. The accreditation standards require that institutions engage in an ongoing effort to improve their programs and services. The Commission recognizes that without application of fresh approaches to identified opportunities and problems, improvement cannot occur.
- *The Commission anticipates that institutions will respond to evidence of the need for change.* Accreditation standards require that institutions engage in an ongoing process of evaluation, improvement, and reevaluation. Evaluation yields evidence of institutional performance that is often the stimulus for change.
- *The Commission expects institutions to undertake change responsibly.* In order to maintain their integrity, institutions must guarantee the quality of their programs and services, even as they make changes.
- *The Commission, through its substantive change process, ensures that institutions continue to meet accreditation standards.* The substantive change process requires evidence of institutional planning, resource commitment to the proposed change, and evidence that the institution's condition following the change continues to meet accreditation standards, eligibility requirements, and Commission policies.

III. Rationale for Requiring Approval of Substantive Changes

The US 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 do not adversely affect the capacity of the institution to continue to meet the Accrediting Commission for Schools, Western Association of Schools and Colleges (ACS WASC) accreditation standards. Federal law mandates that accrediting agencies require

institutions to obtain accreditor approval of a substantive change before it is included in the scope of the accreditation granted to the institution.

WASC's *Substantive Change Policy (ACS WASC Policy Manual, Part II, Section III, # 315)* is based in part on the regulations associated with the Higher Education Act of 1965 and its Amendments. The Accrediting Commission for Schools and other accrediting commissions authorized by the U.S. Secretary of Education are required to review certain types of substantive changes.

The accreditation of an institution is, in part, an affirmation that the institution has established conditions and procedures under which its mission and goals can be realized and that the institution can demonstrate accomplishment. When the Commission accredits an institution, or reaffirms its accreditation, it acts on the basis of conditions existing at the time of the Commission's action. Because institutions are in continual processes of change, the Commission requires that substantive changes to the institution be evaluated and approved to ensure that accreditation standards are met. An institution seeks accreditation approval by submitting a Substantive Change Explanation Form.

The substantive change review process provides the Commission a means for ensuring that a school maintains the educational quality and integrity of its programs and services and that the substantive change is consistent with the institutional mission. When the Commission defers an action on accredited status or places an institution on a sanction such as Show Cause, the Commission may defer consideration of any substantive change request until the deficiencies have been addressed and the Commission has reaffirmed accreditation.

In all cases, substantive change requires *prior* Commission approval. In some cases, a visit is necessary to gather facts about the planned change (before a substantive change decision) or to confirm the impact of the change on the institution's ability to meet standards (after a decision). Implementing a substantive change without prior Commission approval may result in a Commission decision to reevaluate the institution's accredited status.

IV. Changes the Commission Considers Substantive

Below is a list of seven conditions which typically require substantive change approval, accompanied by illustrations (not exhaustive) and key institutional considerations for each condition. Key considerations suggest points upon which the institution should focus the proposal. The proposal should address all of the required elements.

Conditions subject to prior substantive change review and approval by the Commission include:

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

A change in the purpose or character of the institution

Example:

Changing an institution's private or public character, including changes in the denominational character of a religiously affiliated institution.

Key Considerations:

The mission statement is fundamental to determining the institution's programs and services, its governance and decision-making processes, and its planning. An institution undertaking a change in purpose or scope would be likely to revise its mission statement. The resulting statement should define the institution's broad educational purposes, its intended student population, and its commitment to achieve student learning.

Any change in the official name of the institution

Example:

An institution replaces its name with the name of its district or system.

Key considerations:

The proposal must present evidence that it has made proper notification of its change of name, including notifying the USDOE if the institution participates in federal financial aid programs. Any change in name must be consistent with the institution's mission.

B. Change in the Nature of the Constituency Served

A change in the intended student population

Example:

An institution offers courses or programs intended to reach students not included in the student population described in the current institutional mission statement.

Key Considerations:

The proposal must present evidence that the institution has reviewed its mission statement to determine whether the new population falls within its intended student population. A significant revision of the mission statement may be indicated.

The closure of an institution

Example:

An institution ceases to offer all educational courses or programs. (see **ACS WASC Policy Manual Part II, Section 13, #1324, Teach-Out requirements**)

Key Considerations:

Institutions planning closure must follow the Commission's *Policy on Closing an Institution*. In particular, the proposal must present evidence that the institution has made appropriate arrangements for students to complete their programs of study and for transfer of student records to other institutions. The institution should also make arrangements for transfer of financial aid awards.

C. Change in the Location or Geographical Area Served

Establishing an additional location geographically apart from the main campus at which the institution offers at least 50% of an educational program

Examples:

An institution offers at least half of the courses required for a vocational certificate at a single off-campus location.

An institution transports, transfers, or duplicates at least half of the courses required for a vocational certificate to a new location or site, geographically apart from the main campus, and different from or in addition to previously approved sites.

Key Considerations:

The proposal must present evidence of sufficient control over the site to assure the quality of programs and services. Students must have access to support services and learning resources appropriate to the programs offered at the location. The proposal must present evidence that the site meets accreditation standards for safety, security, and appropriateness for the institutional programs and services conducted at the site. The institution must also demonstrate its ability and commitment to meet the fiscal requirements of the additional location.

