

Substantive Change Guidelines

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I. Purpose

The Middle States Commission on Higher Education (MSCHE or the Commission) seeks to ensure that member institutions sustain ongoing compliance with Commission standards for accreditation, requirements of affiliation, policies and procedures, and applicable federal regulatory requirements while undergoing institutional changes that are considered substantive. The purpose of these guidelines is to define the types of substantive changes which require Commission review and approval prior to implementation. See the accompanying documents *Substantive Change Policy*, *Substantive Change Procedures*, *Complex Substantive Change Procedures*, *Complex Substantive Change Preliminary Review Form*, and the *Substantive Change Request Form*. See also the Commission's *Teach-Out Plans and Agreements Policy and Procedures* as some substantive changes require the submission of a separate teach-out plan in conjunction with the substantive change request.

II. Types of Substantive Change

The *Substantive Change Policy and Procedures* are the primary resources for information about substantive change. This document is designed to assist institutions with defining the different types of institutional changes which are considered substantive and determining which planned changes require Commission review and action prior to implementation. The case scenarios and examples provided below are hypothetical or actual substantive changes that have been modified for this purpose.

If an institution is uncertain about whether a proposed change is substantive, the institution should contact the designated staff liaison with preliminary information on the nature and purposes of the planned change. This should be done as early in the planning process as possible. The staff liaison will advise the institution about the relevant type(s) of substantive change and whether or not to submit a substantive change request.

1. Substantial Change in Mission or Objectives 34 CFR § 602.22(a)(1)(ii)(A)

A change in mission or objectives is defined as any significant change that leads to a fundamental shift in the nature of the institution and that which may alter its declared mission. Any event(s) deemed to have a significant impact on the institution's mission by the Commission, whether or not specifically listed in Commission policy, procedures, guidelines, or in the federal regulations may be included in this type of substantive change. Changes in the wording of a mission statement that do not represent a substantial change in an institution's nature, purpose, aims, character, programs, services, or constituents are not considered substantive."

The Commission expects that an institution making a significant change to mission has done so with appropriate collaborative participation by campus constituencies and that the institution will be able to continue to offer a cohesive mix of educational programs that is aligned with institutional goals.

The institution will submit a substantive change request for each change that is considered a substantial change in mission or objectives.

Case scenarios and examples:

- An institution is planning to broaden the scope of its mission from local workforce development to international.
- An institution is planning to change from single focus to a comprehensive institution.

2. Change in Legal Status, Form of Control, or Ownership *34 CFR § 602.22 (a)(1)(ii)(B) and (G)* and *34 CFR § 600.31*

A change in the legal status of the institution, form of control, or ownership is defined as a transaction or modification of the ownership or governing body of the institution that changes or has the potential to change the control of the institution or its fundamental structure or organization. The institution should contact the Commission staff at substantivechange@msche.org to discuss the type of change and determine whether review and action by the Commission is necessary.

Any change in legal status, form of control, or ownership will always be considered a complex substantive change (see *Complex Substantive Change Procedures*). This type of change is usually sufficiently extensive in terms of the scope and impact on the institution(s) and each transaction typically requires the execution of appropriate legal documents. Because of the level of complexity, the Commission assigns experienced peer evaluators with specialized professional expertise (financial, legal, etc.) to review these requests. Complex substantive changes take longer to review. The Commission must complete its review within one year from the date the complex substantive change request form is submitted and is materially complete.

The Commission's requirements include any change of legal status, form of control, or ownership that involves a member institution, including transactions with the institution's owner(s), other entities, or institutions, even if those entities are not accredited by MSCHE. For example, a change of control involving one institution accredited by MSCHE and another institution that is not accredited by MSCHE still requires a substantive change. Each MSCHE accredited institution involved in the transaction is required to submit a separate substantive change request.

If a related entity is involved in the transaction or another unaccredited or non-member institution is acquired by or merged with the member institution, the Commission needs assurances that the change will not adversely affect the institution's compliance. The Commission will reject complex changes that attempt to transfer accreditation to an unaccredited entity as part of the transaction. The Commission expects the changed or surviving institution to demonstrate that it can maintain ongoing compliance with standards for accreditation, requirements of affiliation, policies and procedures, and applicable federal regulatory requirements. The Commission will require a supplemental information report and a complex substantive change site visit to monitor the implementation of the complex substantive change. The institution will conduct a new comprehensive evaluation in accordance with Commission policy and procedure and federal

regulation 34 CFR § 602.22((h)).

The institution must submit the *Complex Substantive Change Preliminary Review Form* prior to submitting the request form. The Commission conducts a careful review to: (1) verify the type and structure of the transaction, (2) review the governance structure and the impact of the change on decision making, (3) review the financial structures to ensure the flow of funding and sufficient resources after the change, (4) determine the potential impact of the transaction on MSCHE accreditation and degree granting authority, and (5) monitor the progression and completion of all required approvals.

If an MSCHE accredited institution will cease to exist as an independent educational entity and/or close as a result of the transaction or the transaction results in the closure of an additional location or a branch campus that offers 100 percent of a program, the member institution must also submit a teach-out plan and if applicable, teach-out agreements with other institutions, describing how any students remaining in the program will be accommodated in accordance with the Commission’s *Teach-Out Plans and Agreements Policy and Procedures*. A teach-out institution, when it is not a party in the transaction, must submit a separate substantive change request as appropriate if it will acquire a new permanent branch campus or additional location or any program that is a higher credential level than what is currently included within its scope of accreditation. If the teach-out institution is a party in the transaction, the acquisition of the location or program into the scope of accreditation will be reviewed and noted in the action language.

The Commission has 12 sub-types that fall under a change in legal status, ownership, or control and are established by federal regulation (34 CFR § 600.31). The types of transactions include but are not limited to the examples provided in the table below.

Commission policy and procedures and federal regulation 34 CFR § 600.31(e)(1-3) exclude certain transactions. A change of ownership and control does not include a transfer of ownership and control of all or part of an owner’s equity or partnership interest in an institution, the institution’s parent corporation, or other legal entity that has signed the institution’s Program Participation Agreement (PPA) (1) From an owner to a family member of the owner as the term is defined in 34 CFR § 600.21(f); (2) upon the death of the owner; or (3) Upon the resignation from the operation of the institution by an individual owner who has been involved in the management of the institution for at least two years preceding the transfer and who has established and retained the ownership interest for at least two years prior to the transfer, to another individual owner person with a direct or indirect ownership interest in the institution who has been involved in the management of the institution for at least two years preceding the transfer and who has established and retained the ownership interest for at least two years prior to the transfer.

Change of Control Sub-Types	Case Scenarios and Examples Include But Are Not Limited To:	Typical Legal Documents Needed
1. Acquisition of the institution (equity purchase or asset purchase)	A non-profit institution is planning to transfer all or a part of the institution’s assets—including locations and any program(s) affiliated with those locations—to another non-profit institution.	<ul style="list-style-type: none"> • Organizational Charts • Asset Purchase Agreement • Amended Articles or Certificate of Incorporation (if applicable) • Amended Bylaws (if applicable) • Partnership Agreements

Change of Control Sub-Types	Case Scenarios and Examples Include But Are Not Limited To:	Typical Legal Documents Needed
2. Acquisition by the institution of another educational entity (equity purchase or asset purchase)	A for-profit institution is planning to acquire another for-profit institution located in Denver, CO. The other institution is accredited by another institutional accreditor.	<ul style="list-style-type: none"> • Organizational Charts • Purchase Agreement • Amended Articles or Certificate of Incorporation • Amended Bylaws • Shareholder Agreements
3. Merger with another institution (legal combination of two entities with only one entity surviving)	An institution is planning to combine or transfer the assets of another institution (or corporation) to that of a newly-formed institution (or corporation). In either case, only one educational institution remains.	<ul style="list-style-type: none"> • Organizational Charts • Merger Agreement • Amended Articles or Certificate of Incorporation • Amended Bylaws • Shareholder Agreements (if applicable) • Management Services Agreements
4. Consolidation with another institution (a consolidation of assets and/or liabilities that is not in the form of a merger)	<p>Consolidation may take various forms, including but not limited to:</p> <p>An institution is planning to consolidate assets/liabilities with another institution. Two or more institutions are planning to consolidate assets/liabilities to form a new institution. One institution will legally cease to exist.</p> <p>An institution is planning to acquire all of the assets of a non-accredited institution.</p> <p>An institution is planning to consolidate separately accredited branches or campuses.</p>	<ul style="list-style-type: none"> • Organizational Charts • Transaction Agreement effecting consolidation (e.g., Asset Consolidation Agreement, etc.) • Amended Articles or Certificate of Incorporation • Amended Bylaws • Management Services Agreements <p><i>Consolidation usually requires approval from the appropriate governmental agenc(ies) for changes to or the relinquishing of degree-granting authority for the non-surviving institution(s).</i></p>
5. Division of one institution into two or more institutions	An institution is planning to divide into two or more separate institutions.	<ul style="list-style-type: none"> • Organizational Charts for each institution • Reorganization Documentation • Amended Articles or Certificate of Incorporation • Amended Bylaws • Management Services Agreements
6. Sale of an institution (equity sale or asset sale)	A non-profit/for-profit institution is planning to sell all or a part of the institution’s assets—including locations and any program(s) affiliated with those locations—to another non-profit or for-profit institution that is accredited by a USDE recognized accreditor.	<ul style="list-style-type: none"> • Organizational Charts • Asset Purchase Agreement • Amended Bylaws • Partnership Agreements
7. Acquisition or sale of a controlling interest in an	An institution is planning to sell a controlling interest in the corporation	<ul style="list-style-type: none"> • Organizational Charts for each entity

