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9. Substantive Change

9.1. Substantive change

All accredited programs and institutions must promptly notify CEA in writing of any proposed substantive change in the program or institution since the most recent CEA accreditation review. This advance notice must be made prior to the change being implemented and must be reported following the Reporting Substantive Change document that each site receives with its letter of accreditation and with the annual report package. The report must include a thorough explanation of any proposed change and a list of affected standards with an explanation of how they will continue to be met following the change. The proposed change must be approved by the Commission prior to the change being included in the grant of accreditation. The types of substantive changes that must be reported prior to the change taking place include, but are not limited to, the following:

a. any change in ownership, legal status, or form of control, including a change in the relationship with departments within a host institution. (Request and submit the appropriate document, either “Application for continuance of accreditation following a change of control” for programs or “Application for continuance of accreditation following a change of ownership” for institutions)
b. the acquisition of any other institution, or program or location of another institution
c. the addition of a permanent location at a site at which an accredited institution is conducting a teach-out for students of another institution that has ceased operating before students have completed their program of study
d. any change in mission
e. any change in location or the addition of an auxiliary location
f. any change in the type of students served (academic to nonacademic, for example)
g. any change in Student Exchange Visitor Program (SEVP) certification
h. the addition of courses that represent a significant departure, in terms of either content or method of delivery, from those offered during the most recent accreditation evaluation, including distance education
i. the addition of courses or programs at a level below or a level above those included in the program or institution’s current accreditation
j. a change in the means for determining student hours and/or a substantial increase or decrease in the number of clock or credit hours awarded for the successful completion of any program of study
k. a substantial increase or decrease in the length of the program
l. an increase or decrease of more than 50% in distance education enrollment or educational offerings
m. change in resources that would affect the program or institution’s ability to provide its services

Staff will conduct an initial review of substantive change reports and will prepare a written report and recommendation for consideration by the Standards Compliance Committee (SCC). The SCC reviews all staff reports and recommendations, including primary materials, when necessary, and reports compliance issues to the full Commission with a recommendation for follow-up action, if any.

The Commission's letter of approval of any substantive change will specify the date upon which a substantive change is included in the grant of accreditation. This date is the date the Commission completed review of the substantive change and voted to accept the changes; the effective date is not retroactive. In the case of a change in ownership, the effective date will be the date upon which the ownership changed if the decision to include the change in the grant of accreditation is made within 30 days of the change.

The Commission may take action to withdraw accreditation if any substantive change materially alters the program or institution so that it no longer falls within the scope of CEA accreditation or fails to comply with the *CEA Standards* following procedures specified in Section 12: Advisory and Adverse Actions.

9.2. Deep substantive change

If the substantive change is of such an extent that multiple standards will be affected, the staff report to the SCC may recommend further investigation. Such deep substantive change is characterized by a fully altered educational program as reflected in changes to Curriculum, Length and Structure of the Program of Study, and Student Achievement standards, and/or a fully altered administrative structure as reflected in changes to Administrative and Fiscal Capacity standards.

a. Additional investigation will include additional reports and documentation to establish the depth of change to the program or institution relative to when it was last accredited. The additional investigation may result in additional reporting requirements and/or a special site visit.

b. CEA staff is responsible for monitoring a site and presenting progress reports to the Standards Compliance Committee through the period of investigation. Should a site visit be required, the site must pay the fee for a special site visit and all direct expenses.

c. When the additional investigation reveals that the program or institution is substantially the same as when the accreditation decision was made but changes require further reporting, substantive change reporting requirements may be issued. Such substantive change reporting is subject to regular Standards Compliance Committee review.

d. When the additional investigation reveals that the program or institution is no longer substantially the same as it was when the accreditation decision was made, a new comprehensive evaluation will be required. A new comprehensive evaluation includes a regular self-study, full site visit, and new accreditation decision. Regular policies, procedures, and fees apply to these steps in the accreditation process.

