
Policy on Substantive Change

The nature and scope of an educational institution are defined in its legal charter and in formal statements of mission and objectives prepared by the institution.

The accreditation of an institution is in part an affirmation that the institution has established conditions and procedures under which its purposes can be realized and appears in fact to be accomplishing those purposes. The accreditation of an institution applies to those units and activities reviewed at the time of evaluation and included in the institutional report which is a part of each accreditation process required by the New England Commission of Higher Education.

Educational institutions are, of course, constantly changing. Most changes, such as developing new majors or concentrations, changing personnel, and adding and dropping courses, fall within the nature and scope of the institution and do not affect its accredited status. They are, however, one reason for the periodic reexamination required of all accredited institutions.

Other changes, however, are high-impact, high-risk changes that significantly affect the nature of the institution, its mission and objectives, its educational program, and the allocation of its resources. Such substantive changes initiated subsequent to the most recent evaluation are not automatically included in the institution's accreditation and must be reviewed by the Commission according to the procedures outlined below. While the decision to modify an institution is an institutional prerogative and responsibility, accreditation is that of the Commission. The Commission supports and encourages innovation and experimentation; it also has the obligation to determine the effect of substantive changes on the validity of an institution's accreditation.

A. Types of Substantive Change

Substantive changes include, but are not limited to, the following:

1. changes in legal status or in form of control of the institution, including merging with another institution and changes in ownership;
2. introducing courses or programs at a degree level above or below that at which accreditation is held (see Procedures for the Review of Institutions Moving to the Higher or Lower Degree Level);
3. joining separate units into a single accreditable institution, or dividing an institution into two or more separately accreditable units;

4. changes in geographical setting, including removal of an institution to a new location or establishment of an instructional location or branch campus (see Policy on the Review of Off-Campus Programming) or establishing a branch campus or instructional location abroad which enrolls students in credit-bearing instruction leading to a degree, certificate, or other forms of academic recognition;
5. the acquisition of any other institution or any other program or location of another institution;
6. the addition of a permanent location at a site at which the institution is conducting a teach-out for students of another institution that has ceased operating before all students have completed their program of study;
7. establishing a joint, dual, or concurrent degree with an institution not accredited by an agency recognized by the U.S. Department of Education, or in a field of study, degree level, or mode of delivery not previously included in the institution's accreditation;
8. engaging another organization (as by contract) to provide direct instructional services (see Policy on Contractual Arrangements Involving Courses and Programs);
9. establishing electronically offered degree programs (see Policy on Review of Electronically Offered Degree Programs);
10. dropping or reducing programs to an extent that the institution's mission is not being accomplished;
11. initiating any academic program whose requirements for graduation are based on the mastery of competencies rather than the accrual of credit hours, including direct assessment programs;
12. adding courses or programs that represent a significant departure from the existing offerings of educational programs or method of delivery from those that were offered when the institution was most recently evaluated, such as distance learning or correspondence education;
13. changes in the way the institution measures student progress, including whether the institution measures progress in clock hours or credit hours, semesters, trimesters, or quarters, or uses the time-based or non-time-based methods;
14. a substantial increase in the number of clock hours or credit hours awarded or an increase in the level of credential awarded for successful completion of one or more programs;

15. substantial changes to the established mission or objectives of the institution, student population served, or educational programs;
16. participating in the federal Prison Education Program providing Pell Grant access to confined or incarcerated students;
17. changing the overall financial position of the institution through actions such as assumption of debt or significant leases, disposition or acquisition of assets, or other significant financial restructuring that reduces the ability of the institution to independently meet the *Standards for Accreditation*.

B. Limited Changes

The decision as to whether a change is substantive is a judgment specific to an individual institution since the change must be considered in the context of the whole institution. The President of the Commission is authorized to decide whether a change is substantive or not; an affected institution may appeal the President's decision to the Commission on Institutions of Higher Education.

The Commission recognizes that some changes, while affecting the mission and objectives, scope, or form of control of an institution, are of such limited extent that they may be approved by the President without the necessity of the full evaluation procedure outlined below in “Accreditation Procedures for Substantive Changes.” Nonetheless, the Commission wishes to be informed of such limited changes; changes approved as limited changes will be examined as part of the next evaluation of the institution by the Commission.

In approving a limited change, the President may impose reasonable conditions on the institution, such as prescribing the form of disclosure of the true nature of a change or the relationship of new courses or programs to other offerings of the institution. While a full evaluation is not required for a limited change, it may be necessary to provide for an on-site visit by a member of the Commission’s staff, or by a small team of evaluators. Institutions will be required to pay the evaluation fee covering the direct cost if such visits are required. The time for the next institutional evaluation may be rescheduled as a consequence of initiating a limited change.

C. Accreditation Procedures for Substantive Changes

1. Notice to the Commission
 - a. Prior to Change. An institution considering or planning a substantive change is encouraged to notify Commission staff early in the institution’s planning to discuss its plans and the Commission’s procedures. Such notification will provide an opportunity for an institution to seek from the Commission consulting services that may lead to an advisory opinion on its plans, and counsel about the effect of the change on the accreditation status and the procedures to be followed.

- b. Upon Commitment to Change. If an institution decides to proceed with the change, it must provide a proposal, typically 25-30 pages long, to the Commission *at least six months* prior to the date of its implementation. In all cases, the institution should document the approval of the proposed change by the appropriate governmental agency before the Commission will consider the proposed change.