Change of Control Sub-Types	Case Scenarios and Examples Include But Are Not Limited To:	Typical Legal Documents Needed
institution	(25 percent or more of the outstanding shares) to another for-profit entity.	<ul style="list-style-type: none"> • Membership/Stock Purchase Agreement • Amended Articles or Certificate of Incorporation • Amended Bylaws • Stockholder Agreement
8. Beginning or ending public sponsorship and control	An institution is planning to convert from a non-profit public institution to a for-profit institution.	<ul style="list-style-type: none"> • Amended Articles or Certificate of Incorporation • Amended Bylaws • Conversion Documentation
9. Transfer of the liabilities of an institution to its parent corporation	An institution is planning to transfer all or a portion of its liabilities to its parent corporation.	<ul style="list-style-type: none"> • Corporate resolutions • Plan of Transfer
10. Transfer of substantially all the educational assets/business of an institution, including an asset transfer or transfer through a joint venture or other contractual arrangement	<p>Transfer may take various forms, including but not limited to: A non-profit institution will transfer substantially all of the assets to another MSCHE accredited institution.</p> <p>A for-profit institution will transfer substantially all of its assets to another for-profit institution accredited by another USDE recognized accreditor. MSCHE accreditation will cease as a result of the transaction.</p>	<ul style="list-style-type: none"> • SEE also 1-9 for possible scenarios • Asset Purchase Agreement • Assumption Agreement • Governing documents for all parties including but not limited to Amended Articles or Certificate of Incorporation, Amended Bylaws, Limited Liability Company Operating Agreement • Governance Structure • Organizational Charts • Stockholder Agreement • Joint Venture formation documents • Joint Venture governing documents <p><i>*Asset transactions will receive intense scrutiny and may not be allowed if the transaction attempts to transfer accreditation to a non-accredited entity.</i></p>
11. Change in legal status as a for-profit, non-profit or public institution (i.e. tax status)	A for-profit institution (corporation) is planning to convert its corporate structure from its current proprietary, Employee Stock Ownership Plan (ESOP)-owned structure to a non-profit institution that has 501(c)(3) tax-exempt status under the Internal Revenue Code. The institution will merge with a newly formed non-profit corporation and after the merger, will change the name of the surviving corporation to the name of the accredited institution.	<ul style="list-style-type: none"> • Employee Stock Ownership Plan (ESOP) • Organizational Charts • State/Federal conversion filings

Change of Control Sub-Types	Case Scenarios and Examples Include But Are Not Limited To:	Typical Legal Documents Needed
12. Any other transaction or modification of the ownership or governing body of the institution that changes or has the potential to change the fundamental structure <u>or</u> organization <u>or</u> control of the institution	A non-profit institution is planning to change its governance structure so that another entity will control the material decisions of the governing board through the ownership of a membership interest in the institution or control through reserved powers of appointment of board members and/or approval of fundamental corporate actions of the institution.	<ul style="list-style-type: none"> • Organizational Charts Amended Articles or Certificate of Incorporation • Amended Bylaws • Relevant legislation authorizing the change <p><i>*This sub-type may be appropriate for public institutions or other changes that do not fall in one of the other categories but still changes the structure or organization of the institution.</i></p>

3. Significant Departure from Existing Educational Programs 34 CFR § 602.22(a)(1) (ii)(C) and (D)

A significant departure is defined as the initiation of credit-bearing or title IV eligible educational programs that are significantly different from and not a logical extension of programs currently offered by the institution. This change now includes the introduction of graduate education when the institution has not provided graduate education before. An educational program is a postsecondary educational program offered by an institution of higher education that leads to an academic or professional degree, certificate or other recognized educational credential.

The Commission is concerned with the program’s relevance to the institution’s mission, that the institution has the capacity and adequate resources to offer the program, and that students who enroll in the program will have access to relevant and necessary institutional support services.

The addition of an associate's level degree or postsecondary awards program is not considered a significant departure from existing educational programs when the institution offers bachelors, master’s or doctoral programs because it is a lower credential level.

Case scenarios and examples:

- An institution is planning to offer graduate education when the institution has not provided graduate education before. The institution will also need to submit substantive change requests for the new specific credential level(s).
- An institution is planning to establish terminal degree programs in a specialized area of professional practice, such as medical or legal programs, that is new to the institution. Because the program is so different from existing offerings, the institution will need to develop new curriculum, hire new faculty, and build new infrastructure to support the program.

4. Alternative Delivery Method 34 CFR § 602.22(a)(1) (ii)(C)

An alternative delivery method is defined as the initiation of a new method or instructional modality to deliver educational programs by the institution when that method is not currently included within the institution’s current scope of accreditation. The Commission primarily reviews two different types of alternative delivery methods, both of which are defined by federal

regulation: distance education and correspondence education. However, the Commission recognizes that there is continuous innovation in delivery methods and new methods may evolve which are not currently listed. The institution should contact the Commission staff at substantivechange@msche.org to discuss any new and innovative delivery method that an institution is developing or considering. An educational program is a postsecondary educational program offered by an institution of higher education that leads to an academic or professional degree, certificate or other recognized educational credential.

The institution will submit a substantive change request when any course or portion of a program will be offered via the new alternative delivery method. The Commission is concerned with ensuring that all learning experiences are characterized by rigor and coherence and are consistent with higher education expectations, regardless of instructional modality, program pace/schedule, level, and setting. The Commission will evaluate that the institution can demonstrate that it has the capacity to deliver quality courses and programs, that instructors are qualified to deliver courses via the delivery method, and that the institution can support regular and substantive interaction between students and the instructors. The institution must demonstrate that the overall institutional approach to the alternative delivery method is effective and the institution has the capacity to offer quality programs through that method.

If the action of the Commission is to include the alternative delivery method within the institution's scope of accreditation, then the institution has broad approval to provide course or program offerings through that delivery method. However, federal regulation *34 CFR § 602.22(b)* requires that the institution must notify the Commission when subsequent existing programs are converted (after July 1, 2020) to a different method of delivery. Institutions that have had a non-compliance action (issue or continue warning, probation, or show cause) in the last 3 years or are under a provisional certification for participation in title IV, Higher Education Act (HEA) programs will have to obtain prior approval from the Commission before implementation as described in Section III Required Notifications or Prior Approvals of this document and in the *Substantive Change Procedures*.

Distance Education

The Commission requires a substantive change review when the institution plans to initiate a credit bearing and/or Title IV eligible educational program when any course or portion of the program will be offered through distance education. The Commission expects that the quality of distance education is equivalent to face-to-face education and should include meaningful interaction, assignments, feedback, and quality instructional time. The requirements apply to all of the requirements of the program including general education and core curriculum courses. The Commission requires approval of a new distance education course when it is offered entirely online (100 percent), and only when the institution does not already have distance education included within its scope of accreditation.

As defined in federal regulation *34 CFR § 600.2*, distance education is education that uses one or more of the following technologies to deliver instruction to students who are separated from the instructor or instructors and to support regular and substantive interaction between students and the instructor or instructors, either synchronously or asynchronously: (i) the internet; (ii) one-way or two-way transmissions through open broadcast, closed circuit, cable, microwave, broadband lines, fiber optics, satellite, or

wireless communications devices; (iii) audio conference; or (iv) Other media used in a course in conjunction with any of the technologies listed above.

For purposes of this definition, an instructor is an individual responsible for delivering course content and who meets the qualifications for instruction established by the institution's policies and procedures and reviewed by the Commission.

For purposes of this definition, substantive interaction is engaging students in teaching, learning, and assessment, consistent with the content under discussion, and also includes at least two of the following – (i) Providing direct instruction; (ii) Assessing or providing feedback on a student's coursework; (iii) Providing information or responding to questions about the content of a course or competency; (iv) Facilitating a group discussion regarding the content of a course or competency; or (v) Other instructional activities approved by the institution's or program's accrediting agency.

An institution ensures regular interaction between a student and an instructor or instructors by, prior to the student's completion of a course or competency, by providing the opportunity for substantive interactions with the student on a predictable and regular basis commensurate with the length of time and the amount of content in the course or competency; and monitoring the student's academic engagement and success and ensuring that an instructor is responsible for promptly and proactively engaging in substantive interaction with the student when needed on the basis of such monitoring, or upon request by the student.

Case scenarios and examples:

- An institution is planning to add an online Bachelor of Science in Computer Security program, its first program offered via distance education. All of the courses will be fully online courses.
- An institution has been offering several online courses for the past five years in one or two educational programs, but has never designed a distance education program before, and distance education is not currently included within the institution's scope of accreditation.

Correspondence Education

Correspondence courses are education provided by an institution under which the institution provides instructional materials, by mail or electronic transmission, including examinations on the materials, to students who are separated from the instructors. Interaction between the instructors and the students in a correspondence course is limited, is not regular and substantive, and is primarily initiated by the student. If a course is part correspondence course and part residential training, the course is considered to be a correspondence course. Correspondence education is not distance education.

