U.S. Department of Education

Staff Report
to the
Senior Department Official
on
Recognition Compliance Issues

RECOMMENDATION PAGE

1. **Agency:** American Academy for Liberal Education (1995/2007)
   (The dates provided are the date of initial listing as a recognized agency and the date of the agency's last grant of recognition.)

2. **Action Item:** Petition for Continued Recognition

3. **Current Scope of Recognition:** The accreditation and preaccreditation ("Candidacy for Accreditation") of institutions of higher education throughout the United States that offer liberal arts degree(s) at the baccalaureate level or a documented equivalency.

4. **Requested Scope of Recognition:** Same as above.

5. **Date of Advisory Committee Meeting:** December, 2010

6. **Staff Recommendation:** Deny recognition.

   The staff recommendation to deny recognition is based on the agency's continued noncompliance in most sections of the Secretary's criteria. Department staff has serious concerns regarding the agency's ability to come into compliance due to the depth and the extent of issues surrounding the agency's administrative capacity, inconsistent application of the agency's standards and policies, and its overall reliability as a recognized accrediting agency. Due to the seriousness of the agency's noncompliance, Department staff also determined that the agency would not be able to demonstrate effective application of the criteria within twelve months or less, and that an extension for good cause is unwarranted.

   The agency has consistently been unable to comply with the Department's requests for information, and in a timely manner. The agency is found out of compliance in applicable sections of the criteria concerning notifications to the Department and sections concerning the provision of information to the Department.

   The agency has also demonstrated that it does not consistently follow its own written policies and procedures, or consistently apply its standards. The agency was found out of compliance in applicable sections of the criteria due to unclear and contradicting policies and procedures. For example, the Department is still unclear about the agency's reevaluation procedures, which are fundamental to an agency's accreditation processes.

   The agency was also found out of compliance regarding the ineffective application of its policies and procedures (particularly with regard to its substantive change policies, but elsewhere as well). The agency has shown that it has been inconsistent in its evaluation of institutions under each of the agency's standards, raising serious concerns regarding the consistency of its accreditation reviews.

   Overall, the Department continues to have serious concerns with the performance of this agency, its reliability as a recognized accrediting agency, and its ability to fulfill its responsibilities as a recognized accrediting agency. In addition to the issues cited here, the overall quality of the agency's submission and response, and the inconsistent and inaccurate information that it has

provided in its submission, raise serious concerns regarding its reliability as a recognized accrediting agency.

Only three of the agency's accredited institutions use the agency's accreditation to establish eligibility to participate in Title IV, HEA programs. Two of these institutions are regionally accredited or preaccredited. The third institution is currently seeking preaccreditation from a regional accrediting agency.

7. **Issues or Problems:** The agency must demonstrate that it meets the separate and independent requirements (§602.14(a)).

The agency must demonstrate how it ensures that at least one-seventh of its Board is a representative of the public, as defined in §602.3 (§602.14(b)).

The agency must demonstrate that it has adequate administrative resources to carry out its responsibilities to the Department as a recognized accrediting agency (§602.15(a)(1)).

The agency must demonstrate that it trains its site visitors on their responsibilities, as appropriate for their roles, regarding the agency's standards, policies, and procedures, and to conduct its on-site evaluations(§602.15(a)(2)).

The agency must provide evidence that it effectively applies its policy for public members (§602.15(a)(5)).

The agency must demonstrate that it effectively applies its standard for student support services in its evaluation of institutions (§602.16(a)(1)(vi)).

The agency must demonstrate that it effectively applies its standards in the areas of recruiting and admissions practices, academic calendars, catalogs, publications, grading, and advertising (§602.16(a)(1)(vii)).

The agency must demonstrate that it assesses program length and the objectives of the degree offered at institutions as part of its accreditation process (§602.16(a)(1)(viii)).

The agency must demonstrate that it has standards that assess the record of student complaints about an institution and that it effectively applies these standards as part of the accreditation process (§602.16(a)(1)(xi)).

The agency must demonstrate that it follows its policies for granting preaccreditation (§602.16(a)(2)).

The agency must demonstrate that it consistently applies clearly specified degree requirements in its evaluation of degree programs and institutions that conform to commonly accepted standards (§602.17(a)).

The agency must demonstrate that its site visit report aligns with all of the agency's standards and corresponding criteria and that site visitors evaluate institutions and programs under each of the agency's standards and corresponding criteria. It also must demonstrate that site visitors are trained in writing site team reports to comprehensively evaluate institutions and programs under each of the agency's standards and corresponding criteria(§602.17(c)).

The agency must ensure that it provides a detailed written report to its institutions and programs that assesses compliance with all of the agency's standards (§602.17(f)).

The agency must demonstrate that it has and effectively applies mechanisms that result in the consistent application of its standards (§602.18(b)).

The agency must demonstrate that it applies its standards consistently and provides accurate and comprehensive information to its decision-makers for evaluation (§602.18(d)).

The agency must adhere to its written policies and procedures and clearly state and identify any deficiencies in the institution's compliance with the agency's standards in its decision letter or site visit reports (§602.18(e)).

The agency must establish a policy that states it will reevaluate, at regularly established intervals, the institutions or programs it has accredited or preaccredited. The agency must also demonstrate that it effectively applies its reevaluation (§602.19(a)).

The agency must demonstrate that it consistently applies its monitoring policies and demonstrate that it evaluates the data it collects from institutions and programs in accordance with its policies (§602.19(b)).

The agency must demonstrate that it evaluates and follows-up appropriately on the data it collects from institutions in accordance with its policies (§602.19(c)).

The agency must clearly outline its process for monitoring significant enrollment growth, by program, at institutions that experience significant enrollment growth and offer multiple programs and how it discerns whether the growth may have a negative impact on educational quality (§602.19(d)).

The agency must revise its policy to require institutions to take appropriate action to bring itself into compliance with the agency’s standards within a timeframe that does not exceed two years. The agency must also demonstrate that it effectively applies its policy (§602.20(a)).

The agency must demonstrate that it follows its own procedures regarding the review process and that it provides its constituencies a meaningful opportunity to provide input into the review (§602.21(a) & (b)).

The agency must demonstrate that it effectively applies it procedures for substantive change. The agency must also demonstrate that all substantive change requests are approved by the Board (§602.22(a)(1)).

The agency must demonstrate that it has substantive change policies that include the types of substantive changes identified in the criterion that are clear and non-contradictory. The agency must also demonstrate that it effectively applies its substantive change policies (§602.22(a)(2)(i-vii)).

The agency must demonstrate that it has substantive change policies, procedures, and review criteria that are clear, non-contradictory, and comply with the criterion (§602.22(a)(2)(viii)).

The agency must demonstrate that it effectively applies its substantive change policies or report that it has not had a situation in which to apply its policy (§602.22(a)(3)).

The agency must demonstrate that it has and applies effective procedures for the submission, review, and approval of substantive changes (§602.22(b)).

The agency must demonstrate that it effectively applies its substantive change policies and procedures (§602.22(c)(1)).

The agency must also provide evidence that it effectively applies its substantive change procedures (§602.22(c)(2)).

The agency must establish policy and procedures that outline effective mechanisms for ensuring that institutions that may experience rapid growth in the number of additional locations maintain educational quality. The agency must also provide evidence that it effectively applies its policy and procedures (§602.22(c)(3)).

The agency must develop procedures and protocols that demonstrate that the agency verifies that the additional location has the personnel, facilities, and resources it claimed to have in its application to the agency for approval of the additional location. The agency must also provide

evidence that it effectively applies its procedures and protocols (§602.22(d)).

The agency must demonstrate that it effectively applies its complaint procedures(§602.23(c)).

The agency must demonstrate that it effectively applies its procedures for branch campuses (§602.24(a)).

The agency must more clearly and comprehensively document the purpose and outcome of its site visits for changes in ownership (§602.24(b)).

The agency must provide evidence that it is able to effectively apply its policy on teach-out plans and agreements (§602.24(c)(1)).

The agency must provide evidence that it has mechanisms demonstrating that it can effectively apply its policy on teach-out agreements (§602.24(c)(4)).

The agency must also demonstrate that it has effective mechanisms for the review and approval of teach-out agreements (§602.24(c)(5)).

The agency must demonstrate that it has implemented the transfer of credit requirement into its policies and procedures, and that it effectively applies its policy (§602.24(e)).

The agency must demonstrate that it notifies institutions in writing of any adverse accrediting action or an action to place the institution on probation or show cause (§602.25(a-e)).

The agency must revise its policy to include that at least one member of the agency's appeal body is a representative of the public, and at least one-seventh of that body consists of representatives of the public (§602.25(f)).

The agency must demonstrate that it effectively applies its policy on notification of positive decisions (§602.26(a)).

The agency must provide evidence that it effectively applies its policy on notifications of voluntary withdrawals (§602.26(e)).

The agency must demonstrate that it submits the required documents (§602.27(a)(1-5)).

The agency must demonstrate that it effectively applies its policy on requiring evidence legal authorization from its institutions (§602.28(a)).

The agency must demonstrate that it effectively applies its policy regarding accreditation and preaccreditation of institutions or programs that are subject to pending and/or final adverse actions by other recognized accrediting agencies or State agencies, and its requirement to provide the Secretary a thorough and reasonable explanation consistent with its standards, why those actions do not preclude its grant of accreditation or preaccreditation (§602.28(c)).

The agency must ensure that it follows its policies regarding initiating a review on an accredited institution that is subject to an adverse action or probation by another recognized accrediting agency (§602.28(d)).

EXECUTIVE SUMMARY

PART I: GENERAL INFORMATION ABOUT THE AGENCY

The American Academy for Liberal Education (AALE) was founded in 1992 for "the purpose of supporting and recognizing excellence in undergraduate liberal arts teaching and learning through accreditation." AALE's current scope of recognition is for the accreditation and pre-accreditation (Candidacy for Accreditation) of institutions of higher education throughout the United States that offer liberal arts degrees at the baccalaureate level or a documented equivalency. The agency requested to withdraw from recognition of its programs on October 28, 2010, after it submitted its response to the draft staff analysis to the Department. Effective November 3, 2010, the Department no longer recognizes AALE's programmatic accreditation.

AALE pre-accredited its first four institutions in February 1995. As of November 2010, AALE's website shows that it accredits or pre-accredits seven institutions in the United States. The Secretary's recognition of this agency encompasses only its accreditation and preaccreditation of these American entities. AALE accreditation enables the institutions it accredits to establish eligibility to participate in Title IV, Higher Education Act of 1965, as amended, (HEA) programs. Therefore, the agency must meet the separate and independent requirements of the Secretary's Criteria. Currently, three institutions use AALE accreditation to establish eligibility to participate in Title IV HEA programs, two of these institutions also retain regional accreditation or preaccreditation.

Recognition History

The former U.S. Secretary of Education last renewed the agency's recognition based on an appeal decision in July 2008. The three-year period of recognition was granted retroactively to commence the date of the December 2007 meeting of the National Advisory Committee on Institutional Quality and Integrity (NACIQI). The Secretary's decision included lifting the limitation on the agency's scope of recognition, (which limited the agency's recognized accreditation activities to only those institutions and programs that were currently accredited), and for the agency to submit an interim report to the Department on June 19, 2009, demonstrating implementation of its student achievement standard and monitoring standards and policies. The Secretary also required the agency to submit a progress report to the Department by November 15, 2008, detailing the progress it had made toward complying with the requirement for an interim report due on June 19, 2009, and to appear before the NACIQI at its December 2008 meeting to report on AALE's progress.

The agency submitted its appeal after the NACIQI recommended that the Secretary lift the limitation on the agency's scope of recognition, require submission of an interim report by June 19, 2009, but extend AALE's continued recognition for a 12-month deferral period for good cause. The agency's appeal stated that AALE should be granted a five-year period of recognition and an interim report, and further argued that the record of the proceeding demonstrated that AALE satisfied the statutory criteria for recognition.

In response to AALE's appeal, the former Assistant Secretary submitted a brief on the Office of Postsecondary Education's (OPE) behalf, in effect, supporting the agency's appeal, and stating that the agency should be granted a five-year period of recognition and a progress report in three years, demonstrating implementation of consistent student achievement standards and monitoring mechanisms.

The Secretary issued a lesser recognition period of three-years as a result of her continued concerns of the agency having been "cited consistently since 2001 for either not having clear standards with respect to measuring student outcomes or not collecting and reviewing data on how institutions it accredits measure student outcomes."

Shortly after the Secretary issued her decision on the agency's appeal, the Higher Education Opportunity Act of 2008 (HEOA) was passed, which contained a number of provisions related to accrediting agency

recognition that were effective upon enactment. The changes included, among others, a reconstitution of the NACIQI. As a consequence, all NACIQI meetings were held in abeyance pending reconstitution of the Committee and the Department's issuance of final regulations in accordance with the HEOA, which were effective July 1, 2010.

The agency submitted its progress report to the Department in February 2009 after requesting two extensions. The agency never submitted its interim report as required by the former Secretary's appeal decision. The Department issued a letter to the agency stating that AALE must comprehensively address the two issues of its interim report in the agency's pending full petition, as well as the requirements of the new regulations effective July 1, 2010. This staff analysis is based on the review of the agency's submission for renewal of recognition.

In conjunction with the review of the agency for continued recognition, Department staff conducted a file review at the agency's headquarters on August 16, 2010, and observed a decision-making meeting on June 4, 2010 in Alexandria, VA.

As part of its response, the agency requested to withdraw from recognition of its programs, after having been found out of compliance in most areas of the regulations. The agency was advised by the Department to notify its institutions and programs of its intention to withdraw programmatic recognition and to submit an official notification to the Department. The agency submitted its notification to withdraw from programmatic recognition on October 28, 2010, and the Assistant Secretary acknowledged the agency's request, effective on November 3, 2010.

