



SUBSTANTIVE CHANGE POLICY AND REVIEW PROCESSES

Policy Change Approved on First Reading

The Higher Learning Commission (HLC) Board of Trustees (“the Board”) approved this policy on first reading at its meeting on February 25, 2022.

Background

The proposed policy changes would more closely align HLC’s Substantive Change policy with federal regulations. Specifically, the revisions would:

- Articulate that the broad purpose of HLC’s substantive change review and approval process is to ensure that once implemented, the substantive change will not adversely affect an institution’s capacity to continue to meet HLC requirements.
- Specify that institutions under a provisional certification with the U.S. Department of Education after July 1, 2020, must apply for prior HLC approval of certain substantive changes.
- Remove language related to temporary approval of new academic programs.

Moreover, proposed revisions to HLC’s Review of Substantive Change policy would clarify that when conducting a Desk Review of any substantive change application, HLC staff may recommend a denial and that, under such circumstances, an institution is afforded an opportunity to provide an institutional response prior to a decision by the authorized decision-making body. The revisions would also clarify that, in limited circumstances, HLC staff has the authority to make the final decision regarding a substantive change application.

Comments Invited

HLC invites comments on this change before the Board takes final action at its meeting on June 23–24, 2022. Comments can be sent to policycomments@hlcommission.org. Comments are due by May 20, 2022.

Proposed 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**).

Policy Title: Substantive Change

Number: INST.F.20.040

An institution shall have the obligation hereunder to report certain changes, some of which may constitute substantive changes under federal regulation, to HLC as identified in this policy and related policies and to seek and receive HLC approval where appropriate prior to implementing specific changes.

The institution shall use HLC's change reporting protocol for this purpose. Changes identified as requiring prior HLC approval prior to implementation shall be included in the institution's accreditation only after HLC has reviewed the change through a process identified in these policies and formally acted to approve the change. **HLC's review and approval process is intended as far as possible to ensure that if implemented the proposed substantive change will not adversely affect the institution's capacity to continue to meet HLC's requirements.** Changes identified as requiring HLC notification are generally included in the institution's accreditation provided that the institution provides timely notification to HLC through the Institutional Update and other data reporting instruments established by HLC according to a schedule established by HLC. Additionally, institutions that have access to the Notification Program for Additional Locations must notify HLC and receive acknowledgment prior to initiating the Additional Location.

As further detailed below, some of these requirements only apply to institutions that are currently on a sanction or under a Show-Cause Order **with HLC, or under a provisional certification with the U.S. Department of Education** or that have been on a sanction or under a Show-Cause Order **with HLC, or under a provisional certification with the U.S. Department of Education** in the prior three academic years.

Substantive Change Requiring Notification or Approval

1. Changes in actual or apparent mission of the institution or its educational objectives require prior HLC 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 HLC APPROVAL.

3. Initiation of new academic program(s) or major(s) other than those listed below, or cancellation or suspension of academic programs requires HLC 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 HLC APPROVAL:
 - a. The addition of academic program(s) at a degree or credential level not previously included in the institution's accreditation by HLC;
 - b. 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;
 - c. the addition of a direct assessment program or the addition of competency-based programs wherein the academic program is organized around competencies;¹
 - d. the addition of academic programs that require allocation of substantial financial investment or resources, or any programs acquired from another institution;
 - e. the addition of academic programs outside stipulations imposed by a previous HLC action limiting such activity without prior approval.
4. A change in one or more of the following requires NOTIFICATION OR APPROVAL:
 - a. change from clock to credit hours in one or more institutional programs;
 - b. substantial increase or decrease in the number of clock or credit hours required for successful completion of an academic program;
 - c. 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;
 - d. increase or decrease in the number of credit hours per course in 25% or more of the courses in the institution's curriculum; and
 - e. a change in the manner(s) in which an institution measures student progress, regardless of method.
5. Change in the method of delivery of courses or programs requires prior HLC APPROVAL:
 - a. 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;

- b. 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
 - c. Programs offered for the first time by an institution are subject to review and approval, if required, by HLC as a new program (see #3 of this section) prior to being reviewed as distance or correspondence education.
6. The establishment of a campus, including a branch campus, or an additional location requires prior HLC 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, including a branch 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 HLC 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 HLC NOTIFICATION:
- a. an additional location, or
 - b. a campus, including a branch campus.
9. 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:
- a. less than 25% of any educational program outsourced to the other party requires HLC APPROVAL for institutions that are currently on a sanction or under a Show-Cause Order or that have been on a sanction or under a Show-Cause Order in the prior three academic years and requires HLC NOTIFICATION for all other institutions;
 - b. 25%-50% of any educational program outsourced to the other party requires prior HLC APPROVAL;
 - c. more than 50% of any educational program outsourced to the other party will receive intense scrutiny and will not be approved by HLC except in exceptional circumstances. (Note that federal regulations 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.)