Case scenarios and examples:

- An institution is planning to offer a new bachelor's degree program which will be the first program offered through distance education.
- An institution is planning to offer a new associate's degree program which is designed to help students become academically prepared for a variety of baccalaureate programs in the health sciences. Four introductory

correspondence courses will be self-paced and the student will initiate contact with the instructor as needed.

5. Direct Assessment Programs 34 CFR § 602.22(a)(1)(ii)(K)

The Commission’s requirements include the initiation of each educational or instructional program that, in lieu of credit hours or clock hours as a measure of student learning, utilizes direct assessment of student learning or recognizes the direct assessment of student learning by others, as the primary way to measure student learning. Direct assessment of student learning means a measure of a student’s knowledge, skills, and abilities to provide evidence of the student’s proficiency in the relevant subject area. Direct assessment is a subset of competency-based education (CBE). An educational program is a postsecondary educational program offered by an institution of higher education that leads to an academic or professional degree, certificate or other recognized educational credential.

The Commission is concerned with ensuring that the institution has organized an appropriate general approach to CBE in the program, including but not limited to establishing a methodology to reasonably equate the completion of competency-based direct assessments to credit or clock hours, ensuring that an appropriate level of required regular and substantive interaction between students and instructional staff is built into the program, and that all necessary regulatory approvals have been obtained.

The institution will submit a substantive change request for each direct assessment program it intends to offer. Because a direct assessment program does not utilize credit or clock hours as a measure of student learning, the institution must establish a methodology to reasonably equate the direct assessment program (or direct assessment portion of any program, as applicable) to credit or clock hours for the purpose of complying with applicable regulatory requirements and to obtain approval from the Commission.

The institution is responsible for ascertaining and understanding Title IV requirements.

Sub-Types	Case scenarios and examples
<p>100% Direct Assessment Program All programs for which 100 percent of student progression through a program is completed through the direct assessment of competencies (and not through the completion of credit hours).</p>	<p>An institution is planning to offer a 100% project-based direct assessment program in in which students are required to complete project-based assessments to demonstrate mastery of skills taught in the Bachelor of Science in Business program. For example, students will produce a strategic marketing plan as one of the projects. Student progression toward program completion will be entirely determined by the successful completion of these project-based direct assessment activities, not by credit hours. The program will be self-paced and will have a set subscription fee. The institution will utilize in-house faculty to teach content and will provide specialists who will serve as dedicated learning coaches to support and encourage students. Student work will be assessed by dedicated faculty reviewers who are practitioners in the field using a comprehensive rubric to evaluate projects for mastery on specific criteria.</p>
<p>50%-99% Direct Assessment Program All programs for which 50-100 percent of student</p>	<p>An institution is planning to offer a direct assessment program in which students are required</p>

<p>progression through a program is through the direct assessment of competencies (the program is partially credit-hour based).</p>	<p>to complete project-based assessments for 60% of the competencies in the Associate of Applied Science in Construction Management program. Student progression toward program completion will be determined by the successful completion of these project-based direct assessment activities (60%) and the rest by credit hours. The program will be self-paced and will have a set subscription fee. The institution will utilize in-house faculty to teach content and will provide specialists who will serve as dedicated learning coaches to support and encourage students. Student work will be assessed by dedicated faculty reviewers who are practitioners in the field using a comprehensive rubric to evaluate projects for mastery on specific criteria.</p>
<p>Less than 50% Direct Assessment Program All programs for which less than 50 percent of student progression through a program is completed through direct assessment (the program is partially credit-hour based)</p>	<p>An institution is planning to offer a direct assessment program in which students are required to complete project-based assessments for 45% of the competencies in the Business and Technical Communications program. Student progression toward program completion will be determined by the successful completion of these project-based direct assessment activities (45%) and the rest by credit hours. The program will be self-paced and will have a set subscription fee. The institution will utilize in-house faculty to teach content and will provide specialists who will serve as dedicated learning coaches to support and encourage students. Student work will be assessed by dedicated faculty reviewers who are practitioners in the field using a comprehensive rubric to evaluate projects for mastery on specific criteria.</p>

6. Increase in Credential Level 34 CFR § 602.22(a)(1)(ii)(F)

An increase in a credential level is defined as the initiation of a credit bearing and/or Title IV eligible educational program that leads to a recognized award, certificate, diploma, degree, or credential that is a higher level than the credential levels that exist currently and are included within the institution’s scope of accreditation. An educational program is a postsecondary educational program offered by an institution of higher education that leads to an academic or professional degree, certificate or other recognized educational credential.

The Commission uses definitions from the Integrated Postsecondary Education Data System (IPEDS) to define and categorize the proposed credential level. If there is any uncertainty about which category is most appropriate and/or the credential does not have a traditional label, the Commission staff will make the final determination about which IPEDS category is the most appropriate in accordance with the definitions provided in the table below. The following definitions are copied from the IPEDS Glossary and are copied here for your convenience. The IPEDS Glossary is available at <https://surveys.nces.ed.gov/ipeds/Downloads/Forms/IPEDSGlossary.pdf>.

Credential Level	Definition
<p>Postsecondary Award/Certificate/Diploma (<1 year)</p>	<p>An award that requires completion of an organized program of study at the postsecondary level (below the baccalaureate degree) in less than one academic year (two semesters or three quarters),</p>

	<p>or designed for completion in less than 30 semester or trimester credit hours, or in less than 45 quarter credit hours, or in less than 900 clock hours. Prior approval from the Commission is not required for this credential level because it is a lower level. Report the first program at this level in the Substantive Change Screening Form in the Institution Portal.</p>
<p>Postsecondary Award/Certificate/Diploma (>=1 year, <2 years)</p>	<p>An award that requires completion of an organized program of study at the postsecondary level (below the baccalaureate degree) in at least one but less than two full-time equivalent academic years or designed for completion in at least 30 but less than 60 semester or trimester credit hours, or in at least 45 but less than 90 quarter credit hours, or in at least 900 but less than 1,800 clock hours. Prior approval from the Commission is not required for this credential level because it is a lower level. Report the first program at this level in the Substantive Change Screening Form in the Institution Portal.</p>
<p>Associate’s or equivalent</p>	<p>An award that normally requires at least two but less than four years of full-time equivalent college work. (AA, AS)</p>
<p>Postsecondary Award/Certificate/Diploma (>=2 years, <=4 years)</p>	<p>An award that requires completion of an organized program of study at the postsecondary level (below the baccalaureate degree) in at least two but less than four full-time equivalent academic years or designed for completion in at least 60 but less than 120 semester or trimester credit hours, or in at least 90 but less than 180 quarter credit hours, or in at least 1,800 but less than 3,600 clock hours.</p>
<p>Bachelor’s or equivalent</p>	<p>An award (baccalaureate or equivalent degree, as determined by the Secretary, U.S. Department of Education) that normally requires at least 4 but not more than five years of full-time equivalent college-level work. This includes all bachelor's degrees conferred in a 5-year cooperative (work-study) program. A cooperative plan provides for alternate class attendance and employment in business, industry, or government; thus, it allows students to combine actual work experience with their college studies. Also includes bachelor's degrees in which the normal 4 years of work are completed in three years.</p>
<p>Post-baccalaureate Award/Certificate/Diploma</p>	<p>An award that requires completion of an organized program of study beyond the bachelor's degree. It is designed for persons who have completed a baccalaureate degree but does not meet the requirements of a master's degree. NOTE: Even though Teacher Preparation certificate programs may require a bachelor's degree for admission, they are considered sub-baccalaureate undergraduate programs, and students in these programs are undergraduate students.</p>
<p>Master’s or equivalent</p>	<p>An award that requires the completion of a program of study of at least one but not more than two of years of full-time academic work beyond the bachelor's degree.</p>
<p>Post-Master’s Award/Certificate/Diploma</p>	<p>An award that requires completion of an organized program of study beyond the master's degree but does not meet the requirements of academic degrees at the doctor's level.</p>
<p>Doctor’s - Professional Practice</p>	<p>A doctor's degree that is conferred upon completion of a program providing the knowledge and skills for the recognition, credential, or license required for professional practice. The degree is awarded after a period of study such that the total time to the degree, including both pre-professional and professional preparation, equals at least six full-time equivalent academic years. Some of these degrees were formerly classified as first - professional and may include: Chiropractic (D.C. or D.C.M.); Dentistry (D.D.S. or D.M.D.); Law (J.D.); Medicine (M.D.);</p>

	Optometry (O.D.); Osteopathic Medicine (D.O); Pharmacy (Pharm.D.); Podiatry (D.P.M., Pod.D., D.P.); or, Veterinary Medicine (D.V.M.), and others, as designated by the awarding institution.
Doctor’s - Research/Scholarship	A Ph.D. or other doctor's degree that requires advanced work beyond the master's level, including the preparation and defense of a dissertation based on original research, or the planning and execution of an original project demonstrating substantial artistic or scholarly achievement. Some examples of this type of degree may include Ed.D., D.M.A., D.B.A., D.Sc., D.A., or D.M, and others, as designated by the awarding institution.
Doctor’s - Other	A doctor's degree that does not meet the definition of a doctor's degree-research/scholarship or a doctor's degree-professional practice.

The substantive change policy applies to any new credential that is awarded by the institution for the completion of an educational program at a higher level, whether it is a stand-alone program or stackable toward another degree, as long as the institution will recognize and acknowledge a student’s completion of the program through a credential from that institution.

