

U.S. Department of Education

**Staff Report
to the
Senior Department Official
on
Recognition Compliance Issues**

RECOMMENDATION PAGE

1. **Agency:** Accreditation Commission for Acupuncture and Oriental Medicine (1988/2006)

(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:** Compliance Report

3. **Current Scope of Recognition:** The accreditation and preaccreditation ("Candidacy" status) throughout the United States of first-professional master's degree and professional master's level certificate and diploma programs in acupuncture and Oriental medicine and professional post-graduate doctoral programs in acupuncture and in Oriental Medicine (DAOM), as well as freestanding institutions and colleges of acupuncture or Oriental medicine that offer such programs

4. **Requested Scope of Recognition:** The accreditation and preaccreditation ("Candidacy" status) throughout the United States of first-professional master's degree and professional master's level certificate and diploma programs in acupuncture and Oriental medicine and professional post-graduate doctoral programs in acupuncture and in Oriental Medicine (DAOM), as well as freestanding institutions and colleges of acupuncture or Oriental medicine that offer such programs

5. **Date of Advisory Committee Meeting:** June, 2013

6. **Staff Recommendation:** Renew the agency's recognition for a period of three years.

7. **Issues or Problems:** None.

EXECUTIVE SUMMARY

PART I: GENERAL INFORMATION ABOUT THE AGENCY

ACAOM is a national programmatic and institutional accreditor. Its current scope of recognition is for the accreditation and pre-accreditation throughout the United States of first professional master's degree and professional master's level certificate and diploma programs in acupuncture and Oriental medicine, as well as freestanding institutions and colleges of acupuncture or Oriental medicine that offer such programs. The agency requested an expansion of its recognized scope to include its accreditation and pre-accreditation of professional post-graduate doctoral programs in acupuncture and in Oriental Medicine (DAOM), which was granted following its review in 2011.

The agency currently accredits three doctoral programs and has four additional doctoral programs in pre-accreditation status. The agency accredits or pre-accredits programs and institutions in 21 states. Forty-seven of the agency's 61 accredited and candidate programs are in single-purpose, freestanding institutions of higher education. Only the accredited freestanding institutions of acupuncture and Oriental medicine may use the agency's accreditation to establish eligibility to participate in student financial aid and other related programs under the Higher Education Act.

Recognition History

The Secretary first recognized the agency in 1988 for its accreditation at the professional master's degree level in acupuncture. In 1992, the agency's recognition was expanded to include its accreditation of the first professional master's degree and professional master's level certificate and diploma programs in acupuncture and Oriental medicine. ACAOM was reviewed in Fall 2005 and granted an expansion of scope to include the agency's pre-accreditation ("Candidacy") status. The agency's most recent full petition was reviewed at the Spring 2011 meeting, at which time both Department staff and the Committee recommended that the agency's request for an expansion of scope be granted, that its recognition be continued, and that it submit a compliance report on several issues. The Assistant Secretary concurred with the recommendations. The compliance report is the subject of the current review.

PART II: SUMMARY OF FINDINGS

§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--

(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;

In the Spring 2011 staff report, the agency was requested to demonstrate that it has and applies criteria for the selection of site evaluators and appeal panelists, and to demonstrate that it conducts comprehensive and consistent training for site team members.

Site team members

In response to the staff report, the agency provided additional information on the members of its site visitor pool and their training. The agency provided a copy of its site visitor manual, which provides clear definitions of the agency's four categories of site visitors, which include administrators, academics, educators, and practitioners (Ex. 3, p. 2). One person from each category serves on each team. The agency states in its narrative that it currently has 52 site visitors in its pool, with between 29-34 persons available in each site visitor category. The agency notes that some site visitors are qualified to serve in more than one capacity. The agency provided a table listing (anonymously) its 52 site visitors, the category/categories each may serve in, and the number of visitors who hold doctorates (Ex. 5, pp. 2-3). Exhibit 5 also included redacted vitae for each of the pool members, which document that the pool members hold the appropriate educational and professional qualifications to serve as site reviewers. Staff accepts the agency's response, and no additional information is requested regarding the agency's site visitor pool.

Appeals panel members

In its response, the agency states that it has not yet had an occasion to convene a hearing panel. If such a panel were needed, the agency would use the members of its on-site visitor pool, whose selection has been described above. The agency states that the additional public member would be required to have the qualifications set forth in its Qualifications for Site Visitors and Appeal Panel

(Ex. 5, p. 1). The document clearly specifies the requirements for a public member and includes the usual exclusions (i.e., not an employee, board member, owner, shareholder, or consultant of a member school, not a member of an organization associated with the agency, not a family member, not in higher education, etc.). The agency has clear definitions for the selection of appeals panel members, and no additional information is requested in this area.

