

## Document 2c

# Substantive Change Policy

Institutions need flexibility and have the prerogative to make changes in curriculum, programs, and structures to advance their missions, innovate and adapt to changing circumstances, and improve their programs. WSCUC in turn has the responsibility to determine whether certain changes may pose risk to or negatively affect the institution's quality, objectives, independence or resources, or trigger conditions established under federal law that require review.

## Policy Statement

The purpose of this policy is to outline what constitutes a substantive change, to identify the various types of review for substantive change proposals, and to describe the factors that will be considered in determining the appropriate review process and decision options. All candidate and accredited institutions are expected to follow the requirements of this policy. Substantive changes need to be reported and approved in advance of implementation. A separate section of this policy describes the procedures for notifying WSCUC and seeking the Commission's approval.

The Commission requires that institutions submit a substantive change request for review and action before a change can be included in an institution's scope of accreditation. In some cases, the request will be treated as notification, with no further action needed. In other cases, the request will trigger staff or committee review. Following a request for review, WSCUC will notify the institution of the next steps, as indicated below.

A comprehensive explanation of the Commission's policies and procedures regarding Substantive Change appears in the [Substantive Change Manual](#), which is available on the WSCUC website. All related forms are also available on the website.

## Definition and Standard of Review

A substantive change is a change to an institution's mission, educational programs,<sup>1</sup> scope, control, or organizational structure that needs to be reported to and approved by WSCUC in advance of implementation.

The standard of review for substantive changes is whether a substantive change would adversely affect the institution's capacity to meet WSCUC Standards of Accreditation.

The Commission's review procedures are tailored to different types of substantive changes with consideration for the scope and significance of each change for the institution.

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<sup>1</sup> Programs referred to in this policy are those that meet WSCUC's definition of an educational program: a program of courses carrying academic credit leading to a credential (degree, diploma, certificate etc.).

## Types of Review

Substantive changes are subject to different types of review with varying degrees of breadth and depth, depending on the nature and scope of the proposed change. The types of review include:

### Staff Review and Decision

1. **Routine changes** within the institution's current scope of accreditation, such as a request to offer an academic program in a discipline closely related to the institution's existing offerings, changes to existing program content or the way an institution measures student progress such as quarters or semesters, a new program that does not require substantial new courses to implement, or entering in to written arrangements described under types of substantive change below .

### Commission Review and Decision

1. Peer review by the Substantive Change Committee for **significant but focused** changes, such as new programs representing a departure from the institution's academic portfolio or alterations to delivery methods of existing programs.
2. Peer review by the Substantive Change Committee and by the Commission Structural Change Committee for **changes that reach beyond a program and affect** the institution as a whole.
3. Peer review by a team of evaluators (a comprehensive evaluation for **changes that significantly affect** the institution as a whole **and/or may pose challenges** to its ability to meet WSCUC Standards of Accreditation.
4. Peer review through the Eligibility and Seeking Accreditation process for **changes that result in the creation of a fundamentally new institution.**

The WSCUC president, in coordination with or by delegation to staff, determines the appropriate level and process of review. WSCUC uses institutional performance data to assist in making these determinations.

For all non-routine changes (review types 2-5), in addition to the institutional proposal, WSCUC staff shall provide provide the reviewers with an analysis of the institution's financial health and with information from the WSCUC Key Indicators Dashboard (KID), including its disaggregated student success outcomes since the institution's last reaffirmation of accreditation or its initial accreditation, at a minimum. The institution may submit its own analyses of educational effectiveness and student outcomes as part of its substantive change proposal. WSCUC analyses of institutional performance, along with information submitted by the institution, will be used by WSCUC staff, committees, review panels, and the Commission to inform its evaluation as to whether, in the context of current and recent performance, the proposed changes would negatively affect the institution's capacity to meet WSCUC Standards.

In general, WSCUC will organize consideration of substantive change proposals to assure that decisions are made with the necessary information. WSCUC may approve or deny requests; reschedule or add reviews or requests for information; postpone consideration of a substantive change proposal pending another WSCUC review, action, or other related development.

## Types of Substantive Changes<sup>1</sup>

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Substantive changes include but are not limited to the following:

