TO: ACCSC-Accredited Institutions and Other Interested Parties
FROM: Michale S. McComis, Ed.D., Executive Director
DATE: October 26, 2011
RE: 1. Recognition of Outside-of-Class Work and Preparation
    2. Notification Requirements

Recognition of Out-of-Class Work and Preparation

The Commission is dedicated to actively staying abreast with changes in federal policy and regulations as they occur and as such ACCSC developed a process to evaluate and recognize outside of class student work and preparation in a clock hour program (see the March 25, 2011 ACCSC Accreditation Alert). While ACCSC based its process and procedure for the evaluation and recognition of out-of-class work/preparation upon its understanding of the federal regulation and upon common academic practice for such evaluations, it has since come to the Commission’s attention from the U.S. Department of Education (“the Department”) that schools may be required to use a specific formula and calculation for federal student financial aid purposes. Although there is no “official” notice or guidance from the Department to this effect such as a Dear Colleague Letter, Department officials have provided information to the Commission that indicates the expected use of this formula and calculation.

In order to help ensure that schools are following the Department’s interpretation, the Commission believes it is in the best interest of ACCSC-accredited schools to evaluate applications seeking recognition of out-of-class work using the Department’s interpretation of §668.8(l). The Commission recommends that schools review the case study provided with this Alert (p. 3) and contact the appropriate Department Case Management Teams with any questions regarding the conversion of clock hours to credit hours and recognition of out-of-class work/preparation for financial aid purposes. Please note, the Commission, will only recognize out-of-class work/preparation that is academically sound, regardless of federal financial aid criteria.

When applying to the Commission for the recognition of out-of-class work/preparation, schools should consider the following:

1. If a program is deemed not eligible for clock-to-credit hour conversion according to 668.8(k)(2), (e.g., cosmetology, massage therapy programs, etc.), schools may not include out-of-class work when calculating Federal Financial Aid credits.

2. The recognition of out-of-class work/preparation does not change the Commission’s approved instructional hours or the calculation for academic credits; however the utilization of out-of-class work/preparation may impact the calculations for financial aid credit hours. Based on the Department’s formula, financial aid credits may be limited as follows:

   a. One semester credit hour must include at least 30 clock hours of instruction and for each 30 clock hours of instruction, the maximum amount of outside work permitted is 7.5 hours.

   b. One quarter credit hour must include at least 20 clock hours of instruction and for each 20 clock hours of instruction, the maximum amount of outside work permitted is 5 hours.
3. It appears that financial aid credits are to be calculated at the course level (using the parameters in 2a and 2b above), not the program level, and that financial aid credits should be rounded down to the nearest whole number.

4. Given the nature of the courses, the Department has indicated that generally the recognition of outside-of-class work/preparation may not be appropriate for some laboratory courses and externships.

**Schools with Prior Approval for Recognition of Out-of-Class Work/Preparation:**

Given the Department’s position, if a school has received approval from ACCSC for recognition for out-of-class work/preparation and would like to resubmit these programs with revised calculations for out-of-class work/preparation based on the revised guidelines for financial aid calculation, please submit the following:

1. Cover letter with list of programs labeled to indicate the submission is a revision to a previously approved application and

2. Profile of Clock to Credit Hour Conversion for each program.

All submissions must be submitted according to the Instructions for Electronic Submission found on the website at www.accsc.org.

As a reminder, schools must maintain compliance with all applicable federal, state, and local government requirements (*Section I (B)(1)(e)(iii), Rules of Process and Procedure, Standards of Accreditation*).

**Contacts:**

For questions about federal financial aid calculations, contact your federal financial aid resources.

For questions regarding revised submissions to ACCSC, please contact Dr. Juanita Gurubatham, Director, Institutional Review and Development, at 703.247.4500 or jgurubatham@accsc.org or Alicia DeMartini, Senior Analyst, Institutional Review and Development, at 703.247.4515 or ademartini@accsc.org.

ACCSC will continue to monitor policy developments in this area and forward any additional information to schools as may be necessary.
### Conversion Case Study: full formula option

<table>
<thead>
<tr>
<th></th>
<th>In-class hours</th>
<th>Allowable out of class prep hours</th>
<th>Total clock and prep hours</th>
<th>Semester hours</th>
<th>Semester hours (rounded)</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Course #1 (40 hours of actual out-of-class student work)</td>
<td>120</td>
<td>+ 7.5 * 4 = 30</td>
<td>150</td>
<td>4</td>
<td>4</td>
<td>(A), (C)</td>
</tr>
<tr>
<td>Course #2 (40 hours of actual out-of-class student work)</td>
<td>120</td>
<td>+ 7.5 * 4 = 30</td>
<td>150</td>
<td>4</td>
<td>4</td>
<td>(A), (C)</td>
</tr>
<tr>
<td>Course #3 (40 hours of actual out-of-class student work)</td>
<td>120</td>
<td>+ 7.5 * 4 = 30</td>
<td>150</td>
<td>4</td>
<td>4</td>
<td>(A), (C)</td>
</tr>
<tr>
<td>Course #4 (8 hours of actual out-of-class student work)</td>
<td>120</td>
<td>+ 8</td>
<td>128</td>
<td>3.413</td>
<td>3</td>
<td>(B), (D)</td>
</tr>
<tr>
<td>Course #5 (8 hours of actual out-of-class student work)</td>
<td>120</td>
<td>+ 8</td>
<td>128</td>
<td>3.413</td>
<td>3</td>
<td>(B), (D)</td>
</tr>
<tr>
<td>Internship (no out-of-class student work)</td>
<td>120</td>
<td>+ 0</td>
<td>120</td>
<td>3.2</td>
<td>3</td>
<td>(F)</td>
</tr>
</tbody>
</table>