Training

Training for team chairs takes place both in-person and on-line. The agency provided a copy of detailed slides used in the presentation of its in-person workshops, which included an overview by the agency's executive director and a discussion of the agency's mission, ED recognition, accrediting procedure, standards, chair and team responsibilities, site visit procedures and problems, and team report preparation (Ex. 8). The agency provided a sign-in sheet from a chair training workshop held in November 2011, which had 10 signatures (Ex. 7). Team chairs are provided on-line training to prepare them for their role in training their team members, as discussed below.

The agency's site team member training takes place via both presentations at agency workshops and training sessions presented by team chairs prior to reviews. The agency provided copies of the detailed slides used in the presentation of its in-person workshops, which included an overview by the agency's executive director and a discussion of many of the same topics covered in the team chair training. The site visitor training addressed each individual standard and emphasized interviewing techniques and problems that could be encountered during a review, a sample report, and the rationales for findings. The agency provided sign-in sheets from two site visitor workshops held in November 2011 and April 2012, which had 31 and 15 signatures, respectively (Ex. 7).

The agency supplements its training workshops with team training led by team chairs prior to each review. The agency provided an outline of the training to be provided by each team chair to team members. The training includes a review of the site visit process, conduct during the visit, findings categories, and special considerations for that specific visit. Team members are required to sign a form indicating that they have participated in the pre-visit training. The agency provided emails and signed forms documenting that team chairs had participated in the online team chair training in preparation for training their teams, as well as documentation that team members had participated in the pre-visit training.

The agency's policy manual specifies that the agency will conduct a training/orientation session for appeals panel members regarding their role and responsibilities (Ex. 1, p. 60). The agency has not yet had an appeal, so is unable to provide any documentation at this time.

Staff accepts the agency's response in regard to training, and no further information is requested in this area.

(3) Academic and administrative personnel on its evaluation, policy, and decision-making bodies, if the agency accredits institutions;

In the Spring 2011 staff report, the agency was requested to demonstrate that its site evaluator pool includes a sufficient number of appropriately qualified members in each required category and that it composes site teams with the appropriate designated members for each site team.

As noted under 602.11(a)(2), the agency provided a table showing the distribution of its 52-member site visitor pool across four categories, including academics and administrators (Ex. 5, pp. 2-3). ED staff verified that the agency has 34 potential academics and 34 potential administrators listed in its site visitor pool. The agency also provided redacted vitae for each member of its site visitor pool (Ex. 5, remainder). As noted previously, the site visitor pool members, including those designated as academics and administrators, appear well-qualified to serve on site visit teams. The agency indicates that it conducted seven site visits in 2011. The 34-member academic and administrator site visitor pools are therefore more than sufficient to cover the number of site visits that the agency conducts in a given year.

The agency also provided summary sheets for the seven site visits that it conducted in 2012 (Ex. 11). The summaries indicate that each site visit team had four members and that each team included both academics and administrators. The summary sheets were keyed to the vitae provided in Exhibit 5, and again showed that the team members designated as academics and administrators appeared qualified for their roles on the site visit teams.

ED staff accepts the agency's response, and no additional information is requested.

(4) Educators and practitioners on its evaluation, policy, and decision-making bodies, if the agency accredits programs or single-purpose institutions that prepare students for a specific profession;

In the Spring 2011 staff report, the agency was requested to demonstrate that its site evaluator pool includes a sufficient number of appropriately qualified educators and practitioners and that it composes site teams with the appropriate designated members for each site team.

As noted under 602.11(a)(2), the agency provided a table showing the distribution of its 52-member site visitor pool across four categories, including educators and practitioners (Ex. 5, pp. 2-3). ED staff verified that the agency has 29 potential educators and 30 potential practitioners listed in its site visitor pool.

The agency also provided redacted vitae for each member of its site visitor pool (Ex. 5, remainder). As noted previously, the site visitor pool members, including those designated as educators and practitioners, appear well-qualified to serve on site visit teams. The agency indicates that it conducted seven site visits in 2011. The 29-member educator and 30-member practitioner site visitor pools are therefore more than sufficient to cover the number of site visits that the agency conducts in a given year.

