

Summary of Selected Requirements for Institutions Accredited by ACICS

August 2022

On August 19, 2022, the Deputy Secretary of Education, acting on behalf of the Secretary of Education, affirmed the decision of the Senior Department Official terminating the Department of Education's (Department's) recognition of the Accrediting Council for Independent Colleges and Schools (ACICS). Although ACICS is no longer a nationally-recognized accrediting agency, the Department will continue the participation of schools accredited by ACICS in the federal student aid programs through provisional certification. Provisional certification may last up to 18 months from the date of the Deputy Secretary's decision, a period set by statute to allow institutions to seek institutional accreditation from another nationally-recognized accrediting agency. During the period of provisional participation, institutions will be deemed to hold recognized accreditation, which will allow institutions to avoid consequences which are triggered in certain states when an institution is no longer accredited by a nationally-recognized accrediting agency.

During the period of provisional certification resulting from the loss of recognized accreditation, the Department will require the affected institutions to comply with additional conditions. These conditions are designed to protect students and safeguard taxpayer dollars, as summarized below.

Some institutions currently participate on a month to month (or temporary month to month) basis, and those schools will continue on the same basis during the term of provisional participation.

Note: This is only a summary of selected additional conditions contained in the Provisional Program Participation Agreement Addendum ("Addendum"). The full conditions for participation during the provisional term are set forth in their entirety in the Provisional Program Participation Agreement ("PPPA") and the Addendum.

The following provisions apply immediately to all ACICS-accredited institutions:

- **Closing Institutions.** If an institution intends to close, its term of provisional participation will be limited to an orderly close-out, and it must immediately cease enrolling students. If an institution intends to close, it should immediately notify the Department. Each institution must also acknowledge that any student who withdraws after the announcement of the Deputy Secretary's decision may qualify for a closed school discharge if the institution subsequently closes.
- **Prohibition on Major Changes and New Enrollments.** Institutions will be restricted from making major changes (e.g., additional locations, increases in level of academic offerings, new programs) until they are accredited by a recognized accrediting agency. Institutions will also be prohibited from enrolling new students who cannot complete their program by the end of the

18-month provisional period until and unless the institution is accredited by another nationally-recognized accrediting agency.

- Enrollment Reporting. Institutions will be required to report student enrollment to the National Student Loan Data System every 30 days instead of every 60 days (as normally required).
- Teach Out Plans. All institutions must submit a teach-out plan to the Department within 30 calendar days after the accrediting agency's loss of recognition by the Department.
- Licensing/Certification Confirmation and Notifications. If an institution's students (either past, current, or future) become ineligible to sit for any licensing or certification exam as a result of the loss of the institution's accrediting agency, the institution must make certain notifications and disclosures, allow students to take a leave of absence, and is not eligible to receive Title IV funds for any newly enrolled students in programs that no longer fulfill licensure or certification requirements.
- State Authorization Confirmation and Notifications. If an institution loses its authorization/license from its governing State entity to operate and issue postsecondary certificates and/or degrees, the institution will not be eligible to receive Title IV funds unless the State grants the institution authorization to continue operating. The institution must make certain notifications and disclosures.
- Monthly Reports. All institutions must submit a report regarding lawsuits, arbitrations, and investigations to the Department within 30 calendar days following the Secretary's final decision withdrawing the recognition of the institution's accrediting agency, and update those reports every 30 days thereafter. In addition, institutions must inform students about where to file complaints they may have previously submitted to an institution's accreditor. Schools will also be required to provide monthly updates about their progress toward finding a new accrediting agency, seeking new ownership, and teaching out their students.
- Direct Disclosures to Students. Within 30 calendar days of the Deputy Secretary's final decision, all institutions must send to every enrolled and prospective student a notice regarding the accrediting agency's loss of recognition, the 18-month provisional period, and the effects of the withdrawal of recognition on student financial aid eligibility and, if applicable, the ability of students to obtain licensure or certification.
- Access to Records and Record Retention Plans. Institutions will be required to provide to students, upon request, and without respect to any balance owed to the institution, official and unofficial copies of transcripts, financial records, and other educational records. All institutions must also submit a detailed record retention plan that will describe each institution's plan for preserving important records, including administrative records for the institution's

administration of the federal student aid programs, documents related to admissions and student transcripts, and records of the institution's marketing and recruiting practices.

- Financial Protection. Each Institution shall provide financial protection (for example, by posting a letter of credit) with the Department in an amount to be set by the Department of at least ten percent of the institution's annual federal student aid funding volume. This financial protection must be retained at least until a new accrediting agency performs a site visit at the institution.