For purposes of compliance with federal recognition requirements, the Substantive Change Proposal constitutes the business plan for the establishment of a branch campus. The Commission requires a visit within 90 days of the start of operation at the new facility to verify that the institution has the personnel, facilities, and resources reported in the Substantive Change Proposal.

If the substantive change is to establish an additional branch campus location, private institutions must include projected revenues and expenditures and cash flow at a branch campus. Public institutions, in keeping with the financial reporting requirements of their district, system, or governmental agency, must include financial information which allows for comparable analysis of the financial planning and management of a branch campus.

Closing a location geographically apart from the main campus at which students were able to complete at least 50% of an educational program

Example:

An institution closes a campus where students have been able to take at least half of the courses applicable to a vocational certificate.

Key Considerations:

New Higher Education Opportunity Act (HEOA) regulatory language requires that ACS WASC accredited and candidate institutions submit a teach-out plan for approval upon occurrence of any of the following events:

1. The Department notifies the accrediting agency that it has taken an emergency action or taken action to limit, suspend, or terminate the participation of the institution in any Title IV program;
2. The accrediting agency acts to withdraw, terminate or suspend the accreditation of the institution; or
3. The institution notifies the accrediting agency that the institution intends to cease operations.

The HEOA amendments stipulate that the Secretary may not recognize an accrediting agency for purposes of Title IV eligibility unless the institution has submitted and received approval of the teach-out plan by the accrediting agency.

D. Change in the Control of the Institution

Any change in the legal status, form of control, or ownership of the institution. The Commission requires a visit within 90 days of the change of status, form of control or ownership

Example:

Sponsorship or ownership of a private institution changes.

Key Considerations:

The proposal must present evidence of the fiscal soundness of the entity acquiring or purchasing the institution. In the case of a private institution with a corporate and a governing board, the proposal must clearly state which body is responsible for policies; which body confirms that institutional practices are consistent with the board-approved institutional mission statement and policies; how these two bodies achieve these overlapping purposes; which body has ultimate authority for these operations; what the role of the president is; and how authority is vested and organized.

Institutions undergoing changes in ownership, control and/or legal status are visited within 90 days of the implementation of the change to verify that the institution has the personnel, facilities, and resources reported in the Substantive Change Proposal.

Example:

The district/system changes provision for administrative governance or other support services to one or more institutions.

Key Considerations:

The proposal must explain how the institution(s) will address proposed changes in support services and how the proposed administrative structure will enable the institution(s) to continue to meet accreditation standards.

Merging with another institution

Example:

A comprehensive institution assumes responsibility for the programs offered by a specialized institution.

Key Considerations:

The proposal must present evidence that the institutions have made appropriate transition arrangements for students.

Contracting for the delivery of courses or programs in the name of the institution with a non-regionally accredited organization

Example:

An institution with two campuses decides to split into two institutions, each independently capable of offering a vocational certificate programs.

Key Considerations:

If the change involves the formation of a separate institution from an alternate location or branch campus, the institution must provide projected financial information for the parent institution of the proposed split. The focus of this proposal should be the anticipated impact of the change on the parent institution. The new separate institution must begin the process for separate accreditation with an eligibility review.

E. Change in Courses or Programs that Represents a Significant Departure from Current Practice

Addition of a program or courses that represent a significant departure from an institution's current programs or curriculum

Examples:

An institution offers a program in a field requiring substantial new curriculum, faculty, equipment, or facilities, such as a program with a clinical component.

A specialized institution offers courses in a field requiring substantial new curriculum, faculty, equipment, or facilities.

Key Considerations:

Evidence supporting the need for the program should be presented in the proposal. The institution must ensure that sufficient fiscal resources are available to support the program and that the curriculum, faculty, equipment, and facilities meet accreditation standards. These program resources must be in place prior to submission of the Substantive Change Proposal. The institution should consider the consistency between the proposed program and the institutional mission.

Addition of a new vocational certificate program that represents a significant departure from an institution's current programs

Example:

An institution develops a new vocational certificate program to be offered at the main campus or at any one of the approved institutional sites off campus.

Key Considerations:

The institution must ensure that the curriculum, faculty, equipment, and facilities meet accreditation standards. These resources must be in place prior to submission of the Substantive Change Proposal.

Example:

An institution offers courses that make up 50% or more of the credits required for a program through an instructional delivery that is new for the institution.

Key Considerations:

The institution should consult the *Distance Learning Manual* and *Commission Policy on Distance Education and on Correspondence Education* for appropriate guidelines.

F. Change in Credit Awarded

An increase of 50% or more in the number of credit hours awarded for the successful completion of a program

Example:

An institution changes a required 20 credit hours for a particular certificate to 30 credit hours.

Key Considerations:

Evidence supporting the need and benefit to students, and evidence of necessary resources should be in the proposal.

A change from clock hours to credit hours

Example:

An institution changes the foundation for awarding credit from a 50-minute hour for each credit awarded to a calculation based on the Carnegie unit.