The agency also provided summary sheets for the seven site visits that it conducted in 2012 (Ex. 11). The summaries indicate that each site visit team had four members and that each team included both educators and practitioners. The summary sheets were keyed to the vitae provided in Exhibit 5, and again showed that the team members designated as educators and practitioners appeared qualified for their roles on the site visit teams.

ED staff accepts the agency's response, and no additional information is requested.

(b) The agency maintains complete and accurate records of--

(1) Its last full accreditation or preaccreditation reviews of each institution or program, including on-site evaluation team reports, the institution's or program's responses to on-site reports, periodic review reports, any reports of special reviews conducted by the agency between regular reviews, and a copy of the institution's or program's most recent self-study; and

2) All decisions made throughout an institution's or program's affiliation with the agency regarding the accreditation and preaccreditation of any institution or program and substantive changes, including all correspondence that is significantly related to those decisions.

In the Spring 2011 staff report, the agency was requested to demonstrate the effectiveness of its records retention policy, as adopted. Specifically, staff expressed a concern as to why the agency had appended its revised records retention policy to its commissioners' manual rather than including it under the agency's policy/procedures manual that guides its operations.

In its response the agency provided a copy of its records retention policy, which had already been accepted by ED staff in Spring 2011 (Ex. 12). It again provided a copy of its commissioner's manual, showing the records retention policy (Ex. 4, final page). Although ED would recommend that the agency add this policy to its policy manual, staff accepts the inclusion of the policy the agency's commissioners' manual as documentation that the agency has a compliant policy and follows it. Therefore, no additional information is requested in this

area.

§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:**

- (i) Success with respect to student achievement in relation to the institution's mission, which may include different standards for different institutions or programs, as established by the institution, including, as appropriate, consideration of course completion, State licensing examination, and job placement rates.**

In the Spring 2011 staff report, the agency was requested to provide information and documentation on how it collects and evaluates for compliance with its standards, the assessment criteria that are set by the school rather than by the agency itself.

In response, the agency revised its site visit procedure by adding specific questions for the on-site review team to use in evaluating compliance with assessment criteria that are set by the school itself. The site visitor manual includes four questions for the review team to use in making this evaluation of both master's programs and doctoral programs (Ex. 3, unpagged appendices). The agency also provided sample on-site review reports as documentation that review teams are giving special attention to assessment measures that have been set by the schools (Ex. 13). The reports document that the teams are providing detailed reviews on-site, with reports #1004 and #1019 indicating non-compliance, #1009 indicating a need for further development, and #1056 indicating compliance. The agency also provided a sample follow-up letter to institution #1019 noting the need for further development.

Staff accepts the agency's response, and no additional information is requested.

§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--

(e) Conducts its own analysis of the self-study and supporting documentation furnished by the institution or program, the report of the on-site review, the institution's or program's response to the report, and any other appropriate information from other sources to determine whether the institution or program complies with the agency's standards; and

In Spring 2011, the agency noted that its recently revised policies and procedures called for the full commission review of the entire accreditation record for every institution/program (other than those commissioners recused for specific institutions/programs.) The Spring 2011 staff report requested that the agency demonstrate the effective application of this revised policy.

In response, the agency provided a detailed list showing each document that was included in the "full accreditation record" sent to all commissioners (except recusals) for action related to 20 programs/institutions at the agency's August 2012 commission meeting. The documents included eligibility/self-study reports, site visit reports, institutional responses, written third-party comments, and institutional responses to the third-party comments.

Staff accepts the agency's response and documentation, and no further information is requested.

(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

In the Spring 2011 staff report, the agency was requested to demonstrate that it provides its institutions/programs with a detailed written report on the institution's/program's performance with respect to student achievement.

As was noted previously under 602.16(a)(1)(i), the agency revised its review procedures and now provides on-site review teams with specific guidance/questions regarding factors to consider when reviewing institutionally-established assessment criteria. The agency provided sample on-site review reports showing instances of non-compliance, the need for further improvement, and compliance, that include detailed written reports provided by review teams related to the assessment of institutionally-established assessment

criteria.

Staff accepts the agency's response, and no additional information is requested.

§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;

In the Spring 2011 staff report, the agency was requested to provide evidence of comprehensive and consistent on-site evaluator training as an effective control against the inconsistent application of the agency's standards.

As was noted under 602.15(a)(2), the agency provided additional information regarding the training of its on-site reviewers. Training for team chairs takes place both in-person and on-line. The agency provided a copy of detailed slides used in the presentation of its in-person workshops, which included an overview by the agency's executive director and a discussion of the agency's mission, ED recognition, accrediting procedure, standards, chair and team responsibilities, site visit procedures and problems, and team report preparation (Ex. 8). The agency provided a sign-in sheet from a chair training workshop held in November 2011, which had 10 signatures (Ex. 7). Team chairs are provided on-line training to prepare them for their role in training their team members, as discussed below.

