

Summary of Selected Requirements for Institutions Accredited by ACICS

On December 12, 2016, the Secretary withdrew recognition from the Accrediting Council for Independent Colleges and Schools (ACICS). However, although ACICS is no longer a federally 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 Secretary's decision, a period set by statute to allow institutions to seek institutional accreditation from another federally recognized accrediting agency. During the period of provisional participation, the Secretary will deem institutions to hold recognized accreditation, which will allow institutions to avoid consequences in which are triggered in certain states when an institution is no longer accredited by a federally 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, and they set milestones for the institutions to find another recognized accreditor. Schools that miss the progress milestones will be required to comply with additional conditions designed to protect students and taxpayers against the risk that institutions will lose federal financial aid eligibility and close, 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.
- **Major Changes.** Institutions will be restricted from making major changes (e.g., additional locations, increases in level of academic offerings, new programs) without Department approval, and the approval will be granted only in limited circumstances.

- 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.
- Student Actions and Investigation 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 90 days thereafter. In addition, institutions must inform students about where to file complaints they may have previously submitted to an institution's accreditor.
- Compliance Audit Expanded Reporting. All institutions must engage their third-party auditors to evaluate certain key data and compliance indicators that would typically have been monitored by the accrediting agency, including fiscal information and measures of student achievement.

Additional Requirements for ACICS-accredited institutions That Do Not Meet Certain Milestones on the Path Toward Recognized Accreditation:

- If No In-Process Application within 90 Calendar Days (by Monday, March 13, 2017). For any institution that does not have an In-Process Application with another accrediting agency (i.e., another agency has not notified the institution that its application has been accepted for processing) within 90 calendar days of the Secretary's final decision withdrawing recognition of the institution's accrediting agency, in addition to all of the above-described conditions, the institution must:
 - Submit a formal Teach Out Agreement to the Department; and
 - Disclose the fact that it does not have an In-Process Application with another agency to its students, along with other required information.

- If No In-Process Application within 180 Calendar Days (by Monday, June 12, 2017), or No Completed Accrediting Agency Site Visit Within 300 Calendar Days (by Tuesday, October 10, 2017). For any institution that does not have an In-Process Application with another accrediting agency within 180 calendar days of the Secretary’s final decision withdrawing recognition of the institution’s accrediting agency, or where an accrediting agency site visit has not been completed within 300 days, the institution will not be eligible to receive any funds through Title IV, HEA programs for any students that enroll on a date after the 180 day or 300 day milestone, whichever applies. The institution must also comply with some additional conditions, including:
 - Additional disclosures to its students;
 - Submission of monthly student lists and a record retention plan to the Department; and
 - A required Letter of Credit in an amount determined by the Department.