

**U.S. Department of Education**

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

**RECOMMENDATION PAGE**

1. **Agency:** Transnational Association Of Christian Colleges and Schools (1991/2005)

(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 ("Candidate" status) of Christian postsecondary institutions in the United States that offer certificates, diplomas, and associate, baccalaureate, and graduate degrees, including institutions that offer distance education.

4. **Requested Scope of Recognition:** The agency is not requesting any change in its current scope of recognition.

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

6. **Staff Recommendation:** If the agency confirms at the Spring 2013 NACIQI meeting that its commission adopted the revised policies for monitoring and for approval of substantive changes, the staff recommendation will be to renew the agency's recognition for a period of three years.

If the agency is not able to confirm adoption of the revised policies as submitted in the compliance report, the staff will recommend either (1) that the agency's recognition be continued but limited to currently accredited institutions or programs for a period of six months and that the agency be required to submit a compliance report demonstrating its compliance with the cited criteria within 30 days of expiration of the six-month period, with reconsideration of recognition status thereafter, including review of the compliance report and appearance by the agency

at a NACIQI meeting to be designated by the Department; or  
(2) that the agency be granted an extension of its recognition, for good cause, for a period of six months and that the agency submit a compliance report demonstrating its compliance with the cited criteria within 30 days of expiration of the six-month period, with reconsideration of recognition status thereafter, including review of the compliance report and appearance by the agency at a NACIQI meeting to be designated by the Department.

7. **Issues or Problems:** It does not appear that the agency meets the following sections of the Secretary's Criteria for Recognition. These issues are summarized below and discussed in detail under the Summary of Findings section.

-- The agency is requested to affirm at the Spring 2013 NACIQI meeting that the policies provided as Exhibits 17 and 18 were accepted by its commission at its May 31, 2013 meeting. If so, the agency will be found in compliance with this section. [§602.19(b)]

-- The agency is requested to affirm at the Spring 2013 NACIQI meeting that its revised policy, provided as Exhibit 31, was formally adopted at its May 31, 2013 commission meeting. If so, the agency will be found in compliance with this section. [§602.22(a)(1)]

## **EXECUTIVE SUMMARY**

### **PART I: GENERAL INFORMATION ABOUT THE AGENCY**

The Transnational Association of Christian Colleges and Schools (TRACS) is an institutional accreditor. Its current scope of recognition is the accreditation and pre-accreditation ("Candidate" status) of Christian postsecondary institutions that offer certificates, diplomas, and associate, baccalaureate, and graduate degrees, including institutions that offer distance education. TRACS accredits or pre-accredits 54 institutions in 22 states. TRACS' accreditation provides a link to Title IV funding for 35 of its institutions and a link to Title III funding for three of its Historically Black Colleges and Universities (HBCU) institutions.

#### **Recognition History**

TRACS received initial recognition in July 1991 and has maintained continued recognition since that time. The agency last appeared before the NACIQI at the Committee's Spring 2011 meeting. At that time, the Committee considered the agency's petition for renewed recognition, continued the agency's current grant of recognition, and requested that the agency submit a compliance report on several issues identified in the staff report. That compliance report is the subject of the current review.

## **PART II: SUMMARY OF FINDINGS**

### **§602.13 Acceptance of the agency by others.**

**The agency must demonstrate that its standards, policies, procedures, and decisions to grant or deny accreditation are widely accepted in the United States by--**

- (a) Educators and educational institutions; and**
- (b) Licensing bodies, practitioners, and employers in the professional or vocational fields for which the educational institutions or programs within the agency's jurisdiction prepare their students.**

In the Spring 2011 staff analysis, the agency was requested to provide documentation showing that its accreditation is accepted by licensing bodies, practitioners, and employers.

#### Licensing bodies

In its response, much of the documentation that the agency provided indicates that while TRACS' graduates are eligible to sit for various types of licensure/certification, in many instances this eligibility is related to the institutions' accreditation by various specialized accreditors, rather than specifically to TRACS' institutional accreditation. While it might be argued that this specialized accreditation is also a reflection of the overall quality of the institution (and therefore TRACS' requirements) as a whole, it does not satisfy the requirements of this section relating to TRACS' acceptance as a prerequisite for licensure/certification.