The Commission’s requirement is not dependent on whether or not the credential needs to be approved by or registered with a state or other licensing agency. The Commission does not consider minors, honors programs, study abroad experiences, or other co-curricular activities to be educational programs as they are enrichment or supplemental components within an educational program even though they may be recognized on a transcript.

The institution will report all lower credential levels to the Commission through the Substantive Change Screening Form which is available at all times in the Institution portal. The Commission’s substantive change policy does not require an institution to obtain prior approval for credential levels that are lower levels than its current offerings that are included within its scope of accreditation. The Commission will maintain an accurate listing of all of the credential levels that are included within the institution’s scope of accreditation and post the listing on the institution’s Institution Directory and Statement of Accreditation Status (SAS).

The Commission is concerned with maintaining academic quality and ensuring the veracity and validity of credentials delivered to students, particularly as they relate to transfer of credit to other institutions of higher education, acceptance of the credential for employability or promotion in the workplace, or acceptance of the credential for licensing or professional development.

The institution will need to submit separate substantive change requests for the first and second educational programs offered for each higher credential level. That is, each credential level, including the three different types of doctoral degrees must be approved by submitting requests for the first and second educational programs at that level. Once the first and second programs are reviewed, the credential level is included within the institution’s scope of accreditation and new programs offered at that credential level do not require Commission review. However, the addition of new programs which are considered a significant departure from existing educational programs may require review and action by the Commission under substantive change type No. 3. If the program is designed as a customized pathway, abbreviated or modified programs or courses, or shorter-term learning experiences focusing on specific competencies or skills, the institution should

review the requirements for notifications and prior approvals in Section III.

The institution should contact the Commission staff at substantivechange@msche.org to discuss the requirements for substantive change if it is considering or developing alternative credentialing (such as a micro-credential). The Commission may require additional review prior to the institution offering a higher degree or credential level at a branch campus or some additional locations because they operate with some independence, even if the main campus currently offers the same degree or credential level.

Case scenarios and examples:

- An institution is planning to offer a new graduate-level program in legal studies. The program is a 30-credit program, requiring the completion of 18 credits in core curriculum as well as 12 credits in advanced courses in one of eight possible areas of concentration. Students who complete the program will receive a Master of Legal Studies (MLS). The program falls into the master's credential level according to the IPEDS definitions.
- An institution is planning to add a new graduate level program in Artificial Intelligence. The program consists of four courses (8 credits total). Students who complete the program will receive a Program Certificate in Artificial Intelligence. The program falls into the post-baccalaureate certificate level according to the IPEDS definitions.

7. Change in Measures of Student Progress 34 CFR § 602.22(a)(1)(ii)(E)

A change in measures of student progress is defined as a change in the methods the institution uses to measure a student's progress in completing the requirements for a credential whether the institution measures progress in that program in clock hours or credit-hours, semesters, trimesters, or quarters, or uses time-based or non-time-based methods.

The Commission is concerned with ensuring that the institution's methodology used to convert to a new measure of student progress is appropriate and consistent with commonly accepted practice in postsecondary education in accordance with the Commission's standards for accreditation, requirements of affiliation, policies and procedures, and applicable federal regulatory requirements.

The institution will submit a substantive change request form for each educational program for which it plans to change the way a student's progress in completing the requirements will be measured. If the institution is converting 5 or more programs at the same time, the institution may submit one request form describing all of the changes and the request will be processed as a complex substantive change with the corresponding complex substantive change fee listed in the Commission's *Dues and Fees Procedures*. The procedures for when a regular substantive change is treated as a complex substantive change is described in the *Complex Substantive Change Procedures*.

Case scenarios and examples:

- An institution is planning to convert an educational program from clock hours to credit hours because it recently acquired an institution (and its programs) that used clock hours. The institution will change the new programs from the acquired institution from clock hours to credit hours.
- An institution is planning to convert an educational program which is currently

offered in a semester format to trimesters.

8. Substantial Increase in the Number of Clock or Credit Hours Awarded 34 CFR § 602.22(a)(1)(ii)(F)

A substantial increase in the number of clock or credit hours is defined as a change of at least 25 percent in the number of clock or credit hours awarded or required for the successful completion of an educational program. The Commission utilizes the federal definitions of clock hour and credit hour which are available in the Commission's *Substantive Change Policy and Procedures*. An educational program is a postsecondary educational program offered by an institution of higher education that leads to an academic or professional degree, certificate or other recognized educational credential.

The Commission is concerned with any significant impact on the academic quality, rigor, and integrity of the educational program and that the institution is making thoughtful and deliberate changes in curriculum.

The institution must submit a substantive change request for each educational program for which it plans to increase the number of clock or credit hours awarded or required for the successful completion of an educational program by 25 percent or more.

Case scenarios and examples:

- An institution is planning to increase the number of credits required for successful completion of the clinical Doctor of Physical Therapy (DPT) in the Sports Physical Therapy program from 99 to 134 credits so that it is comparable with the number of credits required for similar programs at other institutions of higher education. The revised curriculum is in line with current trends in doctoral programs in the field.
- An institution is planning to increase the number of credit hours required for successful completion of the Master of Science in Rehabilitation Counseling from 48 to 60 credits to meet new requirements issued by the programmatic accreditor.

9. Written Arrangements 34 CFR § 602.22(a)(1)(ii)(J)

For purposes of substantive change, a written arrangement is defined as a formal agreement for the provision of more than 25 percent of an accredited institution's credit bearing and/or Title IV eligible educational program by an ineligible third-party provider that is not certified to participate in the Title IV federal student financial aid funding programs. An educational program is a postsecondary educational program offered by an institution of higher education that leads to an academic or professional degree, certificate or other recognized educational credential. An ineligible entity or third-party provider is not accredited by a United States Department of Education (USDE) recognized accreditor and is not certified to participate in Title IV programs.

Some written arrangements will be delivered by the third-party provider to students at a physical location. If the location is not currently included within the institution's scope of accreditation, that location is considered a new other instructional site or additional location under Commission policy and procedures. The institution will be required to submit a separate substantive change for an additional location (when 50 percent or more of a program is offered at the location). If less than 50% of a program (or just one course) will be offered, then the institution must report the prison site as an "other instructional site (OIS)" in the Institution portal so that it is listed on the institution's statement of accreditation status (SAS). The Commission is concerned that the

location has adequate physical facilities and infrastructure, financial resources, student support services, faculty and staffing, and administrative or supervisory organization.

Domestic Written Arrangements

A written arrangement is considered domestic if it is an arrangement with an entity that is located or based in the United States and the program will be implemented in a location that is located in the United States. Written arrangements with domestic entities must be reviewed by the Commission when the third party provides more than 25 percent but less than 50 percent of a credit bearing and/or Title IV eligible educational program. The Commission will not review domestic written arrangements when the third party provides 50 percent or more. The institution will submit the proper request form for domestic written arrangements.

International Written Arrangements

A written arrangement is considered international if it is an arrangement with an entity that is based outside the United States or will be implemented at a location that is outside of the United States, whether or not the member institution is considered a domestic or international institution. Written arrangements with international entities must be reviewed by the Commission when the third-party provides more than 25 percent of the credit bearing program. Such programs are not Title IV eligible and the Commission will note this ineligibility in the action language. Proposals exceeding 50 percent will receive intense scrutiny and may be rejected if the Commission determines that proper oversight and control of the program does not rest with the accredited institution.

Written arrangements with international entities or in international locales are incredibly complex endeavors that raise unique challenges for evaluation because of the implications of international licensing, regulatory, or legal requirements. In many countries, the creation of a separate legal entity is required. For these reasons, a request involving a written arrangement with an international entity will be reviewed by legal counsel and is likely to take longer to process. The request form for international written arrangements is different from the request form for domestic written arrangements. See the *International Programs Offered by Accredited Institutions Policy and Guidelines*.

The services provided by the third-party are for the delivery of instruction for an educational course or portion of a program but may also include some combination of services including but not limited to establishing the requirements for admission or completion of the course, delivery of mandatory tutoring, curriculum development, online delivery of courses, student services, or assessment of student learning. The institution must calculate the percentage of the program offered by the third-party provider using the calculation provided in the substantive change request form. See *Contracts by Accredited and Candidate Institutions for Education-related Services and Third-Party Providers Guidelines* for guidance and best practices related to contracts and written arrangements.

Because there is ambiguity about what constitutes a written arrangement, the Commission is providing examples of what is not considered a written arrangement for purposes of substantive change. It is not necessary to submit a substantive change when:

- The third-party is accredited by a United States Department of Education (USDE) recognized accreditor.
- The third-party provides *only* instruction for non-credit or non-Title IV eligible educational programs including gap-year experiences.

- The third party is an institution of higher education that will be sharing responsibilities for an educational program (i.e. a training academy, articulation agreement, dual degree), with the member institution will maintain general oversight of the program.
- The third-party provides visiting instruction in a course that belongs to the institution and that is overseen by a qualified instructor employed by the institution.
- The contract is solely for goods and services that support the learning environment but are not for the provision or delivery of instruction in credit-bearing or title IV eligible educational programs.
- The third-party provides *only* goods (books, supplies, or equipment) or services that support the educational program such as the platform for online instruction.
- The contract establishes conventional arrangements for internships, clinical placements, practica, and/or study abroad courses or programs.