The agency's site team member training takes place via both presentations at agency workshops and training sessions presented by team chairs prior to reviews. The agency provided copies of the detailed slides used in the presentation of its in-person workshops, which included an overview by the agency's executive director and a discussion of many of the same topics covered in the team chair training. The site visitor training addressed each individual standard and emphasized interviewing techniques and problems that could be encountered during a review, a sample report, and the rationales for findings. The agency provided sign-in sheets from two site visitor workshops held in November 2011 and April 2012, which had 31 and 15 signatures, respectively (Ex. 7).

The agency supplements its training workshops with team training led by team chairs prior to each review. The agency provided an outline of the training to be provided by each team chair to team members. The training includes a review of

the site visit process, conduct during the visit, findings categories, and special considerations for that specific visit. Team members are required to sign a form indicating that they have participated in the pre-visit training. The agency provided emails and signed forms documenting that team chairs had participated in the online team chair training in preparation for training their teams, as well as documentation that team members had participated in the pre-visit training.

Staff accepts the agency's response, and no additional information is requested.

§602.19 Monitoring and reevaluation of accredited institutions and programs.

(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.

In the Spring 2011 staff report, the agency was requested to provide additional information and documented evidence of how its annual reports are reviewed and what follow-up actions are triggered by the reports.

In its response, the agency indicates that it uses its annual reports to monitor both fiscal and student achievement data.

Fiscal

Fiscal indicators from the agency's annual reports include 1) 15% changes in revenue/expenses, 2) negative revenue over expenses, 3) Title IV default rates, and 4) reports of financial stability. The agency's staff reviews audited financial statements, cohort default rates, and other information as appropriate when evaluating fiscal indicators (Ex. 22). In its narrative, the agency reported on its most recent analysis of fiscal indicators. Related to category 1), four schools reported a change (decrease) in revenues over expenditures, but maintained a positive net worth and are being monitored. Related to category 2), several schools reported negative revenue; of those, six are stable and two are being required to submit monitoring reports. The agency reported that there were no schools identified under categories 3) and 4) in its annual reports. The agency submitted a redacted copy of an audited financial statement (Ex. 23), but no documentation as to follow-up action the agency has taken in response to fiscal concerns that were raised as a result of its analysis of annual reports. Additional information is requested in this area.

Student achievement

Achievement indicators from the agency's annual reports include 1) retention rates, 2) graduation rates, and 3) licensure/credentialing pass rates (Ex. 22). The agency's staff reviews the school's analysis and action plan using a three-year review protocol, as well as any information from comprehensive accreditation reviews that may occur during the three-year period. The agency reported that in 2011, six programs did not meet required retention rates, nine did not meet required graduation rates, and four did not meet required licensing/credentialing pass rates. The agency provided sample emails (Ex. 24) to programs that did not meet the required achievement thresholds, in which it noted that the thresholds were not met and that an action plan was necessary. The sample emails included responses from the program/school with an explanation for the problem and any actions that the program/school planned to take as a result. Staff accepts the agency's response, and no additional information is requested in this area.

Staff determination: The agency does not meet the requirements of this section. The agency is requested to provide additional documentation regarding follow-up action the agency has taken in response to fiscal concerns that were raised as a result of its analysis of annual reports.

Analyst Remarks to Response:

In the draft staff analysis, the agency was requested to provide additional documentation regarding follow-up action the agency had taken in response to fiscal concerns that were raised as a result of its analysis of annual reports. In response to the draft analysis, the agency provided sample copies of two action letters. In one letter, the agency informed an institution that its progress report had been reviewed and accepted by the commission and that the institution was being removed from probation (Ex. 1). In a second letter, the agency informed an institution that the commission had reviewed the institution's progress report, had found that one area of non-compliance had not been addressed, and requested that the institution submit an additional progress report by June 1, 2013 (Ex. 2).

Staff accepts the agency's additional documentation as evidence of its compliance with the requirements of this section. No further information is requested.

(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.

In the Spring 2011 staff report, the agency was requested to provide evidence that it applies its headcount policy.

In its response, the agency indicated that its staff had reviewed the headcount data from its most recent annual reports and identified twelve programs that had at least a 25% increase in headcount. The agency provided sample emails to its programs/institutions notifying them that additional information was requested regarding the increases in headcount (Ex. 25). The agency reports that all but three programs responded adequately to its inquiries. Those three programs have reportedly been placed on monitoring status. No documentation was provided related to those three programs. Additional information is requested in this area.