However, the agency did also provide documentation showing that the state of Florida will accept degrees awarded by ED-recognized accrediting agencies for educator certification purposes, which enables teacher education graduates of a TRACS-accredited institution in Florida to qualify for certification (Ex. A-31). The agency further notes that twelve of its institutions offer training for teachers who will be employed in private schools, which do not require state teacher certification. While these private schools do not require state certification, they do require certification by the Association of Christian Schools International (ACSI) or the American Association of Christian Schools (AACCS). Both of these bodies specifically recognize graduation from one of TRACS' accredited schools as a prerequisite for its licensing of private school teachers (Exs. A-20 and A-21).

#### Employers/practitioners

The agency also provided approximately 60 letters of support from institutions, churches, denominational bodies, and individuals attesting to the quality of the education and training provided by the agency's accredited institutions (Ex. A-03). These letters note ample support for the value of the agency's accreditation and acceptance by both employers and practitioners.

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

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**§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.**

At the time of the Spring 2011 review, the agency was requested to provide documentation of its implementation of the separate and independent requirements related to representation of public members under 602.14(b)(2). The agency had the appropriate written requirements, but did not currently meet its own bylaw requirements related to the number of public representatives on its commission, due to a public member vacancy at that time.

In its response, the agency provided information regarding its election timeline and demonstrated that as of July 2011 it again has three public members on its 18-member commission (Ex. B-5). It provided a copy of a signed Declaration of Qualification to Serve as a Representative of the Public for each of the current public members (Exs. B-3 and B-6). The forms require the members to attest to the fact that they are serving in accordance with the public member requirements of the agency's bylaws, which ED accepted at the time of the last full review.

Staff accepts the agency's documentation related to this section, and no further information is requested.

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**(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.**
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As indicated in the previous section, the agency has taken steps to fill the public member vacancy that was noted at the time of the last review. At that time, the agency had only two public members on its commission, with one vacancy. This was contrary to the agency's bylaws, which specify three public members. The agency has provided documentation that it has filled the remaining vacancy and now has three public members on its commission, in accordance with its own rules. The agency provided a list of its current commission members (Ex. B-12) indicating that there are now three public members on its commission. It also provided signed forms in which the three public members attest that they meet the requirements of a public member as specified in the agency's bylaws (Exs. B-3 and B-6).

Staff accepts the agency's documentation related to the requirements of this section, and no further information is requested.

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### **§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;**

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In the Spring 2011 staff report, the agency was requested to address the Department's concerns for the agency's negative cash flow and the basis for the agency's budget projections, and provide more information regarding its finances, especially information regarding its projected increase in dues and decrease in payroll.

In its response, the agency notes that it has undergone a major organizational reorganization and that several staff members have retired and that positions have been abolished or combined. While the agency did increase two staff positions from part-time to full-time, and add a new position, the changes resulted in a decrease in expenditures for personnel.

In preparing the 2012 budget, the commission determined that a 4% increase in dues was necessary to support the budget (Ex. D-2). This resulted in annual dues increases of between \$225-\$450 per school, and the agency's annual budget was increased accordingly (Ex. D-3). In preparing the 2013 budget, the commission determined that an additional 3% increase in dues was necessary (Ex. D-4). This resulted in an additional annual dues increase of between \$175-\$350 per school. The agency's annual budget again increased (Ex. D-5).

The agency also provided a summary table of its past five years of audit data. The table shows that for 2011 and 2012, total revenues increased and provided

a comfortable excess over total expenditures (Ex. D-1).

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

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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;**

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In the Spring 2011 staff report, the agency was requested to 1) provide evidence that its commission includes education and expertise in the area of distance education; 2) demonstrate that it has selection criteria by which it determines that site evaluators have appropriate education and expertise to be effective site visitors; and 3) demonstrate that it has conducted appeals panel training.

