

TO: ACICS-Accredited Institutions and Other Interested Parties
FROM: Accrediting Council for Independent Colleges and Schools
DATE: September 16, 2010
SUBJECT: Final Criteria, Proposed Criteria and Other Information

<u>TABLE OF CONTENTS</u>	<u>PAGE</u>
I. FINAL CRITERIA REVISIONS	2-3
<i>Effective Immediately</i>	
A. Appeals Process	2-3
II. PROPOSED CRITERIA REVISIONS	3-8
A. Distributed Enterprise	
B. Disclosure of Initial Applicants Status	
C. Statement of Accreditation	
D. Standards of Satisfactory Progress	
III. FOR INFORMATION ONLY	8-10
A. Cohort Default Rates	9
B. ACICS Web Site	9
C. Workshops	10
D. Public Comment	10
E. Public Participation	10
F. ACICS Re-Recognition	11
IV. COMMENT FORM – PROPOSED CRITERIA REVISIONS (Respond by Friday, November 5, 2010)	12

I. FINAL CRITERIA REVISIONS

At its August 2010 meeting, the Council reviewed the specific areas of the ACICS *Accreditation Criteria* outlined in Section I of this Memorandum to the Field. The language contained in Section I was previously reviewed by ACICS constituents or reflects a clarification of previously approved criteria.

The Council has updated the respective sections of the *Accreditation Criteria* to reflect these final criteria revisions. To obtain a current copy of the *Accreditation Criteria*, please visit our Web site at www.acics.org. The *Accreditation Criteria* can be found in the **Publications** section of the Web site.

The following criteria were previously reviewed and have been accepted as **final, effective immediately** (new language is underlined, ~~deleted language is struck~~):

Explanation of Changes

On July 1, 2010, new regulations of the U.S. Department of Education went into effect to add to the powers of a Review Board the ability to amend and overturn actions by the accreditor. The Board has approved the following change to Article VII of its Bylaws to comply with this new regulation. This change is related to changes to the Criteria that were proposed by the Council at its August meeting and are described below.

A. APPENDIX A, BYLAWS, ARTICLE VII

Appeals Process

Section 1-Review Board for Appeals. A Review Board for Appeals shall be appointed by the Council. The purpose of the Review Board shall be to review, according to pre-established procedures and guidelines, appeals by members of final negative actions by the Council and either to affirm the action of the Council, or to remand the case for further review, or to amend or overturn actions. The Review Board shall consist of fifteen (15) persons, all of whom have had experience in accreditation. Members of the Review Board shall be appointed to terms of three years, with terms of initial appointees staggered so that one-third of the terms expire each year. A person appointed to the Review Board shall not have been a commissioner within one year prior to appointment. The Chair of the Council shall convene timely a panel of the Review Board when necessary.

Section 2-Due Process. Criteria promulgated by the Council shall ensure that institutions are provided a fair and reasonable opportunity to present reasons why denial, suspension, withdrawal, or other final actions taken by the Council are inappropriate and should be remanded for further consideration. The due process provided is not required to be a full hearing on the record or before the full Council. However, all appeals to the Review Board for Appeals shall be on the record and shall provide for the submission of briefs and oral testimony by institutional representatives.

II. PROPOSED CRITERIA REVISIONS

At its August 2010 meeting, the Council reviewed the specific areas of the ACICS *Accreditation Criteria* outlined in Section II. The language contained in Section II represents proposed criteria changes as a result of the August 2010 meetings.

Explanation of Proposed Changes

In the March and May 2010 Memoranda to the Field, the Council proposed to introduce into the Accreditation Criteria a new type of institution, to be called the distributed enterprise. The proposal is to introduce the distributed enterprise as a new classification of institution in Chapter 3 of Title I, General Policies; explain how an institution qualifying as a distributed enterprise would gain and maintain accreditation in Title II, General Procedures; and ensure the consistent use of terms in Title III, Evaluation Standards.