Staff determination: The agency does not meet the requirements of this section. The agency is requested to provide documentation regarding the actions it took against three programs that were placed on monitoring status as a result of not responding to the agency's request for information related to increases in headcount.

Analyst Remarks to Response:

In the draft staff analysis, the agency was requested to provide documentation regarding the actions it took against three programs that were placed on monitoring status as a result of not responding to the agency's request for information related to increases in headcount.

In response to the draft staff analysis, the agency provided additional information regarding the three programs. For programs 1035 and 1021, the agency provided copies of their 2012 annual reports, showing that one program had a decline in enrollment and one program had an increase in enrollment that was below the 25% threshold established by the agency (Exs. 3 and 5). As a result, those schools were removed from internal monitoring and returned to routine review. For program 1049, an increase of 24.7 was reported. Because this was only marginally below the agency's 25% threshold and the program had not provided the necessary information the previous year, the agency required the program to provide additional information (Ex. 4). Based upon the information provided, the agency also removed this program from internal monitoring and returned it to routine review.

Staff accepts the agency's additional documentation as evidence that it is in compliance with the requirements of this section. No further information is requested.

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

As was noted under 602.19(c), in the Spring 2011 staff report, the agency was requested to provide evidence that it applies its headcount policy.

As was also noted under 602.19(c), in its response, the agency indicated that its staff had reviewed the headcount data from its most recent annual reports and identified twelve programs that had at least a 25% increase in headcount. The agency provided sample emails to its programs/institutions notifying them that additional information was requested regarding the increases in headcount (Ex. 25). The agency reports that all but three programs responded adequately to its inquiries. Those three programs have reportedly been placed on monitoring status. No documentation was provided related to those three programs. Additional information is requested in this area.

Staff determination: The agency does not meet the requirements of this section. The agency is requested to provide documentation regarding the actions it took against three programs that were placed on monitoring status as a result of not responding to the agency's request for information related to significant growth.

Analyst Remarks to Response:

As was noted under 602.19(c), in the draft staff analysis the agency was requested to provide documentation regarding the actions it took against three programs that were placed on monitoring status as a result of not responding to the agency's request for information related to significant growth. As was noted previously, the agency provided additional documentation regarding the three programs. As a result of the agency's investigations into the programs' circumstances, all were removed from monitoring and returned to routine review.

As noted under 602.19(c), staff accepts the agency's additional documentation as evidence that it is in compliance with the requirements of this section. No further information is requested.

§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.**

In the Spring 2011 staff report, the agency was requested to provide documentation that institutions are cited and corrective action is taken within the specified timelines.

The agency notes that its policies and procedures manual states the two-year time limit in policies 1.11., 1.15.1, 1.15.2, 2.11, 2.15.1, and 2.15.2 (Ex. 1). In response to the earlier finding, the agency implemented a monitoring process requiring progress reports in follow up to areas of noncompliance identified during the comprehensive program review process. Although the agency refers to 1.11 and 2.11 Time Frames for Follow-Up in its narrative, the Monitoring Progress Report it states that it now requires is not specifically addressed under these sections, nor under 1.10 or 2.10, Types of Follow-Up (Ex. 01). The agency is requested to amend its policy manual to address its Monitoring Progress Report requirement.

Although the agency's new report is not specifically addressed in its policy manual, it did provide sample letters to programs/institutions in which it noted that such a report was required "demonstrating the remediation of the Areas of Non-Compliance specified" and including a deadline for the report's submission (Ex. 17). The letters also include a notice referring to ED's two-year time limit for compliance. Therefore, it appears that the agency has provided the documentation requested in the Spring 2011 staff report. However, the agency is requested to also provide information regarding its new reporting requirement in its policy and procedures manual.

Staff determination: The agency does not meet the requirements of this section. The agency is requested to provide information regarding its new Monitoring Progress Report in its policies and procedures manual.

Analyst Remarks to Response:

In the draft staff analysis, the agency was requested to provide information regarding its new Monitoring Progress Report in its policies and procedures manual. In response to the draft analysis, the agency has clarified in its policy manual that its previous references to monitoring reports in fact refer to the progress reports that were requested in the draft analysis (Ex. 6, pp. 7, 10, 11, 30, 33, 34). The policies were effective in April 2013.

Staff accepts the agency's response as evidence that it meets the requirements of this section. No further information is requested.