#### Commission

In response to the staff report, the agency polled its commissioners to gain more information as to their experience in distance education (Ex. E-05) and provided additional training related to distance education and the agency's standards for the commission as a whole (Exs. E-04, E-06, E-07, E-08, E-09, E-10, E-11). The agency provided copies of its training slides, as well as information regarding the qualifications of its trainers. In addition to the training provided to the full commission, one commissioner is currently participating in training offered by the University of Illinois related to certification as a master online teacher in order to gain additional expertise in this area. The agency provided a copy of the certification letter related to this training (Ex. e-12). The agency's documentation provided evidence that its commissioners have received adequate training related to distance education, and no additional information is requested.

#### Site visitors

The agency continues to provide training for new site evaluators online, at its fall conferences, and on an as-needed basis. In response to the staff report, new site visitors must submit a resume and complete a form indicating the areas of the agency's standards that they feel qualified to review (Ex. E-13). The agency provided a sample signed form completed by a reviewer. The agency's staff then reviews the forms (Exs. E-14, E-15) and assigns the reviewers to a grid indicating their areas of expertise (Ex. E-16) in order to aid in their selection for on-site review teams. In April 2012, the agency also contacted the previous members of its site visitor pool to obtain resumes and request that they complete an evaluation of their expertise in the agency's standards by using an online version of the form in order that they could also be included on agency's master

grid of potential site visitors (E-17). The master grid that the agency provided includes approximately 270 potential reviewers and lists their areas of expertise standard-by-standard. The agency's documentation indicates that it is evaluating the education and areas of expertise of its site visitors, and no additional information is requested.

#### Appeals panel

In response to the staff report, the agency sent a copy of its training manual to the members of its appeals panel (Ex. E-21) and requested that they study it. The panel members then certified that they had read the manual as requested (Ex. E-22), recertified their compliance with the agency's conflict of interest policy (Ex. E-23), and provided updated copies of their resumes (Ex. E-24). The agency has also developed an online presentation for the training/retraining of new/current appeal panel members. The agency provided copies of its training manual, sample forms and resumes provided by the panel members, and slides from its training presentation. The agency's documentation indicates that it is providing its appeals panel members with adequate training, and no additional information is requested.

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

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

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At the time of the Spring 2011 staff report, the agency had only one faculty representative on its commission, whereas its bylaws specified that the commission would include two faculty representatives. In response to this issue, the agency added another faculty representative to its commission in July 2011. As documentation, the agency provided a list of its current commissioners, which indicates that there are now two faculty representatives (Ex. B-5). One member's term will end in June 2013, and one member's term will end in July 2014. The agency also provided a copy of the Commissioner's Declaration of Qualification to Serve as a Faculty Representative that was signed by the faculty member who joined the commission in July 2011 (Ex. F-1).

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

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

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As noted previously under sections 602.14(a) and (b), the agency has demonstrated that, as of July 2011, it has filled the public member vacancy on its commission and is now therefore in compliance with the number of public representatives specified in its own bylaws. The agency provided a list of its current commission members, which identified the three public members (Ex. B-5), as well as copies of forms signed by the three public members attesting that they meet the requirements for public members as specified in the agency's rules.

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

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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:**

- (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.**

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In the Spring 2011 staff report, the agency was requested to demonstrate that it has and effectively applies standards for assessing student outcome measures. The agency had stated in its petition that it considered relevant data, such as retention and job placement rates in evaluating an institution's compliance with its standard; however, it had not made clear what it considered to be a "high percentage" retention rate or a "low placement" rate. The agency was asked to clarify what factors, criteria, and benchmarks it used in determining that an institution complies with its expectations pertaining to the institution's collection and assessment of student outcomes.

In response to the staff report, the agency reviewed its policies and procedures and made a decision to move to agency-established benchmarks for student outcome measures, rather than institutionally-established student outcome measures. The agency reviewed performance on graduation rates, retention rates, completion rates, job placement rates and success on licensing exams based upon data provided in the institutions' last three annual reports, and used the three-year average to develop proposed benchmarks. It was determined that any institution within one standard deviation of the mean would be considered to

be in compliance, but would be required to have an action plan for improvement. Institutions that were more than one standard deviation below the mean would be considered to be out of compliance and would have to submit an action plan to come into compliance within at least two years. The proposed benchmarks were reviewed by the commission in November 2011, posted for public comment, and went into effect in January 2012. Due to the implementation of the new benchmarks midway through the review cycle, institutions that were already in the self-study process were not subject to the new requirements in the first quarter of 2012. Review teams began addressing the new benchmarks in their on-site reviews and reports in April 2012. The agency provided two sample site visit reports indicating that the newly established benchmarks were reviewed on-site, including one report where the institution was found to be deficient (Exs. H-5, H-6).