10. A change in the legal status, form of control, or ownership of the institution shall be subject to the requirements of and procedures associated with HLC's policies related to Change of Control, Structure or Organization.
11. The following changes require HLC NOTIFICATION within thirty (30) days:
 - a. A change in an existing program's method of delivery.
 - b. An aggregate change of 25 percent or more of the clock hours, credit hours, or content of a program since the agency's most recent accreditation review.
 - c. The development of customized pathways or abbreviated or modified courses or programs to:
 - i. Accommodate and recognize a student's existing knowledge, such as knowledge attained through employment or military service; and
 - ii. Close competency gaps between demonstrated prior knowledge or competency and the full requirements of a particular course or program.
 - d. 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.
12. Beginning with institutions placed on a sanction or under a Show-Cause Order **with HLC** after July 1, 2020, **or under a provisional certification with the U.S. Department of Education as of that same date**, the changes detailed above in #9 and #11 require HLC APPROVAL for institutions that are currently on a sanction or are under a Show-Cause Order **or provisional certification** or that have been on a sanction or under a Show-Cause Order **or provisional certification** in the prior three academic years.

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

Policy Number Key

Section INST: Institutional Processes

Chapter F: Maintenance and Monitoring

Part 20: Intermittent Monitoring

Last Revised: June 2020

First Adopted: June 2010

Revision History: November 2011, November 2012, April 2013, November 2013, February 2014, February 2016, February 2020, June 2020

Notes: Policies combined November 2012 – 3.2(a), 3.2(b), 3.2(b)1. In February 2021, references to the Higher Learning Commission as “the Commission” were replaced with the term “HLC.”

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

Policy Title: Review of Substantive Change

Number: INST.F.20.050

The review process for requests for approving those substantive changes that require HLC APPROVAL as detailed in HLC policies shall primarily be determined in the following two ways: (1) each member institution shall be assigned a designation by HLC according to its experience and maturity in offering new educational programs and new methods of delivery, including offering distance and correspondence education; (2) HLC 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 HLC’s change review protocols. Generally, such materials shall be reviewed by HLC 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 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 HLC – Notification, a~~All change requests will be presented for final review and approval by an HLC decision-making body recognized by the U.S. Department of Education **unless approval by HLC staff is otherwise explicitly permitted by HLC policies.** 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 HLC 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.

Within six months of the date the campus matriculates students and offers instruction, HLC 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 member institution shall be assigned a designation by HLC according to its experience and maturity in offering new additional locations; (2) HLC 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 Notification Program for Additional Locations, as defined in this policy.

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

Notification Program for Additional Locations. Institutions that have previously received approval from HLC to initiate at least three additional locations may seek access to the Notification Program for Additional Locations. Such access shall reflect HLC’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 **with HLC, or under provisional certification with the U.S. Department of Education**; 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 HLC prior to initiating any new additional locations and receiving an acknowledgment that HLC 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 HLC 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. 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 HLC 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; and

5. **the institution is not under a provisional certification with the U.S. Department of Education.**

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 HLC policy ~~will~~ **may** no longer be eligible for the Notification Program **based on concerns related to its additional locations** until ~~such time as it~~ **the institution** demonstrates at the time of the next comprehensive evaluation after ~~the transaction~~ **its Change of Control application** is approved ~~by HLC~~ that it continues to meet the requirements for inclusion in the program.

Substantive Change Review Process Structure

Change Panel. A Change Panel shall consist of two or more peer reviewers 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 HLC 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.

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.

Change Visit. A Change Visit shall consist of a team of two or more peer reviewers designated by HLC 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. Such a recommendation will then be forwarded to an appropriate HLC

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.

Desk Review. A Desk Review shall consist of a review of a proposed institutional change conducted by HLC staff. The staff member may recommend that the change be denied or that it be approved, with or without additional monitoring as appropriate. **Unless approval by HLC staff is otherwise explicitly permitted by these policies,** ~~The~~ the Desk Review will result in a recommendation ~~for approval of substantive change~~ to an appropriate HLC decision-making body. The institution shall be given an opportunity to review ~~the~~ any recommendation **for denial** and to provide an institutional response prior to consideration by the decision-making body.

Policy Number Key

Section INST: Institutional Processes

Chapter F: Maintenance and Monitoring

Part 20: Intermittent Monitoring

Last Revised: June 2021

First Adopted: November 1999, June 2010

Revision History: November 1999, June 2009, June 2011, June 2012, November 2012, February 2014, June 2020, November 2020, June 2021

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. In February 2021, references to the Higher Learning Commission as “the Commission” were replaced with the term “HLC.”

Related Policies: INST.B.20.030 Effective Date of Accreditation Actions, INST.F.20.030 Non-substantive Changes in the Accreditation Relationship Between an Institution and HLC, COMM.B.10.020 Staff Authority