**Total clock hours and out of class student work (amount not relevant)**: 826

**Total semester hours if no rounding**: 22.06

**Total semester hours if rounding (must round down any fractions to ensure no overenroll)**: 21

### NOTES:

**Limitation**: the rules do not allow more than 7.5 hours of out-of-class prep for every 30 hours in class

- **(A)** 120 in-class hours divided by 30 hours = 4
- **(B)** 120 in-class hours divided by 30 hours = 4

There are 10 hours of out-of-class prep per 30 clock hours (40/4 = 10), but cannot have more than 7.5 (4 * 7.5 = 30)

There are 7.5 or fewer hours of out-of-class prep per 30 clock hours (8/4 = 2), so use actual hours of out-of-class prep (B)

### Semester hours per course

- **(C)** 150 total clock and prep hours divided by 37.5 = 4
- **(D)** 128 total clock and prep hours divided by 37.5 = 3.413
- **(E)** 120 total clock hours divided by 37.5 = 3.2
Notification Requirements

The Commission recently made revisions to Section IV & V, Rules of Process and Procedure, Standards of Accreditation pertaining to school notification requirements and promulgated those revisions in an April 22, 2011 Accreditation Alert. While the Commission has always had notification requirements for material events or circumstances that could affect the school’s operations, the purpose of the revisions was to make more clear the Commission’s expectations. The Commission has noted, however, that schools are not in all instances providing notifications of material events as set forth in these sections of the ACCSC Rules. Therefore, this Accreditation Alert serves to reinforce for schools the Commission’s notification requirements. To follow are excerpts from the Rules of Process and Procedures that express the Commission’s notification requirements.

SECTION IV – NONSUBSTANTIVE AND SUBSTANTIVE CHANGE NOTIFICATION AND APPLICATION REQUIREMENTS

A. Changes Requiring Notification

A school must notify the Commission of the following:

1. Any contractual affiliations with other schools or training providers in advance of such contracts taking effect (see Section II (A)(8), Substantive Standards, Standards of Accreditation);

2. Material events or circumstances that could affect the school’s operations in accordance with Section V (E), Rules of Process and Procedures, Standards of Accreditation;

3. The voluntary discontinuation of any previously approved program or voluntary closure of any previously approved separate facility; and

4. Nonsubstantive and substantive changes in advance of such changes taking effect or being implemented in accordance with the provisions set forth in this section of the Rules.

SECTION V – ANNUAL REPORT AND OTHER REPORTING

E. Notification Reports

1. Each accredited school and each applicant for initial accreditation must notify ACCSC of any material event or circumstance that could affect the school’s operations, policies, staff, curricula, reputation, approval status or authority to operate as a legal entity, or financial status. Such notification must be in writing, made within 10 calendar days of the event’s occurrence, and is in addition to disclosures that are required in the applications for initial or renewal of accreditation or any substantive change report.

2. Material events or circumstances necessitating such notification include but are not limited to:

   a. Filings of petitions for bankruptcy or reorganization;

   b. Destruction of the school or a significant part of its facilities;

   c. Any limitation, sanction (e.g., probationary status), suspension, or revocation of a school’s license or right to operate;

   d. Cessation of teaching;

   e. Any grant of accreditation by another accrediting agency or Show Cause Order, imposition of probationary status, or denial or withdrawal of accreditation by another accrediting agency;
f. Voluntary relinquishment of accreditation from another accrediting agency;

g. Investigations by state or federal authorities, beyond those required in the normal course, related to a school’s licensure, approval to operate, or participation in federal programs;

h. Any criminal or civil action filed by a state (including state-supported legal assistance agencies) or federal authorities against the school, its officers, or employees;

i. Any action against the school to limit, suspend, or terminate student loan guarantees or participation in external programs by a guaranty agency or the U.S. Department of Education;

j. Any determination in accordance with requirements of the U.S. Department of Education that the school is not meeting its requirements;

k. The results of any lawsuit or investigation brought against the school, its officers, or employees that determine a violation of law or regulation;

l. Any determination in accordance with requirements of a state or other applicable regulatory agency that the school is not meeting applicable requirements or is in violation of any law;

m. Any action to suspend or revoke a school’s or program’s recognition with any agency that grants certification or licensure to its graduates; or

n. Any qualified or adverse statement or statement related to a school’s status as a “going concern” included on an audited financial statement.

3. Notification reports will set forth the circumstances of any such material event fully and will have appended to them copies of any document or information received by the Commission that is relevant to the material event.

4. Notification reports required by this section of the Rules will be supplemental to, and not in lieu of, any other report or filing that may be required by these Rules.