1. Any significant change in the established mission or objectives of the institution.
2. Any change in the form of control or ownership of the institution, including a change in the controlling share of ownership, merger with one or more institutions, or change in legal status including a transition between non-profit/for-profit status.
3. The acquisition of any other institution, or any program or location of another institution.
4. The addition of courses or programs representing a significant departure from the existing offerings of educational programs, or method of delivery that were offered when WSCUC last evaluated the institution.
5. The initiation of an educational program in which 50% or more of the program is offered through distance education or is electronically mediated.
6. The initiation of any educational program in which the requirements for graduation are based on the mastery of competencies rather than the accrual of credit hours, including direct assessment programs.
7. The addition of academic programs of study at a degree level above or below that which is included in the institution's current accreditation or pre-accreditation (candidacy).
8. The establishment of a joint or dual degree with another institution.
9. A change in the way the institution measures student progress in credit or clock hours, including semester, trimester, or quarter-based systems, or using time or non-time-based methods.
10. A substantial change (25% or more) in the number of clock hours or credit hours awarded, or a change in the level of credential awarded, for successful completion of one or more programs.
11. Entering into a written arrangement under which an institution or organization not certified to participate in Title IV, HEA programs offers 25% to 49%<sup>2</sup> of one or more of the accredited institution's educational programs.
12. The establishment of an additional location or branch campus at which the institution offers at least 50% of an educational program.
13. The establishment of an international branch campus or additional location.
14. The addition of a permanent location at a site at which the institution is conducting a teach-out for students of another institution that has ceased operating before all students have completed their program of study.

Note that the following types of actions are not considered substantive changes: changing the name of an academic program, department, college, school, or university; reorganizing the administration, a division, college, or school; closing a department; or eliminating a degree program.

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<sup>1</sup> Types of changes are informed by federal regulations. See 34 Code of Federal Regulations Section 602.22 *Substantive Changes*

<sup>2</sup> 34 Code of Federal Regulations Section 668.5, *Written Arrangements*. WSCUC will review and return a decision within 90 days of receipt of a materially complete request, unless staff or the Commission determine significant circumstances related to the request require a review by the agency's decision-making body to occur within 180 days.

## Institutional Responsibilities

Each institution is responsible for developing internal procedures to assure that it is in compliance with the Commission's substantive change policies and procedures, and that new sites or programs are not

initiated without obtaining the necessary approvals. Questions about whether a new program or site constitutes a substantive change should be addressed to the WSCUC Assistant Vice President of Substantive Change. If the Commission determines that a site or program has been initiated without such approval, the institution may be required to cease enrollments at that site, or for that program, until the necessary substantive change approval(s) have been obtained. If the Commission determines that an institution has undertaken a change of ownership control without Commission approval, the Commission will take appropriate action, which may include sanctioning the institution. Where there is repeated or a pattern of non-compliance, or where non-compliance appears to be intentional, the Commission will consider this as a possible violation of an institution's responsibilities under the Institutional Integrity portions of Standard 1.

## Procedures for Substantive Change Reviews

[The [Substantive Change Manual](#) describes the review process in more detail.]

### New programs and adjustments to existing programs

1. **Request for new program:** Requests [or proposals] for new academic programs or adjustments to existing programs must be submitted to WSCUC prior to implementation to determine the appropriate level of review. An adjustment to a program may require WSCUC review when 25% or more of the curriculum (as measured by credit hours) or degree requirements is altered. A New Program Request is completed electronically by the institution's Accreditation Liaison Officer. Requests should be submitted well in advance of the program's anticipated implementation (ideally six to nine months) in case a committee review is required. Information required in the initial Request includes:
  - a. Program name and requested implementation date
  - b. Degree level and modality
  - c. Number of new courses required
  - d. Number of new faculty required
  - e. Description of any significant additional library/learning resources, student services, equipment, or facilities that will be needed to support the program
  - f. Description of financial resources needed to initiate and support the program
2. **Required reviews:** WSCUC requires the first three programs at each new degree level to undergo Substantive Change Committee review. The first three programs in each modality also require Substantive Change Committee review. Each competency-based or direct assessment program will be reviewed. Review of each new program is also required for institutions on sanction (warning, probation, or a show-cause order), and in Candidacy status.
3. **Types of new program reviews:** WSCUC staff designated by the President will assign the program to the appropriate review level. The level of review assigned by the staff is final and cannot be appealed.
  - a. **Staff review:** New programs determined to be routine and in accordance with the current scope of the institution shall be reviewed and, as appropriate, approved by WSCUC staff, based on information submitted in the New Program Request.

Supplemental information to the New Program Request may be required to assist in that determination.

