

# Special Monitoring

## 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, 2025.

### Background

In addition to routine monitoring, HLC maintains a policy on special monitoring. The purpose of HLC’s special monitoring policy is to allow HLC to quickly respond to potentially significant circumstances that arise at member institutions. Currently, special monitoring may take the form of advisory visits and institutional designations.

The adopted policy changes establish special monitoring reports as a form of special monitoring. The revisions also clarify HLC’s practices with respect to institutional designations and special monitoring generally. This includes changing the name of one of HLC’s institutional designations from “Financial Distress” to “Financial Issue.”

HLC circulated these policy changes to the membership and other interested parties after the Board’s October 2024 meeting. Some external comments were received and reviewed by staff. Staff made changes to the proposed policy language based on the external comments, particularly on the issues of the circumstances that could give rise to special monitoring generally, and the circumstances that could result in the assignment of a Governmental Investigation designation. Additionally, staff made other minor edits to further clarify aspects of the policy, including with respect to presidential authority for aspects of special monitoring and associated follow-up.

In connection with these changes, HLC updated the [Institutional Designations](#) procedure.

### Implementation

This policy is effective immediately.

### Adopted Policy Change

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**). Wording that was moved is shown with a

double underline in its new location (moved to) and a double strikethrough in its previous location (~~moved from~~). Changes between first and second reading, other than minor editing, are indicated in italics (*new wording, old wording*).

These revisions have been made on HLC's website at [hlcommission.org/policies](https://hlcommission.org/policies).

Policy Title: Special Monitoring

Number: INST.F.20.010

Special monitoring allows HLC to respond quickly to a developing situation at a member institution. The HLC ~~President imposes~~ **may assign** special monitoring ~~in consultation with staff and may receive based on~~ information **received** from a variety of sources, ~~including HLC's routine monitoring process,~~ indicating that special monitoring may be appropriate. ~~All s~~**Special monitoring protocols are processes shall be** tailored as appropriate under the circumstances and ~~may include, but not be limited to, one or more of the following:~~  
~~1. a special monitoring report;~~ ~~or 2. an advisory team visit;~~ ~~3. or an institutional designation.~~

Presidential Recommendation

~~HLC's President shall have the authority to take a recommendation to the appropriate HLC decision-making body to require routine monitoring, a sanction, the issuance of a Show Cause Order, or denial or withdrawal of status for an institution, subject to HLC policy and procedures related to those actions.~~

~~The analysis of a special monitoring report or advisory visit team report is used to support the development of a recommendation the President makes directly to an appropriate HLC decision-making body for any action supported by the policies and practices of HLC.~~

~~Any action the President intends to recommend to a decision-making body will be shared with the institution for response at least 14 days prior to the intended date of deliberation and decision.~~

Circumstances Giving **That May Give** Rise to Special Monitoring

~~Situations~~ **Circumstances** that may result in special monitoring include, but are not limited to:

- ~~1. institutional declaration of bankruptcy, financial exigency, or intent to close;~~
- ~~2. 1. h~~ **Highly** publicized and divisive controversies among **public Significant** situations involving the institution's governing board, the administration, and/or the faculty or the student body;
- ~~3. 2. s~~ **Significant** unanticipated **Material** reduction in **educational** program offerings, faculty, and/or enrollment;

- ~~4. public sanctions applied by governmental agencies or by other accrediting or licensing bodies;~~
  - ~~5. serious legal, financial, or ethical investigations, including those involving adjudication in courts, whether the underlying information raises serious concerns about the institution's compliance with one or more HLC requirements;~~
  - ~~6. financial audit reports, Security Exchange Commission filings, or other information that raise serious concerns about financial viability or financial management practices; or~~
  7. 3. evidence of **Information regarding potential** serious misrepresentation to students ~~and~~ or the public.
4. Any of the conditions related to the assignment of institutional designations, as detailed below.

### Special Monitoring Reports

A special monitoring report is a report prepared by the institution and submitted to HLC to gather further information about situations that give rise to concerns about the institution's compliance with HLC requirements.

Staff or assigned peer reviewers shall review the special monitoring report and make factual determinations related to the institution's compliance with HLC requirements without articulating any recommendation for action. Such determinations shall be used to assist the HLC ~~President~~ in ~~developing~~ *determining* an appropriate *action or* recommendation for action ~~by an HLC decision-making body~~.

### Advisory Visits

An advisory visit is an on-site evaluation conducted ~~on relatively short notice~~ by a team of peer reviewers of appropriate size and expertise to gather further information about situations that give rise to concerns about the institution's compliance with HLC requirements. ~~An advisory visit team only makes determinations related to the institution's compliance with HLC requirements without articulating any recommendation for action. Such determinations assist the President in developing an appropriate recommendation for action by an HLC decision-making body.~~

The institution will be required to provide information about its compliance with the applicable HLC requirements identified by the HLC ~~President~~ in advance of the advisory visit. HLC may also make other information in the institution's record available to the team in advance of an advisory visit.

