June 4, 2020

New England Culinary Institute
7 School Street
Montpelier, Vermont 05602

Dear

At the May 2020 meeting, the Accrediting Commission of Career Schools and Colleges (“ACCSC” or “the Commission”) considered its previous decision to defer action on the Application for Renewal of Accreditation and supplemental Annual Report student achievement information submitted by New England Culinary Institute (“NECI”) located in Montpelier, Vermont. Upon review of the December 12, 2019 deferral letter and the school’s response, the Commission voted to place NECI on Warning with a subsequent review scheduled for ACCSC’s November 2020 meeting. The history of ACCSC’s review of this matter, reasons for the Commission’s decision to place the school on Warning, and the Commission’s requirements for the school to demonstrate compliance are set forth below.

**History of ACCSC Review**

**May 2019 Commission Meeting – Deferral**

At the May 2019 meeting, ACCSC considered the Application for Renewal of Accreditation and supplemental Annual Report student achievement information submitted by NECI. Upon review of the December 6, 2018 On-Site Evaluation Report (“OER”), the Commission’s March 5, 2019 letter, and the school’s responses, the Commission voted to defer final action until the November 2019 meeting due to outstanding compliance questions in the following areas:

- The participation of school management and administrative employees in ongoing development and training activities that support their particular roles in the school (*Section I (A)(3), Substantive Standards, Standards of Accreditation*);
- Demonstrating successful student achievement by maintaining acceptable rates graduate employment in the career field for which the school provided education (*Section VII (B)(1)(b), Substantive Standards, Standards of Accreditation*) and that the school supports student achievement rates through verifiable records of employment of its graduates (*Section VII (B)(1)(b), Substantive Standards, Standards of Accreditation*);
- Admissions for distance education programs and courses that includes an assessment of a student’s technical skills, competencies, and access of technology as well as an assessment of the student’s capability to benefit from enrolling in a distance education program prior to enrollment (*Section IX (E)(2), Substantive Standards, Standards of Accreditation*);
- Scholarships as a bona fide financial grant-in-aid to a qualified student, issued for recognized and acceptable purposes, and includes specified criteria that a student must meet in order to be eligible for and receive the scholarship (*Section I (D)(2), Substantive Standards, Standards of Accreditation*);
- The application of a fair and equitable refund policy (*Section I (D)(5), Substantive Standards, Standards of Accreditation*);
That all facilities owned or controlled for administrative, instructional, and housing purposes meet fire, safety, and sanitation standards required by appropriate regulatory authorities (Section I (F)(3), Substantive Standards, Standards of Accreditation); and

That the school remains attentive to students’ educational and other needs and that the school makes students aware of student services (Section VI (A)(1), Substantive Standards, Standards of Accreditation).

November 2019 Meeting – Deferral

At the November 2019 meeting, ACCSC considered its previous decision to defer action on the Application for Renewal of Accreditation and supplemental Annual Report student achievement information submitted by NECI. Upon review of the June 4, 2019 deferral letter and the school’s response, the Commission found that the school demonstrated compliance with accrediting standards in several areas identified in the deferral letter, including distance education assessment, student satisfaction, and facilities. However, in light of the outstanding compliance questions, the Commission voted to again defer final action in order to provide the school with an additional opportunity to demonstrate compliance with accrediting standards in the following areas:

- The application of a fair and equitable refund policy (Section I (D)(5), Substantive Standards, Standards of Accreditation);
- The participation of school management and administrative employees in ongoing development and training activities that support their particular roles in the school (Section I (A)(3), Substantive Standards, Standards of Accreditation);
- Scholarships as a bona fide financial grant-in-aid to a qualified student, issued for recognized and acceptable purposes, and includes specified criteria that a student must meet in order to be eligible for and receive the scholarship (Section I (D)(2), Substantive Standards, Standards of Accreditation); and
- That the school provides graduation and employment rate information to the Commission in accordance with the prescribed requirements and instructions that accompany ACCSC’s Graduation and Employment Chart (Section VII (B)(1)(b)(ii), Substantive Standards, Standards of Accreditation).