9.3. Additional branch locations

9.3.1. Accreditation of additional branch locations

CEA-accredited programs and institutions (including multiple-site organizations) may apply to add additional locations. Such additional locations may be new locations, existing locations owned by the applicant site but which are not CEA-accredited, or acquired existing locations. The additional location may not claim accreditation until it has been independently accredited by CEA. To achieve accreditation, the additional location may apply to begin the accreditation process using one of two options:

a. An additional location that has been in operation for at least one year may apply for initial accreditation independently by submitting the initial eligibility application form and following the steps toward achieving accreditation as any site pursuing initial accreditation would, or

b. An accredited program or institution, or the administrative headquarters (if any) of a multisite organization with an accredited site may apply for accreditation of the additional branch by following the policy and procedures for application for an additional location outlined in this section.

Accredited programs and institutions may exercise only option “a” above if any of the following circumstances applies. The proposed additional branch

1. is outside the country in which the accredited program or institution is located
2. has been subject to an adverse action by another agency within one year of application
3. has been previously denied by CEA
4. has withdrawn from accreditation or allowed accreditation to expire within one year

9.3.2. Requirements for additional branch location applications

a. Programs or institutions must have at least a grant of four-year continued initial accreditation. Programs or institutions holding one-year initial accreditation are not eligible to apply to accredit an additional location until their status changes.

b. Programs or institutions holding one-year reaccreditation and with limited reporting requirements are eligible to apply for an additional location.

c. Programs or institutions that are on warning, probation, or show cause are not eligible to apply for an additional location.

d. If an independent language school, the site must provide evidence that the owning entity of the currently accredited school has at least 51% ownership of the new location.

e. An accredited program or institution may apply to add two additional locations within a year, following the same procedures. The application for additional locations beyond two within a year includes the additional requirements and review below and includes an additional fee.

i. The applicant program or institution must provide a business plan outlining how the planned growth of the organization will be carried out and financial statements documenting the organization's capacity to carry out the business plan.

ii. The business plan will be reviewed by CEA staff, and the financial statements will be reviewed by CEA's financial manager and, if necessary, an outside accounting firm. The applicant program or institution must pay the special review fee for additional locations.

iii. The executive director will review the findings and issue a determination to approve or reject the application for the addition of more than two locations within a year.

iv. Business plans and financial statements submitted as part of this special review are held confidential in CEA files. Only CEA staff and the outside accounting firm, if necessary, will have access to these documents.

CEA reserves the right to request additional information and to conduct a secondary review in cases where there is not clear evidence of compliance with standards, including those related to financial capacity and stability.

9.3.3. Process for additional branch location accreditation

a. Application

An accredited program or institution that seeks to apply for accreditation for an additional location must contact CEA staff to request the application for accreditation of an additional location. CEA communicates only with the accredited site and does not engage directly with third parties beyond providing information about the process that is available to the public. The application process includes a review of application materials by staff and a subcommittee of the Commission, a special site visit, a visit report, and an accreditation decision by the Commission. Through the application process, the applying site must demonstrate that it provides strong and effective administrative controls over the new site, that the educational program delivered or to be delivered is soundly designed, and that services to support students, including appropriate immigration counseling if applicable, are in place.

For a newly opened location, the site must provide evidence that the new location is fully prepared to begin operating as a branch and to provide instruction. If the new location is an already operating location or an acquisition, there must be evidence that the additional location is prepared to operate according to the *CEA Standards.*

To this end, the application must include the following materials:

1. evidence of eligibility to seek CEA accreditation
2. copies of any required legal documents (lease, mortgage, proof of ownership, articles of incorporation, state license if required, etc.)
3. the floor plan of the new facility and a materials/textbook list
4. an organizational chart for the new location, showing the chain of authority and the relationship to the already accredited program or institution
5. a description of the expected working relationship between the accredited site and the additional location and the lines of communication to be established
6. a list of existing faculty and staff, or staff expected to be hired, with job titles, required qualifications, and job descriptions
7. for an already existing location or an acquired location, the name of the primary designated school official (PDSO or DSO) and evidence that they meet SEVP requirements, if applicable. For a new location, the name of the designated person who will fill the position of PDSO or DSO, should accreditation and SEVP certification be granted
8. documentary evidence of administrative policies and procedures to be or being implemented
9. faculty and student handbooks specific to the new location
10. a current or proposed brochure, website, or other information to be provided to the public
11. a description of curricular programs, including a curriculum document for the English language program including course goals, course objectives, and student learning outcomes level by level
12. proposed or existing course schedule
13. a description of current or proposed student services
14. a statement of plans for development of the new location
15. financial statements that show adequate and available financial reserves to operate the additional location
16. fee for an application to seek accreditation of an additional location
17. signed and notarized statement (text provided by CEA) certifying that the new site is prepared to meet the *CEA Standards* and operate in accordance with CEA policies