The new classification of institutions would also require a revision of the definition of campuses, retaining the definition of a main campus and replacing the current designations of branch campus and learning site with a single classification, to be called an “additional location.” ACICS will continue to accredit single campus institutions and multiple campus institutions that do not qualify as a “distributed enterprise,” or that do not seek that designation. While maintaining the full rigor of all existing ACICS standards, these modifications will enable ACICS to improve the effectiveness with which distributed enterprise institutions are reviewed, evaluated and accredited by adopting procedures based on US Department of Education (USDE) regulations that go into effect in July 2010.

The consequence of classification as a distributed enterprise is that evaluation of the institution would be focused upon the central administrative system through which educational activities are controlled. The quality of the institution would be verified by adding to the accreditation process a new level of review of the institution as a whole, by adding a new source of review through the institution’s own compliance monitoring process, and by basing campus-level review on visits to at least 50% of campuses or to all of the campuses, depending upon the circumstances. These new procedures are more closely aligned with the organizational structure of the

distributed enterprise, and will increase the effectiveness of the evaluation process while allowing for consolidation of applications and reports, thereby eliminating redundancy and duplication of effort.

Changes and additions in this September 2010 Memorandum to the Field to the previously proposed changes in the Accreditation Criteria include (1) setting the minimum number of campuses for evaluation team visits at 50% and specifying the factors on the basis of which additional campuses might be selected for visits and (2) retaining in Section 2-2-102 an initial resource visit to all new additional locations and campus additions.

The proposed effective date for all the proposed changes to the Accreditation Criteria is January 1, 2011.

A. DISTRIBUTED ENTERPRISE

2-1-501. Scope of Visit. The scope of a visit will depend on the location, operation, size, ~~and~~ program offerings and classification of the institution. For a multiple campus institution, the main campus and ~~All non-main campuses~~ additional locations are subject to evaluation, either in conjunction with the main campus or separately. For a distributed enterprise, a representative sample of campuses will be selected, at the discretion of the Council, for visits at reasonable intervals. This sample will generally include a minimum of 40% 50% of the campuses included within the distributed enterprise, and at least a minimum of three campuses. Council reserves the right to increase the number of campuses to be visited, based upon factors such as retention and placement rates, reporting status, complaints and adverse and any other pertinent information. Visits will also be conducted to the academic administrative center of a distributed enterprise and any affiliated locations of the administrative system.

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2-2-102. Evaluation of ~~Nonmain-Additional~~ Campus Activity. All activity for which approval is sought will be evaluated by ACICS before approval is granted. Following is a description of those evaluations.

(a) ~~Branch Campus-Additional Location.~~ Initial inclusion of an branch additional location within the scope of the accreditation of the ~~main-campus~~ institution may be granted by the Executive Director upon receipt of all required information. The Council must be notified prior to the initiation of a new branch location. An institution proposing the initiation of a new branch location must submit Part One of the Branch Campus Additional Location Application and accompanying exhibits. A new branch location processed by the Council must be approved and

Part One of the ~~Branch-Campus~~ Additional Location Application processed by the Council before an institution advertises, recruits, or enrolls students at the proposed ~~branch~~ location. The Council reserves the right to require a preliminary visit to any potential ~~branch-campus~~ additional location prior to the granting of initial inclusion.

An ~~branch-campus~~ additional location that is granted initial inclusion by the Executive Director will be required to undergo a verification visit within six months after the initial class start date. Following this visit, the Council may require the institution to submit additional information to satisfy areas of concern identified during the evaluation.

A decision regarding the final inclusion of an ~~branch-campus~~ additional location will be made by the Council in full session following a visit by an evaluation team. Prior to the final inclusion visit, the chief on-site administrator of the ~~branch~~ location will be required to attend an Accreditation Workshop and to submit Part Two of the ~~Branch-Campus~~ Additional Location Application. The evaluation will normally be scheduled for twelve to eighteen months after the initial class start date and will be conducted by a team of evaluators determined by the size of the institution, the type and number of programs being offered, and other special circumstances. Identification of significant deficiencies during the verification or final inclusion visits can result in an immediate show-cause directive to the ~~main-campus~~ institution.

Only after a determination of acceptability, either at the initial or final inclusion level, and notification to the institution of the decision, may the institution consider an ~~branch-campus~~ additional location to be included within the scope of the institution's grant of accreditation. If approval is withheld, the withholding may be treated as a deferral or a denial, based on circumstances, and the institution may exercise its due process rights as outlined in Title II, Chapter 3.

