

ACCSC ACCREDITATION ALERT

To: ACCSC Accredited Institutions and Other Interested Parties
From: Michale S. McComis, Ed.D., Executive Director
Date: August 15, 2016
Subject: Nominating Committee Election and Proposed Revisions to ACCSC Bylaws

Nominating Committee Election:

The Accrediting Commission of Career Schools and Colleges has established a slate of candidates for election to the Nominating Committee.

Proposed Bylaws Revisions:

The Accrediting Commission of Career Schools and Colleges is proposing revisions to its Bylaws in the following areas:

- Article I
 - Section 1.01 – Definitions
 - Section 1.03 – Composition
 - 1.09 – Committees
- Article II
 - Section 2.07 – Voting
- Article III
 - Section 3.01 – Dues

Voting on the Nominating Committee and Proposed Revisions to the Bylaws:

Nominating Committee, Article I, and Article II Voting:

Electronic Ballot

On or around August 17, 2016 ACCSC will send, to the e-mail address on file for the school director identified for each ACCSC member school, a link to the electronic ballot and a password.

Article III Voting:

In-Person Ballot

Pursuant to Article III, section 3.01: “Increases in dues shall be proposed by the Accrediting Commission and submitted to the members for approval or disapproval on a majority vote of the votes cast at the annual meeting of the Corporation.” Therefore, the voting for the proposed dues increase will occur at the ACCSC Annual Meeting on Friday, September 23, 2016 in San Diego, California. Important details regarding voting procedures are detailed below in the section that discusses the proposed dues increase.

All *Bylaws* revisions will be effective July 1, 2017. For additional information related to this *Accreditation Alert*, please contact Michale S. McComis, Ed.D., Executive Director, at 703.247.4520 or mccomis@accsc.org.

2016 Nominating Committee Election

Pursuant to the Commission's *Bylaws*, ACCSC will be conducting an electronic election on or around August 17, 2016 through September 2, 2016 to fill one (1) vacant seat on the ACCSC Nominating Committee. The Nominating Committee is charged with assisting the Commission in identifying potential candidates to fill any vacancy on the board.

Based upon their desire to serve and affiliation with an ACCSC-accredited institution, the Commission is putting forth the following nominees for election by the membership to the Nominating Committee. For election instructions and candidate nomination packets, please click [here](#).

- **Pamela Kraska, Daytona College**
- **Michael Zawisky, Ancora Education**

Electronic Ballot:

On or around August 17, 2016 ACCSC will send, to the e-mail address on file for the school director identified for each ACCSC member school, a link to the electronic ballot and a password.

If you have any questions regarding the Nominating Committee Election process or the nominees, please contact Michale S. McComis, Ed.D., Executive Director, at mccomis@accsc.org or 703.247.4520.

If you have any questions regarding the electronic ballot or voting, to include password requests, please contact Holly Eichhorst, Commission Actions Coordinator, at heichhorst@accsc.org or 703.247.4524.

Proposed Bylaws Revisions

Section 1.01 – Definitions

- **Rationale:** The Commission is proposing revisions to 1.01 (c)&(d) in order to align with the language added to the *Standards of Accreditation* on July 1, 2016. With regard to the proposed revision to Section 1.01 (c), this language was added to *Section I (A)(2), Rules of Process and Procedures, Standards of Accreditation* in order to better demonstrate the Commission's compliance with the federal definition of a "Representative of the Public" established in 34 CFR §602.3. A conforming amendment is being proposed here for the *Bylaws*. This proposed revision does not alter the Commission's current practice or expectations for public members to serve as an ACCSC Commissioner.

With regard to the proposed revision to Section 1.01 (d), the Commission is proposing to define better the criteria that it believes will best ensure that only individuals who have sufficient experience in an ACCSC accredited school and who are well qualified and well suited to the role will be eligible to serve as a school Commissioner and Board member. In addition, this language conforms to revisions made to *Section I (A)(2), Substantive Standards, Standards of Accreditation* with regard to the expectation for the backgrounds of managers and administrators in ACCSC accredited schools.

