

Levels of Review for Proposed Changes in Mission, Legal Status, Ownership, or Control Policy

Context

Pursuant to the Commission's Substantive Change Policy and Substantive Change Manual, changes in mission, legal status, ownership, and form of control are classified as Structural Changes, requiring a review by the Substantive Change Committee and the Structural Change Committee of the Commission, prior to approval by the Commission. There are also definitions and requirements established in federal regulations that have been taken into consideration in the preparation of this policy. It is the institution's responsibility and obligation to prepare and submit a request for a Structural Change, in accordance with the Substantive Change Policy, that provides complete and thorough documentation that explains the proposal and its anticipated effect on the accredited institution. Approval is at the discretion of the Commission.

At a minimum, a change of mission, legal status, ownership, or form of control request will require a structural change review. In some cases, the institutional changes envisioned may require the Commission to conduct a comprehensive institutional review. In other cases, the proposed change may be so comprehensive that the institution will be considered a new entity, requiring it to progress through Eligibility to Candidacy and/or Initial Accreditation.

The purpose of this policy is to identify the factors that will be taken into account to determine the appropriate level of institutional review. Whether the changes trigger a Structural Change review, a comprehensive review, or result in the creation of an entirely new institution, requiring an Eligibility review, is determined by the magnitude of the change.

Institutions implementing a change in mission, legal status, ownership, and/or form of control without appropriate Commission approval are subject to Commission sanction, including the possibility of termination of accreditation.

Types of Structural Change

The following types of changes, which affect the mission, legal status, ownership, and/or form of control, of an institution, must be approved in advance of implementation.

1. **Change of Ownership.** Ownership or ownership interest means 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.

2. **Change of Control.** Control means 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.
3. **Change in Legal Status.** Legal status means public, private not-for-profit, or private for-profit.
4. **Change of Mission.** A change of mission involves 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 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 the three previous categories of change.

Procedures for Determining the Appropriate Level of Institutional Review

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 ready to be approved. 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 Structural Change 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 a *Structural Change review*. The Commission 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*. This review – including a self-study and an off-site and on-site team visit – will be scheduled by the Commission as soon as reasonably practicable.
- An institution shall be required to proceed through *Eligibility to Candidacy* and/or *Initial Accreditation* when several forms of change, taken together, result in significant modifications in mission, governance structures and personnel, related entity, faculty composition, curriculum, and/or modes of delivery, resulting in effect in the creation of a new institution. For example, where a proposal would result in a change of ownership, control, and mission, WSCUC staff will presume that the proposed entity would result in a new institution. An institution required to proceed through Eligibility will maintain its current status with the Commission until the Commission has granted the institution a new status.

Even if the staff preliminarily determines that a proposal may go through the Structural Change process, the Substantive Change or Structural Change committees may determine that the change is of such a magnitude as to require the institution to withdraw its substantive change request and instead initiate the formal procedures that lead to Initial Accreditation.

Request for Consideration

An institution may request reconsideration of a determination as to the level of review to the WSCUC President within 30 days of the staff determination with a statement of reasons supporting the request. The President shall review the staff determination and institution's request for reconsideration and issue a decision within 30 days. The President's decision shall be final.

Questions about which level of institutional review likely applies should be directed to the WSCUC Director of Substantive Change and Committee Relations.

Related Policies and Documents

[Governing Board Policy](#)

[Related Entities Policy](#)

[Substantive Change Manual](#)

[Substantive Change Policy](#)

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