

Report of the DETC Board of Directors and Accrediting Commission

July 17, 2014

The Distance Education and Training Council (DETC) Board of Directors convened June 11–13, 2014 to conduct corporate business and to review institutions for accreditation, reaccreditation, and final substantive change approval. DETC disclosed the accreditation decisions made at that meeting in a notice distributed on July 10, 2014 via email and posted to the DETC website (see [Actions taken effective June 13, 2014](#)) pursuant to Section D.3 of the DETC *Accreditation Handbook*. This report provides notice of governance decisions, proposed changes to accreditation standards and policies, final approval of changes to accreditation standards and policies, and other reportable items from the June 11–13, 2014 meeting.

I. Corporate Governance

The Distance Education and Training Council (DETC) Board of Directors formally implemented the *Amended Articles of Incorporation* and *Bylaws* that were adopted by DETC’s membership on April 7, 2014. In accordance with Article VI of the *Bylaws*, the Directors elected officers of the corporation to serve terms of one (1) year through its next first regular meeting of the fiscal year in June 2015. The Officers of the Corporation are:

- *Chair* Mary Adams, President, American Sentinel University
- *Vice-Chair* Josette Katz, Professor, Atlantic Cape Community College
- *Secretary* Tim Mott, Director of Off-Campus Programs, Cincinnati State
- *Treasurer* Judy Turner, Vice President, Art Instruction Schools
- *Member-at Large* Patrick O’Malley, PriceWaterhouseCoopers LLP (ret.)

The Chair, with the advice and consent of the Directors and pursuant to Article VI, Section 4 of the *Bylaws*, appointed Patrick O’Malley to preside over the Board when it convenes as the Accrediting Commission of the DETC. In this capacity, Mr. O’Malley will serve a one-year term as Chair of the Accrediting Commission through June 2015 and may serve additional terms as Chair as determined by the Directors.

II. Accreditation Standards and Policies

Proposed Changes to Standards, Policies and Procedures

The DETC Accrediting Commission undertook a comprehensive revision and reorganization of Section III of the Business Standards in the DETC *Accreditation Handbook*. The changes are proposed in order to (1) achieve greater clarity of the intent and purpose of the standards, (2) institute terminology more commonly associated with higher education policy language, (3) assure adequate student protections, and (4) reduce redundancies that occur in the current language of these standards. Because the revisions and reorganization to the standards are extensive, the changes are proposed below without a “tracked changes” format. For a version that shows new language indicated by [red underlined text](#) and deletions indicated by ~~strikethrough~~, please visit the *Documents Out for Public Comment* section of the DETC website.

The Commission approved these changes for public comment. Institutions, students, and the public are invited to submit comments on the changes. Comments are due **September 15, 2014** and should be sent to Sally Welch (sally@detc.org). Please indicate "Comments on Proposed Changes" in the subject line of your e-mail. An e-mail acknowledging receipt of the comments will be provided.

Standard III Required Disclosures, Cancellations, Refunds and Discounts

A. Required Disclosures

1. All costs relative to the education provided by the institution are disclosed to the prospective student [on an enrollment agreement or similar document] before enrollment. Costs must include tuition, educational services, textbooks, and instructional materials, and any specific fees associated with enrollment such as application and registration fees, and fees for required services such as student authentication, proctoring, technology access, and library services.
2. The costs for optional services, such as expedited shipment of materials, experiential portfolio assessment, or other special services such as dissertation binding are clearly disclosed to prospective students as not subject to refund after the five (5) calendar day student-right-to-cancel enrollment.
3. A scholarship is disclosed as a bona fide financial grant to a qualified student and is awarded for a recognized purpose that includes specific criteria that must be met in order for a student to receive the scholarship.

B. Cancellations

1. Student notification of cancellation may be conveyed to the institution in any manner.
2. Students have five (5) calendar days after signing an enrollment agreement or similar document to cancel enrollment and receive a full refund of all monies paid to the institution.
3. A student requesting cancellation more than five (5) calendar days after signing an enrollment agreement but prior to beginning a course or program is entitled to a refund of all monies paid minus
 - a. an application/transfer credit evaluation fee of up to \$75 and
 - b. a one-time registration fee per program of no more than 20 percent of the total costs and not to exceed \$200.
4. Upon cancellation, a student whose costs for education are paid in full but who is not eligible for a refund is entitled to receive all materials, including kits and equipment.
5. If promissory notes or enrollment agreements are sold to third parties, the institution ensures that it and any third parties comply with DETC cancellation policies,