New Language indicated in **red, bold, italic print**. Deleted language indicated by ~~blue strikethrough~~.

- c. **Public Commissioners.** ~~Persons with an interest and expertise in employment, education, and training who (i) have been engaged as employers, in government, postsecondary education, public, adult or vocational education and in similar or allied fields; (ii) are not employees, members of the governing board, owners, shareholders, or consultants of an institution that is accredited by the Commission, has applied for accreditation by the Commission, or is affiliated with a School Commissioner or any~~

~~institution or entity which is also affiliated with a School Commissioner; and (iii) have been appointed to serve on the Commission pursuant to Section 1.05 hereof.~~ **A person who:**

- i. Has experience in industry, government, education (e.g., accreditation, postsecondary, public, private, adult or vocational/career-oriented), or in similar or allied fields;***
- ii. Is not an employee, member of the governing board, owner, shareholder, or consultant of an institution that is accredited by the Commission, has applied for accreditation by the Commission, or is affiliated with a School Commissioner or any institution or entity which is also affiliated with a School Commissioner;***
- iii. Is not a member of any trade association or membership organization related to, affiliated with, or associated with ACCSC;***
- iv. Is not a spouse, parent, child, or sibling of an individual identified in paragraph (ii) or (iii) of this definition; and***
- v. Has been appointed to serve on the Commission pursuant to Section 1.05 hereof.***

d. School Commissioners. **A person who:**

- i. Is an experienced Proprietors, owners, or bona fide executives of a members of the Corporation as described in Section 2.01 hereof who are that has been accredited by ACCSC for at least five years without the issuance of a Warning or Probation¹ at the time of or during the five years preceding the individual's nomination to serve as a School Commissioner;***
- ii. Is active in school operations;***
- iii. Has a past record demonstrating:***
 - 1. A commitment to providing quality education to students;***
 - 2. A commitment to ethical, fair, and honest practice; and***
 - 3. Compliance with accrediting standards and applicable federal, state, and local requirements; and***
- iv. have Has been elected or appointed to serve on the Commission pursuant to Section 1.04 hereof.***

The Commission shall not have among its membership more than one (1) School Commissioner affiliated with a single member of the Corporation or multiple members of the Corporation under common ownership and control.

Section 1.03 – Composition

- **Rationale:** The Commission is proposing to increase the total number of Commissioners to 17 in anticipation of the potential for a significant number of new school applications. The Commission is not obligated by this change to increase the size of the Commission, but this revision will provide that option should the need arise.

In addition, due to shifting needs for public members and potential composition changes that may be necessary, the Commission believes that requiring a minimum of 30% public members on the Commission (but less than a majority) will guarantee adequate public representation on the Board.

Lastly, federal regulations for the recognition of accrediting agencies require that all decision-making bodies have education administration and academic representatives. Although the Commission has always followed this requirement and has always been deemed to be in compliance by the

¹ Applies to any member amongst a group of members with which an individual is affiliated.

Department of Education, the Commission believes that the inclusion of specific language to this effect in the *Bylaws* will ensure the Commission's ongoing compliance with this requirement.

New Language indicated in ***red, bold, italic print***. Deleted language indicated by ~~blue strikethrough~~.

The Commission shall be composed of an odd number of not less than nine (9) members and not more than ~~fifteen~~***seventeen (+17)*** members. The number of Public Commissioners shall be at least ~~four~~ ***30%*** but less than a majority of the total number of Commissioners. The remainder of the Commission shall be composed of School Commissioners. The number of Commissioners may be changed within the foregoing limits by a vote of at least two-thirds of the Commission. The number and composition of the Commission may otherwise be changed only by amendment of the *Bylaws* pursuant to Section 4.04 hereof.