- b. **Substantive Change Committee review:** New programs deemed to be complex and/or with the potential to pose a risk to the institution will be reviewed by a panel of peer reviewers from the WSCUC Substantive Change Committee. The institution will prepare a New Program Request proposal (available on the WSCUC website) prior to the panel review containing information reflected in #4 below (Required Documentation). The panel review will include participation of the institution through remote interaction. If the panel is unable to determine, based on the submission, whether the proposed program will comply with WSCUC Standards of Accreditation, it may allow resubmission of a revised proposal. The panel may conduct an on-site evaluation. The panel will then make a recommendation to the Commission.
  - c. **Commission Review:** The Commission will consider the panel recommendation (typically at its monthly Executive Committee meetings), and may:
    - i. Approve the change;
    - ii. Approve the change with conditions;
    - iii. Defer action pending requested information;
    - iv. Deny the change;
    - v. Require a Special Visit or reporting; or
    - vi. Require a comprehensive evaluation if the changes significantly affect the institution as a whole and/or pose challenges to its ability to meet WSCUC Standards of Accreditation.
4. **Required documentation:** The proposal will provide information on the following areas: program overview, institutional context, relevant accreditation history, program need, planning/approval processes, curriculum, plans for evaluating educational effectiveness and student outcomes, schedule/format, admissions, faculty, student support services, library and information resources, technology, and physical and financial resources. Additionally, a discontinuation plan will be required to inform WSCUC of the institution's plans to accommodate students if at a future date the institution decides to terminate the program. The information will be evaluated using the criteria for review of the WSCUC Standards of Accreditation.

## **Changes to organizational structure, including institutional mission, ownership, legal status, or control**

### **1. Definitions:**

- a. A **change in mission** is defined as one involving a significant change to the institution's defining character, strategic goals, and/or educational offerings, and that possibly affects the composition of its leadership, faculty, student body, sponsoring or related entity, and/or other key stakeholders. Examples of significant changes of mission may include moving from offering only undergraduate liberal arts programs to adding an array of graduate-level or professional programs; moving from offering a highly specialized program or set of programs to offering programs in multiple unrelated disciplines; moving from on-ground only offerings to primarily or entirely online programs; converting from a faith-based to a secular orientation; or converting to an entirely competency-based delivery model. This type

of change also may be brought about in conjunction with other categories of change including ownership, control, or legal status.

- b. A **change in control** of the institution is defined as a change in the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of an institution, whether through the ownership of voting securities, by contract or otherwise. Applicable to both for-profit and non-profit entities, a change of control may occur when, for these purposes, 25% or more of the members of the governing board change or 25% or more of the controlling parties change outside of normal board rotation. This kind of change may be associated with a change of ownership or with a conversion from one legal type to another. A change of control also occurs when in a single transaction or a series of related transactions any person acquires or loses control as set forth in 34 C.F.R. 600.31.
  - c. A **change in ownership** is defined as a change of ownership or ownership interest meaning a legal or beneficial interest in an institution or its corporate parent, or a right to share in the profits derived from the operation of an institution or its corporate parent. Changes of ownership may involve an asset purchase, merger, equity purchase, and any other transaction or corporate action in which owners or investors would, for various reasons, invest or change their investment in the institution. For these purposes, a change in ownership occurs where, in either a single transaction or a series of related transactions, the institution entity issues or transfers at least 25% of its ownership interests, or any individual, trust, estate, partnership, association, company, or corporation acquires or ceases to own at least a 25% ownership interest.
  - d. A **change in legal status** is defined as a change in the institution's financial structure type from either public, private not-for-profit, or private for-profit status to another type.
2. **Required documentation:** The institution will submit a proposal (template available on WSCUC website) that supplies information that will be evaluated as to its conformity with WSCUC Standards of Accreditation:
- a. Documents that establish the legal definition and status of both the current and the proposed ownership and governance entities.
  - b. Documents that describe the relationship between the institution's ownership entity and
    - i. Its governing board and
    - ii. Any other legally related entities, in order to ensure compliance with WSCUC's expectation for an independent and qualified governing board. These documents include the bylaws or the equivalent organizing document and a list of proposed board members and administrative leadership with their affiliations, qualifications, and all pertinent conflicts of interest.
  - c. If the institution or a related entity of the institution is a for-profit organization, a description of how the proposed ownership will be held (as stock, shares of ownership, membership interests, or other types) and of the relationship between ownership interest and voting authority on the institution's governing body.
  - d. A description of how a proposed transfer of ownership or control will affect the exercise of institutional control, authority, governance, and the institution's ability to meet the Standards of Accreditation.
  - e. Other documents specified in the current substantive change template form

for a change of mission/legal status/ownership/control.

- 3. Review Determination:** WSCUC staff shall examine the proposal, supporting documentation and/or other facts and circumstances of a proposed change to determine the appropriate review procedure to be followed. When a determination is made to refer the application to the Substantive Change Committee, a recommendation for Commission action will be made only when the Substantive Change Committee has found the proposed change is complete and can be recommended for approval.<sup>2</sup> This recommendation is referred to the Commission's Structural Change Committee for review and action, which is then referred to the full Commission.