PART II: SUMMARY OF FINDINGS

§602.14 Purpose and organization

(a) The Secretary recognizes only the following four categories of agencies:

The Secretary recognizes...
(1) An accrediting agency
(i) Has a voluntary membership of institutions of higher education;
(ii) Has as a principal purpose the accrediting of institutions of higher education and that accreditation is a required element in enabling those institutions to participate in HEA programs; and
(iii) Satisfies the "separate and independent" requirements in paragraph (b) of this section.

(2) An accrediting agency
(i) Has a voluntary membership; and
(ii) Has as its principal purpose the accrediting of higher education programs, or higher education programs and institutions of higher education, and that accreditation is a required element in enabling those entities to participate in non-HEA Federal programs.

(3) An accrediting agency for purposes of determining eligibility for Title IV, HEA programs--
(i) Either has a voluntary membership of individuals participating in a profession or has as its principal purpose the accrediting of programs within institutions that are accredited by a nationally recognized accrediting agency; and
(ii) Either satisfies the "separate and independent" requirements in paragraph (b) of this section or obtains a waiver of those requirements under paragraphs (d) and (e) of this section.

(4) A State agency
(i) Has as a principal purpose the accrediting of institutions of higher education, higher education programs, or both; and
(ii) The Secretary listed as a nationally recognized accrediting agency on or before October 1, 1991 and has recognized continuously since that date.

The agency falls under category (a)(1). The agency has a voluntary membership of institutions of higher education.

The agency's principal purpose - as outlined in its by-laws - is the accrediting of liberal arts institutions and liberal arts programs. Department staff verified that for the current school year, three of the agency's accredited institutions use AALE accreditation as a required element in enabling those institutions to participate in HEA programs.

The agency has not demonstrated that it satisfies the "separate and independent" requirements in paragraph (b) as described in the next section.

The agency does not meet the requirements of this section. It must demonstrate that it meets the separate and independent requirements.

Analyst Remarks to Response:

The agency's response does not meet the requirements of this section, as described under subsection (b) that follows.

(b) For purposes of this section, the term separate and independent means that--

(1) The members of the agency's decision-making body--who decide the accreditation or preaccreditation status of institutions or programs, establish the agency's accreditation policies, or both--are not elected or selected by the board or chief executive officer of any related, associated, or affiliated trade association or membership organization;
(2) At least one member of the agency's decision-making body is a representative of the public, and at least one-seventh of that body consists of representatives of the public;
(3) The agency has established and implemented guidelines for each member of the decision-making body to avoid conflicts of interest in making decisions;
(4) The agency's dues are paid separately from any dues paid to any related, associated, or affiliated trade association or membership organization; and
(5) The agency develops and determines its own budget, with no review by or consultation with any other entity or organization.

Department staff verified that the agency's by-laws state that the Board of Trustees, the agency's decision-making body, elects all members of the Board, the officers of the Board, and the members, Chairman, and Vice Chairman of the Council of Scholars. The Board is not elected or selected by the board or chief executive officer of any related, associated, or affiliated trade association or membership organization.

The agency further states in its by-laws that at least one of every seven members of the Board must be a public member, and stipulates conflict of interest guidelines for that individual. However, the agency did not describe how it selects public members, nor did it provide evidence of how it ensures that its public members adhere to the agency's written policy/definition. Therefore, it is not clear that the agency meets the 1:7 ratio.

General conflict of interest guidelines that apply to staff, the Board, and other relevant parties can be found in the agency's policies and procedures manual. Board members are required to recuse themselves from voting if they have any interest in a school and there is a five-year timeframe during which visits to an institution are prohibited. Conflict of interest concerns are forwarded to the President for evaluation on a case-by-case basis, who, if necessary, brings the issue before the Executive Committee.

As stated in the agency's by-laws, membership dues are paid directly to the Academy; there is no other related, associated, or affiliated trade association or membership organization.

The agency also develops and determines its own budget, with no review by or consultation with any other entity or organization. The agency's by-laws clearly state that the Board approves an annual budget and any necessary emergency appropriations or assessments.

The agency does not meet the requirements of this section. It must demonstrate how it ensures that at least one-seventh of its Board is a representative of the public, as defined in §602.3.

Analyst Remarks to Response:

The agency did not provide evidence of how it ensures that at least one-seventh of its Board is a representative of the public, as defined in §602.3.

Though the agency described a vetting procedure by its Nominating Committee in its response, it did not provide sufficient evidence to confirm that its public members meet the Secretary's definition of a public member. It is not clear that the agency has an effective mechanism by which it ensures that public members meet the agency's definition of a representative of the public, specifically the component that requires that family members are not associated with any accredited program or associated organization.

While the agency states that it met the criterion in past reviews, agencies are required to demonstrate compliance with each applicable criterion for recognition every time they seek continued recognition.

The agency does not meet the requirements of this section. It must demonstrate how it ensures that at least one-seventh of its Board is a representative of the public, as defined in §602.3.

§602.15 Administrative and fiscal responsibilities

The agency must have the administrative and fiscal capability to carry out its accreditation activities in light of its requested scope of recognition. The agency meets this requirement if the agency demonstrates that--

(a) The agency has--

(1) Adequate administrative staff and financial resources to carry out its accrediting responsibilities;

The organization chart that AALE submitted shows that the Director of Higher Education is supported by a program officer and an assistant program officer. The President and Executive Officer oversee the Director's activities and the agency submitted resumes reflecting the experience and qualifications of its senior staff. The documentation demonstrates that all staff are well-qualified by experience and education, and have specialized experience in the field of liberal education. It is unclear however, how many staff (and in what capacity) are dedicated to the agency's domestic higher education activities. The agency must specify, more clearly, its staffing resources for domestic higher education accreditation activities.

Furthermore, Department staff is concerned that the agency has not demonstrated that it has sufficient administrative capacity to fulfill the requirements for recognition. The agency's responses to requests for information from the Department during the past recognition cycle have not been timely. For example, the agency has not submitted its accreditation notifications to the Secretary on a consistent basis, nor did it submit an interim report as required in the former Secretary's July 2008 appeal. The agency was also found out of compliance in October 2009 under sections §602.26(a)(1) and §602.28(c) for not notifying the Secretary of the agency's preaccreditation of an institution, and not providing a thorough and reasonable explanation, consistent with its standards, why the action of another recognized accrediting agency does not preclude the agency's grant of accreditation or preaccreditation of the institution. The agency was provided with 30 days to respond to these areas of non-compliance, but the Department did not receive its response within the timeframe provided.

The agency's petition submission is another example that raises concerns regarding the agency's administrative capacity. The agency has provided little or no narrative in its petition to describe its operations. Specifically, and as example, many of the agency's responses only address its institutional accreditation activities and there is no explanation in the agency's narrative regarding its programmatic accreditation activities. The agency's scope of recognition covers both its institutional and its programmatic accreditation activities and it is the agency's responsibility to provide narrative describing how the agency complies with each criterion in the context of its full scope of recognition. The agency's lack of addressing its programmatic activities in its narrative requesting recognition, suggests inadequate administrative capability.
The agency provided its financial audits from 2007 and 2008 which shows that the agency's financial statements are balanced and that the agency's operations are supported primarily by its accrediting activities and private contributions. Department staff finds that the agency has adequate financial resources to support its accreditation activities.

The agency does not meet the requirements of this section. It must demonstrate that it has adequate administrative resources to carry out its responsibilities to the Department as a recognized accrediting agency.

Analyst Remarks to Response:

The agency has not sufficiently demonstrated that it has adequate administrative resources to carry out its responsibilities to the Department. While the agency states that 1.25 FTEs are currently dedicated to the agency's domestic higher education activities and that this is adequate, staff questions this to be the case because in addition to the seven US institutions/programs that the agency accredits, it also accredits and or affiliates with 27 other institutions and programs for which it must devote resources.

The Department's concerns regarding the agency's administrative capacity are longstanding and part-and-parcel of the agency's recognition history (see attachments). This is most recently reflected in its request for a two-week extension for submission of its response to the draft staff analysis. (The agency

requested the extension after the Department denied the agency's request to have consideration of its application deferred until spring 2011.) The Department provided the agency a one-week extension. Even after this extension, the agency still followed up with corrections and addendums by e-mail after submission of its final response.

The Department has been responsive to the agency at every level and the agency's statement of its good faith effort to understand and comply with the recognition criteria is undermined by the agency's responses throughout the draft staff analysis, which appear to focus more on debating the Department's concerns rather than demonstrating its effort to comply with the regulatory requirements.

Furthermore, concerns regarding the agency's administrative competence are long-standing and continuous. Please see pp. 189-190 of the December 2005 transcript, and AALE's continued failure to comply with the Department's requests for information. Please also see p. 197 of the same transcript and a NACIQI Committee Member's testimony that, "I can recall during my time on this body no other agency, which has so blatantly and arrogantly spurned our requests for information that we are pursuing only in the pursuit of our responsibility..." Also, see page 9 of the December 2005 Staff Analysis of AALE's Progress Report which states the following, "Based on the evidence, the greatest concern to the Department is the agency's disregard for its responsibility as a recognized accreditor to implement the policies it adopted to satisfy the Secretary's criteria for recognition, even after having been given ample time (including an extension for good cause and a compliance determination based upon minimal evidence) with which to demonstrate compliance. This failure has raised serious concerns regarding the agency's effectiveness with respect to the Secretary's criteria." Page 31 of the transcript for the December 2006 NACIQI meeting documents the Department's "grave concerns" regarding AALE's continued failure to demonstrate implementation of their policies. Further into the transcript on page 50, Department staff and Committee members discuss the poor quality of AALE's submission, their lack of administrative capacity, and question their "managerial competence." Finally, the Secretary's July 2008 decision letter responding to AALE?s appeal documents states, "continued concerns stemming from AALE's being cited consistently since 2001."

The agency does not meet the requirements of this section. It must demonstrate that it has adequate administrative resources to carry out its responsibilities to the Department as a recognized accrediting agency.

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(2) Competent and knowledgeable individuals, qualified by education and experience in their own right and trained by the agency on their responsibilities, as appropriate for their roles, regarding the agency's standards, policies, and procedures, to conduct its on-site evaluations, apply or establish its policies, and make its accrediting and preaccrediting decisions, including, if applicable to the agency's scope, their responsibilities regarding distance education and correspondence education;

The agency provided CVs of its Board and Council of Scholars members which demonstrate that competent and knowledgeable individuals, who are well-qualified by their education and experience, apply or establish its policies, and make its accrediting and preaccrediting decision. The agency also provided resumes for a sample of their site visitors which also demonstrate that Academy site visitors are selected for their experience in higher education and/or liberal education, and are well-qualified by education and experience.

The agency further demonstrates that agency staff provides training to its decision-makers. The agency provided minutes from its meetings that document the agency's orientation of new Board members, including an introduction to the agency's policies, procedures, and standards.

The agency also publishes a self-study guide and site evaluation visit manual which provides written guidance to its members and site evaluators regarding the agency's standards and procedures. Further, the agency has policies that clearly state the process by which Board members and Evaluation Team members are appointed and trained. However, the agency did not provide evidence that it trains its site visitors on the agency's standards, policies and procedures, or to conduct its on-site evaluations. As evidenced by the quality of the site visit reports the agency provided, and elucidated under the applicable sections of this analysis, the agency has not demonstrated that it trains its site visitors.

The agency does not meet the requirements of this section. The agency must demonstrate that it trains its site visitors on their responsibilities, as appropriate for their roles, regarding the agency's standards, policies, and procedures, and to conduct its on-site evaluations.

Analyst Remarks to Response:

The agency provided CVs of its Board and Council of Scholars members which demonstrate that competent and knowledgeable individuals, who are well-qualified by their education and experience, apply or establish its policies, and make its accrediting and preaccrediting decision. The agency also provided resumes for a sample of their site visitors which also demonstrate that Academy site visitors are selected for their experience in higher education and/or liberal education, and are well-qualified by education and experience.

The agency further demonstrates that agency staff provides training to its decision-makers. The agency provided minutes from its meetings that document the agency's orientation of new Board members, including an introduction to the agency's policies, procedures, and standards.

The agency also publishes a self-study guide and site evaluation visit manual which provides written guidance to its members and site evaluators regarding the agency's standards and procedures. Further, the agency has policies that clearly state the process by which Board members and Evaluation Team members are appointed and trained. However, the agency did not provide evidence that it trains its site visitors on the agency's standards, policies and procedures, or to conduct its on-site evaluations. As evidenced by the quality of the site visit reports the agency provided, and elucidated under the applicable sections of this analysis, the agency has not demonstrated that it trains its site visitors.

The agency does not meet the requirements of this section. The agency must demonstrate that it trains its site visitors on their responsibilities, as appropriate for their roles, regarding the agency's standards, policies, and procedures, and to conduct its on-site evaluations.

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(5) Representatives of the public on all decision-making bodies; and

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The agency's definition for public members complies with the Secretary's definition for a representative of the public. However, the agency did not describe how it selects public members, nor did it provide evidence of how it verifies that its public members adhere to the agency's written policy.

The agency does not meet the requirements of this section. It must provide evidence that it effectively applies its policy for public members.

Analyst Remarks to Response:

The agency did not provide evidence of how it ensures that its public members adhere to its definition for public representatives. Though the agency described a vetting procedure by its Nominating Committee in its response, it did not provide sufficient evidence to confirm that its public members meet the Secretary's definition of a public member. The agency's response is unconvincing that the agency has taken sufficient action to ensure that its public members meet the regulatory definition of a public member, specifically how the agency ensures that its public members do not violate section three of the definition.

The agency does not meet the requirements of this section. It must provide evidence that it effectively applies its policy for public members.