May 2020 Commission Meeting – Review and Response Requirements

1. NECI must demonstrate that the school has and applies a fair and equitable refund policy (Section I (D)(5), Substantive Standards, Standards of Accreditation). Given the inconsistencies in the application of the school’s refund policy as noted in the June 2019 deferral letter, Commission determined that additional monitoring was warranted in this area. The Commission sought to provide the newly established ownership and management team at NECI with an opportunity to demonstrate, with supporting documentation, that all (emphasis added) refunds due are being made in accordance with the school’s established refund policy. In response to the December 12, 2019 deferral letter, the school provided an ACCSC Refund Report Summary Sheet for all students who the school terminated or who opted to withdraw from August 1, 2019 through January 31, 2020. The Commission noted of the 10 students that were due a refund during this time period, NECI only made one refund in accordance with its established policy, made one refund that was two days late, and indicated that refunds were “in process” for remaining 8 students. The Commission noted that for the students whose refunds are “in process,” the refunds are significantly late. Specifically, as of March 3, 2020, the date of the school’s response to ACCSC’s December 19, 2019 letter, the Commission noted that following refunds are “still in process” as shown in the following chart:
<table>
<thead>
<tr>
<th>Student Initials</th>
<th>Refund Due Date</th>
<th># of Days late as of 3/5/20</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2.8.20</td>
<td>26</td>
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<tr>
<td></td>
<td>2.3.20</td>
<td>31</td>
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<tr>
<td></td>
<td>2.3.20</td>
<td>31</td>
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<tr>
<td></td>
<td>9.30.19</td>
<td>160</td>
</tr>
<tr>
<td></td>
<td>2.3.20</td>
<td>31</td>
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<tr>
<td></td>
<td>9.27.19</td>
<td>163</td>
</tr>
<tr>
<td></td>
<td>2.3.20</td>
<td>31</td>
</tr>
<tr>
<td></td>
<td>10.26.19</td>
<td>136</td>
</tr>
</tbody>
</table>

As part of the school’s response, NECI provided the following narrative explanation regarding late refunds:

The school is working diligently to ensure any and all outstanding student refunds are processed as promptly as possible and that all future refunds will be remunerated within the required timelines. The school did not achieve the targeted enrollment which, combined with over-awarding of students due to previously documented student finance staffing issues, led to a decline in available pecuniary resources and undermined the budget. The school has made strategic reductions and reallocations of capital which should enable it to meet its financial obligations.

The Commission found the school’s reference to not reaching targeted enrollment and over-awarding of financial aid as reasons why the refunds have not been properly made to be troubling.

The Commission also noted that NECI failed to provide copies of completed attendance tracking forms to include documentation of approved leaves of absence (as applicable) or copies of all electronic refund transactions and/or checks front and back issued for the purpose of student records as directed by ACCSC’s December 12, 2019 letter. The Commission found the school’s incomplete response to be an ongoing pattern of the school’s new ownership and management team. This is a concern which was previously outlined by the Commission in ACCSC’s December 12, 2019 letter and further evidenced during ACCSC’s May 2020 review as there remain outstanding questions regarding the qualifications of the school's management team (see Item #2 below).

As noted in the Standards of Accreditation, a school that lacks sufficient administrative capacity and financial resources cannot provide assurance that it will operate in compliance with accrediting standards, meet its objectives, and fulfill its obligations to students. Upon review of the school’s response, the Commission is left with an impression that the financial structure of the school may not be sound and that the school may not have resources sufficient for the proper operation of the school and the discharge of obligations to its students as required by Section I (C)(1), Substantive Standards, Standards of Accreditation.

