



# FEDERAL COMPLIANCE OVERVIEW

Effective for Federal Compliance Reviews beginning September 1, 2019

## INTRODUCTION

In order to maintain its federal recognition by the U.S. Department of Education, HLC assures that all of its affiliated institutions (whether candidates for accreditation or accredited members) are complying with the expectations of specific federal regulations including, when applicable, Title IV program responsibilities. Compliance with these requirements by both institutions and HLC is necessary to ensure that institutions remain eligible for federal financial aid. HLC policy regarding Federal Compliance requires institutions to meet these requirements in order to be accredited by HLC.

**Note:** Based on feedback from the membership and the Peer Corps and many conversations with representatives from the U.S. Department of Education, HLC has significantly streamlined the Federal Compliance process. The new process cuts out redundancies related to areas that are already reviewed as part of the Criteria for Accreditation and highlights the areas where information is required only for Federal Compliance. While the institutional filing is significantly shorter, the Federal Compliance requirements have not changed. Rather, HLC's manner of examining them has changed.

## ASSURANCE SYSTEM INTEGRATION

In addition to updating the documentation, which will be effective September 2019, HLC has created a new Federal Compliance tab in the Assurance System for institutions on the Open and Standard Pathways,

applying for Candidacy and Initial Accreditation, and on Probation and Show Cause. Instructions for submitting materials are provided in the system and the [Assurance System Manual](#). For AQIP Pathway comprehensive evaluations, institutions and peer reviewers will submit their Federal Compliance documentation via previously established methods.

## WHEN FEDERAL COMPLIANCE IS REVIEWED

HLC reviews an institution's compliance with federal requirements at multiple points in the accreditation relationship and through various mechanisms. The Federal Compliance Filing is regularly reviewed as part of the following evaluations:

- Comprehensive evaluations for Reaffirmation of Accreditation, regardless of when they occur.
- Comprehensive evaluations for institutions applying for Candidacy or Initial Accreditation
- Sanction visits for institutions on Probation (except if Probation is extended) and Show Cause
- Advisory visits arising from questions of compliance with one or more federal requirements

HLC may also require an institution to submit documentation related to one or more federal requirements, without an on-site evaluation necessarily occurring, under HLC's policy on Special Monitoring.

# PROCEDURE FOR INSTITUTIONS

1. Institutions submit the *Federal Compliance Filing* form and any required appendices before their on-site visit by a team of HLC peer reviewers. The form and appendices should be uploaded to the Assurance System prior to the institution's lock date. The filing form can be downloaded from HLC's website at [hlcommission.org/federal-compliance](http://hlcommission.org/federal-compliance).  
**Note:** HLC will make the Federal Compliance documents available in the Assurance System six months before the institution's lock date. HLC recommends that institutions begin compiling the necessary documentation at that point. Although HLC continues to evaluate institutions' compliance with federal requirements related to the credit hour, HLC no longer requires a separate worksheet to be completed.
2. The Federal Compliance reviewer will contact the Accreditation Liaison Officer (ALO) after the Federal Compliance materials are received to request a sample of course and program materials. The purpose of the representative sample of materials is to enable the Federal Compliance reviewer to make a preliminary determination as to whether an institution adheres to its credit hour policy. In no event should an institution submit, nor will Federal Compliance reviewers expect institutions to submit, all its course and program materials.
3. Since the peer review team will finalize the preliminary findings made by the Federal Compliance reviewer during the visit, the team may request additional supporting documentation from the institution as needed while conducting the visit.
4. The institution will have an opportunity to correct any errors of fact related to Federal Compliance, along with the rest of the draft team report, and once the report is finalized, to respond to all the team's findings. The institution will not receive a separate copy of the Federal Compliance reviewer's findings, because while this work represents an integral part of the evaluation, it is a preliminary part of the team's ultimate evaluation of Federal Compliance.