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§602.16 Accreditation and preaccreditation standards

(a) The agency must demonstrate that it has standards for accreditation, and preaccreditation, if offered, that are sufficiently rigorous to ensure that the agency is a reliable authority regarding the quality of the education or training provided by the institutions or programs it accredits. The agency meets this requirement if–

(1) The agency's accreditation standards effectively address the quality of the institution or program in the following areas:

(a)(1)(vi) Student support services.

The agency's Student Support Services standard for programs simply states that programs ensure that student support services offered by an institution are adequate to the needs of students in the program.

The standard for institutions states that institutions will be required to demonstrate that services in the following areas are consistent and adequate to their stated mission and objectives: housing and food service, where these are provided; health services; campus safety and security; career and post-graduate advising, information, and placement services; and technology support for students engaged in online courses.

The agency’s requirement for programs is too general and does not clearly specify the agency’s expectations under this standard. Furthermore, there is no evidence that the agency applies this standard for programs. Though the agency provided a site visit report, the site visit team did not evaluate the program under this standard.

The agency provided a site visit report for institutional accreditation that indicates the site visit team evaluated the institution under this standard. However, this section of the report is incomplete, and the site visit team simply stated that the institution met the standard without further explanation.

The agency does not meet the requirements of this section. The site visit report provided suggests that the agency did not conduct a thorough review under this section as there are no responses under the agency's standard for student complaints. The agency must demonstrate that it effectively applies its standard for student support services.

Analyst Remarks to Response:

The agency’s response did not provide any further evidence to demonstrate its comprehensive assessment of its student support services standards, particularly C2 and C3. The site team report that the agency copied into its response reflects that while some of the agency’s student support service standard components are sufficiently clear in describing what is the agency’s expectation for meeting the standard, some apply more clearly to other sections of the criteria for recognition (i.e., student complaints, title IV responsibilities). The institutional site team report clearly states that the team did not conduct a thorough review of the student support services and it does not reflect that the team verified the requirement (C2) that an institution conduct regular reviews of student services as part of its institutional effectiveness and improvement effort.

The agency reports that it has developed a site evaluation rubric to ensure that it effectively applies its standards, and that site evaluators provide greater detail as to why an institution does or does not comply with the standard. How this document will accomplish this is quite unclear and unconvincing. The rubric is only a reformatting of the agency’s standards into columns in a table (one for the standard, another for the subcomponents of the standard) The table also includes a column containing a narrative regarding the evaluation or decision-making process with columns for designating whether the standard was met, not met, or not applicable. An additional box identifies the documents that are to be reviewed prior to making an accreditation decision. The rubric does not contain any additional interpretation or clarification of how the agency applies its standards nor does it provide any insight into its effectiveness as a tool to improve the agency’s written assessment of an institutions’ compliance with the agency standards.

A second concern identified under this criterion was the agency’s inconsistent application of its standards. The sample site visit report for institutional accreditation did reflect an assessment of components of the student support services standard; the programmatic site visit report that the agency provided reflected that the site visit team did not evaluate the program under this standard. Instead of correcting its inconsistency in its application of its standards, the agency has chosen to drop programmatic accreditation from its recognition request.

The agency does not meet the requirements of this section. The agency must demonstrate that it effectively applies its standard for student support services in its evaluation of institutions.

(a)(1)(vii) Recruiting and admissions practices, academic calendars, catalogs, publications, grading, and advertising.

The agency's standard to evaluate recruiting and other practices for institutions may be found in the agency's General Education and Curriculum: Standard Six. Under this standard, the agency has four criteria to evaluate an institution's publications for clarity, accuracy, and currency, and an institution's efforts to review admissions requirements. The standard for programs is under Standard Three.

The agency provided a site visit report for an institution that indicates the site visit team did not thoroughly evaluate the institution under this standard. The report elaborates on an institution's challenges in admissions, but the report template does not contain the criteria under the agency's standard to guide the site visitors. Therefore, the site visitors did not respond directly to these criteria. Also, there is no evidence that the agency applies this standard for programs. Though the agency provided a programmatic site visit report, the site visit team did not evaluate the program under this standard.

The agency does not meet the requirements of this section. The agency must provide greater detail in its site visit reports indicating how an institution complies with the agency's standards, and demonstrate evaluation under its recruiting and other practices standard comprehensively. The agency must also demonstrate that it effectively applies this standard for its programs.

Analyst Remarks to Response:

The agency’s response did not provide any further evidence to demonstrate its comprehensive assessment of its standard to evaluate recruiting and other practices. While the site team did comment on the agency materials (attractive and straightforward) the comments in the site team report do not demonstrate that the agency applied its standards and that materials are evaluated for clarity, accuracy, and currency. While the agency in its response, describes the role of the Council of Scholars and the Board in the evaluation of an institutions compliance with its standards, it has provided no documentation that illustrates the Council and/or Board's application of this or any of the standards.

As reported earlier, the agency has developed a rubric, however, it is not evident that the rubric developed will ensure that it effectively applies its standard for recruiting and other practices; for example, that it will contain any additional interpretation or clarification of how the agency applies its standards or is an effective tool to improve the agency’s written assessment of an institution’s compliance with the agency standards. The agency has not demonstrated its use of this tool. A second concern identified under this criterion was the agency’s inconsistent application of its standards. The sample site visit report for institutional accreditation did reflect an incomplete assessment of the agency’s standards in the area of recruiting and admissions practices, publications, grading and advertizing; the programmatic site visit report that the agency provided reflected that the site visit team did not evaluate the program under this standard. Instead of correcting its inconsistency in its application of its standards, the agency has chosen to drop programmatic accreditation from its recognition request.

The agency does not meet the requirements of this section. The agency must demonstrate that it effectively applies its standards in the areas of recruiting and admissions practices, academic calendars, catalogs, publications, grading, and advertising.

(a)(1)(viii) Measures of program length and the objectives of the degrees or credentials offered.

The agency evaluates program length under its "General Education and Curriculum Standard Ten." The standard is followed by six criteria that ensure degree requirements are regularly reviewed, that there is a reasonable correspondence between program length and degree awarded, that students and faculty have clear understanding of program requirements, and that promotional materials are clear, accurate, and current.

However, the site visit report provided by the agency as documentation does not explicate how the

institution complies with each of the agency's criteria above, but only states very generally that the standard "appears" to be met. Therefore, while the agency has a standard that assesses program length, there is no evidence that the agency applies its standard in its accreditation of institutions.

The agency does not meet the requirements of this section. The agency must demonstrate that it assesses program length and the objectives of the degree offered at institutions as part of its accreditation process.

Analyst Remarks to Response:

While the agency has a standard that assesses program length, it has provided no additional evidence that the agency applies its Standard 10 in its accreditation of institutions, rather, it has stated that staff correctly identified that the staff report did not address the criteria under the standard. As stated in earlier sections of this analysis, it is not evident that the rubric developed by the agency will ensure that it effectively applies its standard assessing program length and the objectives of the credential, as it does not contain any additional interpretation or clarification of how the agency applies its standards or that it is an effective tool to improve the agency's written assessment of an institution's compliance with the agency standards.

The agency does not meet the requirements of this section. The agency must demonstrate that it assesses program length and the objectives of the degree offered at institutions as part of its accreditation process.

(a)(1)(ix) Record of student complaints received by, or available to, the agency.

The agency has a standard for reviewing student complaints. Institutions and programs are required to permit the Academy to review complaints, and have adequate means for resolving student complaints. However, in the site visit reports that the agency provided, there is no evidence that the site visit team reviewed the institution or program under this standard.

The agency does not meet the requirements of this section. The agency must demonstrate that it evaluates an institution's and program's record of student complaints as part of the accreditation process.

Analyst Remarks to Response:

The agency did not address the issues identified about its student complaint standards and its application of these standards to the programs it accredits. However, as the agency has chosen to drop programmatic accreditation from its recognition request, the Department's continued concerns apply to the agency's institutional accreditation. The agency response does not provide evidence that the agency evaluates the record of student complaints of an institution as part of its assessment of the institution.

Regarding criterion C14: The agency's response suggests that the institution's self study response under its C14 criterion (the institution "will cooperate with any review.."), is a compliant response to its criterion. If the agency is interpreting its C14 criterion in that frame, the Department does not find the criterion compliant in meeting the Secretary's criteria for recognition. In order to be compliant with this criterion, an agency must assess the record of student complaints about an institution in evaluating an institution for accreditation and demonstrate that it has done that. An attestation of cooperation does not meet the requirement.

While the agency in its response further describes the responsibility of the site team in the evaluation of an institution's compliance with its standards, it has provided no documentation that illustrates application of this. The agency states that, "clearly, the site visit team responses...required examination of published documents." It is precisely this lack of clarity and lack of detail on the site visit reports that is the source of the Department's concerns. The agency failed to address this concern in its response.

The Department's concerns for the rubric have been stated earlier in the analysis, and the agency provided no additional evidence that it will be effective in meeting the requirements of the criterion. That is, that the agency have standards that comply with the requirement to assess the record of student complaints about an institution and that it demonstrate its effective application of its standards in its

evaluation of an institution for accreditation by the agency.

The agency does not meet the requirements of this section. The agency must demonstrate that it has standards that assess the record of student complaints about an institution and that it effectively applies these standards as part of the accreditation process.

(a)(2) The agency's preaccreditation standards, if offered, are appropriately related to the agency's accreditation standards and do not permit the institution or program to hold preaccreditation status for more than five years.

The agency reports that it requires institutions applying for preaccreditation to demonstrate substantial compliance with the agency's standards for accreditation, and the agency's standards for preaccreditation are appropriately related to the agency's accreditation standards.

However, the self-study, site visit report, and decision letter suggests that the agency is granting preaccreditation though institutions are falling short of substantially meeting the agency's standards. The site visit report states that the institution has "not yet implemented various key portions of the planned curriculum." Similarly, under each standard in the site visit report, there is limited analysis to fully evaluate the institution due to its lack of maturity. The decision letter states that the institution has not yet hired its own dedicated faculty. The agency must demonstrate that it follows its policy on preaccreditation and that institutions are granted preaccreditation only after substantially meeting the agency's standards.

Also, the agency's policy on terms of accreditation states that preaccreditation may be granted for a period of three years, and that the status is renewable one time; this can be interpreted to mean that an institution may hold preaccreditation status for six years.

The agency is currently recognized for its “accreditation and preaccreditation of institutions of higher education and programs within institution of higher education…” However, in describing its preaccreditation activities, the agency’s narrative is contradictory. The agency begins by stating, “The Academy offers both accreditation and preaccreditation. The preaccreditation status is designed to guide programs and institutions towards full accreditation.” The agency concludes the narrative by stating, “The Academy does not offer program preaccreditation.” The agency does not have policies for programmatic preaccreditation.

The agency does not meet the requirements of this section. It must revise and adhere to policies that institutions do not hold preaccreditation status for more than five years. The agency must also demonstrate that it applies its requirement that institutions seeking preacceditation demonstrate substantial compliance with the agency’s standards. Finally, the agency must develop and demonstrate that it applies policies and procedures for its programmatic preaccreditation or be aware that the agency’s scope of recognition will be corrected accordingly.

Analyst Remarks to Response:

The agency submitted its response to this section after the deadline; the revised response is attached below.

The agency has since made a revision to its policies to limit the preaccreditation status of an institution to five years. With its response, the agency also provided materials for an institution to which it recently granted preaccreditation status to demonstrate that it adheres to its preaccreditation policies. However, the site visit report that the agency provided, shows that the agency did not evaluate the institution on several of the agency’s standards. In the absence of the agency’s evaluation of the institution against all of the agency’s standards, Department staff determined that an informed decision regarding whether the institution substantially meets the agency’s standards could not be made.

The agency does not meet the requirements of this section. The agency must demonstrate that it follows its policies for granting preaccreditation.

§602.17 Application of standards in reaching an accrediting decision.

The agency must have effective mechanisms for evaluating an institution's or program's compliance with the agency's standards before reaching a decision to accredit or preaccredit the institution or program. The agency meets this requirement if the agency demonstrates that it--

(a) Evaluates whether an institution or program--

(1) Maintains clearly specified educational objectives that are consistent with its mission and appropriate in light of the degrees or certificates awarded;
(2) Is successful in achieving its stated objectives; and
(3) Maintains degree and certificate requirements that at least conform to commonly accepted standards;

The agency demonstrates that it evaluates whether institutions and programs maintain clearly specified educational objectives that are consistent with its mission and appropriate in light of the degrees or certificates awarded throughout various points in the accreditation process. In order to be eligible to apply for Academy accreditation, institutions and programs must demonstrate they have a clearly defined, published mission statement that includes a commitment to liberal education and is appropriate to an institution of higher learning.

The agency also has standards to evaluate an institution's mission; one criterion under this standard ensures that an institution has well-defined educational objectives that are consistent with its mission and appropriate to the degrees and certificates it awards.

The agency provided site visit reports demonstrating that it evaluates an institution's mission and objectives, and determines whether an institution is successful in meeting its stated objectives.

However, there is no evidence in the site visit reports provided, that the agency applies degree requirements in its evaluation of degree programs and institutions.

The agency does not meet the requirements of this section. It must demonstrate that it has and applies clearly specified degree requirements in its evaluation of degree programs and institutions that conform to commonly accepted standards.

Analyst Remarks to Response:

The agency had not demonstrated that it has and applies clearly specified degree requirements in its evaluation of degree programs and institutions that conform to commonly accepted standards. On further review, the Department concludes that degree requirements are outlined in the agency documents. Specifically, the baccalaureate requirements in the liberal arts and sciences call for not less than a third of the student's course work to be taken within the general education requirement; general education requirements are intended to ensure a basic knowledge of mathematics and the physical and biological sciences, including laboratory experience, intermediate knowledge of at least one foreign language, the study of literature and literary classics, the political, philosophical and cultural history of Western civilization, and the foundations and principles of American society; and the following four criteria under Standard 10.-

10.1 The institution regularly reviews its general education, and degree requirements in the light of its mission, educational objectives, and commonly accepted academic norms
10.3 The institution ensures a reasonable correspondence between program length and degree awarded and between credit hours awarded and clock hours of instructional time, including lectures, laboratory, and other learning experiences. Distance education courses should reasonably comparable to on-campus courses.
10.4 The faculty determines… number of courses or credit hours required for each degree or major program, minimum acceptable grade point averages, appropriate means of assessing student learning, and allowable time frames for degree completion, and
10.6 The institution's promotional and informational materials and activities are clear, accurate, and current with regard to its curriculum content and structure, major requirements, and degree program requirements. This information is published and made readily available.

