



## REVIEW OF SUBSTANTIVE CHANGE

### Policy Change Adopted on Second Reading

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The Higher Learning Commission (HLC) Board of Trustees (“the Board”) adopted this policy on second reading at its meeting on June 25–26, 2020.

#### Background

In anticipation of [revised federal regulations](#) that go into effect July 1, 2020, HLC has conducted a thorough review of its policies related to substantive change. The proposed policy changes that were identified from that review include the following:

- The phrase “institutional change” would be replaced with “substantive change.”
- Language regarding approval processes for substantive change from HLC Policy INST.F.20.040, Institutional Change, would be moved to HLC Policy INST.F.20.050, Review of Institutional Change. This would allow institutions to easily understand the process by reviewing a single policy.
- Language about the substantive change review and approval process would be clarified and streamlined.

HLC circulated these policy changes to the membership and other interested parties after the Board’s February 2020 meeting. No comments were received.

#### 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](http://hlcommission.org/policies).

## Policy Title: Review of ~~Institutional~~ **Substantive Change**

Number: INST.F.20.050

The review process for requests for **approving those substantive changes in educational programs and/or method of delivery that require COMMISSION APPROVAL** as detailed in HLC policies shall primarily be determined in the following two ways: (1) each affiliated institution shall be assigned a designation by the Commission according to its experience and maturity in offering new educational programs and new methods of delivery, including offering distance and correspondence education; (2) the Commission shall determine the complexity of the specific proposed changes being requested for approval.

**An institution requesting prior approval of a substantive change shall present appropriate application information seeking approval of the change according to the Commission's change review protocols. 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.**

As determined by the designation of the institution and the complexity of the change, **and unless otherwise stated herein**, the change request will be reviewed by one of the following: a Change Panel, a Change Visit ~~to the institution~~, or a Desk Review, **each of which is described below.**

**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, All such change requests will be presented for final review and approval by a Commission decision-making body recognized by the U.S. Department of Education. Changes will be effective on or after the date of the action of that body. In no case will such approval be retroactive.**

**Change of Control, Structure or Organization.** The review process for requests for changes identified as subject to HLC's Change of Control, Structure or Organization policy will be reviewed in accordance with separate associated procedures found in HLC's policies regarding Change of Control, Structure or Organization.

Review of a Campus. Institutions seeking Commission approval of a **main campus or branch campus** that houses a full range of instruction as well as administrative and support services shall provide a business plan for the new campus that specifies the following:

1. the educational programs to be offered at the campus;
2. the projected revenues, expenditures and cash flow at the campus; and
3. the operational, management, and physical resources at the campus.

~~The specific change will be reviewed by an appropriate Substantive Change Panel composed of Commission peer reviewers. All such changes will be presented for final review and approval by a Commission decision-making body.~~

Within six months of the date the campus matriculates students and offers instruction, the Commission will conduct a campus visit.

Review of Additional Locations. The review process for additional locations offering 50% or more of an academic program shall be determined in the following two ways: (1) each affiliated institution shall be assigned a designation by the Commission according to its experience and maturity in offering new additional locations; (2) the Commission shall determine the complexity of the specific proposed changes being requested for approval. Such review shall include consideration of the institution's fiscal and administrative capacity to operate that location. The only exception shall be for institutions approved for access to the ~~expedited approval programs, Desk Review for Additional Locations and~~ Notification Program for Additional Locations, as defined in this policy.

~~As determined by the designation of the institution and the complexity of the change, a change request will be reviewed through one of the following processes: a Change Panel; a Change Visit to the institution; or a Desk Review. All such change requests will be presented for final review and approval by a Commission decision-making body.~~

Within six months of the date an institution matriculates students and begins instruction at any of its first three new additional locations, the Commission will conduct an on-site evaluation visit to that additional location.

~~Expedited Approvals of Additional Locations:~~ Notification Program for Additional Locations. Institutions that have previously received approval from the Commission to initiate at least three additional locations may seek access to the Notification Program for Additional Locations. Such access shall reflect the Commission's determination that the institution has a proven record of educational and administrative oversight of such locations and has the capacity to extend that oversight to new additional locations. An institution's request for initial access to the Notification Program will be granted only after the institution has been reviewed by a Change Visit or other review **for other additional locations** resulting in a written report that documents the

institution's compliance with appropriate requirements as outlined in this policy. Staff may act to remove an institution temporarily or permanently from the Notification Program in the following circumstances: 1) when an institution's capacity to provide appropriate oversight over its existing or future additional locations has been called into question; 2) when it has been placed on sanction or Show-Cause; or 3) when it has had its accreditation withdrawn even though such action may be stayed while pending appeal or other proceeding.

