PART I: GENERAL INFORMATION ABOUT THE AGENCY

The Northwest Commission on Colleges and Universities (NWCCU) is a regional institutional accreditor that accredits (or preaccredits) over 150 degree granting institutions in seven states, and including those programs offered via distance education within these institutions.

Most of the institutions accredited by NWCCU use the Secretary’s recognition of the agency to establish eligibility to participate in the Title IV, HEA student financial assistance programs. Therefore, the agency must meet the separate and independent requirements.

Recognition History

NWCCU received initial recognition in 1952 and has received periodic renewal of recognition since that time.

The last full review of the agency was conducted in December 2013, at which time the National Advisory Committee on Institutional Quality and Integrity (NACIQI or the Committee) found the agency out of compliance with 10 sections of the Secretary's Criteria for Recognition, and Department staff found the agency out of compliance with 12 sections. Both NACIQI and Department staff recommended the continued recognition of the agency and that it come into compliance within 12 months and submit a compliance report on the deficient sections. The senior Department official, Acting Assistant Secretary Brenda Dann-Messier, concurred with the recommendation of NACIQI, and found the agency out of compliance with 10 sections, granted continued recognition of the agency, and required that it come into compliance within 12 months and submit a compliance report. NWCCU disagreed with the findings in five sections and appealed the decision regarding those sections to the Secretary. On December 11, 2014, Secretary Arne Duncan reversed the decision concerning three sections, and affirmed the decision concerning two sections, 602.24(a) and 602.24(b). The Secretary also granted continued recognition pending the submission of a compliance report on Sections 602.24(a) and 602.24(b) within 12 months. This compliance report is in response to the decision on appeal by the Secretary regarding Sections 602.24(a) and 602.24(b) of the Secretary's Criteria for Recognition.

In December 2015, Department staff and NACIQI reviewed and accepted the compliance report in response to the finding by the senior Department official regarding the five sections of the Secretary's Criteria for Recognition that were not appealed by NWCCU - Sections 602.15(a)(5), 602.16(a)(1)(ix), 602.20(b), 602.23(c), and 602.26(d).

Since the agency's last review in December 2015, the Department has received one complaint that is under review.

PART II: SUMMARY OF FINDINGS

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.

Previous issue: When the agency's petition was reviewed in December 2013, Department staff and NACIQI found the agency provided its revised substantive change policy to meet the requirements of this section regarding the review and approval of branch campuses; however, the agency did not provide documentation to demonstrate that it applies its policies concerning the review and approval of branch campuses.

Discussion: In response to the Department's findings, the agency provided detailed information and comprehensive documentation of the review and approval of a branch campus - prior to the site visit. The documentation for the site visit to evaluate the branch campus, as required by this section, was previously submitted in the 2013 petition as "Tab 124."

(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.

Previous issue: When the agency’s petition was reviewed in December 2013, Department staff and NACIQI found the agency did not demonstrate that it consistently adheres to the site visit requirement for changes in ownership, as required by this section.

Discussion: In response to the Department's findings, the agency stated that it has not had the opportunity to apply its substantive change policy regarding changes in ownership, as no such requests have been received by the agency.

However, the agency did not address the issue as to whether a site visit is required by the agency when a change of ownership occurs, as required by this section. The agency states that the example provided in the petition in 2013 was not a change of ownership and therefore this section and its requirements are not applicable. No additional information or documentation was provided.

Within the appeal documents, the agency did not dispute that the example provided in the 2013 petition was a change of ownership, and instead stated that a separate monitoring visit was already scheduled during the six-month time period after the change of ownership, which the agency asserted would satisfy the spirit of the regulation requiring a site visit. However, documentation provided by the agency contradicts that the agency intended for the separate monitoring visit to satisfy the requirements of this section, and instead clearly states that the agency would not make a site visit to the institution in relation to the change of ownership.

Within the decision on the appeal of this issue, the Secretary noted that the agency has not provided any evidence that any site visit actually took place within the required six-month period after the change of ownership, and that the evidence provided demonstrates that the agency had no intention of using any visit - monitoring or otherwise - for the purpose of evaluating the impact of the change in ownership, as required by this section. Therefore, the agency must provide information and documentation to demonstrate that its policy and procedures regarding changes of ownership meet the requirements of this section.

Analyst Remarks to Response:
In response to the draft staff analysis the agency notes that in the Decision of the Secretary dated December 11, 2014, it was determined that NWCCU was not in compliance with section 602.24(b). Subsequent to the Secretary’s determination the agency has revised its substantive change policy (see attached, page 7-7). The policy specifically requires that a site visit be conducted within a six-month period after approval of a change in owner. The agency also informs Department staff that to date, it has not had an opportunity to apply 602.24 (b) but will do so if and when a change of ownership occurs.

PART III: THIRD PARTY COMMENTS

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