(b) If the institution or program does not bring itself into compliance within the specified period, the agency must take immediate adverse action unless the agency, for good cause, extends the period for achieving compliance.

In the Spring 2011 staff report, the agency was requested to provide evidence of its effective application of its policies pertaining to adverse action, including documentation and application of its policy and practices pertaining to extensions for good cause.

In its response, the agency states that it does not allow extensions for good cause past the established two-year time limit. The agency notes that it typically requires programs/institutions to demonstrate compliance with its standards within one year; however, the agency's policies and procedures manual states that it may extend deadlines for compliance within the two-year timeframe for good cause (Ex. 1, pp. 11, 34).

Staff accepts the agency's response, and no additional information is requested.

§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.**

In the Spring 2011 staff report, the agency was requested to demonstrate that it has conducted a systematic program of review of its standards in compliance with the requirements of this criterion. Specifically, the documentation provided was not sufficient to demonstrate a quality review of the agency's standards, either as a whole or individually, and did not provide evidence of the involvement

of all of its relevant constituencies in the review process.

In its response, the agency provided documentation related to a task force it convened to review its standards for the first professional doctorate. The agency solicited nominations for the task force in January 2011; however, the documentation did not provide information as to whose input was solicited. A 13-member task force resulted, led by an agency-appointed chair. The task force included three administrators, three academics, two educators, three practitioners, one public member (who was also an agency commissioner), and the chair, whose affiliation was not noted. (Ex. 18)

A meeting was held on May 25, 2011 to consider a second draft of the standards. It is not clear when the first draft was considered, although it appears likely that this was done online, based upon an email earlier that month from the task force chair. It is unclear from the May 25 agenda whether anyone other than the task force was involved in the review. The commission then discussed the draft standards at its August 2011 meeting and noted that the task force had met between six and seven times (Ex. 18, Summer 2011 meeting minutes, p. 8). The minutes note that the next step in the review process would be to solicit public comments. The agency reports that it posted the draft standards on its web site in January 2012, then held a public hearing in Chicago in April 2012. The agency provided slides from its public presentation of the standards, as well as a copy of a sign-in sheet from April 26, 2012. The agency requested information as to affiliation from the attendees. Affiliations were provided for three of the 19 attendees, at least one of which represented a school. The agency's documentation also included sample letters from related organizations, as well as from individuals, providing feedback on the proposed standards. The narrative states that the task force was scheduled to reconvene in August 2012 to consider the comments that had been received. (Ex. 18).

Staff accepts that the agency has demonstrated that it has conducted a systematic review of its proposed First Professional Doctorate standards and has provided an opportunity for the involvement of relevant constituencies. No additional information is requested.

(c) If the agency determines, at any point during its systematic program of review, that it needs to make changes to its standards, the agency must initiate action within 12 months to make the changes and must complete that action within a reasonable period of time. Before finalizing any changes to its standards, the agency must--

- (1) Provide notice to all of the agency's relevant constituencies, and other parties who have made their interest known to the agency, of the changes the agency proposes to make;**
- (2) Give the constituencies and other interested parties adequate opportunity to comment on the proposed changes; and**
- (3) Take into account any comments on the proposed changes**

submitted timely by the relevant constituencies and by other interested parties.

in the Spring 2011 staff report, the agency was requested to provide additional information and documentation to demonstrate that feedback from all of the agency's constituencies is solicited and considered prior to the adoption of revised standards.

As was noted previously under 602.21(a)(b), the agency provided documentation related to its 2011-2012 review of its First Professional Doctorate standards. The agency solicited nominations for a task force that it convened to review the standards. The resulting task force members included administrators, academics, educators, practitioners, and a public member. The agency held task force meetings, posted its proposed standards online for several months for public review and solicitation of feedback, and held a public hearing in Chicago. The agency also provided sample letters from related organizations, as well as individuals, noting their feedback on the standards. (Ex. 18).

Staff accepts that the agency actively solicited participation for consideration in its recent standards review process, and no additional information is requested.

§602.22 Substantive change.

(ix) The acquisition of any other institution or any program or location of another institution.

(x) The addition of a permanent location at a site at which the institution is conducting a teach-out for students of another institution that has ceased operating before all students have completed their program of study.

In the Spring 2011 staff report, the agency was requested to provide evidence of its adoption of its policy and its review of requests for substantive changes involving the acquisition by one of its accredited members of any other institution, program, or location of another institution.