The site team reports provided demonstrates inconsistent application of the agency's standards. As the agency's site team reports are so clearly inconsistent, the inconsistency of the information provided to decision-makers, is of critical concern. The agency response references the function of the Board to determine compliance; however, it provided no additional evidence demonstrating the Board's review and deliberation to demonstrate the agency's application of its standards in this area.

The agency does not meet the requirements of this section. It must demonstrate that it consistently applies clearly specified degree requirements in its evaluation of degree programs and institutions that conform to commonly accepted standards.

(c) Conducts at least one on-site review of the institution or program during which it obtains sufficient information to determine if the institution or program complies with the agency's standards;

The agency has policies that require it to conduct a peer evaluation visit following an institution's or program's completion of a self-study. The agency also provides written guidance regarding the conduct of a site visit to an institution or program. Site visit teams are constituted by three to five members, depending on the size of the institution or program. Site team reports are developed after each site visit.

The agency provided sample site visit reports for its accredited institutions and programs. However, the site visit report template varies across the samples that the agency provided. One site visit report only responds to the general standard with no responses to the corresponding criteria, another site review report responds to almost all the standards and corresponding criteria, while the two remaining site visit reports are missing responses to some of the agency's institutional and program standards. The differences in breadth and depth of information contained in the different templates used as site visit reports raises concerns regarding the consistency of the agency's review.

The agency does not meet the requirements of this section. It must demonstrate that its site visit report aligns with all of the agency's standards and corresponding criteria and that site visitors evaluate institutions and programs under each of the agency's standards and corresponding criteria. It also must demonstrate that site visitors are trained in writing site team reports to comprehensively evaluate institutions and programs under each of the agency's standards and corresponding criteria.

Analyst Remarks to Response:

The agency needed to demonstrate that its site visit report aligns with all of the agency's standards and corresponding criteria and that site visitors evaluate institutions and programs under each of the agency's standards and corresponding criteria. It also needed to demonstrate that site visitors are trained in writing site team reports to comprehensively evaluate institutions and programs under each of the agency's standards and corresponding criteria.

The agency did not address the Department's concerns. In its response, the agency reports that it has developed a site evaluation rubric to ensure that it effectively and consistently applies its standards, and that site evaluators provide greater detail as to why an institution does or does not comply with this standard. However, it is not evident how the rubric will ensure that site evaluators effectively apply agency standards. For example, it does not appear to contain any additional interpretation or clarification of how the agency applies its standards or otherwise is an effective tool to improve the agency's written assessment of an institutions' compliance with the agency standards. The agency has not demonstrated its use of this tool.

The agency also reports that it has revised its site evaluator training guide and a site visit report template with narrative instructions. However, its use and usefulness as an effective training mechanism has not been evidenced

The agency does not meet the requirements of this section. It must demonstrate that its site visit report aligns with all of the agency's standards and corresponding criteria and that site visitors evaluate institutions and programs under each of the agency's standards and corresponding criteria. It also must demonstrate that site visitors are trained in writing site team reports to comprehensively evaluate

institutions and programs under each of the agency's standards and corresponding criteria.

(f) Provides the institution or program with a detailed written report that assesses--

(1) The institution's or program's compliance with the agency's standards, including areas needing improvement; and
(2) The institution's or program's performance with respect to student achievement;

and

The agency has procedures that require it to provide a copy of an institution's or program's site evaluation report to the institution or program. This policy is located in the agency's Site Evaluation Manual.

The agency also provides a letter to the institution or program after a decision is made. The agency has procedures for the content and issuance of the letter. These are found in the agency's handbook for Board and Council members. The procedures state that the letter should make clear distinctions between recommendations, issues of compliance, and suggestions.

The agency provided letters and site visit reports. One of the site visit reports demonstrates that the agency provides a detailed written report assessing the institution's or program's compliance with all of the agency's standards, including areas of improvement, as well as the institution's or program's success with respect to student achievement.

While the other site visit report provided assessed the program's performance with respect to student achievement, the remainder of the report is incomplete and does not assess the program against all of the agency's standards, raising concerns regarding the agency's consistent application of its standards.

The agency does not meet the requirements of this section. It must ensure that it provides a detailed written report to its institutions and programs that assesses compliance with all of the agency's standards.

Analyst Remarks to Response:

In its response, the agency has identified the corrective action it has taken to ensure that it provides a detailed written report to its institutions that assesses compliance with all of the agency's standards. However, as the letter template is an outline, staff is unable to make a conclusive judgment of the merit of the letter to fulfill the requirements of this criterion. It is not clear if the agency expects this letter to take the place of the site team report as a detailed report assessing an institution's compliance with agency standards, including areas needing improvement and the institution's performance with respect to student achievement.

The issue identified under this criterion included the agency's inconsistency in providing a detailed report to its accredited program as well. While the agency provided a sample site visit report for institutional accreditation demonstrating that the Academy provides a detailed written report assessing the institution's or program's compliance with all of the agency's standards, including areas of improvement, as well as the institution's or program's success with respect to student achievement; the programmatic site visit report that the agency provided assessed the program's performance with respect to student achievement, the remainder of the report is incomplete and does not assess the program against all of the agency's standards.

Instead of correcting its inconsistency in its application of its standards, the agency has chosen to drop programmatic accreditation from its recognition request.

The quality of the documentation and response that the agency provided adds to the Department's concerns.

The agency does not meet the requirements of this section. It must ensure that it provides a detailed written report to its institutions that assesses compliance with all of the agency's standards.

§602.18 Ensuring consistency in decision-making

The agency must consistently apply and enforce standards that respect the stated mission of the institution, including religious mission, and that ensure that the education or training offered by an institution or program, including any offered through distance education or correspondence education, is of sufficient quality to achieve its stated objective for the duration of any accreditation or preaccreditation period granted by the agency. The agency meets this requirement if the agency--

(b) Has effective controls against the inconsistent application of the agency's standards;

The agency states that it has effective controls against the inconsistent application of standards through the training of its Board, Council of Scholars, and site evaluation team members. The agency provided documentation of its training and written guidance that is available to its Board of Trustees, Council of Scholars, and Site Evaluation Team Members. The guidance clarifies the agency's procedures and expectations throughout the accreditation process.

However, the site visit teams create site team reports that vary in the breadth and depth of information and assessment of the institution's or program's compliance with agency standards. One site visit report only responds to the general standard with no responses to the corresponding criteria, another site review report responds to almost all the standards and corresponding criteria, while the third and fourth site visit reports are missing responses to some of the agency's institutional and program standards (those criteria that pertain to the Secretary's criteria). The differences in the breadth and depth of the information in the different site visit reports raises concerns regarding the consistency of the agency's review. The lack of consistency across the site visit reports also raises concerns as to the effectiveness of the agency's application of its written guidance or of the agency's site evaluator training on the evaluation of institution and programs against agency standards.

The agency does not meet the requirements of this section. It must demonstrate that it has and effectively applies mechanisms that result in the consistent application of its standards.

Analyst Remarks to Response:

In its response, the agency reports that it has adopted a course of action to address the inconsistent application of its standards. These actions include development of a rubric for use by site evaluation team members, Council of Scholars members, and Board members, revised its Guide for Training Site Visits, to include a powerpoint presentation, and development of a Site Visit Report template with narrative instructions. Without evidence of their effective application, the tools described by the agency are insufficient to demonstrate compliance with this criterion.

The agency does not meet the requirements of this section. It must demonstrate that it has and effectively applies mechanisms that result in the consistent application of its standards.

(d) Has a reasonable basis for determining that the information the agency relies on for making accrediting decisions is accurate; and

While the agency has a documented process for collecting and reviewing information, and the agency selects evaluators and decision-makers with requisite knowledge and experience, inconsistencies across the application of the process (e.g. training and documentation of the site visit) raise serious concerns as to whether the information provided to decision-makers is accurate and sufficiently comprehensive for making accurate and consistent accreditation decisions.

The agency does not meet the requirements of this section. The agency must demonstrate that it applies its standards consistently and provides accurate and comprehensive information to its decision-makers for evaluation.

Analyst Remarks to Response:

In its response to the Department's concerns for a reasonable assurance of the accuracy of the information on which the accreditation decision is based, the agency reports that it has adopted a course of action to address the Department's concerns. These actions include development of a rubric for use by site evaluation team members, Council of Scholars members, and Board members, revised its Guide for Training Site Visits, to include a powerpoint presentation, and development of a Site Visit Report template with narrative instructions. Without evidence of their effective application, the tools described by the agency are insufficient to demonstrate compliance with this criterion.

The agency also points to the fact that the complete self-study with supporting documents, the site visit report, and the formal response to the site visit report are submitted to the Council of Scholars for review and for their analysis and recommendation to the Board, the final decision-making body. While this is true, the site team report is a foundational document that the agency uses to verify the information in the self study and to record and communicate the team's first-hand observations at the time of the visit.

Inconsistencies across the application of the process (e.g. training and documentation of the site visit) raise serious concerns as to whether the information provided to decision-makers is accurate and sufficiently comprehensive for making accurate and consistent accreditation decisions.

The agency does not meet the requirements of this section. The agency must demonstrate that it applies its standards consistently and provides accurate and comprehensive information to its decision-makers for evaluation.

(e) Provides the institution or program with a detailed written report that clearly identifies any deficiencies in the institution's or program's compliance with the agency's standards.

The agency provides a letter to the institution or program after a decision is made. The agency has procedures for the content and issuance of the letter. These are found in the agency's handbook for Board and Council members. The procedures state that the letter should make clear distinctions between recommendations, issues of compliance, and suggestions.

The letter is in narrative form followed by a sentence at the closing which points the institution to the correspondent standards and criteria of the Academy. Because both letters provided by the agency confer positive decisions to the institutions, but require follow-up reports, it is unclear whether the standards and criteria indicated at the end of each letter, are areas of non-compliance, or areas in need of improvement. The same is true for the agency's site visit reports. The agency is not following its own policies that specify whether an issue is a recommendation, issue of compliance, or suggestion. The two written reports do not clearly identify deficiencies in the institution's or program's compliance with the agency's standards.

The agency does not meet the requirements of this section. The agency must adhere to its written policies and procedures and clearly state and identify any deficiencies in the institution's or program's compliance with the agency's standards in its decision letter or site visit reports.

Analyst Remarks to Response:

Department staff determined that the agency did not adhere to its written policies and procedures and clearly state and identify any deficiencies in the institution's compliance with the agency's standards in its decision letter or site visit reports. The requirement that agencies provide institutions or programs with a detailed written report that clearly identifies deficiencies is fundamental to ensuring consistency throughout the accreditation review, and is embedded elsewhere throughout the regulations (see section 602.17(f)(1).

In response to the finding, the agency has developed a site evaluation rubric (described earlier) and revised its award letter. Neither mechanism has been implemented and assessed as to its effectiveness to ensure the corrective action required to comply with this requirement.

The agency does not meet the requirements of this section. The agency must adhere to its written policies and procedures and clearly state and identify any deficiencies in the institution's compliance with the agency's standards in its decision letter or site visit reports.

§602.19 Monitoring and reevaluation of accredited institutions and programs.

(a) The agency must reevaluate, at regularly established intervals, the institutions or programs it has accredited or preaccredited.

The agency's policy on reevaluation does not clearly state how institutions and programs are reevaluated, or with what frequency, but simply states that, "Accredited institutions seeking renewal of accreditation status must demonstrate compliance with the Academy's Eligibility Requirements, Education Standards, and Institution Standards through a detailed and concise self-study report and must also receive a site evaluation visit before the expiration of their term of accreditation."

The agency does not meet the requirements of this section. It must establish a policy that states it will reevaluate, at regularly established intervals, the institutions or programs it has accredited or preaccredited. The agency must also demonstrate that it effectively applies its reevaluation.

Analyst Remarks to Response:

In response to the staff determination that the agency's policy does not clearly state that it will reevaluate institutions, at regularly established intervals, or a clear explanation of its reevaluation process, the agency made one minor change to its policies and procedures and continues to remain out of compliance with this section of the criteria. The agency does not have a clear policy on reevaluation, nor is it evident that it has a standing practice for reevaluation. The process the agency describes encompasses its monitoring procedures -- a midterm report that is an update to its self-study and a site visit that is conducted by agency staff. Compliance with the criteria requires the agency to require that its institutions conduct a new comprehensive self study and for the agency to conduct a comprehensive on-site evaluation by a team of peer reviewers in accordance with the regulations and the agency's accreditation procedures.

Evaluation teams must meet requirements under section 602.15(a)(2), (3), and (4).

The agency does not meet the requirements of this section. It must establish a policy that states it will reevaluate, at regularly established intervals, the institutions or programs it has accredited or preaccredited. The agency must also demonstrate that it effectively applies its reevaluation policy and procedures.

(b) The agency must demonstrate it has, and effectively applies, a set of monitoring and evaluation approaches that enables the agency to identify problems with an institution's or program's continued compliance with agency standards and that takes into account institutional or program strengths and stability. These approaches must include periodic reports, and collection and analysis of key data and indicators, identified by the agency, including, but not limited to, fiscal information and measures of student achievement, consistent with the provisions of §602.16(f). This provision does not require institutions or programs to provide annual reports on each specific accreditation criterion.