Key Considerations:

Evidence of positive impact for students and the institution and evidence of necessary resources should be in the proposal.

G. Any Other Significant Change

The Commission reserves the right to request reports and visits to assess the effects of any change it deems to be a significant departure.

These changes, because they may affect the quality, integrity, and effectiveness of the total institution, are subject to review prior to as well as subsequent to implementation.

V. Substantive Change Review and Approval Process

A. The ACS WASC Annual Report

Each year the Commission requires all ACS WASC member institutions to submit an Annual Report. The Commission includes the *Substantive Change Policy* with the report form so that institutions can gauge whether they need to file a Substantive Change Proposal on any of the items in the Annual Report.

The Commission reviews information supplied by the institutions for potential substantive changes and notifies institutions if a Substantive Change Proposal is needed. The responsibility for initiating and completing the substantive change process lies with the institution. For those institutions undergoing site visits, the Commission also provides the chair of the evaluation team copies of the institution's Annual Reports so that the team may check progress on potential substantive changes and report the status of such changes back to the Commission.

B. The Sequential Steps in a Substantive Change Review

The first step in the process for a substantive change review is to formally communicate to the Commission's substantive change staff (via email or U.S. Postal Service) a description of the proposed change, the need for the change, and the anticipated effects. Early notification enables the staff to provide information and advice about the effect of the proposed change on the accredited status of the institution and to assist the institution in preparing a complete proposal. Staff will also suggest to the institution areas of particular concern to the Committee on Substantive Change according to the type of change being proposed.

After reviewing the proposed change, Commission staff will determine whether or not it is indeed substantive. What might be a minor change for one institution may well be viewed as a major change for another. If the proposed change is determined to be substantive, the institution will be asked to complete a Substantive Change Proposal. When the proposal is determined to be a substantive change *please refer to the ACS WASC Fee Schedule that each institution receives annually for the Substantive Change Fee.*

C. Timing of Proposal Submission

An accredited institution is expected to complete this process sufficiently in advance of a substantive change to permit approval before the change is instituted. Institutions scheduled for a Comprehensive Visit may not employ the substantive change approval process in the six-month period preceding the visit.

D. Preparing the Substantive Change Explanation Form

Once the institution has established the need to prepare a Substantive Change Explanation Form, the completed form should be sent to the Burlingame Office. Commission staff will assist the institution by reviewing draft proposals for completeness and issues that may require further explanation or documentation. The draft proposal should include a table of contents with an appendix listing the documentation of appropriate evidence. Commission staff will schedule the institution for a review of the final proposal by the Committee on a first-come first-served basis.

When the Commission makes a determination regarding a substantive change, it communicates the decision in writing to the institution within two or three weeks of the Commission meeting. If a substantive change is denied, the letter will include reasons for the denial. In the event that the change is judged to have the potential to affect the institution broadly, the review process may be expanded to include the institution as a whole.

E. Appeal

If the institution wishes to appeal the decision of the Commission, the appeal must be filed in writing and will be deliberated at the next meeting of the Commission.

F. Visits

The Commission must visit the institution within 90 days of the start of operations of certain substantive changes. The Commission must visit additional locations that offer 50% or more of a program to verify that the personnel, facilities, and resources claimed at the time of the Substantive Change Explanation Form are, in fact, present. Institutions undergoing changes in ownership, control, and/or legal status are visited within 90 days of the implementation of the change. If the institution is not due for a comprehensive evaluation within two years of the approval of the substantive change, an on-site evaluation or other review may be required by the Commission. The Commission may also choose to visit additional locations, for example, when there is rapid growth in the number of such locations. The Commission requires institutions to absorb the costs of a site visit.

G. Institutional Follow-Up

The Commission may require institutions to submit follow-up reports on specific issues precipitated by the substantive change. These reports make it possible for the Commission to assess the impact of the change once it has been implemented. Requirements for these reports will be specified in the action letter approving the substantive change. These reports may be followed by a visit by Commission representatives.

While not ideal, should a substantive change review already be in progress in close proximity to the preparation of the self study report, the institution should then include a description of the change and its status with the Commission. Institutions should include updates of approved substantive changes in their next self study.

VI. Follow-Up Visits

Visit after Substantive Change Approval of an Additional Location, Change in Ownership, Control, and/or Legal Status.

A Substantive Change Explanation Form approved by the Commission regarding development of an additional location or a change in ownership, control, and/or legal status requires a visit within 90 days of the beginning of operation. The Commission will schedule a one-day visit in collaboration with the institution. The visiting team will focus on the contents of the original Substantive Change Explanation Form and any updated information requested by Commission staff prior to the visit.

The visit will be conducted by one of the following: A member or members of the Commission staff; a member of the Commission staff and a member of the Committee on Substantive Change or other Commissioner. The size of the visiting team will be a function of the complexity and size of the site and proposed change. The staff member will serve as Chair of the team.

A draft report of the substantive change visit will be presented to the institution for any corrections of fact. A final visit report will be submitted to the institution, filed with the institution's ACS WASC records and reported to the Commission at its next meeting.