The agency has provided a copy of its policies and procedures manual (Ex. 1) that includes its substantive change policies for both candidate institutions/programs (pp. 16-19) and fully accredited institutions/programs (pp. 39-41). The policies emphasize that changes in location of the full institutional operation or the addition of a branch campus by acquisition, the addition of another program in the field by acquisition, or the establishment of an additional location or branch campus by acquisition will be considered a substantive change. The addition of a new location or branch campus by acquisition will require a comprehensive evaluation (p. 41). The addition of three or more

programs within 12 months will also trigger a comprehensive evaluation (p. 42). Institutions seeking to acquire new branch campuses must submit a substantive change application and business plan, receive approval by the agency's review committee, and be visited within six months (p. 55).

The agency notes that it has only received one substantive change application, which was related to a change in ownership rather than to a change in location. Since the agency has not received any substantive change applications related to the requirements of this section, it is unable to provide any documentation related to the implementation of its policies.

(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.

In the Spring 2011 staff report, the agency was requested to provide documentation of the implementation of its policy regarding the establishment of effective dates for the substantive changes its commission approves.

The agency has received one substantive change request related to a change in ownership. The agency provided a copy of the action letter approving the request (Ex. 19) dated December 22, 2011 approving the change in ownership effective December 30, 2011 and requiring a site visit within six months. The exhibit also included the site visit report from April 2012 that indicated the change of control occurred in February 2012.

Staff accepts the agency's documentation and no additional information is requested.

§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 standards 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.

In the Spring 2011 staff report, the agency was requested to 1) provide documentation related to the final resolution of a complaint against an institution/program and 2) supply additional information and documentation to demonstrate that any special committee formed to review complaints about the agency itself will be unbiased and have substantive input into the resolution of the complaint.

Complaint against a program

In its response, the agency provided a series of letters related to a complaint it received against one of its accredited programs (Ex. 20). The documentation includes an agency letter to the institution's president describing the complaint, a detailed response from the president to the complaint, and a letter from the agency to the president noting that it was accepting the university's response, found the complaint to be without merit, and would therefore consider the complaint to be closed. Although the agency provided documentation of correspondence between itself and the institution, no documentation was provided as to its timely communications with the complainant, in accordance with its published policies. This additional information is therefore requested.

Complaint against the agency

In its response, the agency referenced a complaint that was received by ED against the agency itself (Ex. 20). The agency provided copies of three signed conflict of interest policies for its Special Committee for Complaints Against ACAOM related to the formation of a committee to review the complaint against the agency. The agency also provided a copy of the letter to the complainant outlining the steps that had been taken in forming the committee to review his complaint, including the dates of actions taken. The complaint was found to be without merit and the letter to the complainant notes that the complaint was therefore closed. The exhibit also includes a letter from ED staff accepting the agency's findings, noting that ED had reviewed the agency's handling of the complaint and found no problems, and that ED also considered the complaint to be closed. Staff accepts the agency's response and requests no further information regarding complaints against the agency itself.

Staff determination: The agency does not meet the requirements of this section. The agency is requested to provide copies of communications between the agency and the complainant related to the complaint it received against one of its programs and referenced in its response.

Analyst Remarks to Response:

In the draft staff analysis, the agency was requested to provide copies of communications between the agency and the complainant related to the complaint it received against one of its programs and referenced in its response. In response to the draft analysis, the agency provided a copy of the letter that was sent to the complainant, who was an institution's president, notifying him/her that the agency had reviewed the complaint record and associated information and documentation and had found the complaint to be without merit since it involved no violation of the agency's standards (Ex. 7). The complaint was closed without further action by the agency.

Staff accepts the agency's response as evidence that it meets the requirements of this section. No further information is requested.

§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:

(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.

In the Spring 2011 staff report, the agency was requested to provide evidence of its effective application of its policies pertaining to change in ownership or indicate it has not had opportunity to apply its policies.

The agency has received one substantive change request related to a change in ownership and has provided documentation related to this one instance. The agency provided a copy of the letter notifying the institution of the agency's approval of its application for substantive change related to change of ownership. The letter was dated December 2011. The agency provided a copy of the resulting focused site visit report from April 2012, which was within six months of the approved application and which also noted the actual change of control occurred in February 2012.

Staff accepts the agency's response, and no additional information is requested.

(2) The agency must evaluate the teach-out plan to ensure it provides for the equitable treatment of students under criteria established by the agency, specifies additional charges, if any, and provides for notification to the students of any additional charges.

In the Spring 2011 staff report, the agency was requested to demonstrate that it has and has implemented evaluative criteria and a protocol by which it evaluates teach-out plans.