The agency provided documentation of its monitoring efforts, and these procedures are outlined in the agency's Policies and Procedures Manual. The agency states that it monitors its accredited institutions and programs in the following ways:

The agency requires submission of a midterm report midway through the institution's or program's period of accreditation. However, as evidenced during Department staff's file review at the agency's headquarters in August 2010, the agency does not consistently apply its policy on requiring a midterm report for all of its accredited institutions and programs.

The agency also monitors by requiring submission of an AIRF from institutions and programs. The agency has identified specific triggers and red flags from these annual reports that would require further

monitoring. These are outlined in the agency's Monitoring Supplement and include enrollment information, financial data, and student and graduate achievement data. However, the agency did not provide any evidence that it evaluates the information provided in the AIRF, nor could Department staff verify that AIRF's were evaluated during the Department staff's file review.

The agency does not meet the requirements of this section. It must demonstrate that it follows its procedures for collection of a midterm report. The agency must provide further detail as to how it uses the midterm report to identify institutions and programs in need of further action. The agency must also demonstrate that it consistently applies its monitoring policies and demonstrate that it evaluates the data it collects from institutions and programs in accordance with its policies.

Analyst Remarks to Response:

While the agency reports a variety of approaches it uses to monitor its institutions that are codified in agency policy, the agency did not provide any evidence in its petition or in its response to the draft staff analysis that it evaluates the information provided in the AIRF, nor could Department staff verify that AIRFs were evaluated during the Department staff's file review.

The agency response identified and elaborated on the additional mechanisms (eg. midterm reports and substantive changes) that would enable the agency to monitor its institutions, however the agency's response does not sufficiently address the concerns identified in the draft staff analysis. The agency has not demonstrated that it consistently collects and analyzes data for monitoring purposes in accordance with its procedures. The agency still does not evidence that it effectively applies its monitoring procedures. Lack of evidence regarding its application of its procedures makes it unclear whether the agency consistently undertakes its monitoring function and does not demonstrate its reliability as a recognized accreditor.

The agency does not meet the requirements of this section. The agency must demonstrate that it consistently applies its monitoring policies and demonstrate that it evaluates the data it collects from institutions and programs in accordance with its policies.

(c) Each agency must monitor overall growth of the institutions or programs it accredits and, at least annually, collect headcount enrollment data from those institutions or programs.

The agency has policies that require submission of an Annual Institutional Reporting Form (AIRF). As part of the Academy's monitoring efforts, institutions and programs must submit annual enrollment data. The agency's policies require referral to the staff, Council or Board if an institution's enrollment deviates by 10% year by year. The agency determines whether the change is reasonable and may contact the institution or program for further information, and conduct follow-up accordingly. The agency also further investigates 20% deviations of enrollment data from the institution's or program's five-year average.

However, as indicated previously, Department staff was not able to verify the agency's processes for review and analysis of the data provided in the AIRF.

The agency does not meet the requirements of this section. The agency must demonstrate that it evaluates the data it collects from institutions and programs in accordance with its policies.

Analyst Remarks to Response:

The agency's response does not sufficiently address the concerns identified in the draft staff analysis. The agency has not demonstrated that it consistently collects and analyzes data regarding the growth of institutions in accordance with its procedures. The agency still does not evidence that it effectively applies its annual headcount monitoring procedures. Though this section of the regulations became effective in July 2010, the agency has been collecting this data as part of its monitoring procedures for years, but does not demonstrate that it consistently collects the data from its institutions or that it analyzes this data. Lack of evidence regarding its application of its procedures makes it unclear that the agency consistently monitors its institutions and does not demonstrate its reliability as a recognized accreditor.

The agency does not meet the requirements of this section. The agency must demonstrate that it

evaluates and follows-up appropriately on the data it collects from institutions in accordance with its policies.

(d) Institutional accrediting agencies must monitor the growth of programs at institutions experiencing significant enrollment growth, as reasonably defined by the agency.

The agency has policies that require submission of an Annual Institutional Reporting Form (AIRF). As part of the Academy's monitoring efforts, institutions and programs must submit annual enrollment data. While the agency has triggers that identify significant enrollment growth, it has no protocol for receiving data on enrollment growth by program at institutions, if an institution experiences significant enrollment growth and has multiple programs. The agency must collect enrollment data by program. Also, the agency's policy does not thoroughly describe how it defines significant enrollment growth relative to the types of institutions it accredits. The agency must clearly outline its process for monitoring significant enrollment growth and how it discerns whether the growth may have a negative impact on educational quality.

The agency does not meet the requirements of this section. The agency must clearly outline its process for monitoring significant enrollment growth, by program, at institutions that experience significant enrollment growth and offer multiple programs and how it discerns whether the growth may have a negative impact on educational quality.

Analyst Remarks to Response:

The agency's response does not sufficiently address the concerns identified in the draft staff analysis. Though this section may not have as much significant bearing on the agency given the types of institutions it accredits, the agency is still required to comply with its requirements. The agency does accredit institutions with multiple programs, and despite its narrative, Department staff could not find where on the AIRF the agency collects enrollment data by program. Also, it should be noted that this regulatory requirement is a restatement of the statutory language that was effective upon enactment (August 14, 2008).

The agency does not meet the requirements of this section. The agency must clearly outline its process for monitoring significant enrollment growth, by program, at institutions that experience significant enrollment growth and offer multiple programs and how it discerns whether the growth may have a negative impact on educational quality.

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§602.20 Enforcement of standards

(a) If the agency's review of an institution or program under any standard indicates that the institution or program is not in compliance with that standard, the agency must--

(1) Immediately initiate adverse action against the institution or program; or
(2) Require the institution or program to take appropriate action to bring itself into compliance with the agency's standards within a time period that must not exceed--
(i) Twelve months, if the program, or the longest program offered by the institution, is less than one year in length;
(ii) Eighteen months, if the program, or the longest program offered by the institution, is at least one year, but less than two years, in length; or
(iii) Two years, if the program, or the longest program offered by the institution, is at least two years in length.

The agency's policies state that institutions or programs will be placed on probationary status for failing to maintain the Academy's required standards and criteria. The policy further states that probationary periods may range from five months to two years, and may be extended by the Board for good cause for another period ranging in length from five months to two years.
While the agency can apply a probationary status, the Criteria for Recognition do not recognize probation as an adverse action. The five months to two-year timeframe that the agency cites in its policy during which it may place an institution or program on probation is included in the maximum 2-year time period

of the criteria for recognition during which an institution must bring itself into compliance.

The agency also has a status of “suspension” that it may apply to institutions for which it is the Title IV gatekeeper. However, the agency policy and procedures states that because “the suspension results without action or prior approval on the part of the Board, this change in status does not constitute formal withdrawal of accreditation, and thus is not an adverse action,..suspension period will not exceed the earlier of six (6) months or the expiration of the institution’s current accreditation period.” The Department staff position is that that period of time will also calculate into the time period for not coming into compliance with agency standards.
The time period for which an institution or program may be allowed to come into compliance with agency requirements in lieu of an immediate adverse action being taken, begins at such time as the agency determines that an institution or program is out of compliance with its standards. Because the agency could apply probation for two years and could apply suspension for six months, the agency could exceed the two-year time frame allowed under this section.

The agency does not meet the requirements of this section. The agency must revise its policy to require institutions to take appropriate action to bring itself into compliance with the agency’s standards within a timeframe that does not exceed two years. The agency must also demonstrate that it effectively applies its policy.

Analyst Remarks to Response:

In response to findings in this section of the draft staff analysis, the agency has revised its policy on probation to clarify that probation cannot exceed a two-year timeframe. This corrective action does not sufficiently address the issue.

The agency has not made it clear that the maximum time period for which an institution or program may be allowed to come into compliance with agency requirements in lieu of an immediate adverse action being taken, begins at such time as the agency determines that an institution or program is out of compliance with its standards.

In addition, Department staff continues to have concerns regarding the agency's effective application of its own policies.

As this regulation is not “new,” the agency was requested to provide evidence of its application of its enforcement of compliance or any adverse action it has taken as to support its compliance with this criterion. The agency provided none under this section and stated that it has not had occasion to apply an adverse action.

The agency does not meet the requirements of this section. The agency must revise its policy to require institutions to take appropriate action to bring itself into compliance with the agency’s standards within a timeframe that does not exceed two years. The agency must also demonstrate that it effectively applies its policy.

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§602.21 Review of standards.

(a) The agency must maintain a systematic program of review that demonstrates that its standards are adequate to evaluate the quality of the education or training provided by the institutions and programs it accredits and relevant to the educational or training needs of students.
(b) The agency determines the specific procedures it follows in evaluating its standards, but the agency must ensure that its program of review--

(1) Is comprehensive;
(2) Occurs at regular, yet reasonable, intervals or on an ongoing basis;
(3) Examines each of the agency's standards and the standards as a whole; and
(4) Involves all of the agency's relevant constituencies in the review and affords them a meaningful opportunity to provide input into the review.

The agency has policies that require it to review its standards every five years and to provide a comprehensive report describing the results of the systematic review to the general public.

The agency provided a survey instrument that it uses to assess on a likert scale, the relevancy of the Academy's standards. According to the narrative, this survey is distributed to the agency's members, the public, and higher education associations. The agency provided the results of the survey, but the results only display the raw data, and it is unclear what measures were adopted from the results, or how the results were used to revise the agency's standards. The agency did not provide the comprehensive report from its last review of standards, nor did it provide evidence that this report was provided to the general public per the agency's policies and procedures.

The agency states that the Council of Scholars plays a primary role in assessing the agency's standards, however, the agency did not provide any evidence of how it involves all of the agency's relevant constituencies in the review process and affords them a meaningful opportunity to provide input into the review.

The agency does not meet the requirements of this section. The agency must demonstrate that it follows its own procedures regarding the review process and provide the comprehensive report of its last standards review for Department staff to analyze. The agency must also provide evidence that it affords all of the agency's relevant constituencies a meaningful opportunity to provide input into the review. The agency must demonstrate how it conducts its review process from start to completion.

Analyst Remarks to Response:

In response to the findings of the draft staff report, the agency provided additional information regarding its standards review process. The agency provided a chart derived from its survey. However, the formatting of the chart and the lack of information, made it difficult to understand the conclusions that the agency derived from the chart and how the agency used the chart going forward to inform its standards review process. The report, as well, is a compilation of raw data derived from the survey and is a report authored by agency staff. The table of contents does not match the contents of the actual survey results.

Because the agency has a review cycle of five years, the agency has not had a chance to demonstrate post-2006, how it conducts its review.

Furthermore, the agency stated that it posts its solicitation for comment on its website. It did not provide any other information or procedures it follows to ensure that it provides a meaningful opportunity to comment from its constituencies.

The agency does not meet the requirements of this section. The agency must demonstrate that it follows its own procedures regarding the review process and that it provides its constituencies a meaningful opportunity to provide input into the review.

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§602.22 Substantive change.

(a) If the agency accredits institutions, it must maintain adequate substantive change policies that ensure that any substantive change to the educational mission, program, or programs of an institution after the agency has accredited or preaccredited the institution does not adversely affect the capacity of the institution to continue to meet the agency's standards. The agency meets this requirement if--

(1) The agency requires the institution to obtain the agency's approval of the substantive change before the agency includes the change in the scope of accreditation or preaccreditation it previously granted to the institution; and

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The agency has policies that require the agency's approval of substantive changes, through a comprehensive review and site visit. However, the agency did not provide any evidence that it enforces it policy on substantive change. Furthermore, as evidenced during Department staff's file review at the agency's headquarters in August 2010, the agency has been approving substantive changes at the staff level, without Board approval.

The agency does not meet the requirements of this section. The agency must demonstrate that it effectively applies it procedures for substantive change. The agency must also demonstrate that all substantive change requests are approved by the Board.

Analyst Remarks to Response:

The agency was cited for failing to demonstrate that it effectively applies its substantive change policies and procedures and for its practice to not require the Board to make the decisions on substantive changes. Though the agency asserts that it was the Executive Committee that was approving substantive changes, this is not supported in the documentation. Department staff's concern regarding this section of the criterion is that Academy staff is performing this function. This is not compliant as substantive change approvals are, in actuality, accreditation decisions and must be made by the recognized decision-making body.

The agency does not meet the requirements of this section. The agency must demonstrate that it effectively applies it procedures for the review and approval of substantive changes. The agency must also demonstrate that all substantive change requests are approved by the Board.

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(2) The agency's definition of substantive change includes at least the following types of change:

(i) Any change in the established mission or objectives of the institution.

(ii) Any change in the legal status, form of control, or ownership of the institution.

(iii) The addition of courses or programs that represent a significant departure from the existing offerings of educational programs, or method of delivery, from those that were offered when the agency last evaluated the institution.

(iv) The addition of programs of study at a degree or credential level different from that which is included in the institution's current accreditation or preaccreditation.

(v) A change from clock hours to credit hours.

(vi) A substantial increase in the number of clock or credit hours awarded for successful completion of a program.

(vii) If the agency's accreditation of an institution enables the institution to seek eligibility to participate in title IV, HEA programs, the entering into a contract under which an institution or organization not certified to participate in the title IV, HEA programs offers more than 25 percent of one or more of the accredited institution's educational programs.

The agency's substantive change policy includes the types of substantive changes listed under this section. However, despite its substantive change policies, the agency approved an institutional accreditation or preaccreditation for two of their accredited programs under a substantive change. The summary report for the change states that "AALE policy does not preclude such a request."

The Department requires a comprehensive review prior to the award of accreditation or preaccreditation. Approval under substantive change would not meet this requirement, nor does it follow the agency's substantive change policy. As a recognized accrediting agency for Title IV purposes, a grant of institutional accreditation allows eligibility for Title IV access. AALE's actions in awarding accreditation under substantive change calls into question its competency as a recognized accrediting agency. The

agency also did not notify the Department of its award of accreditation to the institutions.