# PROCEDURE FOR PEER REVIEWERS

## FEDERAL COMPLIANCE REVIEWERS

1. The Federal Compliance materials will be accessible once the institution's Assurance Filing has been locked in the Assurance System and released to the reviewers, no later than four weeks in advance of the visit. The Federal Compliance reviewer will receive an email from the system when this occurs. The reviewer must log into the Assurance System and download the institution's materials from the Federal Compliance tab.
2. The reviewer contacts the institution's Accreditation Liaison Officer (ALO) to request a sample of course and program materials. The reviewer will use this sample to make a preliminary determination as to whether an institution adheres to its credit hour policy.
3. The reviewer conducts a preliminary evaluation of the institution's materials using the *Federal Compliance Instructions for Peer Reviewers*. The instructions can be downloaded from HLC's website at [hlcommission.org/federal-compliance](http://hlcommission.org/federal-compliance).
4. The reviewer enters preliminary findings in the Federal Compliance tab of the Assurance System. The findings should include a conclusion for each component of Federal Compliance and a rationale that fully supports the conclusion in all cases, but especially if the conclusion is negative and the reviewer recommends follow-up. The rationale should clearly explain what improvement is needed as well as how HLC would determine the institution has resolved the issue.
5. At least one week before the visit, the reviewer completes the draft and notifies the team chair, referring any issues to the team for further exploration and confirmation during the visit.  
**Note:** The Federal Compliance reviewer's role, while limited in scope in comparison to the peer review team, is intended as a preliminary aid to a peer review team's anticipated onsite evaluation, and by definition, his or her findings are inconclusive. The reviewer's preliminary findings should only be provided to the peer review team, and not the institution.

## TEAM CHAIRS

1. HLC will list the Federal Compliance reviewer's name in the visit description on the Evaluation Summary Sheet. Team chairs are encouraged to include the Federal Compliance reviewer in a team conference call prior to the visit, for the limited purpose of discussion related to federal requirements. Team chairs may on occasion also hear from Federal Compliance reviewers if they have questions, in the course of their preliminary review, related the broader context of the visit.
2. While conducting the visit, the peer review team determines whether the preliminary findings made by the Federal Compliance reviewer accurately represent the institution's compliance with all applicable requirements; requests additional documentation from the institution, if needed; and finalizes what is now to be the team's evaluation of the institution's Federal Compliance in the Assurance System. If necessary, the team adjusts the preliminary findings and rationale provided by the Federal Compliance reviewer and removes any specific instructions addressed directly to the peer review team by the Federal Compliance reviewer.
3. The team chair is responsible for finalizing the Federal Compliance report. It will be included automatically with the draft team report for review by the HLC staff liaison and for correction of errors of fact by the institution. The Federal Compliance report also will be included with the final team report when it is submitted in the Assurance System.



### PEER REVIEWERS CONDUCTING AQIP PATHWAY COMPREHENSIVE EVALUATIONS

Federal Compliance reviewers and peer review teams for AQIP Pathway comprehensive evaluations will not have access to the Federal Compliance tab in the Assurance System. For these reviews, the institution's Federal Compliance Filing and a link to a Federal Compliance Team Worksheet will be available in the system under the Forms tab. Follow the instructions in the team worksheet to complete and submit the Federal Compliance Report.

## FEDERAL REGULATION POLICIES

This section outlines the requirements established by HLC to ensure that it and its affiliated institutions comply with federal regulations. It provides references to HLC policies, as well as an explanation of each requirement and links to related materials, including HLC forms and procedures. The section also notes the specific Assumed Practices and Core Components of the Criteria for Accreditation that are related to each requirement and that institutions must ultimately satisfy.

**Note:** These HLC requirements are subject to change based on federal regulations.

### ASSIGNMENT OF CREDITS, PROGRAM LENGTH AND TUITION POLICY NUMBER FDCR.A.10.020

#### Explanation of This Requirement

HLC's intent is (1) to review an institution's policies regarding the award of credit in relation to the **types** of courses, disciplines, programs, credential levels and formats offered, regardless of modality; (2) to determine whether the institution follows those policies in practice; and (3) to review the institution's process for verifying length of academic period and compliance with credit hour requirements through course scheduling.

Institutions should make sure that they have a policy or set of policies and procedures for assigning credit hours for all **types** of courses, disciplines, programs, credential levels, formats, regardless of modality.

Institutions that provide instruction through online, alternative, compressed or other formats should also have policies that address how learning is determined, organized and evaluated, and how the institution determines instructional equivalencies.

An institution should be able to demonstrate that it assigns credit hours to courses following institutional policy, taking into consideration the instructional time provided to students and the calendar format. Degree and certificate programs should have overall credit hour requirements.