In response to the findings in the staff report, the agency updated its policy related to teach-out plans. The revised policy states that the agency will evaluate the teach-out plan to ensure that it provides for the equitable treatment of students (Ex. 1, p. 74). This review will be related to the agency's policies that require the plan to specify any additional charges to students and provide for notification to the students of those charges. In addition, the policy specifies the information that must be included in the teach-out plan, upon which the agency conducts its review.

The agency states that it has not received any teach-out plans, and therefore has no documentation related to the implementation of its revised policy.

Staff accepts the agency's response, and no additional information is requested.

(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.

In the Spring 2011 staff report, the agency was requested to identify the criteria by which it will evaluate teach-out agreements.

In response to ED's findings, the agency revised its policies related to teach-out agreements. The policy defines a teach-out agreement and stipulates that if an institution enters into a teach-out agreement, it must submit the agreement, signed by all parties, to the agency for prior approval. The agreement must include documentation that cross-references 18 criteria that the agency has developed for use in approving such an agreement (Ex. 1, pp. 77-79). Among other things, the criteria specify that the teach-out agreement: will be with an institution/program that is accredited by ACAOM or has candidacy status; will stipulate that it will provide for the equitable treatment of students; will include a listing of affected students and their estimated graduation dates; that students who had already paid for training that they did not receive will be provided with that training at no additional cost; that the closing institution will provide the status of unearned tuition, all current refunds due to the students, and information on the state tuition recovery fund; and that timely notice of the teach-out will be provided to students; that students will receive timely and accurate notification of any additional charges.

The agency states that it has not received any teach-out agreements, and therefore has no documentation related to the implementation of its revised policy.

Staff accepts the agency's response, and no additional information is requested.

§602.25 Due process

(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.

In the Spring 2011 staff report, the agency was requested to amend its appeals policies to make clear the types of actions that appeals panel may take and require that the hearing panel identify specific issues for the commission to address if the panel remands the decision back to the commission. The agency's policies also needed to be amended to clarify that the panel is empowered to direct the remand action of the commission. The agency had to provide evidence of its application of its policy as applicable.

In response to the earlier finding, the agency revised its policy on decisions of its appeals panels (Ex. 1, pp. 62-63). The revised policy states that the panel may affirm, amend, reverse, or remand the adverse action taken by the commission and that the appeals panel's decision "shall be implemented by the Commission consistent with the Appeal Panel's decision or instructions." If the appeals panel remands a decision, it must identify the specific issues that the commission must address (Ex. 1, p. 62, policy 3.5.13).

The agency states that it has not received any appeals, and therefore has no documentation related to the implementation of its revised policy.

Staff accepts the agency's response, and no additional information is requested.

(g) The agency notifies the institution or program in writing of the result of its appeal and the basis for that result.

In the Spring 2011 staff report, the agency was requested to amend its policies to require that it provide for written notice of the results of the appeal and the basis for the decision in a timely fashion.

In response to the earlier finding, the agency revised its policies. Policy 3.5.13 requires the commission to provide written notice to the appellant regarding the

appeal panel's or commission's action on the appeal, including the basis for the decision, within 30 days of the action being taken (Ex. 1, p. 63).

The agency states that it has not received any appeals, and therefore has no documentation related to the implementation of its revised policy.

Staff accepts the agency's response, and no additional information is requested.

§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--

((d) For any decision listed in paragraph (b)(2) of this section, makes available to the Secretary, the appropriate State licensing or authorizing agency, and the public, no later than 60 days after the decision, a brief statement summarizing the reasons for the agency's decision and the official comments that the affected institution or program may wish to make with regard to that decision, or evidence that the affected institution has been offered the opportunity to provide official comment; and

In the Spring 2011 staff report, the agency was requested to provide evidence of the effective application of its policy to submit summary statements to the Department, State licensing or authorizing agencies, appropriate accrediting agencies, and the public of the reason for its adverse action.

In its response, the agency provided documentation related to actions taken against two schools that was made available to the Secretary, the appropriate State licensing or authorizing agency, and the public (Ex. 21). The agency states that such notices are also made available via its web site. The documentation includes notices related to actions taken against two schools and includes a brief statement summarizing the agency's decisions. One notice includes a comment provided by the school in response to the agency's statement. The exhibit also provides documentation showing that the other school did not comment, but was offered the opportunity to do so.

Staff accepts the agency's response, and no additional information is requested.

PART III: THIRD PARTY COMMENTS

The Department did not receive any written third-party comments regarding this agency.