The agency also provided a summary of a site visit to an institution that experienced a change of ownership. However, it is unclear what action the agency took as a result of the visit and the summary does not clearly or comprehensively outline the results of the site visit. The summary lists several concerns regarding the finances of the preaccredited institution, but does not specify if the institution is out of compliance and, if so, what follow-up action the Board adopted as a result.

The agency does not meet the requirements of this section. It must demonstrate that it effectively applies its written substantive change procedures.

Analyst Remarks to Response:

The agency's response does not demonstrate compliance with this criterion. The agency has reviewed and approved changes that are not included in its policies as substantive changes.

It is unclear how the forms that the agency provided will be used to improve the agency's operations The agency has provided no evidence of the effective application of its corrective actions. Based on the evidence provided throughout the analysis, that the agency does not follow its current written policies and procedures, Department staff continues to have concerns regarding the agency's consistent application of its procedures.

Additionally, the agency's response contains inaccuracies. Department staff requested that the agency provide all responsive documentation concerning communications with the Department to substantiate its claims of Departmental guidance on issues identified under this section. The agency did not respond to the Department's requests. Please see attached.

Furthermore, though a second example of the agency's grant of institutional accreditation through substantive change was provided with the draft staff analysis, the agency continues to assert the contrary. The inconsistencies throughout the agency's petition and response raise serious concerns regarding its overall reliability as a recognized accrediting agency. Please also see an attached e-mail from the agency conceding that "change in Academy staff" is to blame for the agency's lack of notification regarding its accreditation decisions, including an institutional grant of accreditation by substantive change.

The agency does not meet the requirements of this section. It must demonstrate that it has substantive change policies that include the types of substantive changes identified in the criterion that are clear and non-contradictory. The agency must also demonstrate that it effectively applies its substantive change policies.

(viii) **(A) If the agency's accreditation of an institution enables it to seek eligibility to participate in title IV, HEA programs, the establishment of an additional location at which the institution offers at least 50 percent of an educational program. The addition of such a location must be approved by the agency in accordance with paragraph (c) of this section unless the accrediting agency determines, and issues a written determination stating that the institution has—**

(1) Successfully completed at least one cycle of accreditation of maximum length offered by the agency and one renewal, or has been accredited for at least ten years;
(2) At least three additional locations that the agency has approved; and
(3) Met criteria established by the agency indicating sufficient capacity to add additional locations without individual prior approvals, including at a minimum satisfactory evidence of a system to ensure quality across a distributed enterprise that includes—

(i) Clearly identified academic control;

(ii) Regular evaluation of the locations;

(iii) Adequate faculty, facilities, resources, and academic and student support systems;

(iv) Financial stability; and

(v) Long-range planning for expansion.

(B) The agency's procedures for approval of an additional location, pursuant to paragraph (a)(2)(viii)(A) of this section, must require timely reporting to the agency of every additional location established under this approval.

(C) Each agency determination or redetermination to preapprove an institution's addition of locations under paragraph (a)(2)(viii)(A) of this section may not exceed five years.

(D) The agency may not preapprove an institution's addition of locations under paragraph (a)(2)(viii)(A) of this section after the institution undergoes a change in ownership resulting in a change in control as defined in 34 CFR 600.31 until the institution demonstrates that it meets the conditions for the agency to preapprove additional locations described in this paragraph.

(E) The agency must have an effective mechanism for conducting, at reasonable intervals, visits to a representative sample of additional locations approved under paragraph (a)(2)(viii)(A) of this section.

The agency has policies that cover the requirements of this section, except that the agency exempts institutions from requiring a substantive change for additional locations that offer at least 50 percent of a program if the institution meets the following criteria:

1) The institution has been accredited for at least ten years;
2) Three other locations have been reviewed by the Academy;
3) The institution has prior Academy approval regarding sufficient capacity to add additional locations without prior approval for each location.

However, the agency does not have criteria outlined in their policies for determining whether an institution has sufficient capacity to add additional locations without individual prior approvals.

The agency does not meet the requirements of this section. It must revise its policies to either require procedures in accordance with subsection (c) of this section for approval of all additional locations of an institution, or it must develop criteria for determining whether an institution has sufficient capacity to add additional locations without prior approval for each location. The agency must also demonstrate that it effectively applies its substantive change policies.

Analyst Remarks to Response:

In its response the agency states that it has made explicit in its policies its standing practice to not grant prior approval for additional locations. (This section of the regulations effected in July 2010 allows for a procedure by which institutions may add additional locations without prior approval from the accrediting agency; prior to July 2010). However the agency's corrective action to modify its policies to state that any request for a substantive change, including for the addition of a new location, will require a comprehensive review and site visit does not nullify the agency's policy that still contains this opportunity for institutions to seek pre-approvals. The agency must demonstrate that it has a review and approval process that includes criteria by which it assesses an institution's ability to provide adequate control and oversight to a distributed enterprise.

The agency's shortcut to demonstrate compliance is exemplary of the approach it has taken to comply with the requirements for recognition and raises serious concerns as to whether the agency effectively applies its own policies and procedures, and the overall reliability of the agency.

The agency does not meet the requirements of this section. The agency must demonstrate that it has substantive change policies, procedures, and review criteria that are clear, non-contradictory, and comply with the criterion.

(3) The agency's substantive change policy must define when the changes made or proposed by an institution are or would be sufficiently extensive to require the agency to conduct a new comprehensive evaluation of that institution.

The agency does not have a policy or procedure that define when the changes made or proposed by an institution are or would be sufficiently extensive to require the agency to conduct a new comprehensive evaluation of that institution. The agency's policy only states that a comprehensive review and site visit will be undertaken for all types of substantive change. The agency has not identified what factors it has established to apply in identifying, assessing, and determining that changes are sufficiently extensive to require the agency to conduct a new comprehensive review of the institution.

The agency does not meet the requirements of this section. It must define when the changes made or proposed by an institution are or would be sufficiently extensive to require the agency to conduct a new comprehensive evaluation of that institution. The agency must also demonstrate that it effectively applies this policy.

Analyst Remarks to Response:

The agency has since effected policies that outline criteria under which changes proposed by an institution would be sufficiently extensive to require a new evaluation. However, given the extent to which the agency has neglected to follow its current substantive change procedures, for example, by granting accreditation to an institution under its substantive change procedures, approving such requests at the staff level, and granting retroactive approval of substantive changes, Department staff is concerned as to whether the agency will effectively apply such policies. Therefore, before accepting that the agency will be unlikely to confront this issue in the future, the agency must demonstrate its effective application of this policy during the next year or report that it has not had a situation in which to apply its policy.

The inconsistencies between the agency's response and the actual documentation, raises serious concerns as to whether the agency effectively applies its own policies and procedures and the overall reliability of the agency.

The agency does not meet the requirements of this section. The agency must demonstrate that it effectively applies its substantive change policies or report that it has not had a situation in which to apply its policy.

(b) The agency may determine the procedures it uses to grant prior approval of the substantive change. However, these procedures must specify an effective date, which is not retroactive, on which the change is included in the program's or institution's accreditation. An agency may designate the date of a change in ownership as the effective date of its approval of that substantive change if the accreditation decision is made within 30 days of the change in ownership. Except as provided in paragraph (c) of this section, these procedures may, but need not, require a visit by the agency.

The agency's policy states that prior approval of substantive changes must be obtained from the Academy before those changes may be included in the institution's accredited status and that the effective date is the date of the agency's approval and that all substantive changes (unless the agency has more than three additional locations) require a site visit. However, there is no evidence that the agency has procedures for the submission, review, and approval of substantive changes. The agency provided no documentation that it has procedures or has applied its policy regarding substantive change.

The agency does not meet the requirements of this section. The agency must demonstrate that it has and applies effective procedures for the submission, review, and approval of substantive changes.

Analyst Remarks to Response:

The agency has made changes to its policies and procedures to include a written statement that it will not grant retroactive approval of an substantive change request. However, it has not demonstrated its application of these new procedures. Though the agency asserts that it has never granted prior approval for a substantive change, the evidence suggests otherwise.

The agency does not meet the requirements of this section. The agency must demonstrate that it effectively applies its substantive change procedures.

(c)(1) A visit, within six months, to each additional location the institution establishes, if the institution--

> **(i) Has a total of three or fewer additional locations;**
> **(ii) Has not demonstrated, to the agency's satisfaction, that it has a proven record of effective educational oversight of additional locations; or**
> **(iii) Has been placed on warning, probation, or show cause by the agency or is subject to some limitation by the agency on its accreditation or preaccreditation status;**

The agency has policies that require it to visit an additional location if the institution has a total of three or fewer additional locations.

However, the agency has not provided evidence of procedures for conducting site visits to additional locations nor does it have policies or procedures to ensure that it conducts visits to each additional location if the institution has not demonstrated, to the agency's satisfaction, that it has a proven record of effective educational oversight of additional locations; or the institution has been placed on warning, probation, or show cause by the agency or is subject to some limitation by the agency on its accreditation or preaccreditation status.

The agency does not meet the requirements of this section. It must demonstrate that it has effective procedures for conducting site visits to additional locations and that it has policies that ensure that the agency will conduct visits to every additional location if the institution has not demonstrated, to the agency's satisfaction, that it has a proven record of effective educational oversight of additional locations; or the institution has been placed on warning, probation, or show cause by the agency or is subject to some limitation by the agency on its accreditation or preaccreditation status. The agency must also provide evidence that it effectively applies its policies and procedures.

Analyst Remarks to Response:

The agency asserts that it correctly followed its substantive change procedures despite evidence to the contrary, calling into question the agency's performance. Though the agency had standing policies that require it to conduct site visits to additional locations, the attached approval suggests that no site visit was conducted for the institution.

The agency has developed a substantive change worksheet to better document the steps it takes toward approval for a substantive change review. Department staff has concerns that the addition of the worksheet will not remedy the agency’s ineffective and inconsistent application of its policies. The agency has not demonstrated effective application of the worksheet.

The agency does not meet the requirements of this section. It must provide evidence that it effectively applies its substantive change policies and procedures.

(c)(2) An effective mechanism for conducting, at reasonable intervals, visits to a representative sample of additional locations of institutions that operate more than three additional locations; and

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The agency's policies do not include procedures for review of additional locations for institutions that operate more than three additional locations.

The agency does not meet the requirements of this section. The agency must develop procedures and protocols that outline effective mechanisms for conducting, at reasonable intervals, visits to a representative sample of additional locations of institutions that operate more than three additional locations. The agency must also provide evidence that it effectively applies its procedures.

Analyst Remarks to Response:

The agency established a policy that provides procedures for the review of additional locations for institutions that operate more than three locations. However, it has not demonstrated its effective review of additional locations in accordance with its substantive change policies and procedures. Before accepting that the agency will be unlikely to confront this issue in the future, the agency must demonstrate its effective application of this policy during the next year or report that it has not had a situation in which to apply its policy.

The agency does not meet the requirements of this section. It must provide evidence that it effectively applies its substantive change policies and procedures.

(c)(3) An effective mechanism, which may, at the agency's discretion, include visits to additional locations, for ensuring that accredited and preaccredited institutions that experience rapid growth in the number of additional locations maintain educational quality.

The agency does not have policies or procedures that cover this requirement.

The agency does not meet the requirements of this section. It must establish policy and procedures that outline effective mechanisms for ensuring that institutions that may experience rapid growth in the number of additional locations maintain educational quality. The agency must also provide evidence that it effectively applies its policy and procedures.

Analyst Remarks to Response:

The agency response did not address this section of the criteria. Department staff permitted the agency to submit the attached updated response to this section past the due date for its response. The agency has since adopted a policy that requires it to conduct a two-person site visit to institutions that experience rapid growth in the number of additional locations, one person of which may be a staff member. The agency defines “rapid growth” as adding additional locations in a twelve-month period that exceeds half the number of current locations. The policy addresses the requirement of this criterion. However, the agency has not demonstrated its effective review of additional locations in accordance with its substantive change policies and procedures. Before accepting that the agency will be unlikely to confront this issue in the future, the agency must demonstrate its effective application of this policy during the next year or report that it has not had a situation in which to apply its policy.

The agency does not meet the requirements of this section. It must provide evidence that it effectively applies its substantive change policies and procedures.

(d) The purpose of the visits described in paragraph (c) of this section is to verify that the additional location has the personnel, facilities, and resources it claimed to have in its application to the agency for approval of the additional location.

The agency's current policy does not outline the requirement of this section regarding the purpose of the agency's site visit to an institution that operates additional locations. The agency has not demonstrated that it has any procedures regarding site visits at additional locations that address the requirement to verify that the additional location has the personnel, facilities, and resources it claimed to have in its application to the agency for approval of the additional location.

The agency does not meet the requirements of this section. The agency must develop procedures and protocols that demonstrate that the agency verifies that the additional location has the personnel, facilities, and resources it claimed to have in its application to the agency for approval of the additional location. The agency must also provide evidence that it effectively applies its procedures and protocols.

Analyst Remarks to Response:

The agency has a policy to conduct visits to additional locations to conduct a comprehensive review to verify that they have the requisite personnel, facilities, and resources.

The agency does not meet the requirements of this section. It must provide evidence that it effectively applies its substantive change policies and procedures.

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§602.23 Operating procedures all agencies must have.

(c) The accrediting agency must--

(1) Review in a timely, fair, and equitable manner any complaint it receives against an accredited institution or program that is related to the agency's stan-dards or procedures. The agency may not complete its review and make a decision regarding a complaint unless, in accordance with published procedures, it ensures that the institution or program has sufficient opportunity to provide a response to the complaint;

(2) Take follow-up action, as necessary, including enforcement action, if necessary, based on the results of its review; and

(3) Review in a timely, fair, and equitable manner, and apply unbiased judgment to, any complaints against itself and take follow-up action, as appropriate, based on the results of its review.