The Commission is concerned with the level of outsourcing and that proper oversight of the program remains in the control of the accredited institution. The Commission carefully reviews the substantive change request and the specific terms and structure of the individual contract. The Commission will look for evidence that the institution can maintain appropriate and continued involvement in and oversight of the program, particularly in the areas of advertisement, marketing, recruitment, admissions, faculty, curriculum development, evaluation of student work, outcomes assessment, and support services. Bundles of services involving recruiting and marketing services provided by the third-party provider will receive intense scrutiny and may be rejected.

The Commission requires approval for the initiation of a written arrangement when the third party provides more than 25 percent of a credit bearing or Title IV eligible program, for both domestic and international written arrangements as described above. The Commission also requires approval for the substantial modification of an existing written arrangement. If a contract is renegotiated, the terms change substantially, or the percentage offered by the third-party provider increases significantly (for example from 25 percent to 45 percent), the institution should revisit the contract and discuss the implications for substantive change with the Commission staff.

The institution is responsible for ascertaining and understanding Title IV requirements.

Case scenarios and examples:

- An institution is planning to initiate a written arrangement with an online program management (OPM) company for a new online Master of Health and Sustainable Development. The OPM will convert the existing curriculum to an online format and develop learning activities. The OPM will also host and maintain the e-learning platform including maintenance and upgrades, hardware and licenses. In general, the institution will establish the qualifications for faculty, and appoint, supervise, and set compensation for faculty. However, the contract allows the OPM to hire and pay its own faculty to deliver 30 percent of the required courses to complete the program. The OPM will provide instructional technology-related helpdesk services to students. The institution will set course requirements, develop the curriculum, and deliver 70

percent of the required courses. The institution will provide academic support services, student support services, and will handle marketing, recruitment, and admissions. The contract is a three-year, fee for services contract in which the institution will pay a flat fee for the bundle of services offered by the OPM.

- An institution is planning to modify and renegotiate a written arrangement that was previously reviewed by the Commission and included within its scope of accreditation wherein the third-party provider offered 30 percent of the educational program. In the renegotiation of the contract, the third-party will be providing 45 percent of the educational program.

10. Establishment, Relocation Reclassification, or Closure of Additional Locations *34 CFR § 602.22(a)(1)(ii)(G)(H)(I)*

An additional location is defined as a domestic or international physical facility or location that is geographically separate from the main campus and within the same ownership structure of the institution, at which the institution will offer at least 50 percent of an educational program that is credit-bearing or Title IV eligible. An additional location participates in the Title IV programs only through the certification of the main campus. An additional location may also be a federal, state, or local penitentiary, prison, jail, reformatory, work farm, juvenile justice facility, or other similar correctional institution, even if a student receives instruction primarily through distance education or correspondence courses at that location. MSCHE uses the federal definition for “additional location” found in 34 CFR § 600.2, and this definition may not be the same as state definitions. The Commission will conform its designation to match the Secretary of Education’s if it learns its designations diverge in accordance with federal regulation *34 CFR § 602.24(f)*.

An additional location may be a classroom building, clinic, hospital, hotel, office building, shopping center, high school, church, or any other appropriate type of facility where instruction can take place as long as the 50 percent applies (a student may complete at least 50 percent of the program requirements for a credit-bearing and/or Title IV eligible educational program at the location). The 50 percent applies if there is the possibility that a student would be able to complete the educational program at that location over time.

The Commission’s requirements for additional location do not include locations, facilities, or buildings that are used solely for administrative purposes or to house servers. It does not include locations where *only* clinical placements, internships, or residency requirements or *only* courses to prepare teachers for state examinations or certification are offered. However, it would include these facilities or locations when 50 percent or more of the educational program, including both clinical and coursework, is offered there.

A location is geographically separate if a new location is not within the same reasonably contiguous geographic area of the main campus if a new location is being established or within the same reasonably contiguous geographic area of the existing location if it is being relocated. There is no specific range of distance that makes a location geographically separate.

The Commission is concerned with ensuring that the additional location has adequate physical facilities and infrastructure, financial resources, student support services, faculty and staffing, and administrative or supervisory organization. The Commission is also concerned with accurately maintaining the institution’s scope of accreditation and keeping the information it collects and displays current, including an accurate list of locations where the institution is operating. When an

additional location that provides 100 percent of at least one program closes, the Commission is concerned with ensuring that the location is closed in an orderly fashion and students are provided with reasonable alternatives for completing their academic programs or credentials through a teach-out plan.

The Commission will require a separate substantive change request for each new additional location established by the institution, including the acquisition of an additional location from another institution as part of an agreement to teach-out students from another institution in accordance with federal regulation 34 CFR § 602.22(a)(1)(ii)(H). If the institution wishes to reopen an additional location that was previously removed from the institution's scope of accreditation, the Commission considers it the establishment of a new location.

The Commission will also require a substantive change request for the relocation, reclassification, or closure of any approved additional location.

- A relocation is moving an existing approved additional location to any new physical location or address, regardless of the geographic distance between the two locations. A relocation is the closure of the existing site and the opening of another site.
- A reclassification is when the educational offerings at the location change enough that it must be reclassified to a new category (see definitions of branch campus, additional location, or other instructional site in the Commission's *Substantive Change Policy and Procedures*). An additional location must be in existence at least 2 years before it may be reclassified to a main campus or branch campus (federal regulation 34 CFR § 600.8)
- A closure is when an institution intends to cease instruction entirely at a location and the location will be removed from the institution's scope of accreditation. If the additional location has been inactive for three or more years, the institution should submit a substantive change request to officially close it. If a location closes that offers 100 percent of a program, the Commission will require a teach-out plan describing how any students remaining in the program will be accommodated in accordance with the Commission's *Teach-Out Plans and Agreements Policy and Procedures* and federal regulation 34 CFR § 602.24(c)(1)(iii).

The Commission requires institutions that began operations at a prison site under the Second Chance Pell Experimental Sites Initiative (SCP ESI) prior to July 1, 2023 to submit a substantive change request form. On July 30, 2021, the United States Department of Education (USDE) announced that it was opening a third round of letters of interest from Title IV eligible postsecondary institutions to participate in the Second Chance Pell Experiment under the Experimental Sites Initiative (SCP ESI). USDE selected a limited number of institutions to participate in the experiment which would run through June 30, 2023. Please see Electronic Announcements (EA ID: GENERAL-21-46). On April 18, 2023, USDE issued guidance for transitioning SCP ESI programs beyond June 30, 2023.

Some requests related to an additional location may require the submission of separate substantive change requests, such as for written arrangements, if instruction will be delivered by a non-accredited third-party provider at the location or the institution plans to offer a credential level that is not currently included within the institution's scope of accreditation at the location.

As part of the approval process, a substantive change site visit is required for the first three new locations. A substantive change site visit is required for the relocation of an additional location

when the institution has fewer than three approved additional locations. A substantive change site visit is required for the first international additional location and for any additional location if the institution is in a non-compliance status.

An institution that is required to move to a new temporary location because of a natural disaster should contact the Commission staff at substantivechange@msche.org to discuss the requirements for substantive change. The Commission does not require a substantive change request to correct spelling or typographical errors or make changes to the address that are required by the United States Postal Service (USPS). Similarly, a change in the name of an additional location does not require substantive change review. All of these changes should be updated by the institution pursuant to the instructions provided in Section IV of this document.

The institution is responsible for ascertaining and understanding Title IV requirements.

Case scenarios and examples:

Additional Locations Sub-Types	Definition	Case Scenarios and Examples
Establish New Additional Location	Establishing a new geographically separate location	<ul style="list-style-type: none"> An institution is planning to develop a dual enrollment program with a local high school. High school students can earn college credit at the same time they complete their high school requirements. The courses will be taught by high school instructors who meet the necessary qualifications established by the institution. It is possible for a student to complete at least 50 percent of the requirements for an Associate’s in Liberal Arts degree at the college. High school students will not be accessing title IV student financial aid (it is not an ESI program).
Acquisition of any additional location of another institution	Establishing a new additional location that an institution has acquired from another institution	<ul style="list-style-type: none"> An institution is planning to acquire a location from another institution that is liquidating unused property. The institution will create a graduate center and offer Master’s and Doctoral level programs at the location.
Acquisition of an additional location that an institution has acquired through a teach-out	Establishing a new additional location at which the institution is conducting a teach-out for students of another institution	<ul style="list-style-type: none"> An institution is planning to permanently acquire an additional location as part of a teach-out agreement. The institution will purchase the property which is contiguous with its main campus. The institution plans to teach-out students at the location and will absorb it into its main campus.
Relocation of Additional Location	Moving an existing approved additional location to any new physical location or address.	<ul style="list-style-type: none"> An institution is planning to relocate an additional location from its current address to a newly constructed, stand-alone classroom building located 2 miles from the existing location. Because of enrollment growth in the Bachelor of Science in Computer Science program, the institution can increase the number of courses offered, and can offer 100 percent of the academic requirements at one location. The institution will hire additional faculty.