- (b) **Learning Site-Campus Addition.** The Executive Director is authorized to evaluate and approve ~~learning-site activities~~ additions to a campus at locations that are apart from the primary location of that campus. ~~Learning-site Educational~~ activities at a campus addition of an accredited institution are eligible to be evaluated for inclusion within the scope of the accreditation of the ~~parent institution~~ campus provided that the ~~learning-site activity~~ campus addition has been established to meet a specific educational need or condition and is authorized by the appropriate governmental education authority, if applicable.

An institution proposing the initiation of a ~~learning-site-campus~~ addition must submit a ~~Learning Site-Campus Addition~~ Application. The institution must assure the Council that the ~~learning-site-educational~~ activities at the campus addition complement the overall objectives of the institution. Based on its review

of the application materials, ACICS may (1) grant final inclusion of the campus addition ~~learning site~~ or (2) deny the application.

A ~~learning site~~ campus addition that is granted final inclusion by the Executive Director will be required to undergo a verification visit within six months after the initial class start date if 50% or more of a program will be offered at the site. Following this visit, the Council may require the institution to submit additional information to satisfy areas of concern identified during the evaluation.

All additions to the learning site locations ~~campuses~~ of an institution are evaluated during an institution's regular evaluation for a new grant of accreditation.

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Explanation of Changes

On July 1, 2010, new regulations of the U.S. Department of Education went into effect to add to the powers of a Review Board the ability to amend and overturn actions by the accreditor. The Board has approved the following changes to Section 2-3-600 of the Criteria to comply with this new regulation. These proposed changes are related to changes in Article VII of the Bylaws that are described above.

2-3-600 - REVIEW BOARD APPEAL PROCESS

For those institutions that appeal to the Review Board a denial action as described in Sections 2-3-301 and 2-3-304 or a suspension action as described in Sections 2-3-402 and 2-3-404, the Council has established procedures designed to provide due process.

2-3-601. Purpose and Authority of Review Board. The Review Board is a separate, independent appeals body established by the Council for the purpose of hearing appeals by institutions for actions specified in Sections 2-3-301, 2-3-304, and 2-3-402.

2-3-602. Appointment of Members. The Review Board shall consist of fifteen (15) persons, all of whom have had experience in accreditation, who are appointed to three-year terms. A person appointed shall not have been a commissioner within one year prior to appointment.

A Review Board panel of three to five persons, depending on the scope and complexity of the matter or institution being reviewed, will be designated by the Council from the entire Review Board to hear an appeal from an institution. The Council also will designate one member of the Review Board panel to serve as chair. The selection and actions of the panel are subject to ACICS conflict of interest policies.

2-3-603. Jurisdiction and Authority. The Review Board is empowered to review, upon notice of appeal timely filed, actions specified in Sections 2-3-301, 2-3-304, and 2-3-402. The Review Board panel has the authority to:

- (a) affirm the decision of the Council; ~~or~~
- (b) amend the decision of the Council;
- (c) reverse the decision of the Council; or
- ~~(d)~~ remand the case to the Council with recommendations for further consideration.

The Review Board panel may amend or reverse the decision of the Council or remand the case to the Council for further consideration only ~~It may remand the case~~ if it finds the decision was:

- (i) arbitrary, capricious, or otherwise in substantial disregard of the Accreditation Criteria, or
- (ii) not supported by substantial evidence in the record on which the Council took the negative action.

The Review Board panel cannot amend or reverse the decision of the Council or remand the decision based on argument by the appellant that the Council action was disproportionate to the violations cited. The Review Board panel is further limited in that it has no jurisdiction or authority concerning the reasonableness of the Accreditation Criteria.

A determination by the Review Board panel to affirm the Council's decision is effective immediately upon the Review Board panel's action. A determination by the Review Board panel to amend, reverse, or remand the Council's decision will be referred to the Council for implementation and further action.

Except as noted below, Review Board panels will not consider any evidence that was not in the record before the Council. Documents reviewed by or available to evaluation teams are not considered to be part of the record unless they are appended to the team report or the institution submits them to the Council as part of the institution's response to the evaluation team report.