The agency provided a copy of its Benchmarks for Review (Ex. H-3), which indicates the percentage indicator for substantial compliance, basic compliance, and non-compliance for the various outcomes measures (retention rates, completion rates, etc.) that it is now using. These rates are specific to associate/certificate programs, bachelor programs, and graduate programs. However, the agency has not included licensure exam rates for its associate/certificate and bachelor programs, nor a graduation rate benchmark for graduate programs. Furthermore, while the benchmarks are reportedly based upon means developed from the annual reports submitted by institutions, the thresholds for non-compliance are quite low, ranging from a mere 13% licensure exam pass rate for graduate programs to, at most, 49% retention rates for associate/certificate and bachelor programs. Additional information is requested regarding the exclusion of rate types for some of the program levels. In addition, the agency is asked to provide a justification of its methodology for establishing compliance indicators in light of the resulting low thresholds, and its determination that these thresholds are sufficiently rigorous to meet its standard for student achievement.

The agency reports that the benchmarks were scheduled to be included in annual reports beginning in October 2012. Since this was prior to the agency's submission of this report, the agency is requested to provide an update and additional documentation related to the implementation of the new benchmarks in its institutions' annual reports, including how it assesses the data

Staff determination: The agency does not meet the requirements of this section. Additional information is requested regarding the exclusion of rate types for some of the program levels. The agency is also asked to provide a justification of its methodology for establishing compliance indicators in light of the resulting low thresholds, and its determination that these thresholds are sufficiently rigorous to meet its standard for student achievement. The agency must also provide an update and additional documentation related to the implementation of the new benchmarks in its institutions' annual reports, including how it assesses the data.

## **Analyst Remarks to Response:**

### **1) Exclusion of rate types**

In its response to the draft staff analysis, the agency noted that it is recommending the elimination of licensure benchmarks for its graduate programs and clarified that few of its institutions' programs lead to licensure (Ex. 1). For example, at the certificate level, completion of core Biblical studies courses does not lead to licensure; at the associate's degree level, only two programs lead to licensure; and at the bachelor's degree level, only six programs lead to licensure. The agency reports that since these programs typically encompass diverse fields, there are few similar programs in each cohort, and the licensing tests vary by state, it reviews each program's pass rates individually rather than establishing licensure pass rate benchmarks to be met. Instead, it compares the programs' pass rates to those of other institutions that are not accredited by the agency and/or to national scores. Included in the agency's documentation are examples of the information it reviews on licensure pass rates for various programs as reported by the institutions it accredits (Exs. 2, 3, 4, 5, 6, 7).

### **2) Justification of methodology**

In its response to the draft staff analysis, the agency reports that in developing agency-established benchmarks, it studied other ED recognized agencies whose methodology had been accepted by the Department during its review process. It chose to follow the example of an agency that had established one standard deviation below the average rate of graduation as a benchmark (Ex. 8). It also studied the average retention rates reported by the Department's National Center for Educational Statistics (NCES) (Ex. 10). The agency also clarified that it is still using institutionally-established benchmarks in conjunction with the new agency-established benchmarks. This is noted in its instructions to on-site teams regarding the evaluation of student outcomes measures (Ex. 11). The agency also provided excerpts from team reports in its documentation (Exs. 12, 13). The agency notes that after reviewing its 2012 annual reports, which are the first reports to include information regarding the new benchmarks, it found that the benchmarks were in need of further adjustments and is in the process of collecting additional information to correct what it has identified as "flaws" in the first iteration of its agency-established benchmarks.

### **3) Annual report implementation**

The agency's response to this point will be addressed in a subsequent section of the analysis.

ED staff accepts the agency's response to these issues, and no further information is requested. However, the agency is strongly encouraged to provide updated information to the Department regarding any adjustments it makes in its benchmarks.