Additional Locations Sub-Types	Definition	Case Scenarios and Examples
Reclassification from Additional Location to Other Instructional Site (OIS)	Changing the educational offerings at the location so that the location is now classified as an OIS	<ul style="list-style-type: none"> • An institution is planning to decrease the number of courses offered at an approved additional location and now less than 50 percent of the academic program will be offered there. Because the location no longer meets the definition of an additional location, it should be reclassified to an OIS.
Reclassification to Additional Location	Changing the educational offerings at the location enough that it must be reclassified to a new category	<ul style="list-style-type: none"> • An institution is planning to increase course offerings at an OIS so that more than 50 percent of the Master of Business Administration program can be completed there. Because 50 percent of the program can now be offered there, the OIS should be reclassified as an additional location.
Revised Second Chance Pell Experimental Sites Initiative (SCP ESI)	Participating in the USDE revised SCP ESP	<ul style="list-style-type: none"> • An institution was selected in the SCP ESI program and began operating an eligible educational program at a correctional facility or prison site prior to July 1, 2023. The institution has applied under the revised SCP ESI and submitted the Notice of Intent to the USDE as required.
Closure of Additional Location (no enrollment)	When an institution intends to close an additional location that has already ceased operations	<ul style="list-style-type: none"> • An institution is planning to close an approved additional location that has not been utilized and has had 0 enrollment for the past three years. The institution has no plans to use the location in the future.
Closure of Additional Location (no teach-out)	When an institution intends to cease instruction entirely at an existing additional location	<ul style="list-style-type: none"> • An institution is planning to close an approved additional location that offers 65 percent of one program. Because only 65 percent of the program is offered there, a teach-out is not required.
Closure of Additional Location (with teach-out)	When an institution intends to cease instruction entirely at an existing additional location, and the additional location will be removed from the institution’s scope of accreditation.	<ul style="list-style-type: none"> • An institution is planning to close an approved additional location that offers 100 percent of the Occupational Therapy Assistant program. The institution is experiencing an enrollment decline in the program and a separate location is no longer needed. The institution will continue to offer the program and courses at its main campus. Because the location offers 100 percent of a program, the institution will also submit a Teach-Out Plan.

11. Establishment, Relocation, Reclassification, or Closure of Branch Campuses 34 CFR § 602.22(a)(1)(ii)(I) and 602.24(a)(1-2)

A branch campus is defined as a domestic or international physical location that is geographically separate from the main campus, within the same ownership structure of the institution, and that also (1) is approved by the Secretary as a branch campus, and (2) is independent of the main campus. The branch campus is considered independent of the main campus if it is permanent in nature; offers courses in educational programs leading to a degree, certificate, or other recognized educational credential; has its own faculty and administrative or supervisory organization; and has its own budgetary and hiring authority. A branch campus is distinguished from an additional location by its level of independence.

The MSCHE definition for “branch campus” is the federal definition, and it may not be the same as state definitions. The Commission will conform its designation to match the Secretary of Education’s if it learns its designations diverge in accordance with federal regulation *34 CFR § 602.24(f)*.

A location is geographically separate if it is not within the same reasonably contiguous geographic area of the main campus. There is no specific range of distance that makes a location geographically separate.

The Commission is concerned with ensuring that the branch campus has sufficient autonomy and academic control, as well as adequate physical facilities and infrastructure, financial resources, student support services, faculty and staffing, and administrative or supervisory organization. The Commission is also concerned with accurately maintaining the institution’s scope of accreditation and keeping the information it collects and displays current, including an accurate list of locations where the institution is operating. When a branch campus that provides 100 percent of at least one program closes, the Commission seeks to ensure that the campus is closed in an orderly fashion and students are provided with reasonable alternatives for completing their academic programs or credentials through a teach-out plan.

The Commission will require a separate substantive change request for each new branch campus established by the institution including a branch campus acquired from another institution as part of an agreement to teach-out students in accordance with Commission policy and procedures and federal regulation *34 CFR § 602.22(a)(1)(ii)(H)*. If the institution wishes to reopen a branch campus that was removed from the institution’s scope of accreditation, the Commission considers it the establishment of a new branch campus.

The Commission will also require a substantive change request for the relocation, reclassification, or closure of any approved branch campus.

- A **relocation** is moving an existing approved branch campus to any new physical location or address, regardless of the geographic distance between the two locations. A relocation is the closure of the existing campus and the opening of another campus.
- A **reclassification** is when the educational offerings at the location change enough that it must be reclassified to a new category (the definitions of branch campus, additional location, or other instructional site are provided in the Commission’s *Substantive Change Policy and Procedures*). A branch campus must be in existence for at least two years before it may be reclassified as a main campus (federal regulation *34 CFR § 600.8*)
- A **closure** is when an institution intends to cease instruction entirely at a campus and the branch campus will be removed from the institution’s scope of accreditation. If the branch campus has been inactive for three or more years, the institution should submit a substantive change request to officially close it. If a branch campus that offers 100 percent of a program closes, the Commission will require a teach-out plan describing how any students remaining in the program will be accommodated in accordance with the Commission’s *Teach-Out Plans and Agreements Policy and Procedures* and federal regulation *34 CFR § 602.24(c)(2)(iv)*.

As part of the approval process, a substantive change site visit is required for each new branch campus, a relocation of a branch campus, and any reclassification from any other type of location to a branch campus.

An institution that is required to move a branch campus to a new temporary location because of a natural disaster should contact the Commission staff at substantivechange@msche.org to discuss the requirements for substantive change. The Commission does not require a substantive change request to correct spelling or typographical errors or make changes to the address that are required by the United States Postal Service (USPS). Similarly, a change in the name of a branch campus does not require substantive change review. All of these changes should be updated by the institution pursuant to the instructions provided in Section IV of this document.

The institution is responsible for ascertaining and understanding Title IV requirements.

Case scenarios and examples:

Branch Campus Sub-Types	Definition	Case Scenarios and Examples
Establish New Branch Campus	Establishing a new geographically separate domestic or international branch campus, including the acquisition of any branch campus of another institution	<ul style="list-style-type: none"> • An institution is planning to establish a new domestic branch campus to serve students who live in the greater metropolitan area of the large city where the main campus is located. The institution will offer a limited number of educational programs that were identified in a market analysis as in demand in this particular geographical area. A student will be able to complete at least 50 percent of the requirements of the identified programs at this branch campus. The branch campus will operate independently from the main campus and will have its own advisory board. The institution will offer student support services at the branch campus. The branch campus will establish its own administration with the responsibilities for developing a budget and hiring new faculty. • An institution is planning to acquire a branch campus from another institution. The institution will create a new Law School that will operate with independence from the main campus with a separate board of trustees.
Closure of Branch Campus (no teach-out)	Closing a branch campus when less than 100 percent of a program is offered there	<ul style="list-style-type: none"> • An institution is planning to close an approved branch campus that offers 50 percent of the Bachelor of Science in Nursing (BSN) program. The institution has recently constructed a new Nursing Building on its main campus to accommodate its growing nursing program.
Closure of Branch Campus (with teach-out)	Closing a branch campus when 100 percent of a program is offered there	An institution is planning to close an approved branch campus that offers 100 percent of the Bachelor of Science in Architecture program. The institution will move the architecture program into an existing building on its main campus.

12. Relocation or Reclassification of the Main Campus

The institution is required to identify a main campus physical address. The institution is responsible for keeping the Commission up to date about any significant changes to its main campus. All member institutions are required to have at least one location classified as a main campus. The main campus is defined as the primary physical facility at which the institution offers eligible programs, within the same ownership structure of the institution, and certified as the main campus by the Department and the institution's accrediting agency. The institution's primary administration, classroom buildings, residence halls, library, and other buildings are housed within the same reasonably contiguous geographic area or parcel of land of the main campus. For institutions that offer only distance education programs, the main campus is where its administrative offices are located and approved by its accrediting agency.

The Commission's requirements include changes such as relocation or reclassification of the main campus.

- A relocation is defined as moving the main campus to any new location or address (regardless of the physical distance between the two locations). A relocation is treated as the closure of the existing main campus and the opening of another main campus.
- A reclassification is when the educational offerings at the main campus change enough that it must be reclassified to a new category (see definitions of branch campus, additional location, or other instructional site in the Commission's *Substantive Change Policy and Procedures*). In order to reclassify a branch campus or an additional location as a main campus, the campus or location must be in existence for at least two years (federal regulation 34 CFR § 600.8).

As part of the approval process, a substantive change site visit is required for the relocation or reclassification to a main campus.

An institution that is required to move to a new temporary main campus because of a natural disaster should contact the Commission staff at substantivechange@msche.org to discuss the requirements for substantive change. The Commission does not require a substantive change request to correct spelling or typographical errors or make other changes in the address that are required by the United States Postal Service (USPS). Similarly, a change in the name of the main campus does not require substantive change review. All of these changes should be updated by the institution pursuant to the instructions provided in Section IV in this document.

The institution is responsible for ascertaining and understanding title IV requirements.

Case scenarios and examples:

- An institution is planning to move (relocate) its main campus to a new physical address because the lease will be expiring in four months. The institution has found a new location and has secured a new lease. The academic offerings at the location will not change and the faculty will remain the same.
- An institution is planning to turn a branch campus into its main campus and close and sell the current main campus. The institution has invested significantly in major capital improvements at the branch campus which will enable it to move most of the administrative functions of the institution to this new main campus, and it will become the major hub of educational activity. The existing branch campus will be closed.

13. Institutional Closures 34 CFR § 602.24(c)(2)(iv)

An institutional closure is when the institution plans to close and the institution will cease to exist as a separate educational entity and no longer operate. Upon the date of closure, accreditation will cease. The institution will be legally dissolved in accordance with applicable legal and regulatory requirements.