b. Review

CEA staff process the application and may issue a recommendation for scheduling a special site visit, with any specific visit requirements, to a subcommittee of the Commission for consideration. If the application is not complete or there is not sufficient evidence that the program or institution is ready to operate as a branch,

the staff recommendation to the subcommittee of the Commission will indicate that the site visit should not be scheduled, and the site will be informed of any deficiencies.

c. Special site visit

Upon approval by the subcommittee, the special site visit will be scheduled, and may be conducted virtually. The special site visit is typically conducted within three months of approval by the subcommittee. The purpose of this special site visit is to verify that the instructional program and administrative policies and procedures, as evidenced in the application, are in place for the program or institution to begin operation as a branch and that there is evidence that the site is ready to meet the *CEA Standards*. The site must pay a special site visit fee.

d. Special site visit report and site response

Following the visit, the applicant will receive a copy of the special site visit report and has 10 working days to respond to the findings in the report.

e. Accreditation decision

The materials in the application, the visit report, and the site's response are reviewed by a subcommittee of the Commission, which makes a recommendation for accreditation to the Commission at its next scheduled meeting. The Commission may grant up to 20-months' accreditation, depending on the type of additional location (new, already existing, or acquired) and the timing of the decision; defer a decision; or deny accreditation to the additional location.

f. Maintaining accredited status

When accreditation is granted, the additional location will pay a sustaining fee as an additional branch of the already accredited site. Once accreditation is granted and the fee is paid, the branch may advertise its accreditation.

g. Continued initial accreditation of the additional branch location

Upon being granted initial accreditation of an additional branch location, the site must send a representative to the next scheduled accreditation workshop and propose a timeline for submitting the self-study report. The site must undergo a site visit at its physical location and be reviewed by the Commission for a continued accreditation decision prior to the end of the initial grant of accreditation.

h. Accreditation decision for continued initial accreditation of the additional branch location

Following the timeline in place, the site will be considered for continued accreditation to total five years from the time of the grant of initial accreditation. In cases where this timeline cannot be met, and with the approval of the CEA executive director, the accredited status in place at the time of the accreditation decision will continue until the next Commission meeting at which the site can be reviewed.

9.4. Change of control or ownership

Any change in the form of control of an accredited program or change of ownership of an accredited institution constitutes a substantive change. Such changes must be reported to CEA 30 days prior to the change taking place in order for the accreditation of the program or institution to continue under the new control or ownership. The reporting process is designed to ensure that throughout and following the change in control or ownership, the program or institution remains in compliance with the *CEA Standards for English Language Programs and Institutions* in all standards areas.

For programs with a direct reporting line within the administration of a university or college, a change in control includes but is not limited to a change in

a. the organizational location of the accredited program
b. the reporting line between the accredited program and the university or college, including changes resulting from university or college partnership agreements.

For language institutions, a change in ownership includes but is not limited to a

a. change in controlling interest of the institution or of the organization than owns the institution
b. sale or acquisition of the institution
c. merger with another organization or institution
d. division of a school or a school's assets
e. change in legal status of the owning entity

Regardless of the particular organizational design, in all cases, the program or institution must describe its relationship to any entity that has authority over it and to which it reports, or with which it shares authority over any aspects of its instructional program, administration, or services.