C. Refunds

1. Each institution must have an implement a fair and equitable refund policy in compliance with state requirements, or in the absence of such requirements, in accordance with DETC’s refund policy standards under Section III.C. 3 or Section III.C. 4 below and disclosed on the enrollment agreement or similar document.
 1. If a state mandates a refund policy, the institution must demonstrate compliance with that policy, as well as any specific requirements of DETC’s refund policy standards. The institution must compare the state’s policy requirements to DETC’s and follow the one that is consistently more beneficial to the student. If the state does not have a required policy or if the institution is not required to be licensed or authorized by the state, the institution must follow DETC’s refund policy standards.
 2. Any money due a student must be refunded within 30 days of a cancellation request, regardless of whether materials have been returned.
 3. Flexible Time Schedule Refund Policy
 - a. Institutions that implement the Flexible Time Schedule Refund Policy must clearly disclose the curriculum benchmarks that indicate completion at 10 percent, 25 percent and 50 percent intervals.
 - b. Institutions that implement the Flexible Time Schedule Refund Policy must refund 100% of the tuition for any courses never started by the student.
 - c. When a student cancels after completing at least one lesson assignment but less than 50 percent of course assignments, the institution may retain the application fee and one time registration fee plus a percentage of all costs paid by the student, in accordance with the following pro-rata schedule:

Percentage of the course completed by the student	Percentage of the refundable tuition returned to the student minus the application and/or registration fee	Percentage of the refundable tuition retained by the institution
Up to 10%	90%	10%
11% – 25%	75%	25%
26% – 50%	50%	50%
51% – 100%	0%	100%

4. Time-Based Term Refund Policy:

- a. A Time-Based Term has beginning and ending dates spanning no more than 16 weeks.
- b. A Time-Based Term refund policy may be applied to any course, program or degree.
- c. Institutions that utilize the Time-Based Term refund policy must refund 100 percent of the tuition for any courses never started.
- d. Institutions that implement the Time-Based Term Refund Policy must clearly disclose the time-based refund schedule on the enrollment agreement.
- e. When enrolling students in an academic program of study comprised of two or more courses that award semester credit hours as defined in DETC C.9 *Policy on Degree Programs*, institutions must treat each course separately for the purposes of calculating the appropriate amount of tuition refund owed to the student.
- f. When a student cancels enrollment the institution may retain the application fee, the one-time registration fee not to exceed \$200 plus a percentage of all costs paid by the student in accordance with the following refund schedule:

Length of Course by the Institution	Percentage of Tuition Refunded to the Student Minus the One-Time Application and Registration Fee
1–6 weeks	1 st week - 70% 2 nd week - 40% 3 rd week - 20% 4 th week - 0%
7–10 weeks	1 st week - 80% 2 nd week - 60% 3 rd week - 40% 4 th week - 20% 5 th week - 0%
11–16 weeks	1 st week - 80% 2 nd week - 70% 3 rd week - 60% 4 th week - 50% 5 th week - 40% 6 th week - 30% 7 th week - 20% 8 th week - 10% 9 th week - 0%

5. Refund policy for Resident Courses/Programs: For a course/program that includes mandatory resident training, the costs for the distance study portion and the costs for the resident portion must be separately stated on the enrollment agreement.
 - a. The distance study portion of the combination course/program must use the refund policy stated in III.C.3 or III.C. 4 above. If the mandatory resident portion of the course/program is more than six (6) weeks, the institution may use the time-based

refund policy in III.C.4. If the resident portion is less than six (6) weeks, the institution may use the pro-rata refund policy in III.C.3.

- b. If a student requests cancellation after attending the first resident class session the institution shall be entitled to retain an amount of the costs which shall not exceed the following:

Percentage of the course completed by the student	Percentage of the refundable tuition returned to the student	Percentage of the refundable tuition retained by the institution
Up to 10%	90%	10%
11% – 25%	75%	25%
26% – 50%	50%	50%
51% – 100%	0%	100%

- c. Courses with optional resident training, seminars, and other training sessions are subject to the refund policy above.

D. Discounts

1. Discounted costs are permitted for well-defined groups for specific and bona-fide purposes.
2. Discounted costs must indicate the actual reduction in the costs that would otherwise be charged by the institution.
3. Institutions that offer discounts must demonstrate that students are enrolled in non-discounted courses or programs for a reasonably substantial period of time during each calendar year.
4. Institutions that offer discounts must demonstrate that
 - a. All discounts or special offers identify the specific costs for a course or program.
 - b. The presentation of discounts and special offers complies with DETC's advertising and promotion standards.
 - c. All discounts (excluding well-defined groups) or special offers designate a specific expiration date and do not extend beyond the expiration date.
5. Institutions offering discounts must calculate refunds based on discounted costs.

Final Approval of Changes to Standards, Policies and Procedures

The DETC Accrediting Commission gave final approval to the following accreditation standards and policies. To view these documents in their entirety, please go to DETC's website at www.detc.org and visit the Public Notices section. New language is indicated by the red underlined text and deletions are indicated by ~~strikethrough~~. Accredited institutions must be in compliance by January 1, 2015.

Final Approval

1. Standard IX. Financial Responsibility

A. Financial Practices

The institution shows, by complete, comparative financial statements covering its two most recent fiscal years, that it is financially responsible and that it has sufficient resources to ~~can~~ enable it to meet its financial obligations to provide quality instruction and service to its students. (Financial statements must be audited or ~~and~~ reviewed and prepared "in conformity with generally accepted accounting principles.") The institution has budgeting processes that allows the institution to demonstrate that current and future budgeted operating results will be ~~are~~ sufficient to allow the institution to accomplish its mission and goals.