When an institution closes, the Commission, in its sole discretion, will fix the effective date that accreditation will cease. The Commission will consider the date the institution suggests, however, the date of closure depends on many factors including the capacity for the institution to continue operating, the institution's accreditation status, and the status of teach-out activities to assist students. This date should align with other key dates such as the end date of the teach-out period. The end date of the teach-out period will not extend beyond the date of closure and all teach-out activities, including transfers, must be completed. The date of closure will not extend beyond the date that an institution holds legal authorization or degree granting authority. The institution cannot award degrees after the date of closure/accreditation will cease.

The Commission is concerned with ensuring that the institution closes in an orderly way and provides for the equitable treatment of students through a comprehensive and implementable teach-out plan. Even when an institution is facing imminent closure, the Commission expects the institution to follow the substantive change procedures for a planned institutional closure.

The institution will submit a substantive change request and present a plan for an orderly closure which should include but is not limited to: (1) timely notification to the Commission, (2) a description of the disposition of assets and the necessary steps to dissolve the institution as a legal entity, and (3) a comprehensive and implementable teach-out plan to assist students with completing the requirements for educational programs and credentials or transferring to a new institution before the date of closure. As part of the teach-out plan, the institution may be required to, or it may elect to enter into teach-out agreements with other institutions that are close in proximity and have similar programs so that the transition for students is easy. See the Commission's *Teach-Out Plans and Agreements Policy and Procedures*.

Case scenarios and examples:

- An institution is planning to cease operations entirely because of significant financial challenges. The Board of Trustees has voted to close the institution in approximately 18 months and has notified the Commission. The institution should submit a substantive change request for an institutional closure and describe an orderly plan for closure (including a teach-out plan and agreements). The institution will teach-out its own students.

14. Experimental Sites Initiatives (ESI) as Required by the United States Department of Education USDE

The United States Department of Education (USDE) has invited a limited number of institutions to participate in various ESI intended to encourage institutional innovation. USDE manages the process of inviting and accepting institutions to participate in a particular initiative which are described at <https://experimentalsites.ed.gov/exp/index.html>. USDE may require that institutions obtain approval from the accrediting agency before they may participate. Institutions that are planning ESI programs that require accreditor approval should contact the Commission staff at substantivechange@msche.org as soon as possible to discuss the requirements for substantive change.

The Commission is concerned with ensuring that the institution has the expertise and capacity as described in the experiment in order to provide the necessary approval.

The institution will submit a substantive change request for each ESI program that requires accreditor approval.

Case scenarios and examples:

- An institution has submitted an application for the Educational Quality through Innovative Partnerships (EQUIP) Experiment which requires accreditor approval.
- An institution has submitted an application for another ESI project that requires accreditor approval.

15. Prison Education Programs (PEP) Additional Location

A prison education program is defined as an eligible educational program offered by an institution at a correctional facility (Federal, State, or local penitentiary, prison, jail, reformatory, work farm, juvenile justice facility, or other similar correctional institution) to students who are confined or incarcerated. A confined or incarcerated individual includes any student who is serving a criminal sentence in a Federal, State, or local penitentiary, prison, jail, reformatory, work farm, juvenile justice facility, or other similar correctional institution. An educational program is a postsecondary educational program offered by an institution of higher education that leads to an academic or professional degree, certificate or other recognized educational credential. The educational program must meet the requirements of “eligible” as defined in federal regulation 34 CFR § 668.8.

An additional location is defined as a domestic or international physical facility or location that is geographically separate from the main campus and within the same ownership structure of the institution, at which the institution offers at least 50 percent of the requirements of an educational program. The definition of a PEP additional location includes a location where students would gather for instruction delivered synchronously via streaming media or video conferencing as long as the 50 percent applies. The 50 percent applies if there is the possibility that a student would be able to complete the educational program at that location over time.

The Commission utilizes the federal definition of additional location in *34 CFR § 600.2* and will conform its designation to match the Secretary of Education’s if it learns its designations diverge in accordance with federal regulation *34 CFR § 602.24(f)(1-3)*.

The Commission will require a substantive change request, prior to implementation, for each new prison education program (PEP) additional location and the first PEP eligible educational program offered at that location (one substantive change request). A PEP additional location cannot be acquired from another institution but an institution can submit a substantive change for a new PEP additional location (and teach-out students currently enrolled at that location). As part of the approval process, a substantive change site visit is required for each new PEP additional location that is established (including the reclassification of an OIS to a PEP additional location). An institution may choose to operate only courses or ineligible programs at a state correctional facility or a federal prison site but they cannot access Title IV funding (federal Pell grants). If an institution intends to offer 50 percent or more of an educational program at the prison location (and will not apply for Federal Pell Grants for Prison Education Programs) it must still submit a substantive change request for the establishment of a new additional location. The additional location will not be designated as a PEP additional location. If less than 50 percent of a program

(or just one course) will be offered, then the institution must report the prison site as an "other instructional site (OIS)" in the Institution portal so that it is listed on the institution's statement of accreditation status (SAS). The other instructional site will not be designated as a PEP.

The Commission will require a substantive change request for only the **first additional PEP offered by a new method of delivery**. Methods of educational delivery include in-person, distance education, correspondence courses, and direct assessment. The purpose of the review is to ensure the institution's ability to offer and implement the program via that method of delivery.

The Commission will also require a substantive change request for the reclassification or closure of any approved PEP additional location.

- A **reclassification** of another instructional site (OIS) to a PEP additional location will occur when an institution has an existing OIS at a correctional facility or federal prison and wishes to transition it to a PEP additional location. Because only programs are eligible for PEP (to access federal Pell grants), and not courses, a PEP must be an additional location (and not an OIS).
- A **closure with teach-out** is when an institution intends to cease operating at a PEP additional location where the institution offers 100 percent of a program and there are students currently enrolled in the program. The institution must submit a teach-out plan and teach-out agreements describing how any students remaining in the program will be accommodated in accordance with the Commission's *Teach-Out Plans and Agreements Policy and Procedures* and federal regulation 34 CFR § 602.24(c)(2)(iv). The PEP additional location will be removed from the institution's scope of accreditation.
- A **closure without teach-out** is when an institution intends to cease operating at a PEP additional location where the institution does not offer 100 percent of a program and/or there are no students currently enrolled. A teach-out plan and agreements are not necessary. The PEP additional location will be removed from the institution's scope of accreditation.

The Commission is concerned with ensuring that the PEP additional location has adequate physical facilities and infrastructure, financial resources, student support services, faculty and staffing, and administrative or supervisory organization. The Commission also reviews the quality of educational programs offered at the PEP additional location. Credits earned in the program must be able to be transferred to at least one other institution. In addition, the institution may not enroll incarcerated students in a program that is designed to lead to licensure or employment or a specific job or occupation in the State(s) where most incarcerated individuals in that facility will reside upon release if such job or occupation typically involves prohibitions on the licensure or employment of formerly incarcerated individuals as required by 34 CFR § 668.236(a)(8).

In order for any confined or incarcerated individual to receive federal Pell Grant funds, the student must be enrolled in an eligible PEP which is approved by the institution's accrediting agency as well as the USDE. Therefore, the institution will need to be aware of and ascertain the specific requirements for approval by the USDE.

Federal regulations prohibit for-profit institutions from participating in Federal Pell Grants for Prison Education Programs and these institutions therefore, cannot access Pell grants or Title IV funding for these locations/programs.

Federal regulations prohibit institutions with a negative action from USDE, an accrediting agency, or State authorizing agency from participating in Federal Pell Grants for Prison Education Programs. A negative action is defined as a non-compliance action in the past five years or a current adverse action for failure to meet the agency's standards or requirements.

After review and action by the Commission, the institution must complete the application process for USDE and report the new PEP additional locations in the E-App system. The Commission requires that the institution then submit the updated Eligibility Certification and Approval Report (E-CAR) to the Commission reflecting the change as soon as it is available. Email the updated E-CAR to substantivechange@msche.org.

The Commission will request a supplemental information report when it takes action on the substantive change for the new PEP additional location due in two years. The institution must submit an update on the prison education program and the Best Interest Determination by the oversight entity. The Commission will determine if the methodology for how the institution, in collaboration with the oversight entity, made the determination that the PEP meets the same standards as substantially similar programs that are not PEPs at the school.

Case scenarios and examples:

- An institution is planning to offer an eligible prison education program (PEP) at a state correctional facility.
- An institution is planning to add the first additional eligible prison education program (PEP) offered via distance education at a PEP additional location that was approved last year. Previously, the institution offered in-person courses at the prison site.
- An institution will cease operations at a federal prison site where students are currently enrolled. The institution will develop a teach-out plan and make arrangements through a teach-out agreement with another local institution to take over the program at the prison. The other institution will need to apply for a new PEP.
- An institution will cease operations at a juvenile justice facility that has not had any students enrolled for two years.

III. Required Notifications or Prior Approvals

Federal regulations 34 CFR § 602.22(b) identify institutional changes, described below, which the institution must submit to the Commission (changes initiated after July 1, 2020). The method for submission depends on the accreditation status of the institution as described in the *Substantive Change Procedures*. If the institution has not had any non-compliance action in the past three years and is not on a provisional certification for title IV participation, the institution will then submit the required notification to the Commission for the changes described below. Institutions that have had a non-compliance action in the past three years or are on a provisional certification for title IV participation must submit a request form to the Commission and obtain prior approval.