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**§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--

(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

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In the Spring 2011 staff report, the agency was requested to provide additional information regarding its expectations for assessing an institution's performance with respect to student achievement and documentation of its effective application of this requirement.

As was noted under 602.16(a)(1)(i), the agency moved to agency-established student achievement benchmarks as a result of the Spring 2011 staff report. In response to this section, the agency provided a copy of the benchmarks that are to be used by on-site teams in conducting their reviews (Ex. H-4). The agency also provided two sample site team reports for reviews conducted after the implementation of the newly adopted benchmarks. Both team reports indicated that the team had examined the institution's compliance with the new benchmarks, and both discussed the adequacy of the institution's effectiveness plan. One report provided figures related to the institution's performance on retention, graduation, graduate school acceptance, and employment placement rates (Ex. H-5, p. 29). One report indicated that the team noted compliance issues related to the area of student achievement (Ex. H-6, pp. 23-24). Both team reports also discussed the adequacy of the institution's effectiveness plan and provided information about additional indicators used by the institution in its evaluation of its effectiveness regarding student achievement.

The agency also provided a copy of instructions it provides to teams for use in evaluating student achievement measures (Ex. I-1), as well as a copy of a sample report that teams should use as a model in writing the section of the team report related to student achievement.

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

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**§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.**

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In the Spring 2011 staff report, the agency was requested to provide evidence that it has, and applies, review factors (e.g., thresholds, trends, etc.) in assessing the information provided during its review of institutions' annual reports and how and when follow-up action will be taken by the agency.

In response to the staff report, the agency provided a sample completed annual report (Ex. J-01) and the review factors that agency staff use in evaluating such a report, which includes actions to be taken for non-compliance (Ex. J-02). For example, an enrollment increase of 20% or more may trigger a visit for either program review or a review of resources and facilities. The agency provided several documents related to the review of institutions experiencing enrollment growth, including a list of 11 institutions that had experienced at least 20% growth, a sample letter to one of the institutions requesting a report of changes that the institution had made to accommodate the growth, and the growth rate review report that the institution submitted in response (Exs. J-05, J-06, and J-07). ED staff also reviewed a sample site team report related to enrollment growth (Ex. J-09), which described the circumstances for the growth, as well as steps the institution had taken to accommodate the growth.

As another example, the agency provided a copy of the instructions it provides to its staff in reviewing institutions' financial information (Ex. J-11), as well as a copy of a financial review report of an institution that had been prepared by one of the agency's vice presidents (Ex. J-12). The report a brief accreditation summary and an analysis of the institution's recent past and current financial history and future plans, and a list of the documents reviewed and additional documents needed.

As was noted in the staff analysis under 602.16(a)(1)(i), the agency has recently implemented new benchmarks related to student achievement. At the time that the agency's report was submitted, it had not yet collected annual report information related to those benchmarks, which were to be addressed in the October 2012 annual reports. The agency is requested to provide updated information and documentation related to its review of its new benchmarks in those reports.

Staff determination: The agency does not meet the requirements of this section.

The agency is requested to provide updated information and documentation related to its review of its new student achievement benchmarks in its October 2012 annual reports.

**Analyst Remarks to Response:**

As was noted under 602.16(a)(1)(i), the agency was requested to provide information regarding the monitoring of its newly established student achievement benchmarks in its October 2012 annual reports. The agency's response to that section is included here.

In its response, the agency notes that it revised its 2012 annual report form (Ex. 15). The revised form now requires institutions to provide data on their progress toward assessing institutional effectiveness (Ex. 15, pp. 7-9). The new section provides definitions of retention, graduation, completion, job placement, and licensure examination rates and requires institutions to provide retention and completion rates for diploma, associate, certificate, and bachelor's programs, as well as retention, job placement, and licensure pass rates for graduate programs. Institutions must also provide information as to how it assesses its programs using a checklist that includes items such as student surveys, alumni surveys, program outcome measures, student outcome measures, and program reviews (Ex. 15, p. 8). Institutions must provide information on the process used for measuring student learning, its quality compliance review, and changes made to strategic planning related to student assessment (Ex. 15, p. 9). The form has been further revised to require information related to programs leading to licensure and a requirement that the institution provide letters verifying acceptance of those programs by employers, professionals in the field, and licensing agencies, especially those that specifically mention the agency's accreditation (Ex. 15, pp. 9-10). A section requiring information on degrees and major offered was also added to enable the agency to cross-check for programs leading to licensure (Ex. 15, p. 16).