An advisory visit can be of any reasonable duration calculated to maximize the team's ability to conduct fact-finding activities **an effective evaluation**, including interacting with appropriate constituencies of the

institution, including such as students, faculty, administration and the institution's board. ~~While~~ The timing and format of an advisory visit is in the sole discretion of ~~the HLC's Pp~~resident, ~~the institution is required to promptly notify HLC of any circumstances that will limit the team's ability to conduct an effective visit. When required by HLC, the institution provides documentary evidence of its compliance with the applicable HLC requirement in advance of the advisory visit. HLC may also make other information in the institution's record available to the team in advance of such evaluations.~~

An advisory visit team ~~only~~ shall make **factual** determinations related to the institution's compliance with HLC requirements without articulating any recommendation for action. Such determinations shall be used to assist the HLC Ppresident in ~~developing~~ **determining** an appropriate **action or** recommendation for action ~~by an HLC decision-making body.~~

### Institutional Designations

~~Purpose and Other Details Related to Institutional Designations. The purpose of these Institutional designations shall be to inform the public that the institution is ~~dealing with~~ **experiencing** a significant financial ~~condition(s) issue~~ or is being investigated by a governmental agency. Institutional D~~esignations are ~~shall be~~ assigned as soon as possible after HLC has confirmed that a factual basis for the **institutional** designation exists. HLC does not undertake any independent evaluation of the ~~institution~~ **underlying circumstances giving rise to the institutional designation, as related to HLC requirements, in advance of such assignment assigning an institutional designation. Because such situations have the potential to affect the institution's operations, the public should be aware of this information in making a decision to attend or continue to attend the institution under the designation.**

~~Any Information about the assignment of an institutional designation issued by the HLC President shall will~~ be published in a Public Disclosure Notice on the institution's Statement of Accreditation Status on HLC's website.

~~Typically, the designation period will not extend more than two years. During the designation period~~ **While an institutional designation is in place**, HLC may require that the institution submit one or more reports about the underlying situation or undergo other ~~regular~~ **routine monitoring** or special monitoring, including advisory visits, as determined **appropriate** by the HLC Ppresident. An institution that has one of the above designations is not precluded from also being placed by HLC on a sanction subject to HLC policy and procedures related to such action if appropriate. During the monitoring or evaluation process, the institution may request removal of the designation, although final determination of the appropriateness of removing the designation shall remain with the HLC President or the Board if the case is otherwise subject to the Board's review.

Financial Distress Issue Designation. ~~HLC's President, after consultation with the Board of Trustees, shall have the authority to determine that an institution undergoing a significant challenge to its fiscal capacity should be assigned this designation.~~ Conditions that may contribute to the assignment of a Financial Issue designation of *in financial distress* include, but are not limited to:

- ~~1. significant diminished financial contribution from a state; significant escalation in institutional indebtedness; placement by The U.S. Department of Education places the institution on the Reimbursement payment method or Heightened Cash Monitoring 2 (HCM2) for significant reasons related to finances or financial management of the institution or any parent or superordinate entity;~~
- 2. The institution files for bankruptcy.**
- ~~3. The institution formal declaration by the institution of declares financial exigency or other financial emergency;~~
- ~~4. The institution's *financial independent* auditors *raise serious concerns about express doubt regarding the institution's ability to operate as a going concern, indicate an adverse opinion, or otherwise make a finding of material weakness related to the institution's financial stability viability or financial management practices, including through issuing a going concern warning* by the institution's auditors;~~
- 5. HLC identifies a source raising serious concerns about the institution's financial viability or financial management practices, such as Security Exchange Commission filings, *state auditor reports* or other similar sources.**
- ~~6. HLC identifies other similar financial situations affecting the institution's financial capacity.~~

Governmental Investigation Designation. ~~HLC's President, after consultation with the Board of Trustees, shall have the authority to determine that an institution undergoing investigations by one or more governmental agency, law enforcement body, or court should be assigned this designation.~~ Conditions that may contribute to the assignment of a Governmental Investigation designation of *governmental investigation* include, but are not limited to:

- 1. Significant investigation of an institution by a ~~one or more~~ state attorneys general, the Federal Trade Commission, the U.S. Department of Justice or other federal agency; governmental *entity agency, law enforcement body or court* related to the institution's operations or activities.**
- ~~2. a notice of intended limitation, suspension or termination action by the U.S. Department of Education;~~

3. ~~or other s~~Significant investigations, litigation or enforcement action involving an institution that is by or joined by a governmental *authority entity* related to its institutional or academic the institution's operations or activities.