1. Change in an Existing Program's Method of Delivery 34 CFR § 602.22(b)(1)

This change is defined as any change in an existing educational program's method of delivery from a traditional, face-to-face delivery method to a new alternative mode of delivery. This

applies when the institution will convert the program to a new delivery method and will no longer offer the face-to-face option or when the institution will continue to offer both options. For a change in a program to a distance education delivery method, the institution should submit a notification or prior approval request form when 50 percent or more of the program will be offered through distance education. The 50 percent applies to all of the requirements of the program including general education and core curriculum courses. The 50 percent applies to courses that are offered in their entirety online (100 percent) although courses utilizing mixed delivery or hybrid methods may be part of the program.

If an institution does not have the alternative delivery method already included within its scope of accreditation, the institution must first submit a substantive change for #4 Alternative Delivery Method. Once an alternative delivery method is included within the institution's scope of accreditation, the institution must report a change or obtain prior approval. If the institution has not had any non-compliance action in the past three years and is not on a provisional certification for Title IV participation, the institution will then submit the required notification to the Commission for subsequent changes to an existing program's method of delivery. Institutions that have had a non-compliance action in the past three years or are on a provisional certification for Title IV participation must submit a request form to the Commission and obtain prior approval for each subsequent change to an existing program's method of delivery.

Case scenarios and examples:

- An institution has already submitted a substantive change request for the distance education alternative delivery method and distance education is included within its scope of accreditation. The institution has recently converted another program to a fully online program. For this program, it will continue to offer the face-to-face option as well as an online option. The institution has not had any non-compliance action in the past three years and it does not have a provisional certification for participation in title IV, HEA programs so the institution will report this change in the Substantive Change Screening Form in the Institutional Portal within 30 days of implementation.
- An institution already submitted a substantive change request for the distance education alternative delivery method and distance education is included within its scope of accreditation. The institution was placed on warning by the Commission 2 years ago, so it must submit the substantive change request form that it downloaded from the MSCHE Substantive Change website prior to implementing the program.

2. Aggregate Change of 25 Percent or More of a Program's Curriculum *34 CFR § 602.22(b)(2)*

This change is defined as an aggregate change of 25 percent or more to a program's curriculum since the institution's most recent accreditation review. Because most changes in curriculum are covered under substantive change No. 8 Substantial Increase in the Number of Clock or Credit Hours Awarded, this category will focus on those changes that result in a decrease in clock or credit hours. The institution should contact the Commission staff at substantivechange@msche.org to discuss the requirements for substantive change if the institution is planning any significant changes to a program's curriculum.

The institution will submit a notification or request form for each program it is planning to change that will amount to an aggregate change (decrease) of 25 percent or more in clock or credit hours. The method for submission depends on the accreditation status of the institution as described in the *Substantive Change Procedures*.

Case scenarios and examples:

- An institution is planning to reduce the number of credits required for completion of the Master of Divinity program from 110 credits to 80 credits to align the program requirements with other similar programs throughout the country. The change constitutes a 28 percent decrease in the number of credits required to complete the program. The institution has not had any non-compliance action in the past three years and it does not have a provisional certification for participation in title IV, HEA programs so the institution will report this change in the Substantive Change Screening Form in the Institutional Portal within 30 days of implementation.

3. Customized Pathways or Modified Programs 34 CFR § 602.22(b)(3)

This change is defined as the development of any specific customized pathway or abbreviated or modified program to accommodate and recognize a student's existing knowledge or close competency gaps between demonstrated prior knowledge or competency and the full requirements of a particular program. The institution might modify its curriculum or academic requirements of an educational program to meet the needs of an industry advisory board and employers who hire program graduates; the institution is creating an abbreviated or customized program that focuses on specific competencies. Such customized pathways or modified programs may also be developed to recognize a student's existing knowledge that may have been attained through employment or military service. The program recognizes that prior knowledge and builds on it to help the student earn credentials in a specific competency that is lacking. This requirement does not mean that an institution must submit a request to the Commission prior to awarding prior learning credit or admitting a student into a program. This requirement is about the development of customized, modified, or abbreviated *programs*.

Case scenario and example:

- An institution is planning to develop a customized program for Certified Occupational Therapy Assistants (COTA) to obtain a bachelor's degree in Occupational Therapy. The customized program will apply credits for prior learning for on-the-job experience but will also include modules for specific competencies with which a COTA would have limited experience such as patient assessment and evaluation. The bachelor's program will prepare students to pursue a master's degree program in occupational therapy, which is required to earn an occupational therapy license. The institution was placed on probation by the Commission 1 year ago, so it must submit the substantive change request form that it downloaded from the MSCHE Substantive Change website prior to implementing the program.

4. Written Arrangements for the Provision of 1-24 Percent of an Educational Program 34 CFR § 602.22(b)(4)

This change is defined as the initiation of a domestic written arrangement under which an institution or organization that is not certified to participate in title IV programs will provide

1-24 percent of the institution's educational programs.

For purposes of substantive change, a written arrangement is defined as a formal agreement for the provision of a portion of an institution's credit bearing or title IV eligible educational program by a domestic third-party provider that is not certified to participate in the title IV federal student financial aid funding programs. A written arrangement is considered domestic if it is an arrangement with an entity that is located or based inside the United States and the program will be implemented in a location that is located inside the United States. An educational program is a postsecondary educational program offered by an institution of higher education that leads to an academic or professional degree, certificate or other recognized educational credential. An entity that is not accredited by a United States Department of Education (USDE) recognized accreditor is not certified to participate in title IV programs.

The services provided by the third-party are for the provision of a credit-bearing or title IV eligible educational program such as the instruction or delivery of courses but may also include some combination of services including but not limited to curriculum development, online delivery of courses, student services, setting and validating admission requirements, or assessment. See *Contracts by Accredited and Candidate Institutions for Education-related Services and Third-Party Providers Guidelines* for guidance and best practices related to contractual and written arrangements.

Because there is ambiguity about what constitutes a written arrangement, the Commission is providing examples of what is **not** considered a written arrangement for purposes of substantive change. It is **not** necessary to submit a substantive change when:

- The third-party is accredited by a United States Department of Education (USDE) recognized accreditor.
- The third-party provides *only* instruction for non-credit or non-title IV eligible educational programs.
- The third party is sharing responsibilities for an educational program with another institution (i.e. a training academy, articulation agreement, dual degrees), but the member institution will maintain general oversight of the program.
- The third-party provides visiting instruction in a course that belongs to the institution and that is overseen by a qualified instructor employed by the institution.
- The contract is solely for goods and services that support the learning environment but are not for the provision or delivery of instruction in credit-bearing or title IV eligible educational programs.
- The third-party provides *only* goods (books, supplies, or equipment) or services that support the educational program such as the platform for online instruction.
- The contract provides *only* for the articulation or transfer of courses that are transcribed as transfer credit on the students' transcripts and not the outsourcing of courses carrying academic credit from the institution.
- The contract establishes conventional arrangements for internships, clinical placements, practica, and/or study abroad courses or programs.

Case scenario and example:

- An institution is planning to enter into a written arrangement with a domestic non-accredited entity to develop simulated laboratory experiences for students who are taking courses online. The written arrangement will provide the content for laboratory

experiments, a cloud-based learning platform, and physical kits with the laboratory equipment and materials for each student. The laboratory components comprise 20 percent of the program requirements. The institution has not had any non-compliance action in the past three years and it does not have a provisional certification for participation in title IV, HEA programs so the institution will report this change in the Substantive Change Screening Form in the Institutional Portal within 30 days of implementation.

IV. Reporting Lower Credential Levels

The institution will report the initiation of lower credential levels through the Substantive Change Screening Form in the Institutional Portal, which is available at any time. Credential levels that are lower than those currently included within the institution's scope of accreditation do not require prior approval through substantive change but these credential levels will still be included within the institution's scope of accreditation and listed on the Institution's Statement of Accreditation Status (SAS).

V. Maintaining and Making Changes to Institutional Data

The Commission maintains data about institutions as part of substantive change and ongoing monitoring activities. Institutions should continually verify and update information to ensure that all of the data the Commission holds on an institution is accurate, including information displayed on the Institution Directory and the Statement of Accreditation Status (SAS), in accordance with the Commission's *Communication in the Accreditation Process Policy and Procedures*. The institution can update certain data fields through the secure MSCHE portal and a substantive change review is not required. However, some data fields are not editable by the institution in the portal. In these situations, the institution must send an email to support@msche.org requesting the change. The Commission staff will inform the institution about the process for making a particular kind of change including any documentation that might be required to make the change.

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Related Documents: *Substantive Change Policy; Substantive Change Procedures; Complex Substantive Change Procedures; Travel Policy; Travel Procedures; Dues and Fees Policy; Dues and Fees Procedures; Contracts by Accredited and Candidate Institutions for Education-related Services; Degrees and Credits; Related Entities; Separately Accreditable Institutions; Teach-Out Plans and Agreements Policy; Teach-Out Plans and Agreements Procedures; Third Party Providers Guidelines; C-RAC Statement of Competency-Based Education (June 2015)*

Federal Regulations: 34 CFR Part §602 The Secretary's Recognition of Accrediting Agencies, §602.22 Substantive change and §602.24(b) Change in ownership; 34 CFR Part §668: Student Assistance General Provisions; and 34 CFR Part §600.31 – Change in ownership resulting in a change in control for private nonprofit, private for-profit and public institutions.