In addition, the institution should be able to justify tuition variations for a particular program or

programs based on costs for offering that degree, the length of the program, or the objectives of the program.

Should the institution plan to make any significant change to credit hour assignments or degree program requirements, the institution is required to seek HLC approval prior to making that change. The institution should review the [substantive change requirements](#) related to clock and credit hours on HLC's website for more information.

## **INSTITUTIONAL RECORDS OF STUDENT COMPLAINTS**

POLICY NUMBER FDCR.A.10.030

### **Explanation of This Requirement**

The institution is expected to demonstrate that it utilizes a systematic complaint-tracking process that best fits its needs. Whatever approach the institution takes, the institution should demonstrate that its process effectively allows student complaints to be received, tracked and handled in a timely manner.

While, the institution and team will receive copies (or other notification) of any student complaints filed directly with HLC prior to the evaluation visit, institutions are not required to supply any student complaints as part of demonstrating compliance with this requirement.

## **PUBLICATION OF TRANSFER POLICIES**

POLICY NUMBER FDCR.A.10.040

### **Explanation of This Requirement**

The institution must disclose its transfer policies to students and to the public. Its policies should contain information about the criteria the institution uses to make transfer of credit decisions. The institution must also list information about its articulation agreements with other institutions. The information the institution provides should include any program-specific articulation agreements in place. Also, the information the institution provides should list the specific credits that articulate through the agreement (e.g., general education only; pre-professional nursing courses only; etc.) and include whether the articulation agreement anticipates that the institution under HLC review does the following:

1. Accepts credits for courses offered by the other institution(s) through the articulation agreement.

2. Offers courses for which credits are accepted by the other institution(s) through the articulation agreement.
3. Both offers courses and accepts credits with the other institution(s) in the articulation agreement.

## **PRACTICES FOR VERIFICATION OF STUDENT IDENTITY**

POLICY NUMBER FDCR.A.10.050

### **Explanation of This Requirement**

Institutions must verify the identity of students who participate in courses or programs provided through distance or correspondence education. The institution may use any number of approaches to verify student identity so long as the institution can demonstrate the effectiveness of its approach(es). Additionally, if the method by which the institution verifies student identity will incur a cost to the student (such as a fee for a proctored exam), the institution must disclose that cost to the student at the time of registration or enrollment. The institution must also demonstrate that it is making reasonable efforts to protect student privacy in verifying student identity.

## **TITLE IV PROGRAM RESPONSIBILITIES**

POLICY NUMBER FDCR.A.10.060

### **Explanation of This Requirement**

The institution is expected to provide HLC with information regarding each of the following components:

- General Program Responsibilities
- Financial Responsibility Requirements
- Campus Crime Information, Athletic Participation and Financial Aid, and Related Disclosures
- Student Right to Know/Equity in Athletics
- Satisfactory Academic Progress Policy

The institutional staff members compiling this information should work with the financial aid office and the chief financial officer or comptroller to identify material that will be responsive to any specific requests made by HLC. (HLC may inquire separately into an institution's strategies to reduce its default rates in cases where such rates are first identified as in need of improvement by the U.S. Department of Education.)

**PUBLICATION OF STUDENT  
OUTCOME DATA**  
POLICY NUMBER FDCR.A.10.070

**Explanation of This Requirement**

Affiliated institutions must demonstrate that they make student outcome data easily accessible to the public. These data should be available on the institution’s website and should be clearly labeled. Any technical terms in the data should be defined, and any necessary information on the method used to compile the data should be included. Data may be provided at the institutional or department level or both, but the institution must disclose student outcome data that address the broad variety of its programs (whether undergraduate or graduate, as applicable), including outcome data from each program level.

**STANDING WITH STATE AND OTHER  
ACCREDITING AGENCIES**  
POLICY NUMBER FDCR.A.10.090

**Explanation of This Requirement**

An institution must disclose to HLC its relationship with any other specialized, professional or institutional accreditor and with all governing or coordinating bodies in states in which the institution may have a presence. The expectation is that the disclosure will fairly and accurately represent the institution’s relationship and will proactively inform HLC of any negative action that significantly qualifies that status (e.g., sanction). An institution need not disclose routine monitoring imposed by other accrediting agencies.



**Related HLC Requirements:**

Core Component 2.B.  
Assumed Practices A.7. and C.4.