The agency provided a number of examples of its review of 2012 annual reports (Exs. 19-30). It reports that it has preliminarily identified 25 institutions that are not in compliance with the agency's benchmarks, although it also notes that in several cases this may be because the institutions reported numbers rather than percentages. In an email sent to ED staff following submission of its response, the agency provided sample copies of letters that have been sent to institutions notifying them that they are in noncompliance with the agency's benchmarks (see Documents Uploaded by Analyst).

The agency also provided copies of new policies related to the annual report data that are scheduled to be considered at the agency's commission meeting at its May 31, 2013 meeting. A policy on annual institutional reporting notes that the agency will use data gathered in the report to monitor institutions' success in meeting the agency's benchmarks (Ex. 17). A policy on institutional staff reviews notes that agency staff will review the annual reports and follow up on areas of noncompliance (Ex. 18).

Staff accepts the agency's response, contingent upon confirmation from the agency at the Spring 2013 NACIQI meeting that its commission adopted the policies provided under Exs. 17 and 18 at its May 31, 2013 meeting, as scheduled. If the policies have been accepted at that time, the agency will be found in compliance with the requirements of this section.

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

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In the Spring 2011 staff report, the agency was requested to amend its policy to include program-level growth monitoring when an institution has experienced significant enrollment growth and provide evidence of its effective application of this policy.

In response to the staff report, the agency revised its policies to specify that any institution that reports at least a 20% enrollment growth in any program since the prior year must provide documentation of the changes it made to accommodate the increase (Ex. J-04). The policy also states that the TRACS president may require a staff visit to the institution.

The agency's annual report form includes reporting on enrollment at the institutional level (including figures for undergraduate and graduate on-campus and off-campus enrollment), but not at the program level. The agency provided a copy of a follow-up letter to an institution with enrollment growth of more than 20% in which it requests a report on the changes the institution made to accommodate that increase, and also changes made to accommodate increases of enrollment growth of 20% or more in any program.

The agency also provided a sample program growth on-site visit report (Ex. J-08) that indicates that it conducted an on-site review in July 2012 to an institution that had experienced an 89% enrollment increase in a business program and an 84% enrollment increase in an education program. The report describes the circumstances that led to the increases, as well as steps that the institution had taken to accommodate the increases, implying that staff were satisfied with these actions.

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

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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.**

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In the Spring 2011 staff report, the agency was requested to demonstrate that its current review of standards solicits and includes input from all of its relevant constituencies (particularly constituencies external to the accreditation process) and to provide information on how it has formalized the procedures for conducting its reliability/validity study in its policies/procedures manual.

#### Input from constituencies

As documentation of its efforts to obtain input related to the revision of its current standards, the agency provided copies of April 2012 email messages to internal and external constituencies, including presidents, chief academic officers, business officers, IE officers, assessment agencies, state departments of education, and other accrediting agencies soliciting feedback on its standards in the areas of 1) educational programs, 2) financial operations, and 3) institutional effectiveness (Ex. L-04). The agency also provided a screen shot of a page from its April 2012 web site soliciting standards input (Ex. L-05). The agency also provided copies of messages it received in response to these solicitation efforts (Ex. L-06), most of which were submitted by staff members from TRACS-accredited institutions. The comments are provided to the agency's Standards Review Committee, which makes recommendations for changes to the commission for consideration and public comment prior to final adoption. Sample commission minutes indicate that the Standards Review Committee made recommendations to the commission regarding proposed changes and that the changes were to be sent to member institutions and internal and external constituencies and posted on the agency's web site for a 30-day comment period, that the commission would make a final determination on changes following the expiration of the comment period, and that a called commission meeting would be held to vote on the changes (Ex. L-07). The documentation indicates that the agency attempted to obtain input from all of its relevant constituencies, and no additional information is requested.