Overall, NECI should take this letter of Warning as an indication of the seriousness of this matter. If NECI cannot demonstrate that the school is issuing refunds in accordance with the school’s established policy, then the Commission will seriously considered taking further action to include or withdrawal of accreditation.
Based on the foregoing, the Commission directs NECI to submit the following:

a. An explanation regarding the current fiscal condition of the school that explains how the school has the resources sufficient for proper operation of the school and discharge of obligations to students to include making timely refunds in accordance with the school’s established refund policies;

b. An explanation of any changes made to the school’s established policies to ensure that NECI is not over-awarding financial aid and that the school has identified the root cause as to why eight (8) of the refunds captured in the most refund report were still “in-process” and late;

c. The school’s refund policy as published and disclosed to students;

d. An ACCSC Refund Report for all students who were either dismissed or withdrew between February 1, 2020 through May 31, 2020 to include:
   i. An ACCSC Refund Report Summary Sheet (enclosed);
   ii. A Refund Report Worksheet (enclosed);
   iii. Completed attendance tracking forms to include documentation of approved leaves of absence (as applicable); and
   iv. Copies of all electronic refund transactions and/or checks – front and back – issued for the purpose of student records;

e. An update on the status of the outstanding refunds due to the eight (8) students identified in this letter as having refunds “in-process”;

f. An explanation for any student for whom a refund was made in excess of the maximum number of days identified in the school’s refund policy; and

g. Any additional information that the school believes will be useful to the Commission in making a determination regarding the school’s compliance with accrediting standards regarding the school’s refund policy or practices.

2. NECI must demonstrate that all members of school management and administrative employees participate in ongoing development and training activities that support their particular roles in the school (Section I (A)(3), Substantive Standards, Standards of Accreditation). As stated previously in ACCSC’s December 12, 2019 letter, the purpose ACCSC’s standards regarding management and administration is to ensure that accredited schools have the capability and capacity to meet accrediting standards on an ongoing basis. The Commission believes that a school that lacks adequate management, sufficient administrative capacity, or that fails to plan for future improvement cannot provide assurance that it will operate in compliance with accrediting standards, meet its objectives, and fulfill its obligations to students.

In response to the December 12, 2019 deferral letter, NECI explained that the school is committed to maintaining and upholding all ACCSC standards of accreditation and shares ACCSC’s commitment to professional development. NECI provided a copy of the school’s organizational chart identifying six individuals as part of the school’s management team. NECI also explained that the school contracted a new HR Management software platform called Paychex and provided documentation to show that the school is starting to utilize the performance review function.
Upon review of NECI’s response, the Commission noted that the school only provided information on professional development activities for two of the school’s six managers, the Vice President of Academic & Student Affairs and the school’s Director of Student Services. The Commission also noted that the school did not provide a copy of the professional development plan for each manager at the school, to include timelines for training, as directed by the deferral letter.

According to the Commission’s record, ACCSC first raised questions regarding the qualifications of the school’s management team under the school’s new ownership in an On-site Evaluation Report (“OER”) dated December 6, 2018. Subsequent to the review of the school’s response to the OER, the Commission raised questions regarding the management team again in a deferral letter dated June 4, 2019 (along with questions regarding record keeping, admissions, employment verification, refunds, student satisfaction, facilities, and scholarships). In the most recent deferral letter dated December 12, 2019, the Commission again directed the school to demonstrate that the members of school management and administrative employees participate in ongoing development and training activities that support their particular roles in the school. Upon consideration of the school’s response to this deferral letter, the Commission found that again, the school provided only a partial response that did not address the specific elements asked for regarding professional development activities of the school’s management team.

This Warning letter marks the fourth time that ACCSC has provided the school with a directive to demonstrate that all members of the school’s management team participate in ongoing professional development. The Commission reminds NECI that the school should take this Warning letter and the requirements for responding with supporting documentation with the seriousness that it deserves. Further, the failure to address each item required by the Commission in response to this Warning letter, including demonstrating that all members of the school’s management team participating in ongoing professional development will have a material impact on the school’s ability to maintain ACCSC accreditation.