E. Demonstrated Operations

In all respects, accredited institutions must document continuous sound financial and ethical operations, as well as the necessary resources to accommodate demand and to ensure all learners receive a quality educational experience. Applicant institutions must document two continuous years of sound and ethical operation under the present ownership and with the current programs offered as a bona fide electronically delivered, online, or other delivery method of distance study. This documentation shall show that the name being used by the institution is free from any association with activity that could damage the reputation of the DETC accrediting process, such as illegal actions, fraud, unethical conduct, or abuse of consumers.

2. Standard XII. Research and Self-Improvement

A. Planning and Evaluation

An accredited institution has a written plan (institutional improvement plan) that is designed to identify internal and external trends and patterns, optimize opportunities, address challenges, reflect on achievements, and budgets, and maintain quality. The planning enables the institution to improve services to students, ensure the professional growth of its instructors/faculty and staff, provide for the financial stability, long-term quality, and growth of the institution. ~~and long-term quality and growth of the institution.~~ The institution collects and analyzes data on a systematic, consistent basis to monitor the status and effectiveness of the plan and evaluates its full range of services.

3. C.9. Policy on Degree Programs

(Language added to clarify institutional review board procedures, see p. 4)

In addition, the institution must require prior formal review and approval for all research involving humans through an institutional review board (IRB), which has been designated to approve, monitor, and review all research involving human subjects. The IRB should ensure that the subjects are not placed at undue risk, and that they have voluntarily agreed to participate and have received appropriate informed consent. The IRB must meet all federal regulations and the institution must be able to demonstrate they are in compliance including providing evidence that all IRB members have had appropriate training. (Title 45 Code of Federal Regulations Part 46).

(Language added to clarify procedures for obtaining transcripts, see p. 10 and p. 12)

If under extenuating circumstances where official transcripts/documents cannot be provided, an institution may make an exception to the following requirements if it documents the reason(s) why and how the exception request was reviewed and approved by an appropriate official.

4. C.15. Policy on Institutions Participating in Title IV Programs and C.23. Policy on Credit Hours

The Accrediting Commission made changes to these policies to align its procedures with U.S. Department of Education requirements for Title IV-participating institutions and to incorporate the change to the Commission's federal scope of recognition that now extends to non-degree programs. Please visit the DETC website at www.detc.org and the *Public Notices Section, Changes to Standards, Policies and Procedures*, C.15. [Policy on Institutions Participating in Title IV Programs](#) and C.23. [Policy on Credit Hours](#) to review these changes.

5. C.18. Policy on Annual Reports

(Language added to require Title-IV participating institutions to submit audited financial statements, see p. 1 and p. 3)

If an institution is "certified" by DETC to be eligible for participation in Title IV Federal Student Aid programs, it must annually file E.7. Annual Report with Title IV. In addition to the items listed above, the institution must complete section VI on Title IV Participation **and submit audited financial statements and the compliance audit for the most recent fiscal year no later than June 30th.**

Title IV Institutions: Institutions participating in Title IV programs must report additional information describing their participation in Title IV aid programs in E.7. Annual Report – with Title IV **and submit audited financial statements and the compliance audit for the most recent fiscal year no later than June 30th.**

III. Department of Defense Memorandum of Understanding

The Accrediting Commission reviewed changes issued by the Department of Defense to the *Voluntary Education Program MOU Instructions* taking effect on May 23, 2014.¹ To be in full compliance with the new terms of the MOU, institutions must be certified to “participate in Federal student aid programs through the Department of Education under Title IV of the Higher Education Act of 1965” and be able to produce a valid U.S. Department of Education OPEID number. The Commission directed staff to contact DETC-accredited institutions listed by the Department of Defense as currently holding a Memorandum of Understanding (MOU) to participate in the Military Service-member Tuition Assistance program and inquire as to whether the institutions intended to pursue DETC’s Title IV certification process. For institutions responding with interest in DETC Title IV certification, the Commission indicated that it would convene special meetings between June 2014 and January 2015 to review Applications for Certification as an Eligible Institution in FSA Title IV Programs and Chair’s Reports from the on-site evaluations associated with the certification process.

IV. Curriculum Review for Non-Institutional Providers

The Commission considered its potential role in the review of non-institutional curricula offered via distance education. New models of curriculum and course delivery are emerging almost continually. The providers of these models are not accredited colleges and universities but rather providers of distance education curricula or courses that are tailored to the specific needs of an industry (e.g., information technology) or designed for inclusion in a broader program of study (e.g., general education). The use of distance education curricula offered by non-institutional providers such as Coursera and StraighterLine is gaining acceptance in main-stream higher education, undergoing the American Council on Education (ACE) credit review process.

The Commission is therefore implementing a process to explore the viability of an Approved Quality Curriculum (AQC) review framework on a trial basis over the next six months. DETC will utilize the procedures currently in place, including its curriculum review standards under Policy C.5. Organizations interested in more information should contact Nan Bayster Ridgeway at nan@detc.org. More information about the DETC AQC will be forthcoming on DETC’s website.



¹ Subsequent to the Commission’s meeting, the Department of Defense extended this deadline to September 5, 2014. See <http://www.dodmou.com/Home/FAQ?PageNo=10&key=False>.