At least 30% of the Commissioners will be designated as an Academic – an individual currently or recently directly engaged in a significant manner in postsecondary education, training, teaching, or research – and at least 30% Commissioners will be designated as an Administrator – an individual currently or recently directly engaged in a significant manner in postsecondary program or institutional administration.

Section 1.09 – Committees

- **Rationale:** The proposed revisions that follow are intended to create an alignment to the proposed revisions to the eligibility criteria in Section 1.01 and to give the Nominating Committee direction in the selection of candidates who may be eligible to serve as an ACCSC Commission and to sit on the Board of Directors.

New Language indicated in ***red, bold, italic print***. Deleted language indicated by ~~blue strikethrough~~.

b. Nominating Committee:

- i.*** The Nominating Committee shall consist of five (5) persons as follows:
 - 1.*** The Chair and Vice Chair of the Commission;
 - 2.*** One (1) person appointed by the Chair and confirmed by the Commission from among the following categories: a current member of the Standing Appeals Panel established by the Commission under the *Standards of Accreditation*, a person who has served as a leader of visiting teams used by the Commission for site visits to accredited institutions, a former School Commissioner or Public Commissioner as defined in Section 1.01, or a representative of the public with special knowledge, interest and expertise in career education and training; and
 - 3.*** Two (2) representatives of the members of the Corporation with each one (1) nominated and elected by the members biennially in alternate years in accordance with the voting and election procedures provided in Section 2.07 hereof.
- ii.*** The Commission shall inform the members of the Corporation and other interested parties of the vacancies on the Nominating Committee and request the submission of nominations to fill those vacancies. The Commission will review the Nominating Committee nominations received, select those deemed most appropriate to serve, and will put forth for election minimally two nominations for each vacancy to be filled on the Nominating Committee, unless the Commission does not receive a sufficient number of nominations to fulfill this requirement in which case the Commission will put forth as many nominations that are deemed appropriate and as are available.

- iii. The Nominating Committee shall nominate at least a greater number of candidates than there are vacancies on the Commission and shall report its nominations to the Commission and the members of the Corporation, except as provided in Section 1.08 hereof.
- iv. The Nominating Committee in nominating candidates, and the Commission in appointing Commissioners pursuant to Section 1.04, 1.05, and 1.08 hereof, shall, *minimally*, give consideration to:
 1. *A nominee's:*
 - a. *Background, level of experience, and knowledge regarding accreditation, postsecondary education, industry, and Board governance;*
 - b. *Affiliation with any school that has lost or been denied accreditation by any accrediting agency, been issued a Warning or Probation Order by any accrediting agency, entered into bankruptcy, or closed;*
 - c. *Involvement in criminal proceedings and any pending or past action (e.g., investigation, inquiry, etc.) in a judicial, law enforcement, or administrative body; and*
 - d. *Performance and commitment with respect to:*
 - i. *Providing quality education to students;*
 - ii. *Ethical, fair, and honest practice; and*
 - iii. *Compliance with accrediting standards and applicable federal, state, and local requirements;*
 2. Any comments provided by the Executive Director; and
 3. The Commission's goal to achieveing a diversity of backgrounds, experiences, and perspectives in order to achieve the purposes of the Corporation.

Section 2.07 – Voting

- **Rationale:** The proposed revision that follows is intended to bring about greater equitability amongst the ACCSC membership expressed in terms of voting opportunities. The Commission is acutely sensitive to ensuring that individual institutions or smaller groups of institutions have an equal voice to that of larger groups of institutions. Therefore, the Commission is proposing to limit the voting to no more than 5 votes cast for any groups of institutions, regardless of the total number of institutions in the group. The Commission is sincere in its desire to ensure that all institutions have a more equitable opportunity to impact the future of ACCSC.

New Language indicated in *red, bold, italic print*. Deleted language indicated by ~~blue strikethrough~~.

