



CONSORTIAL ARRANGEMENTS

Policy Change Adopted on Second Reading

The Higher Learning Commission (HLC) Board of Trustees (“the Board”) adopted this policy on second reading at its meeting on February 27–28, 2020.

Background

The adopted policy change removes the requirement in HLC’s substantive change process for institutions to notify HLC or seek prior HLC approval for consortial arrangements. A consortial arrangement is defined as an arrangement in which an HLC-accredited institution develops an agreement with an institution or group of institutions—that is, the consortial party(ies)—through which the consortial party(ies) agree to provide some portion of one or more educational programs (i.e., degrees or certificates offered for academic credit) offered by the HLC-accredited institution. Consortial parties, by definition, are accredited by recognized accreditors. The federal regulations do not require accrediting agencies to review and approve consortial arrangements as part of an agency’s substantive change process.

HLC circulated these policy changes to the membership and other interested parties after the Board’s November 2019 meeting. No comments were received.

Note: To conform with [upcoming changes to federal regulations](#), the Board approved additional [proposed changes](#) to the Institutional Change policy on first reading at its February 2020 meeting.

Implementation

This policy is effective immediately.

Adopted Policy

Wording that was deleted or revised is shown as strikethrough (~~old wording~~); new language, whether through addition or revision, is shown in bold (**new wording**). Changes between first and second reading, other than

minor editing, are indicated in bold italics (*new wording*). These revisions have been made on HLC's website at hlcommission.org/policies.

Policy Title: Institutional Change
Number: INST.F.20.040

An institution shall have the obligation to report institutional changes to the Commission as identified in this policy and related policies and to seek and receive Commission approval where appropriate prior to implementing specific changes.

The institution shall use the Commission's change reporting protocol for this purpose. Changes identified as requiring prior Commission approval prior to implementation shall be included in the institution's accreditation only after the Commission has reviewed the change through a process identified in this policy and formally acted to approve the change. Changes identified as requiring Commission notification are included in the institution's accreditation provided that the institution provides timely notification to the Commission through the Institutional Update and other data reporting instruments established by the Commission according to a schedule established by the Commission. However, institutions that have access to the Notification Program for Additional Locations must notify the Commission and receive acknowledgment prior to initiating the Additional Location.

Institutional Change Requiring Notification or Approval

1. Changes in actual or apparent mission of the institution or its educational objectives require prior COMMISSION APPROVAL.
2. Significant changes in the character or nature of the student body of the institution, particularly, but not limited to, those changes involved in seeking international students for the first time or acquiring students being taught-out of programs provided by a closing institution require prior COMMISSION APPROVAL.
3. Initiation of new academic program(s) or major(s) other than those listed below, or cancellation or suspension of academic programs requires COMMISSION NOTIFICATION. (Note: HLC may provide approval on a temporary basis for the initiation of new academic programs or majors to facilitate a teach-out at another institution or for other appropriate purposes.) The following changes require prior COMMISSION APPROVAL:

- The addition of academic program(s) at a degree or credential level not previously included in the institution's accreditation by the Commission;
 - the addition of academic program(s), including Title IV-eligible Certificate programs not related to existing degree programs, that represent a significant departure from programs previously included in the institution's accreditation;
 - the addition of a direct assessment program or the addition of competency-based programs wherein the academic program is organized around competencies;^{*}
 - the addition of academic programs that require allocation of substantial financial investment or resources, or any programs acquired from another institution;
 - the addition of academic programs outside stipulations imposed by a previous Commission action limiting such activity without prior approval.
4. A change in one or more of the following requires NOTIFICATION OR APPROVAL:
- change from clock to credit hours in one or more institutional programs;
 - substantial increase or decrease in the number of clock or credit hours required for successful completion of an academic program;
 - change in term length (e.g. semesters to quarters or semesters to a five-week compressed term) that affects 25% or more of all the institution's courses or programs; and
 - increase or decrease in the number of credit hours per course in 25% or more of the courses in the institution's curriculum.
5. Change in the method of delivery of courses or programs requires prior COMMISSION APPROVAL:
- The initial offering of academic programs through distance, correspondence or other alternate delivery wherein 50% or more of the courses or credits in the program are provided through the alternate delivery;