### Reliability/validity study

In its Spring 2011 petition, the agency provided very detailed information as to how it has conducted a systematic procedure for conducting a reliability and validity study of its standards over many years. However, the staff analysis noted that the process does not appear to have been formalized in the agency's policies and procedures manual, and the agency was requested to institutionalize the process in its policies and procedures manual if it is going to continue to use this approach in its review of its standards. In its current response, the agency has again provided very detailed information regarding its process, and included a copy of the data collection form, which all team members are required to complete. The agency's policies and procedures manual (not provided, but available on the agency's web site, p. 18) addresses its reliability-validity study and states that data relating to the reliability and validity of the agency's standards will be collected from each institutional evaluation team and each institution being evaluated; that sessions seeking comment on the study will be conducted at least every two years at the agency's annual meeting; that data reports will be published at regular intervals for review by the commission; that the study will be conducted in five-year cycles with summary reports published at the end of each cycle; and that the reports will be provided to ED, as well as to state agencies. This policy manual description demonstrates that the agency has formalized its validity-reliability study procedures, and no additional information is requested.

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**(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.**

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In the Spring 2011 staff report, the agency was requested to demonstrate that it has clearly written protocols for the revision of its standards, including a timeframe for making revisions, and to demonstrate that it has provided adequate opportunity for all of its relevant constituencies and interested parties to comment on all proposed changes.

Written protocols

The agency provided documentation showing that its policy manual specifies that the agency will initiate changes to its standards within 12 months of determining that a change is needed (Ex. L-12). As noted in the previous section, the agency describes the process for its reliability-validity study, which provides for ongoing standards review on a five-year cycle, in its policy manual (not provided, but available online, p. 18). The process provides a formalized means of soliciting feedback from institutions, site review teams, commissioners, and those attending the agency's annual meetings. No additional information is requested in this area.

#### Opportunity for comment

As was also noted previously in the draft staff analysis under 602.19(b), the agency provided documentation of its efforts to obtain input related to the revision of its current standards. The agency provided documentation of its efforts to notify, and obtain feedback from, its internal and external constituencies (Exs. L-04 and L-05), as well as responses it received to its solicitations (Ex. L-06). Sample commission minutes indicate that the Standards Review Committee made recommendations to the commission regarding proposed changes and that the changes were to be sent to member institutions and internal and external constituencies and posted on the agency's web site for a 30-day comment period, that the commission would make a final determination on changes following the expiration of the comment period, and that a called commission meeting would be held to vote on the changes (Ex. L-07). No additional information is requested in this area.

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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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In the Spring 2011 draft staff analysis, it was noted that the agency's president was approving some substantive changes, rather than the agency's commission. In its response to the draft, the agency indicated that it had amended its policies to require that the commission was the decision-maker for all substantive change decisions required under this criterion. In the final staff report, the agency was then requested to provide more information on its review of substantive changes, including a completed substantive change request.

In its current response, the agency provided a copy of its substantive change policy, as addressed in its policy manual (Ex. N-1). The policy discusses institutional changes, provides definitions of various types of substantive changes, including substantive changes involving distance education, lists types of substantive changes requiring a new comprehensive evaluation, and describes the agency's substantive change procedures. The agency also provided a blank copy of its substantive change application form (Ex. N-2), which provides information on institutional changes, how to apply for substantive change approval, effective dates of substantive changes, describes substantive changes requiring commission approval and substantive changes requiring presidential approval, and provides a checklist of information to be included with the application. The agency also provided a completed application for a substantive change request to add a master's program, which required commission approval (Ex. N-5), as well as a letter from the agency notifying the institution that the commission had granted its request to add the program (Ex. N-6).

Although the agency stated in Spring 2011 that its policies had been revised to require that the commission review all substantive change requests, the narrative above indicates that "When all materials are received they are reviewed and any missing items are requested. Once review is complete the request is either placed on the Accreditation Commission meeting Agenda (for Commission approved Substantive Changes) or approved by the TRACS President (for President approved Substantive Changes)." As noted above, the agency's substantive change application form specifically addresses substantive changes requiring presidential approval (Ex. N-2, pp. 6-7). Therefore, it would appear that the commission is still not approving all substantive change requests, as had been reported earlier, but that some requests are still being approved by the agency's president instead. As was noted in the Spring 2011 draft staff analysis, this is not acceptable .