- a. Manner: Each member shall have one vote, *except that a group of affiliated schools – i.e., schools under common ownership – may have no more than five total votes regardless of the number of members in the group*. Such vote shall be cast by an individual affiliated with and duly appointed by the member to vote (hereinafter referred to as the “Designated Delegate”). Proxies shall not be permitted on any vote, and no person may be the Designated Delegate for more than one member; however, a Designated Delegate may serve as such for up to five (5) members under common ownership and control. Election of School Commissioners, members of the Nominating Committee, and approval or disapproval of amendments to the Articles of Incorporation and the *Bylaws* shall occur through mail or electronic ballots in accordance with procedures established by the Accrediting Commission. All other matters subject to a vote under these *Bylaws* may be determined by mail or electronic ballots, voting in person at a meeting of the members, or both in accordance with

procedures established by the Accrediting Commission. Election and voting procedures shall be subject to such conditions and limitations as the Accrediting Commission may establish to provide for an orderly and considered decision by members of the Corporation. Upon accreditation by the Commission, each member shall notify the Secretary of the Corporation in writing of its Designated Delegate. Changes in a member's Designated Delegate shall be made in writing to the Secretary at least fifteen (15) days prior to the date of any scheduled meeting of the members. The record date for determining eligibility to vote shall be the date that the vote is taken.

Electronic Ballot:

On or around August 17, 2016 ACCSC will send, to the e-mail address on file for the school director identified for each ACCSC member school, a link to the electronic ballot and a password.

PROPOSED DUES INCREASE
FOR VOTE AT THE ACCSC ANNUAL MEETING
SEPTEMBER 23, 2016
SAN DIEGO, CA

ARTICLE III – DUES AND FEES

- **Rationale:** ACCSC has not voted on a dues increase since 1996, at which time the current fee structure was passed. That increase went into effect in 1997 and represents 20 years of operation with no increase in base fees or the multipliers used to assess annual sustaining fees. At this point in time, however, ACCSC has experienced decreasing revenues each fiscal year since 2012 with an overall decrease of 20% from 2012 to 2016. This has created a situation where ACCSC has experienced expenses being greater than revenues resulting in negative net assets at the end of each of the last three fiscal years. Although ACCSC has taken several measures to curtail and cut expenses, the Commission has been unable keep pace with the revenue losses over the past several years.

The Commission wishes to a) ensure the long-term health of the organization and b) ensure that high-quality accreditation and member services are made available to schools. (For example, ACCSC has conducted and sponsored 10 free faculty professional development workshops for ACCSC-accredited institutions by allocating resources from its reserve funds in order to provide this service.) The Commission's costs, however, continue to increase despite the Commission's efforts to decrease those costs. The Commission has decreased its costs by 6.5% from 2013 to 2016. However, in an environment of decreasing revenues, the Commission's costs-cutting efforts have been insufficient to make-up the short fall. These efforts have also come at a time when ACCSC, and all accreditors, have been continually asked to do more with regard to institutional oversight.

The Commission is very proud that it has acted as an exceptional steward of the fees paid by schools and has not had to raise sustaining fees for 20 years, but the Commission has concluded that increasing the annual sustaining fee paid by schools is necessary to achieve a balanced budget. The dues increase, based upon 2015 and 2016 levels, would increase revenue by approximately \$433,000, which is only slightly more than the budget deficit projected for fiscal year 2017.

In addition, the Commission believes that it is prudent for the future to allow for modest dues increases over time that would not require a vote by the membership. Therefore, the Commission is proposing an allowance for an up to (not automatic) 3% increase every three years as may be deemed necessary to ensure the long-term financial health of the organization.

Again, the Commission wishes to emphasize that ACCSC has not increased the annual sustaining fees for 20 years and believes that this increase is both prudent and necessary. Additional details

regarding the Commission's financial position and financial performance along with the dues increase will be presented at the Annual Meeting on September 23, 2016 where a vote on this measure will occur.

New Language indicated in *red, bold, italic print*. Deleted language indicated by ~~blue strikethrough~~.