An exception to the policy on evidence will be made where a final adverse action is based solely on the failure of an institution to comply with the standards of financial stability. In that case, the institution on one occasion may seek review of significant financial information that was unavailable to the institution prior to the determination of the adverse action and that bears materially on the financial deficiencies identified by the Council. The Financial Review Committee will determine if the new financial information submitted by the institution is significant and material. If these criteria are met, the Financial Review Committee will provide a report of its review to the Council, which then will reconsider its adverse action in light of the new information. If the Council reaffirms the adverse action, the

Financial Review Committee report and the result of the Council’s recommendation will become part of the record under review before the Review Board.

The panel acts on behalf of the entire Review Board. Therefore, a decision of a Review Board panel is final and will not be considered further by the full Review Board. In cases remanded to the Council for reconsideration, ~~any recommendations of the Review Board panel, except the directive to reconsider, shall not bind or limit the Council in any way~~ the appeals Review Board panel will identify specific issues that the Council must address. ~~In~~ With respect to a Review Board panel decision that is implemented by or remanded to the Council, the Council will that body must act in a manner consistent with the appeals Review Board panel's decisions or instructions.

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Explanation of Changes

The Council proposes that an institution may approve an appeal and allow a student to exceed 150% of the standard time frame for a program, provided that the student is not charged additional tuition or fees of any kind.

Appendix D – Standards of Satisfactory Progress (11)

If a student is not making satisfactory academic progress, the institution may place the student in an extended enrollment status. A student placed in an extended enrollment status is not eligible for financial aid. However, all credits attempted count toward the 150% of the normal program length even if the student is on extended enrollment. Grades may be replaced if that is the institution’s written policy. At the discretion of the institution, a student with an approved appeal who ~~In no case can a student~~ exceeds one and one-half times the standard time frame as defined by the institution either as a regular student or in an extended enrollment status and may receive the original academic credential for which he or she enrolled, provided that there are no additional financial obligations to the student.

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Explanation of Changes

The Council proposes to prohibit an institution that is not yet accredited by ACICS from making any statement regarding its application for accreditation.

Appendix C- Statement of Accreditation

An institution is not permitted to use such statements as “fully accredited” or “accredited” without including the name of ACICS. An institution will not use or publicize the term “accredited” unless it is in fact accredited by ACICS or another recognized agency, or it has affirmative authority under state law. Any reference to stated authority for status as “registered”, “approved”, or “accredited” must include the

name of the state extending the approval and must accurately identify the state agency. An applicant for accreditation may not disclose this fact in any manner. ~~that implies that accreditation is imminent or guaranteed.~~

III. FOR INFORMATION ONLY

A. COHORT DEFAULT RATES

As a result of the most recent reauthorization of the Higher Education Opportunity Act 2008, changes were made to the time frames used to calculate institutions' cohort default rates (CDR). In the past, the U.S. Department of Education has used a two-year time frame in its calculation. However, under the new provisions an institution's CDR is calculated as the percentage of the borrowers in the cohort who default before the end of the second fiscal year following the fiscal year in which the borrowers entered repayment. This represents a one year extension of the current default monitoring period. The FY 2009 cohort (borrowers who entered repayment between October 1, 2008 and September 30, 2009) will be the first CDR calculation using the new standard. Thus, an institution's FY 2009 three-year CDR will be the percentage of its borrowers who were included in the 2009 cohort who subsequently default on or before September 30, 2011. Draft rates will be provided to institutions in February of 2012 with official rates released in September of 2012. Sanctions will be imposed beginning in 2014. For more information, visit the U.S. Department of Education's Web site at www.FSADataCenter.ed.gov.

In anticipation of having to comply with the new three-year cohort default standard, the Council reviewed the results of a best practices survey of ACICS institutions with low default rates and discussed options and strategies to help ACICS institutions remain in compliance. The Council previously requested that 24 institutions with two-year cohort default rates approaching thresholds of non-compliance submit Default Improvement Plans this spring. Other institutions at risk of being sanctioned by the Department for having 3-year rates above specified limits will be put on a watch list, required to attend an informational webinar to be co-facilitated by ACICS and the Department's Federal Student Aid office in November, and encouraged to review the available informational resources. The Council will closely monitor CDR rate changes, and continue to develop and deliver resources on default prevention. If you have any questions, please contact Ms. Sarah Sober at ssober@acics.org.