~~Substantive Change While an Institution Has a Designation. Any substantive change application from an institution with a current designation, other than an application for approval of a Provisional Plan, will be subject to strict scrutiny and may be deferred for consideration by HLC until after the designation has been removed, or the application may be denied. Institutions that have a designation are not restricted from making changes to their existing programs, but must comply with any notification or approval requirements under HLC policy.~~

~~Process for Imposing Assigning or Removing an Institutional Designation. The HLC's President will notify the institution of the intent to assign an institutional designation designate the institution in one of the above categories and will allow provide the institution a minimum of 14 days to respond before acting with regard to assign the proposed institutional designation. (Note that the institution may request up to an additional 14 days to respond if it articulates good cause for such an extension.)~~

The HLC ~~P~~resident will take into account the institution's response in making the decision whether to assign the institutional designation. Upon review of the institution's response, the HLC ~~P~~resident, after consultation with the Board of Trustees, shall have the authority to assign the institutional designation.

~~The President or the Board will also determine when to remove a designation from an institution. The HLC ~~P~~resident will shall periodically reevaluate the institutional designation while in place during the designation period as new or additional information of significance becomes available to HLC, and at the end of the designation period, to determine whether the designation shall be removed.~~

The HLC President ~~or the Board~~ will remove the institutional designation when *in the President's or Board's sole judgment the institutional designation is no longer required. The removal of an institutional designation could be appropriate if, for example, because the institution has resolved the issues that led to the institutional designation, or if an HLC decision-making body has taken appropriate action following review of the institution's ongoing compliance with HLC requirements in light of the conditions circumstances* than contributed to the institutional designation. Any decision of the HLC ~~P~~resident ~~or the Board~~ related to ~~imposing assigning~~ assigning or removing an institutional designation is final.

## **Presidential Action or Recommendation Following Special Monitoring**

Following special monitoring, *an institution will be provided with the report or analysis of the peer review team or HLC staff and with information regarding any action recommended or required by the HLC president.*

*After considering both the information in the report or analysis and HLC policies, the HLC ~~P~~resident shall have the authority, subject to HLC policies and procedures, (1) to act to accept the report or analysis with or without further routine monitoring; or (2) to take a recommendation to the appropriate HLC decision-making body to ~~require routine monitoring~~, assign a sanction, issue a Show-Cause Order, or take an adverse action with respect to the institution, ~~subject to HLC policy and procedures related to those actions.~~*

*For any action taken by the HLC president following special monitoring, the institution shall be notified of such action.*

*For any action the HLC president intends to recommend to a decision-making body, ~~The~~ institution shall be notified of ~~any action the HLC President intends to recommend to a decision-making body such recommendation~~ at least 30 days prior to the intended date of deliberation and decision by that decision-making body.*

The institution shall have at least 14 days to respond in writing to any *action or* recommendation of the HLC ~~P~~resident.

### Policy History

Last Revised: February 2025

First Adopted: November 1999

Revision History: February 2001, February 2007, June 2012, November 2012, August 2016, June 2020, February 2022, November 2022, February 2025

Notes: Former policy number 3.6(b), 3.6(c). In February 2021, references to the Higher Learning Commission as “the Commission” were replaced with the term “HLC.”

Policy Title: Staff Authority  
Number: COMM.B.10.020

...

#### President's Authority

The HLC ~~P~~resident has additional authority beyond that afforded other HLC staff. The ~~P~~resident may act to terminate, postpone or cancel a **report or** visit in extraordinary circumstances. The ~~P~~resident may approve the presence of observers on an evaluation team or other HLC activity. The ~~P~~resident may make a recommendation to the IAC for routine monitoring following HLC policies ~~for these actions~~. The ~~P~~resident may schedule ~~S~~special ~~M~~onitoring for an institution consistent with HLC policy and may act, ~~without first seeking approval of the IAC~~, to require routine monitoring immediately following the conclusion of any ~~related process conducted under policies related to S~~special ~~M~~onitoring **without first seeking the approval of a decision-making body**. The ~~P~~resident may impose and remove **the status of** Administrative Probation in accordance with HLC policies. The ~~P~~resident may make a recommendation **directly** to the Board for the imposition of a sanction, the extension of a sanction, the issuance of a Show-Cause Order, or withdrawal of candidacy or accreditation based on evidence supporting such recommendations under these policies. Finally, the ~~P~~resident authority may be temporarily expanded by the Board under extraordinary circumstances in a manner consistent with these policies and federal regulations.

#### Policy History

Last Revised: February 2025

First Adopted: June 2011

Revision History: November 2012, June 2020, February 2021, February 2024, February 2025

Notes: Former policy number 2.2(h). In February 2021, references to the Higher Learning Commission as “the Commission” were replaced with the term “HLC.”