Section 3.01 – Dues

- a. Amount: *Effective July 1, 2017, M*members of the Corporation shall pay dues annually in accordance with the following: (i) if the gross tuition of the member is \$1,000,000 or less, the dues shall be ~~\$1,500~~⁹⁰⁰ plus .002~~86~~ times gross tuition over \$200,000; (ii) if the gross tuition of the member is greater than \$1,000,000 but not more than \$3,000,000, dues shall be \$3,~~500~~ plus .001~~10~~ times gross tuition over \$1,000,000; and (iii) if the gross tuition of the member is greater than \$3,000,000, dues shall be \$5,~~500~~ plus .0001~~650~~ times gross tuition over \$3,000,000. *Starting July 1, 2017, the Accrediting Commission may on a triennial basis increase the base fee, the multiplier, or both up to 3% without a required vote by the members of the Corporation. Additional* ~~h~~increases in dues shall be proposed by the Accrediting Commission and submitted to the members for approval or disapproval on a majority vote of the votes cast at the annual meeting of the Corporation.

Voting for the Due Increase:

ACCSC Bylaws Section 2.07 – Voting:

- a. Manner: *Each member shall have one vote. Such vote shall be cast by an individual affiliated with and duly appointed by the member to vote (hereinafter referred to as the "Designated Delegate"). Proxies shall not be permitted on any vote, and no person may be the Designated Delegate for more than one member; however, a Designated Delegate may serve as such for up to five (5) members under common ownership and control. Election of School Commissioners, members of the Nominating Committee, and approval or disapproval of amendments to the Articles of Incorporation and the Bylaws shall occur through mail or electronic ballots in accordance with procedures established by the Accrediting Commission. All other matters subject to a vote under these Bylaws may be determined by mail or electronic ballots, voting in person at a meeting of the members, or both in accordance with procedures established by the Accrediting Commission. Election and voting procedures shall be subject to such conditions and limitations as the Accrediting Commission may establish to provide for an orderly and considered decision by members of the Corporation. Upon accreditation by the Commission, each member shall notify the Secretary of the Corporation in writing of its Designated Delegate. Changes in a member's Designated Delegate shall be made in writing to the Secretary at least fifteen (15) days prior to the date of any scheduled meeting of the members. The record date for determining eligibility to vote shall be the date that the vote is taken.*

ACCSC considers the School Director listed in the ACCSC College 360 Database to be the Designated Delegate authorized to cast a vote in accordance with Section 2.07 of the ACCSC Bylaws.

If either of the following apply, the school must notify ACCSC by **September 8, 2016** if the individual is to be eligible to vote at the Annual Meeting:

- The school wishes to change its Designated Delegate to someone other than the individual currently on file as its school director for the purposes of voting on the dues increase at the Annual Meeting or
- The Designated Delegate will be serving as such for more than one – and up to five – institutions under common ownership.

For a.) above, provide the name of the Designated Delegate authorized to cast a vote at the Annual Meeting. Again, this only applies if the person attending the Annual meeting is not the School Director on file with ACCSC.

For b.) above, provide a list of up to five ACCSC school numbers under common ownership that the Designated Delegate will be voting on behalf of.

Please upload any such notice to change or declare a Designated Delegate to ACCSC's database using the heading "Attention: Secretary of the Corporation." Again, such changes or declarations must be made by September 8, 2016 in order to establish the authorization of an individual to cast a vote at the Annual Meeting.

Institutions planning to attend the ACCSC Annual Meeting may register at no cost for the Annual Meeting Only [via the Professional Development Conference website](#). Admission to the ACCSC Annual Meeting is included in admission for participants who are currently registered or plan to register for the full conference.

If you have any questions regarding the proposed *Bylaws* revisions, please contact Michale S. McComis, Ed.D., Executive Director, at mccomis@accsc.org or 703.247.4520.

If you have any questions regarding the voting at the Annual Meeting or voting via electronic ballot to include password requests, please contact Holly Eichhorst, Commission Actions Coordinator, at heichhorst@accsc.org or 703.247.4524.