B. ACICS WEB SITE

Please visit the ACICS Web site. It continues to be revised and updated based on Council activities. The site contains revised and detailed information about accreditation, accredited institutions, applications, publications, workshops and special events. New features are now available.

NOTE: All institutions were mailed eight digit IDs and passwords to access the new ACICS website. The information was sent via U.S. postal mail and addressed to the campus director or president of each institution. The institution and corporate username (unless changed by the account holder) is the eight-digit ID. This ID should be used on all future correspondence to and from ACICS. If you have questions about your ID code or our new website, please send an email to ebiz@acics.org.

C. 2010 WORKSHOP SCHEDULE

Workshop/Webinar	Date	Location
Accreditation Workshop	Wednesday, October 13, 2010	Indian Wells, CA
AWARE Webinar: fall 2010	Friday, September 17, 2010	On-Line
Deferral Workshop	Thursday, October 7, 2010	Washington, DC
Evaluator Webinar	Friday, September 24, 2010	On-Line
Initial Applicant Workshop	Tuesday, October 12, 2010	Indian Wells, CA
Value Added Webinar: Cohort Default	Friday, November 12, 2010	On-Line
Value Added Workshop: IEP	Thursday, October 7, 2010	Washington, DC

D. PUBLIC COMMENT

ACICS has given high priority to promoting and defending ACICS accreditation, and the quality of education delivered by member institutions. Schools play an important role acting as the eyes and ears of ACICS: that is, looking and listening for opportunities to promote ACICS accreditation, and to correct misinformation that may lead to negative perceptions and attitudes among policy makers, the post-secondary education community and the general public. As you identify those opportunities in communities where you operate, please let us know about them. Send an email to Mr. Quentin Dean at qdean@acics.org and let him know the source of the information and when it appeared.

E. PUBLIC PARTICIPATION

The Council encourages institutions to provide feedback regarding Council operations and procedures. All materials for review during the December 2010 Council Meeting should be submitted by **Friday, November 12, 2010**.

F. ACICS RE-RECOGNITION

Every five years, the U.S. Department of Education's Accreditation and State Liaison Division of the Office of Post-Secondary Education initiates a comprehensive, systematic review of the standards, practices, resources and capacities of ACICS in order to ascertain the agency's ability to function as a reliable authority on institutional quality and integrity. The re-recognition process is underway now, anticipating the expiration of ACICS's current grant of recognition during 2011.

The Council has charged the leadership team with full authority to undertake an immediate and thorough review of standards, accreditation practices and support systems to reinforce and apply the highest standards for recruiting, admitting and enrolling students at institutions holding grants of accreditation from ACICS. That is but one of an array of key operational issues that will be subject to intense review in the coming months as ACICS prepares its application for re-recognition.

In the coming accreditation travel cycles, please expect to be required to provide a higher level of information and verification of the records and documents that demonstrate your compliance with ACICS student relations standards. Our site visit teams are receiving additional training, enhanced audit tools and stronger administrative support to ensure that the expectations and norms of ACICS accreditation are met and exceeded. The bar is being raised, and failure to clear the bar is not acceptable.

The value of ACICS accreditation to all 830 members is preserved, enhanced and nurtured when the colleges and schools subscribing to our scrutiny attain the highest levels of compliance and accountability. We know you expect that from all the other institutions bearing the ACICS imprimatur; now is the time to make sure your institution fulfills the same high expectations.

IV. COMMENT FORM – PROPOSED CRITERIA REVISIONS

ACICS ID Code: _____ Date: _____

Name of
Organization: _____

Address: _____

Please check (as appropriate):

Proposed *Accreditation Criteria* revisions:

- Distributed Enterprise

Accept as Written Modify (please explain)

- Review Board Appeal Process

Accept as Written Modify (please explain)

- Appendix C- Statement of Accreditation

Accept as Written Modify (please explain)

- Appendix D- Standards of Satisfactory Progress

Accept as Written Modify (please explain)

Prepared by: _____

Title: _____

Signature: _____

Please respond by Friday, November 5, 2010 to:

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