The agency has policies regarding how it handles complaints against its accredited institutions and programs, and against the Academy.

The agency's policies for complaints against its accredited institutions and programs state that no unsigned complaints would be accepted by the Academy. However, the summary report for a complaint that the agency provided appears to be based on an anonymous complaint. It is unclear from the report why the agency acted on the complaint, though its written policies state it will do otherwise. Also, the agency did not attach any other documentation to the complaint for Department staff to analyze.

The agency's complaint policy against accredited institutions and programs is also unclear regarding the steps that it will take to address the complaint and does not describe the processes and timeframes that the agency will observe in adjudicating a complaint. The complaint policy simply states that it will take up to thirty days to process each step of the process, but the agency does not describe what these steps are. In the absence of describing the agency's steps in resolving a complaint, Department staff is unable to make a determination as to whether the agency's review of complaints is timely, fair, or equitable.

The agency's complaint policy against itself has timeframes, but the agency must revise the policy to make it clearer. It currently states the following: "The President shall review all complaints and will determine within 30 days if the complaint has merit. If it is determined that the complaint does have merit, the President shall inform the Board of Trustees for review and possible action. The Chairman of the Board of Trustees shall notify the person or entity that lodged the complaint as to its resolution within 15 days of receiving notice that the complaint appears to have merit."

It appears that the policy states that all complaints will be resolved within 45 days, but there are no timeframes for acknowledgement of the complaint.

The agency does not meet the requirements of this section. The agency must revise its complaint policies for its accredited institutions and programs, and its complaint policy against the Academy, to more clearly outline timeframes and procedures that are timely, fair, and equitable. The agency must also demonstrate that its process for reviewing complaints follows a timely, fair, and equitable set of complaint procedures.

Analyst Remarks to Response:

Though the agency has revised its procedures for addressing complaints, its response to this section raises concerns as to whether it will effectively implement the changes. Department staff is concerned that the agency does not comprehend the spirit of this requirement, given the agency's summation that staff was concerned about "the investigation of anonymous complaints." The agency was cited due to its lack of clarity in both its narrative and its policies, and the agency's inconsistent application of its own policies.

The agency does not meet the requirements of this section. It must demonstrate that it effectively applies its complaint procedures.

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§602.24 Additional procedures certain institutional accreditors must have.

If the agency is an institutional accrediting agency and its accreditation or preaccreditation enables those institutions to obtain eligibility to participate in Title IV, HEA programs, the agency must demonstrate that it has established and uses all of the following procedures:

(a) Branch campus.

(1) The agency must require the institution to notify the agency if it plans to establish a branch campus and to submit a business plan for the branch campus that describes--

(i) The educational program to be offered at the branch campus;

(ii) The projected revenues and expenditures and cash flow at the branch campus; and

(iii) The operation, management, and physical resources at the branch campus.

(2) The agency may extend accreditation to the branch campus only after it evaluates the business plan and takes whatever other actions it deems necessary to determine that the branch campus has sufficient educational, financial, operational, management, and physical resources to meet the agency's standards.

(3) The agency must undertake a site visit to the branch campus as soon as practicable, but no later than six months after the establishment of that campus.

The agency has policies that require institutions that plan to open branch campuses to submit a business plan in accordance with this section. The agency's policy also requires a site visit to the branch campus no later than six months after the establishment of that campus.

However, the agency did not provide evidence that it effectively applies its policy on branch campuses.

The agency does not meet the requirements of this section. The agency must demonstrate that it effectively applies its procedures for branch campuses.

Analyst Remarks to Response:

The agency was cited for not providing evidence that it effectively applies its policies on branch campuses. The Department is concerned about the inaccurate and incorrect information provided throughout the agency's response.

The agency stated in its response that none of its institutions have branch campuses. However, the agency has submitted materials to the Department stating the contrary. Ave Maria University states on its website that its foreign branch campus is accredited by AALE.

In sum, the Department continues to have concerns regarding the agency's reliability and effective

performance in fulfilling the requirements of a recognized accreditor.

The agency does not meet the requirements of this section. It must demonstrate that it effectively applies its policy on branch campuses.

(b) Change of ownership.
The agency must undertake a site visit to an institution that has undergone a change of ownership that resulted in a change of control as soon as practicable, but no later than six months after the change of ownership.

The agency has policies that require a site visit to an institution that has undergone a change of ownership that resulted in a change of control no later than six months after the establishment of that campus.

The agency provided a summary of a site visit to an institution that experienced a change of control. However, it is unclear what action the agency took as a result of the visit and the summary does not clearly or comprehensively outline the results of the site visit. The summary lists several concerns regarding the finances of the preaccredited institution, but does not specify if the institution is out of compliance and if so, what follow-up action the Board adopted as a result.

The agency does not meet the requirements of this section. The agency must more clearly and comprehensively document the purpose and outcome of its site visits for changes in ownership.

Analyst Remarks to Response:
The agency states that it disagrees with the Department's finding and yet, also states that a site visit reporting form it developed will meet the Department's standards. The agency did not sufficiently respond to the Department's concerns; the agency did not provide any evidence that it follows its own procedures regarding change of ownership for the example it provided in its petition.

According to agency policy, "Change of institutional control is considered a Substantive Change and the Substantive Change policy of this document applies."

The agency change of control policy states, that changes in control (ownership) requires the institution to prepare and submit a detailed report, outlining the exact nature of the change in control; updated budget, strategic plan, projections of revenue and the basis for the projections; an update of the courses, curriculum and faculty, outlining any changes from the last grant of accreditation; updated public documents, including handbooks, catalogs, policies and procedures – noting any changes from the previous grant of accreditation.

"The purpose of this visit is to ensure that educational quality is maintained throughout and subsequent to changes in ownership and control." The site visit as described in the report was conducted by an agency staff person and was focused was on the institution's fundraising efforts.
The agency provided no evidence that the change of ownership was reviewed and approved in accordance with either change of control or substantive change policy/procedures.

The agency does not meet the requirements of this section. The agency must more clearly and comprehensively document its application of its policies and procedures to include the purpose and outcome of its site visits for changes in ownership.

(c) Teach-out plans and agreements.

(1) The agency must require an institution it accredits or preaccredits to submit a teach-out plan to the agency for approval upon the occurrence of any of the following events:

(i) The Secretary notifies the agency that the Secretary has initiated an emergency action against an institution, in accordance with section 487(c)(1)(G) of the HEA, or an action to limit, suspend, or

terminate an institution participating in any title IV, HEA program, in accordance with section 487(c)(1)(F) of the HEA, and that a teach-out plan is required.

(ii) The agency acts to withdraw, terminate, or suspend the accreditation or preaccreditation of the institution.

(iii) The institution notifies the agency that it intends to cease operations entirely or close a location that provides one hundred percent of at least one program.

(iv) A State licensing or authorizing agency notifies the agency that an institution's license or legal authorization to provide an educational program has been or will be revoked.

The agency's teach-out policy states that it will require submission of a teach-out plan upon occurrence of any of the events outlined in this subsection.

However, the agency did not provide any evidence that it has mechanisms to effectively apply its policy on teach-out plans and agreements.

The agency does not meet the requirements of this section. The agency must provide evidence that it is able to effectively apply its policy on teach-out plans and agreements.

Analyst Remarks to Response:

The agency did not sufficiently respond to the Department's concerns, but simply stated that it disagreed with the Department's finding without providing any assurances or explanations regarding how it effectively carries out its teach-out procedures.

The agency does not meet the requirements of this section. The agency must provide evidence that it is able to effectively apply its policy on teach-out plans and agreements.

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(4) The agency may require an institution it accredits or preaccredits to enter into a teach-out agreement as part of its teach-out plan.

The agency's teach-out policy states that it will require institutions to enter into teach-out agreements as part of any teach-out plan.

However, the agency did not demonstrate that it has effective mechanisms for implementing the requirement.

The agency does not meet the requirements of this section. The agency must provide evidence that it has mechanisms demonstrating that it can effectively apply its policy on teach-out agreements.

Analyst Remarks to Response:

The agency has stated that it has not had the opportunity to implement this section of the regulations, and has offered no explanation of the mechanisms it will adopt to ensure that it effectively applies its policies.

The agency does not meet the requirements of this section. The agency must provide evidence that it has mechanisms demonstrating that it can effectively apply its policy on teach-out agreements.

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(5) The agency must require an institution it accredits or preaccredits that enters into a teach-out agreement, either on its own or at the request of the agency, with another institution to submit that teach-out agreement to the agency for approval. The agency may approve the teach-out agreement only if the agreement is between institutions that are accredited or preaccredited by a nationally recognized accrediting agency, is consistent with applicable standards and regulations,

and provides for the equitable treatment of students by ensuring that--

(i) The teach-out institution has the necessary experience, resources, and support services to--

(A) Provide an educational program that is of acceptable quality and reasonably similar in content, structure, and scheduling to that provided by the institution that is ceasing operations either entirely or at one of its locations; and

(B) Remain stable, carry out its mission, and meet all obligations to existing students; and

(ii) The teach-out institution demonstrates that it can provide students access to the program and services without requiring them to move or travel substantial distances and that it will provide students with information about additional charges, if any.

The agency's teach-out policy includes all the requirements of this section except for subsection (B) above. Also, the agency has not demonstrated that it has, in place, protocols by which it will review and approve teach-out agreements.

The agency does not meet the requirements of this section. It must revise its policy to include a statement to ensure that the teach-out institution has the necessary experience, resources, and support services to remain stable, carry out its mission, and meet all obligations to existing students. The agency must also demonstrate that it has effective mechanisms for the review and approval of teach-out agreements.

Analyst Remarks to Response:

Though the agency has made changes to its policies and procedures manual to require any institution involved in a teach-out plan to demonstrate its stability, it has stated that it has not had the opportunity to implement this section of the regulations, and has offered no explanation of the mechanisms it will adopt to ensure that it effectively applies its policies.

The agency does not meet the requirements of this section. The agency must also demonstrate that it has effective mechanisms for the review and approval of teach-out agreements.

(e) Transfer of credit policies.
The accrediting agency must confirm, as part of its review for initial accreditation or preaccreditation, or renewal of accreditation, that the institution has transfer of credit policies that--

(1) Are publicly disclosed in accordance with §668.43(a)(11); and
(2) Include a statement of the criteria established by the institution regarding the transfer of credit earned at another institution of higher education.
(Note: This criterion requires an accrediting agency to confirm that an institution's teach-out policies are in conformance with 668.43 (a) (11). For your convenience, here is the text of 668.43(a) (11):
"A description of the transfer of credit policies established by the institution which must include a statement of the institution's current transfer of credit policies that includes, at a minimum –

(i) Any established criteria the institution uses regarding the transfer of credit earned at another institution; and
(ii) A list of institutions with which the institution has established an articulation agreement.")

The agency has a standard that evaluates an institution's transfer of credit policies, however, the standard only applies to general education credit.

The agency does not meet the requirements of this section. It must revise its standard to apply to an institution's transfer of credit policy generally, and not limited only to general education credits.

Analyst Remarks to Response:

Though the agency has made changes to its standards to include the broader requirement beyond general education credit, the version of the standards document that it has posted on its website does not display the correction. It is unclear that the agency has implemented this change.

The agency does not meet the requirements of this section. The agency must demonstrate that it has implemented the requirement into its policies and procedures, and that it effectively applies its policy.

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§602.25 Due process

The agency must demonstrate that the procedures it uses throughout the accrediting process satisfy due process. The agency meets this requirement if the agency does the following:

(a) Provides adequate written specification of its requirements, including clear standards, for an institution or program to be accredited or preaccredited.

(b) Uses procedures that afford an institution or program a reasonable period of time to comply with the agency's requests for informa-tion and documents.

(c) Provides written specification of any deficiencies identified at the institution or program examined.

(d) Provides sufficient opportunity for a written response by an institution or program regarding any deficiencies identified by the agency, to be considered by the agency within a timeframe determined by the agency, and before any adverse action is taken.

(e) Notifies the institution or program in writing of any adverse accrediting action or an action to place the institution or program on probation or show cause. The notice describes the basis for the action.

As stated in section 602.16, the agency’s Title IV responsibilities standard and its programmatic standard for student support services are not clearly specified. However, the agency’s remaining standards provide adequate specification of the agency’s requirements.

Institutions and programs are afforded a reasonable period of time to comply with the agency's requests for information and documents. According to the agency's documents, the accreditation process takes 12 to 18 months. The agency allows the institution or program 2 to 8 months to complete their self-study, and one month to comment on the final site visit report prior to any final decision. The agency's procedures are flexible in their time period requirements for institutions or programs to respond to the agency's requests for information.

The agency cited the provision to institutions and programs of the site visit report and decision letter as written specification of deficiencies identified by the agency. The agency provided a decision letter that cites the institution on "issues of concern." However, the letter does not clearly specify whether these issues were areas of non-compliance with the agency's standards, and the language used in the decision letter does not follow the agency’s own definitions which distinguish areas of compliance and non-compliance. The institution is directed to refer to the agency's standards and criteria to infer which "issues of concern" correspond to which standard. The agency's due process would be strengthened if it more clearly stated the institution's deficiencies as these relate to the agency's standards and criteria, and if the agency effectively applied its own policies for specifying deficiencies.

As noted above, the agency provides one month for institutions and programs to respond to deficiencies cited in the site evaluation report. Institutions and programs have two weeks to respond to editorial issues, and two more weeks to respond to substantive concerns. Once the report is finalized, it is forwarded to the

Board for consideration at the next decision meeting.

Department staff could not verify whether the agency notifies the institution or program in writing of any adverse accrediting action or an action to place the institution or program on probation or show cause, because the agency did not provide any adverse notifications. The agency states that they have not taken any adverse actions since its last petition, but as the agency is expected to maintain records relevant to this section, the agency needs to provide a copy of its last issuance of an adverse action.