An institution with access to the Notification Program for Additional Locations will be able to open new additional locations as defined in the institution's Statement of Accreditation Status after notifying the Commission prior to initiating any new additional locations and receiving an acknowledgment that the Commission has added the new additional location to its database.

Access to the Notification Program for Additional Locations will be granted only to institutions that meet the following criteria:

1. accreditation by the Commission, ~~prior to seeking access to the streamlined process~~, for at least 10 consecutive years with no record of any action during that period for Probation, Show-Cause, or monitoring of issues related to the quality of instruction or to the oversight of existing additional locations or campuses; ~~1.1. a~~ An institution that has been on Notice for issues unrelated to the quality of instruction or oversight of additional locations or campuses and was approved for the Notification program prior to being placed on Notice may seek readmission to the Notification program after the next comprehensive evaluation or after a period of four years, whichever is longer; if the Notice was related to the quality of the institution's off-campus instruction or related issues, the institution may not reapply until it has completed the ten years of good standing required for access to the Notification Program for Additional Locations.
2. demonstrated success in overseeing more than three locations;
3. no other Commission or other legal restrictions on additional locations and/or programs offered off campus; and
4. appropriate systems at the institution to ensure quality control of locations that include clearly identified academic controls; regular evaluation by the institution of its locations; a pattern of adequate faculty, facilities, resources, and academic/support systems; financial stability; and long-range planning for future expansion.

Continued institutional eligibility for access to the Notification Program for Additional Locations will be reviewed at least every five years, typically in conjunction with the comprehensive evaluation and the multi-location visit.

An institution with access to the Notification Program for Additional Locations that undergoes a Change of Control, Structure or Organization as defined in Commission policy INST.B.20.040 ~~will~~ **may** no longer be eligible for ~~such review~~ **the Notification Program** until such time as it demonstrates at the time of the next comprehensive evaluation after the transaction is approved by the Commission that it continues to meet the requirements for inclusion in the program.

~~Approval of Other Substantive Changes. The specific change requested by the institution will be reviewed by an appropriate Desk Review, Change Panel or by a Change Visit at the institution, as determined by Commission staff. All such changes will be presented for final review and approval by a Commission decision-making body.~~

#### Substantive Change Review Process Structure

~~Commission~~ Change Panel. A ~~Commission~~ Change Panel shall consist of three or more ~~Commission~~ Peer Reviewers ~~designated by the Commission~~ who shall review applications for approval of substantive change submitted by institutions.

The Change Panel may seek additional information from the institution if such information is being sought to explain or clarify the materials provided by the institution in its application for change.

The Change Panel may recommend that the change be denied or that it be approved with or without additional monitoring as appropriate. Such recommendation will then be forwarded to an appropriate Commission decision-making body. The institution shall be given an opportunity to review the recommendation and provide an institutional response prior to consideration ~~of the recommendation~~ by the decision-making body.

Alternatively, the Change Panel may recommend that the change be further evaluated by an on-site evaluation team, either by a Change Visit or by a previously scheduled focused or comprehensive evaluation. ~~The Change Panel may seek additional information from the institution if such information is being sought to explain or clarify the materials provided by the institution in its application for change.~~

~~Commission~~ Change Visit. A Change Visit shall consist of a team of two or more ~~Commission~~ peer reviewers designated by the Commission who shall review applications for approval of substantive change submitted by institutions.

The Change Visit team may recommend that the change be **denied or that it be approved, with or without additional monitoring as appropriate** ~~approved subject to additional monitoring, or denied~~. Such a recommendation will then be forwarded to an appropriate Commission decision-making body. The institution shall be given an opportunity to review the recommendation and provide an institutional response prior to consideration by the decision-making body.

~~Commission~~ Desk Review. A ~~Commission~~ Desk Review shall consist of a review of a proposed ~~institutional~~ substantive change conducted by ~~an individual~~ Commission ~~official~~ staff. **The staff member may recommend that the change be denied or that it be approved, with or without additional monitoring as appropriate.** The Desk Review will result in a recommendation for approval of substantive change to an appropriate Commission decision-making body.

#### Policy Number Key

*Section INST: Institutional Processes*

*Chapter F: Maintenance and Monitoring*

*Part 20: Intermittent Monitoring*

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*Last Revised: June 2020*

*First Adopted: November 1999, June 2010*

*Revision History: November 1999, June 2009, June 2011, June 2012, November 2012, February 2014, June 2020*

*Notes: Policies combined November 2012 – 3.2(b)1.1, 3.2(b)1.2, 3.2(b)1.3, 3.2(b)1.4, 3.2(b)1.4a, 3.2(b)1.4b, 3.2(b)1.4c, 3.2(b)1.4d, 3.2(b)1.4e, 3.2(b)1.5, 3.2(b)2, 3.2(b)2.1, 3.2(b)2.2, 3.2(b)2.3*

*Related Policies: INST.B.20.030 Accreditation*