Based on the staff's assessment, an institution submitting a proposal shall be placed in one of the following institutional review procedures:

- At a minimum, a change of legal status, ownership, control, or mission requires review by the Structural Change Committee which will make a recommendation to the Commission. The staff may modify the review process as it deems appropriate based on the nature and complexity of the proposed change.
- Typically, a change of ownership or control when combined with a change of mission will trigger a Comprehensive Review in the form of an Accreditation Visit. This review – including a self-study and an off-site and on-site team visit – will be scheduled by WSCUC as soon as reasonably practicable.
- When several substantive changes taken together in effect create a new institution with significant modifications in mission, governance structures, personnel, faculty composition, curriculum, and/or modes of delivery, the institution shall be required to proceed through Eligibility to Candidacy and/or Initial Accreditation. This determination may be made during the preliminary review by staff, or later by the Substantive Change or Structural Change Committee. An institution in this circumstance will maintain its current status until the status is changed by Commission action.

An institution may request reconsideration of a staff determination as to the required level of review for a change to organizational structure by submitting to the WSCUC President within 30 days a statement of reasons supporting the request for reconsideration. The President shall issue a decision on the reconsideration request within 30 days. The President's decision shall be final.

For changes resulting in the "merger" of two institutions, whereby an institution is acquired and realigned as a location or part of another institution, federal requirements require that such an arrangement be processed in two steps. First, it is to be reviewed by WSCUC as the acquisition of another institution. Once the Department of Education has approved the change in ownership, the institution will apply in a second step for realignment of the institution where the acquired institution will become a location or part of the acquiring institution.

Questions about which level of institutional review likely applies should be directed to the WSCUC Assistant Vice President of Substantive Change.

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<sup>2</sup> A recommendation by the Substantive Change Committee is a positive step in the process but does not guarantee that a proposal will be approved either by the Structural Change Committee or the Commission.

#### 4. Review process:

- a. **Substantive Change Committee review:** Proposed changes in mission, ownership, legal status, or control will undergo peer review by a panel from the Substantive Change Committee. The panel review will include participation of the institution through remote interaction. The panel will conduct an on-site evaluation for the proposed change, which may be waived at the panel's discretion. The panel will make a recommendation to the Commission for its consideration of the proposal.
- b. **Commission review:** The Commission Structural Change Committee will then review the proposed recommendation. The institution will participate in the committee's review either remotely or in-person. Following review, the committee will make a recommendation to the Commission. The Commission may:
  - i. Approve the change;
  - ii. Approve the change with conditions;
  - iii. Defer action pending requested information;
  - iv. Deny the change;
  - v. Require a Special Visit or other reporting (a six-month post implementation visit is required by the U.S. Department of Education for changes in organizational structure); or
  - vi. Require a comprehensive evaluation if the proposed change affects the fundamental nature of the institution or the institution's ability to meet the Standards of Accreditation, or if there are serious concerns about the institution's overall capacity to implement the proposed change.

## New Off-Campus Locations

### 1. Definitions:

- a. **Additional location:** An additional location is an instructional site where 50% or more of at least one program is offered. This applies to locations within the United States and abroad.
- b. **Branch campus:** To be designated as a branch campus, the location must meet all of the following requirements:
  - i. Offers courses in educational programs leading to a degree, certificate, or other recognized educational credential;
  - ii. The location is permanent in nature;
  - iii. The location has its own faculty and administrative or supervisory organization; and
  - iv. The location has its own budgetary and hiring authority.

2. **Request for new location:** A new location request, completed electronically by the Accreditation Liaison Officer, must be submitted in order to allow a determination of the appropriate level of review. Requests should be submitted well in advance of the location's anticipated implementation. Information required in the initial request will include:

- a. Location name and requested implementation date
- b. Address
- c. Type of location (additional location or branch campus)

3. **Types of reviews:** WSCUC staff will assign a level of review based on the type of location

being requested.

- a. **Staff review:** New additional locations or branch campuses (beyond the first) may be reviewed and approved by WSCUC staff.
- b. **Substantive Change Committee review:** The first branch campus will be reviewed by a panel of peer reviewers from the WSCUC Substantive Change Committee. The institution will prepare a proposal document (template available on the WSCUC website at <https://www.wscuc.org/subchangetemplates>) prior to the panel review. The panel will make a recommendation to the Commission, which will approve or deny the requested change.

**4. Required documentation:** The institution will submit a proposal that supplies information on the following areas: overview of the proposed location, role of faculty, student support services, physical resources, and budget.

**5. Visit Requirements:**

For Additional locations, a post-implementation site visit is required (within six months of establishment) if the institution:

- Has three or fewer additional locations
- Has not demonstrated a proven record of effective educational oversight of additional locations or has not demonstrated to WSCUC's satisfaction that the location is meeting all of WSCUC's standards that apply to that location; or
- has been placed on warning, probation, or show cause by WSCUC or is subject to some limitation imposed by WSCUC or is in candidacy status.

For all Branch Campuses, a post-implementation visit is required (within six months of establishment).

A post-implementation visit is required for locations participating in an eligible prison education program (PEP) where students will be able to access federal financial assistance through the Pell Grant program.

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