The agency does not meet the requirements of this section. It must revise its Title IV responsibilities standard and student support standard to more clearly specify its requirements. The agency must more clearly specify an institution's or program's deficiencies as they relate to the agency's standards and criteria, and demonstrate that it effectively applies its policies for specifying deficiencies. The agency must also provide documentation of its last adverse notification.

Analyst Remarks to Response:

The agency includes in its response, correspondence to the Department that it claims it had turned into the Department per the applicable section of the Secretary's criteria. Neither the Office of Postsecondary of Education nor the Secretary's Office shows any record of receipt of this correspondence. However, this correspondence does not fulfill the requirement of this section. The agency was required to provide an adverse action notification to an institution to demonstrate that it notifies institutions in writing of any adverse accrediting action or an action to place the institution on probation or show cause.

The agency does not meet the requirements of this section. It must demonstrate that it notifies institutions in writing of any adverse accrediting action or an action to place the institution on probation or show cause.

(f) Provides an opportunity, upon written request of an institution or program, for the institution or program to appeal any adverse action prior to the action becoming final.

(1) The appeal must take place at a hearing before an appeals panel that--

(i) May not include current members of the agency's decision-making body that took the initial adverse action;

(ii) Is subject to a conflict of interest policy;

(iii) Does not serve only an advisory or procedural role, and has and uses the authority to make the following decisions: to affirm, amend, or reverse adverse actions of the original decision-making body; and

(iv) Affirms, amends, reverses, or remands the adverse action. A decision to affirm, amend, or reverse the adverse action is implemented by the appeals panel or by the original decision-making body, at the agency's option. In a decision to remand the adverse action to the original decision-making body for further consideration, the appeals panel must identify specific issues that the original decision-making body must address. In a decision that is implemented by or remanded to the original decision-making body, that body must act in a manner consistent with the appeals panel's decisions or instructions.

(2) The agency must recognize the right of the institution or program to employ counsel to represent the institution or program during its appeal, including to make any presentation that the agency permits the institution or program to make on its own during the appeal.

The agency has a policy that states that it provides an opportunity, upon written request of an institution, for the institution to appeal any adverse action prior to the action becoming final. Prior to the official appeals procedures, the agency's policies allow an institution to request a "reconsideration of adverse action" which brings the adverse action before the Board for reconsideration. The agency's policy addresses only institutions; the agency currently has no appeals policy for programs.

For the appeals panel, the agency's policy stipulates that the three-member hearing panel will be appointed by the Director of Higher Education, and that no member shall be a Board member. However, due to the Council's involvement in making accreditation recommendations to the Board, the policy should also exclude members of the agency's Council of Scholars to avoid any appearance of conflict of interest.

The agency's policy also designates that the panel is subject to a conflict of interest policy and has the authority to affirm, amend, reverse, or remand the adverse action. The agency's appeal policy designates procedures that allow for the institution to be represented by up to three individuals at the appeal hearing, at which time the institution will have the opportunity to make a presentation on the institution's behalf.

The agency does not meet the requirements of this section. It must revise its policy to clarify that the policy also applies to its accredited programs; include a restriction that current Council of Scholars members may not serve on the agency's hearing panel; and demonstrate that it effectively applies its appeal procedures.

Analyst Remarks to Response:

The agency has made changes to its policies and procedures manual to include a restriction for its Council members to serve on an appeal body. However, the agency must also make explicit that public members must be represented on the appeal body in accordance with section 602.14(b)(2). The agency states that it has not had opportunity to apply its appeals procedures.

The agency does not meet the requirements of this section. It must revise its policy to include that at least one member of the agency's appeal body is a representative of the public, and at least one-seventh of that body consists of representatives of the public.

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§602.26 Notification of accrediting decisions

The agency must demonstrate that it has established and follows written procedures requiring it to provide written notice of its accrediting decisions to the Secretary, the appropriate State licensing or authorizing agency, the appropriate accrediting agencies, and the public. The agency meets this requirement if the agency, following its written procedures--

(a) Provides written notice of the following types of decisions to the Secretary, the appropriate State licensing or authorizing agency, the appropriate accrediting agencies, and the public no later than 30 days after it makes the decision:

(1) A decision to award initial accreditation or preaccreditation to an institution or program.
(2) A decision to renew an institution's or program's accreditation or preaccreditation;

The agency has policies that require it to provide written notice of positive decisions to the Secretary, the appropriate State licensing or authorizing agency, the appropriate accrediting agencies, and the public no later than 30 days after it makes the decision.

However, the agency has not provided this information to the Secretary in accordance with the requirements of this section. When the agency does provide this information it has either been beyond the 30 days and/or the information has been incorrect.

The agency does not meet the requirements of this section. The agency must demonstrate that it effectively applies its policy on notification of positive decisions.

Analyst Remarks to Response:

Aside from the attached notices that the agency provided during the year of its review, the Department has not consistently received positive notices regarding the agency's awards of accreditation; this includes the agency's decision to approve two institutional accreditations through a substantive change. Furthermore, some of the positive accrediting decision notices were never received by the Department (confirmation of this was received from the Secretary's Office), and have inconsistent dates, calling into question the agency's administrative capacity and the integrity of its communications with the Department. Please also see an attached e-mail from the agency conceding that "change in Academy staff" is to blame for the agency's lack of notification regarding its accreditation decisions, including an institutional grant of accreditation by substantive change.

The agency does not meet the requirements of this section. It must demonstrate that it effectively applies its policy on notification of positive decisions.

(e) Notifies the Secretary, the appropriate State licensing or authorizing agency, the appropriate accrediting agencies, and, upon request, the public if an accredited or preaccredited institution or program--

(1) Decides to withdraw voluntarily from accreditation or preaccreditation, within 30 days of receiving notification from the institution or program that it is withdrawing voluntarily from accreditation or preaccreditation; or

(2) Lets its accreditation or preaccreditation lapse, within 30 days of the date on which accreditation or preaccreditation lapses.

The agency has a policy that requires it to notify the Secretary, the appropriate State licensing or authorizing agency, the appropriate accrediting agencies, and, upon request, the public if an accredited or preaccredited institution or program decides to withdraw voluntarily from accreditation or preaccreditation, within 30 days of receiving notification from the institution or program that it is withdrawing voluntarily from accreditation or preaccreditation; or lets its accreditation or preaccreditation lapse, within 30 days of the date on which accreditation or preaccreditation lapses.

The agency's narrative directs staff to a "notification of voluntary withdrawal letter" as demonstrating its compliance under this section, but no such letter was appended to this petition.

The agency does not meet the requirements of this section. The agency must provide evidence that it effectively applies its policy on notifications of voluntary withdrawals.

Analyst Remarks to Response:

The notice attached to the addendum titled, "PHC Denial," was never received by the Department, calling into question both the agency's administrative capacity and the integrity of its communications with the Department. The Department was never notified of this lapse in accreditation and the agency's response continues to concern the Department as to whether it effectively applies its policies.

The agency does not meet the requirements of this section. It must demonstrate that it effectively applies its policy on notifications of voluntary withdrawal.

<u>§602.27 Other information an agency must provide the Department.</u>

(a) The agency must submit to the Department--

(1) A copy of any annual report it prepares;

(2) A copy, updated annually, of its directory of accred-ited and preaccredited institutions and programs;

(3) A summary of the agency's major accrediting activities during the previous year (an annual data summary), if requested by the Secretary to carry out the Secretary's responsibilities related to this part;

(4) Any proposed change in the agency's policies, procedures, or accreditation or preaccreditation standards that might alter its--

(i) Scope of recognition, except as provided in paragraph (a)(5) of this section; or
(ii) Compliance with the criteria for recognition;

(5) Notification that the agency has expanded its scope of recognition to include distance education or correspondence education as provided in section 496(a)(4)(B)(i)(I) of the HEA. Such an expansion of scope is effective on the date the Department receives the notification;

The agency has a policy that requires it to submit the information outlined above, except for subsection (2): A copy, updated annually, of its directory of accredited and preaccredited insti¬tutions and programs.

Furthermore, though the agency attached a summary report that is titled to indicate that it was submitted to the Department in 2008. The Department has no record of having received the summary report.

The agency does not meet the requirements of this section. The agency must revise its policy to include submission of a copy, updated annually, of its directory of accredited and preaccredited institutions and programs. The agency must also demonstrate that it effectively applies its policy.

Analyst Remarks to Response:

The attachment that the agency provided with its response is not a directory of its accredited institutions and programs. Furthermore, the Department never received the attached document despite the agency's claims.

The agency does not meet the requirements of this section. It must demonstrate that it submits the required documents.

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§602.28 Regard for decisions of States and other accrediting agencies.

(a) If the agency is an institutional accrediting agency, it may not accredit or preaccredit institutions that lack legal authorization under applicable State law to provide a program of education beyond the secondary level.

The agency has a policy that prohibits it from accrediting or preaccrediting institutions that lack legal authorization under applicable state law to provide programs of education beyond the secondary level. The agency’s application for institutional accreditation also requires institutions to provide evidence that the agency has, “formal authority from the appropriate government agency to confer degrees, certificates, or diplomas in the jurisdiction(s) in which the institution operates.” While the agency requires institutions to prove their legal status in the application for initial accreditation, the agency has not demonstrated how it ensures that institutions/program continue to have legal authorization under applicable state laws in subsequent accreditation reviews.

The agency does not meet the requirements of this section.

Analyst Remarks to Response:

The agency's response to make minor additions to its forms does not meet the requirements of this section and continues to call into question the agency's administrative capacity.

The entry that the agency has added to its AIRF relies on its institutions to simply state its legal authorization without requiring its institutions to demonstrate its legal authorization with documentation.

The agency does not meet the requirements of this section. It must demonstrate that it effectively applies

its policy on requiring evidence legal authorization from its institutions.

(c) The agency may grant accreditation or preaccreditation to an institution or program described in paragraph (b) of this section only if it provides to the Secretary, within 30 days of its action, a thorough and reasonable explanation, consistent with its standards, why the action of the other body does not preclude the agency's grant of accreditation or preaccreditation.

The agency has policies that address the requirements of this section. However, the agency's attestation that it has not had occasion to use this policy since its last submission is erroneous. The Department cited the agency under this section in October 2009 for not providing an explanation in accordance with subsection (c) of why the action of another accrediting agency did not preclude the agency's grant of accreditation or preaccreditation to an institution.

The agency does not meet the requirements of this section. The agency must demonstrate that it effectively applies its policy regarding accreditation and preaccreditation of institutions or programs that are subject to pending and/or final adverse actions by other recognized accrediting agencies or State agencies, and its requirement to provide the Secretary a thorough and reasonable explanation consistent with its standards, why those actions do not preclude its grant of accreditation or preaccreditation.

Analyst Remarks to Response:

The agency subsequently submitted the attached PDF, referred to in its narrative, after the response deadline (that Department staff extended per its request). The letter was not provided in accordance with agency policies; it was submitted only after being cited under this section by the Department. The agency was then late with its explanation and submitted its response only after a reminder by the Department.

The agency does not meet the requirements of this section. It must demonstrate that it effectively applies its policy regarding accreditation and preaccreditation of institutions that are subject to pending and/or final adverse actions by other recognized accrediting agencies or State agencies, and its requirement to provide the Secretary a thorough and reasonable explanation consistent with its standards, why those actions do not preclude its grant of accreditation or preaccreditation.

(d) If the agency learns that an institution it accredits or preaccredits, or an institution that offers a program it accredits or preaccredits, is the subject of an adverse action by another recognized accrediting agency or has been placed on probation or an equivalent status by another recognized agency, the agency must promptly review its accreditation or preaccreditation of the institution or program to determine if it should also take adverse action or place the institution or program on probation or show cause.

The agency has a policy that covers the requirements of this section. However, the documentation that the agency provided does not exemplify enforcement of this requirement, but rather, calls into question whether the agency effectively applies its own policies. It appears from the documentation provided, that the agency conducted the special visit to the school because the institution requested a change from programmatic to institutional membership, and not because the institution was subject to probation or adverse action by another recognized accrediting agency. The decision to grant institutional preaccreditation as a substantive change is non-compliant with section 602.22(a)(2), and also raises concerns as to why the agency would grant institutional preaccreditation in light of the concerns summarized in the agency's report and the pending adverse action.

The agency does not meet the requirements of this section. It must ensure that it follows its policies regarding initiating a review on an accredited institution that is subject to an adverse action or probation by another recognized accrediting agency.

Analyst Remarks to Response:

The agency's response to this section – that it had notified Department staff of its substantive change approval, and that it granted accreditation via substantive change only once – is inaccurate. Department staff has attached the agency's approval of Thomas More College under a substantive change under section 602.22(a)(2). Though the agency has made revisions to its policies and procedures and its AIRF form to ensure that it complies with this section, this is not sufficient to meet the requirements of this section. The agency did not conduct a review under this section for the institution that retained programmatic accreditation with the agency, though the agency was aware that the institution was subject to an adverse action by a recognized accrediting agency. Instead, the agency proceeded to grant institutional accreditation to the institution through a substantive change approval. The agency's actions raise questions regarding its reliability as a recognized accrediting agency.

The agency does not meet the requirements of this section. It must ensure that it follows its policies regarding initiating a review on an accredited institution that is subject to an adverse action or probation by another recognized accrediting agency.

PART III: THIRD PARTY COMMENTS

Six third-party comments of support were received in connection with AALE's petition for continued recognition. Two comments are from faculty members from educational institutions, and one is a comment from a dean of an educational institution. Comments were also received from the executive director of the Association for Core Texts and Courses, and from the chairman of the National Association of Scholars. The president of the Hudson Institute, a policy research organization, also wrote in support of the agency. The comments reference the "uniqueness" of AALE's accrediting activities, and its distinctive focus on the liberal arts.