The proposal will include the following:

- (1) Cover sheet (available on the Commission's website) signed by the institution's CEO, including the dates of approval by the institution's governing board and authorization by the appropriate governmental agency;
- (2) Introduction: A summary of the proposed change, including a timeline, and a brief institutional overview;
- (3) A detailed description and analysis of the proposed change, addressing each of the *Standards for Accreditation*. This section of the proposal should provide evidence of how, through the proposed change, the institution will continue to fulfill the Standards. When the proposed change involves a degree program (e.g., a joint degree with an entity not accredited by an agency recognized by the U.S. Department of Education, a degree offered at a new degree level, or a degree offered via a new modality), the report should include a description of the curriculum, course outlines and a representative sample of syllabi, and information about the qualifications of the faculty;
- (4) A multi-year revenue and expense budget (to be incorporated into the narrative for Standard 3: *Institutional Resources*), including the assumptions underlying the projections as well as an indication of the fiscal and administrative capacity of the institution to oversee and assure the quality of the proposed change;
- (5) Projection of Future Developments. A brief look at the future, indicating any general developments anticipated in terms of the institution and/or the substantive change.

The proposal should go beyond description to include analysis and evaluation. Assessment of institutional strengths, concerns, suggested responses to concerns identified, and long-range plans should be included. If the proposed change involves assuming responsibility for a certificate or degree program currently being offered by another institution, the institution proposing the substantive change should include documentation that the change is being made with the concurrence of the first institution.

Please note: For some types of change - including moving to the higher or lower degree, online programming, and off-campus locations - the Commission has

developed policies and prepared detailed report preparation guidelines that institutions should follow. These materials are available on the Commission's website.

An electronic copy (formatted as a single, searchable pdf file) of the substantive change proposal should be submitted via the NECHE Institution Portal.

2. Evaluation by the Commission

The Commission will review the substantive change proposal at its next regularly scheduled meeting. As part of its review, the Commission will approve or disapprove the proposed change and schedule further monitoring of the implementation of the change, the nature of which will be determined by the magnitude of the change and the need to measure its impact on the total institution. In acting on the proposed change, the Commission may:

- a. approve the change without conditions;
- b. approve the change with conditions specified;
- c. defer consideration, pending receipt of additional information;
- d. disapprove the proposed change;

In specifying further monitoring, the Commission may:

- e. require a focused visit or other measures to assess implementation of the change (In cases where the substantive change is a change in ownership, a site visit will be taken as soon as practicable, but no later than six months after the change in ownership.);
- f. require a comprehensive evaluation of the entire institution. The Commission will schedule a new comprehensive evaluation of the institution when the institution proposes extensive changes. Examples include extensive numbers of new or revised academic programs; extensive numbers of new campuses, additional locations, or delivery formats; significant new populations of students; frequent significant modifications to corporate or governance structures; involvement of the institution in one or more joint ventures, limited partnerships, or other arrangements that affect its academic programs, services, students, finances, or governance structure. In cases where the substantive change is a change in ownership or control, a new comprehensive evaluation will be scheduled no later than three years after the change in ownership or control. New comprehensive evaluations scheduled under this provision include a full cycle of review: self-study, site visit and report, institution response, and Commission decision.

3. Determination of Status

Only after a determination by the Commission of the acceptability of the institution's plans may the institution consider such substantive changes not to have affected the validity of its institutional accreditation.

If the institution's plans are approved, the Commission will specify an effective date on which the change is included in the institution's accreditation. In the case of change of ownership, the Commission may designate the date of the change of ownership as the effective date of approval if the accreditation decision was made within 30 days of the change of ownership. In keeping with federal regulation, the effective date will not pre-date either the Commission's earlier denial of the substantive change or its formal acceptance of the substantive change proposal.

If the plans are disapproved, the Commission will provide reasons in communicating the decision to the institution. The institution may address the reasons and submit revised plans, asking that the Commission give new consideration to the revised plan.

If the institution's plans are disapproved and the institution proceeds, the institution is obliged to notify the Commission it has proceeded. In proceeding with the plans disapproved by the Commission, the institution has placed its accreditation at risk, and the Commission will take further action. In addition, the institution must state in its publicity that the change is not included within the institution's accreditation.

During any change the institution should take the steps necessary to assure an orderly transition consistent with the policies and procedures of the Commission.

D. Staff Approval of Selected Substantive Changes

As permitted by federal regulations, the Commission has delegated to its senior staff the authority to approve or disapprove proposals for these substantive changes:

- the addition of a permanent location at a site at which the institution is conducting a teach-out for students of another institution that has ceased operating before all students have completed their program of study (#6);
- engaging another organization (as by contract) to provide direct instructional services (#8);
- adding courses or programs that represent a significant departure from the existing offerings of educational programs or method of delivery from those that were offered when the institution was most recently evaluated, such as distance learning or correspondence education (#12);
- changes in the way the institution measures student progress, including whether the institution measures progress in clock hours or credit hours, semesters, trimesters, or quarters, or uses the time-based or non-time-based methods (#13);
- a substantial increase in the number of clock hours or credit hours awarded or an increase in the level of credential awarded for successful completion of one or more programs (#14).

Upon receipt, proposals for these types of changes will be reviewed by the Commission's senior staff, who may determine that the proposal should be referred to the Commission. In those instances where senior staff make the decision, the institution will be notified of the decision within 90 days of submission of the proposal. In those instances where the proposal is referred to the Commission, the institution will be notified within 180 days of submission of the proposal.

E. Reporting Requirements

All institutions are required to inform the Commission of the following changes within 30 days of their implementation:

- 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; (ii) close competency gaps between demonstrated prior knowledge or competency and the full requirements of a particular course or program.

F. Additional Requirements for Institutions on Probation, Notation, or Show-Cause

Institutions that are on probation, have been issued a Notation during the three prior academic years, have a pending show-cause hearing, or are under provisional certification with the U.S. Department of Education for Title IV are required to seek prior approval from the Commission for the changes listed in Section E above.

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March 7, 1997
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