Staff determination: The agency does not meet the requirements of this section. The agency must amend its policies and procedures to require that the commission, and not the agency's president, approves all substantive change requests covered by this criterion.

### **Analyst Remarks to Response:**

In the draft staff analysis, the agency was requested to amend its policies to stipulate that only its commission could take action on substantive changes. In response to the draft staff analysis, the agency revised its policies accordingly. The revised policy now differentiates between "institutional changes," which are non-substantive changes that may be approved by the agency's president, and substantive changes, which may only be decided by the agency's commission (Ex. 31). The revised policy states that all substantive changes will require the approval of the agency's commission prior to implementation and defines the ten substantive changes that will be subject to commission approval.

The agency reports that its revised policy is scheduled for adoption at its May 31, 2013 commission meeting. ED staff accepts the agency's revised policy, and the agency will be found in compliance with the requirements of this section if it affirms at the Spring 2013 NACIQI meeting that its revised policy, provided at Exhibit 31, was adopted as scheduled.

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**(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.**

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In the Spring 2011 staff report, the agency was requested to clarify/revise its policies and procedures to indicate whether it allows pre-approval of substantive changes related to branch campuses. In response to the staff report, the agency amended its policies to clarify that it does not allow an abbreviated procedure to approve a branch campus and that it will only approve the addition of a branch campus after a full review of the institution's application (Ex. O-1).

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

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**(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.**

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In the Spring 2011 staff report, the agency was requested to identify, in its policies, those conditions/situations that would require an institution to undergo a new comprehensive evaluation. In response, the agency revised its policies to specify that 1) any change in the established mission or objectives of the institution; 2) changes in ownership that result in a change of control; or 3) a series of changes that result in the institution becoming essentially a new and different institution than it was at the time of its last grant of accreditation would constitute substantive changes requiring a new comprehensive evaluation (Ex. P-1). Such a comprehensive review would require a self-study and an on-site review of the institution.

The agency states that it has not had any occasion to implement its revised policy, so has no further supporting documentation to present. Further, the agency also reviewed substantive changes for the past two years and found that it had encountered no changes that would have resulted in a comprehensive review as specified in its revised policy.

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

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**(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;**

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At the time of its Spring 2011 petition, the agency provided an application template, an evaluation team report, and a commission approval of an additional location in Spain. The staff report requested that the agency instead provide evidence of a completed application, review, site visit, and approval of an additional location in the United States.

In its response, the agency indicates that it provided the materials related to the additional location in Spain because it did not (and still does not) have any documentation related to the approval of an additional location in the U.S.

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

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**(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.**

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In the Spring 2011 staff report the agency's policies related to this section were accepted, but the agency was requested to either provide evidence if the application of its policies pertaining to the rapid growth of additional locations or state that it has not experienced these situations and had no documentation to submit.

In its response, the agency states that it has not yet experienced these situations and therefore has no documentation to submit.

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

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**(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.**

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At the time of the Spring 2011 staff report, the agency was requested to provide documentation to demonstrate that it has made on-site visits to additional locations during which it verified that the location has the personnel, facilities and resources it claimed to have in its application, or to state that it had occasion to make such a visit and therefore has no applicable documentation to submit.

In its response, the agency states that it has not yet received a substantive change request for a branch campus in the United States, and therefore has no documentation to submit.

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

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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 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.**

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In the Spring 2011 staff report, the agency was requested to provide evidence of its effective application of its complaint policies or report it has not received a complaint.

In its response, the agency states that it has not received a complaint in the year following the Spring 2011 report and therefore has no documentation to submit.

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

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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.**

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In the Spring 2011 staff report, the agency was requested to provide an example of a request to establish a branch campus located in the United States or to state that it has not had such a request and therefore has no documentation to provide.

In its response, the agency states that the only request it received was subsequently withdrawn, so no action was taken and it has no documentation to provide.

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

### **PART III: THIRD PARTY COMMENTS**

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