9.4.1. Requirements for application for change of control or ownership

a. The program or institution must contact CEA staff to request the application for continuance of accreditation following a change of control (for programs) or change of ownership (for institutions).
b. The completed application must be submitted 30 days prior to the change of control or ownership taking place.
c. The application requires submission of the following items:
    1. documents showing names of individuals or legal entities that will own, have authority over, or exercise control of any aspects of the instructional program, administration, or services
    2. for institutions or for programs in universities or colleges that are affected by agreements with a third-party: contracts, agreements, or other legal documents, and state authorization documents, if any

3. for institutions: documents indicating approval by the state licensing agency, if any, or exemption letters
4. for programs in universities and colleges: documents indicating any changes in the reporting lines within the university or college
5. documents indicating any change in the name of the program or institution
6. organizational chart(s) showing the new governance structure(s) with reporting lines. Institutions must include owners, shareholders, members, partners, and administrators.
7. list of key staff with designated school official(s) identified and verification that the PDSO and DSO(s) meet SEVIS requirements for such officials
8. contact information for the person responsible for ensuring continued compliance with the *CEA Standards*
9. plans for development of the program or institution following the change
10. a statement to be signed by the new primary authority acknowledging familiarity with the *CEA Standards* and making a commitment to continue the site's compliance with the standards
11. a list of the *CEA Standards* that are likely to be affected by the change in control or ownership with a brief narrative description of how each standard was met prior to the change and how it will be met following the change
12. for institutions: the change of ownership fee stated on the CEA Fee Schedule

9.4.2. Review of application

Upon receipt, CEA staff will review the application.

a. If it is substantially complete, staff will issue a letter verifying continuance of accreditation of the previously accredited entity until the next available Commission meeting, at which the Commission will consider the application for action. The letter will specify any remaining items due along with a date of required submission.

b. Within 90 days after application for continuance of accreditation following a change of control or ownership, the new persons or owners with oversight responsibilities must submit two items:

    1. Following consultation with CEA staff to establish the extent of reporting necessary, a substantive change report based on the list of affected standards provided with the application. Such substantive changes are reported to the Standards Compliance Committee as required by the substantive change policy.

    2. A complete response, including required financial documents, to Administrative and Fiscal Standards 11 and 12 demonstrating that they continue to be met.

c. At its next scheduled meeting, the Commission will review the application for continuance of accreditation, any substantive change reports submitted, and the response and documents verifying continued compliance with AFC 11 and 12. The site will be informed in writing of the Commission's decision to approve the

continued accreditation, defer a decision pending receipt of additional information, or deny continued accreditation. The Commission may issue reporting requirements.

d. If the application is not substantially complete, staff will acknowledge the notification. However, verification of continuance of accreditation will not be issued until additional documentation is submitted so that the application is substantially complete and can be evaluated.

e. Depending on the time remaining in the site's current accredited status, the Commission may require a special follow-up site visit within 12 months following the approval of change of control or ownership. (See the fee schedule on the CEA website for a special site visit.) The Commission will state the documentation that must be submitted prior to the site visit. Documentation may include, but is not limited to, the following:

    1. a narrative report that affirms the mission of the program or language institution
    2. a list of courses offered, along with curriculum documents
    3. a list of faculty, with qualifications and teaching assignments
    4. a copy of any faculty, student, or administrative policy handbooks, with any changes noted since the change of ownership or control
    5. copies of promotional materials
    6. verification that student advising and other student services continue to be provided in compliance with the standards
    7. current financial statements and other documentation showing that Administrative and Fiscal Capacity Standards 11 and 12 continue to be met.

f. Following any required visit, the Commission will use the site's report, the site visit report (if applicable), and the response by the site to determine whether to approve the continued accreditation, defer a decision pending receipt of additional information, or deny continued accreditation.

g. The new owners or persons with oversight responsibilities are responsible for any requirements of accreditation and are liable for all accreditation fees due either prior to or following the change of control or ownership.

9.4.3. Failure to file a timely application of change of control or ownership

If the complete application is not received 30 days prior to the change of control or ownership, the Executive Committee will review the application.

a. The Executive Committee will determine whether the application is complete and continuance of accreditation of the accredited entity under the changed control or ownership is warranted.

b. The continuance action will be sent to the Standards Compliance Committee for inclusion in the committee's report to the full Commission at the next Commission meeting.

c. The effective date upon which the change of ownership will be included in the institution's grant of accreditation will be the date upon which the ownership changed if the decision to include the change in the grant of accreditation is made within 30 days of the change.

d. If the Executive Committee determines that the application is not complete, it will initiate a review of the accreditation status of the program or institution to establish whether continued accreditation is warranted.