** For institutions that offered competency-based programs prior to December 1, 2014, the Commission will validate the ongoing approval of the programs and their inclusion in the accreditation of the institution.*

- The initial offering of courses through distance, correspondence or other alternate delivery if the institution is not already approved to offer programs through that delivery mechanism; and
 - Programs offered for the first time by an institution are subject to review and approval, if required, by the Commission as a new program (see #3 of this section) prior to being reviewed as distance or correspondence education.
6. The establishment of a campus or an additional location requires prior COMMISSION APPROVAL unless the institution has been approved for access to the Notification Program for Additional Locations as outlined in INST.F.20.050.
 7. The acquisition of a campus or an additional location from another institution, including one established or acquired in order to provide for teach-out of the students from another institution, requires prior COMMISSION APPROVAL unless the institution has been approved for access to the Notification Program for Additional Locations as outlined in INST.F.20.050.
 8. Closure or suspension for more than one semester of any of the following requires COMMISSION NOTIFICATION: 1) a course location outside the state of the institution's main campus at which an institution offers five or more courses per year, 2) an additional location, or 3) a campus.
 9. The establishment of a course location at either an international location or at a location outside the institution's home state at which the institution offers five or more courses per year requires prior COMMISSION NOTIFICATION.
 10. The initiation of a contractual or other arrangement wherein an institution outsources some portion of one or more of its educational programs to any of the following parties: an unaccredited institution; an institution that is not accredited by an accreditor recognized by the U.S. Department of Education; or a corporation or other entity:
 - less than 25% of any educational program outsourced to the other party requires COMMISSION NOTIFICATION;
 - 25%-50% of any educational program outsourced to the other party requires prior COMMISSION APPROVAL;

- o more than 50% of any educational program outsourced to the other party will receive intense scrutiny and will not be approved by the Commission except in exceptional circumstances. (Note that 34 CFR 668.5(3)(ii)(A) provides that educational programs provided through contractual arrangements between an accredited institution and an ineligible entity wherein more than 50% of the educational program is being provided by the ineligible entity will not receive Title IV assistance even if approved by the accreditor.)

~~11. The initiation of a consortial or other arrangement wherein a consortium of institution(s) accredited by an accreditor recognized by the U.S. Department of Education² provides a significant portion of the academic program:~~

- ~~o 25-50% of one or more of the institution's educational programs provided by the consortium or other accredited institution requires COMMISSION NOTIFICATION;~~
- ~~o more than 50% of one or more of the institution's educational programs provided by the consortium or other accredited institution requires prior COMMISSION APPROVAL.~~

²*The accreditor must be recognized by the U.S. Department of Education as an institutional accreditor whose scope of recognition includes the accreditation of degree granting institutions.*

Approval of Substantive Change

An institution requesting prior approval of a substantive change shall present appropriate application information seeking approval of change according to the Commission's change review protocol. Generally, such materials shall be reviewed by the Commission according to the provisions of this section; however, certain types of change may require additional review provisions as provided herein. With the exception of changes submitted under INST.F.20.030 Non-Substantive Changes in the Accreditation Relationship Between an Institution and the Commission ~~–Notification~~, the process will result in formal approval of all substantive changes by a Commission decision-making body effective on or after the date of the action of that body. In no case will such approval be retroactive.

Policy History

Last Revised: February 2020

First Adopted: June 2010

Revision History: November 2011, November 2012, April 2013, November 2013, February 2014, February 2016

Notes: Policies combined November 2012 – 3.2(a), 3.2(b), 3.2(b)1

Related Policies: INST.B.20.040 Change of Control, Structure, or Organization, FDCR.B.10.010 Commission Approval of Institutional Teach-Out Arrangements, INST.F.20.030 Non-Substantive Changes in the Accreditation Relationship Between an Institution and the Commission