Based on the foregoing, the Commission directs the school to submit the following:

a. An updated organization chart to include the names and titles of all individuals currently employed by the school, and which identifies the members of the school’s management team;

b. A detailed description of any professional development activities undertaken by the school’s management team to deepen understanding of ACCSC’s accrediting standards and documentation of such activities;

c. Copies of any performance evaluations conducted by the school using the newly designed performance evaluation system from January 1, 2020 to August 31, 2020;

d. A professional development plan for each manager identified in item (a.) above including timelines for training;

e. Documentation of any professional development activity completed by the members of the school’s management team since January 1, 2019; and

f. Any additional information the school believes will be useful to the Commission in making a determination regarding the school’s compliance with ACCSC’s requirements regarding the qualifications of the school’s management team.

3. NECI must demonstrate that scholarships are a bona fide financial grant-in-aid to a qualified student, issued for recognized and acceptable purposes, and includes specified criteria that a student must meet
in order to be eligible for and receive the scholarship (Section I (D)(2), Substantive Standards, Standards of Accreditation). With regard to the school’s scholarships, the Commission noted that NECI’s Need Based Scholarships are awarded to cover up to 50% of the tuition minus federal/state grants, and other scholarships; are offered first to those students completed the Free Application for Federal Student Aid (FAFSA) and have a zero (0) Estimated Financial Contribution (EFC); are eligible for federal and/or state grants; and are a full-time student in continuous good standing with the school.

However, the Commission noted that the school’s criteria also says that the Scholarship Committee reserves the right to award a student a scholarship even if student doesn’t have a 0 EFC, but has demonstrated “extreme need.” Additionally, in response to a directive from ACCSC regarding how a student enrolled on a part-time basis earned this scholarship which requires students to be enrolled full-time, the school indicated that the student demonstrated culinary experience and otherwise met the criteria and therefore was offered a prorated amount due to her enrollment status being less.

Overall, the school’s response leaves an impression that while the school has established criteria for awarding scholarships, the school may be carving out exceptions that are not identified in any criteria. While the Commission understands that flexibility is warranted in determining the amount of the scholarship awarded, NECI has not demonstrated that the school issues scholarships on a consistent basis in accordance with the school’s established criteria. The intent of the Commission’s questions in this area is not to curtail the award of scholarships, but to ensure that the school has an established process that it follows based on student needs and does not use scholarships as a recruiting device with an aim simply to enroll more students.

Based on the foregoing and as a means to ensure that the school consistently and fairly awards scholarships in accordance with established criteria, the Commission directs the school to submit the following:

a. A copy of the school’s current scholarship criteria disclosed to students and prospective students;
b. A description of the school’s scholarship process and make-up of the Scholarship Committee;
c. An explanation what criteria the Scholarship Committee uses when determining “extreme need” for cases when a student does not meet the established criteria (e.g., Zero EFC).
d. A roster of current students who received any scholarship since November 1, 2019 as follows:

<table>
<thead>
<tr>
<th>Student ID</th>
<th>NECI Need Based Scholarship (Y/N)</th>
<th>Merit Based Scholarship (Y/N)</th>
<th>C-Cap Scholarship (Y/N)</th>
<th>Affirmation if Scholarship Criteria Was Met (Y/N)</th>
<th>Explanation for any student who received a scholarship but did not meet the established criteria</th>
</tr>
</thead>
</table>

e. An explanation regarding any student who was issued a scholarship despite not meeting published and stated scholarship criteria as indicated in the chart above;
f. A copy of the completed application and award letter for each student captured in the chart above; and
g. Any additional information the school believes will be useful to the Commission in making a determination regarding the school’s compliance with ACCSC’s requirements regarding scholarships.
Warning Restrictions

Pursuant to Section VII (K)(7), Rules of Process and Procedure, Standards of Accreditation, the Commission will not consider substantive changes, a change of location/relocation, or additions (i.e., separate facilities, new programs) to a school or its separate facilities while the school is under a Warning.

Notification to Students

The Commission requires the school to inform current and prospective students in writing that the school has been placed on Warning and to provide a summary of the reasons for the Warning Order (Section VII (K)(7) Rules of Process and Procedure, Standards of Accreditation). As part of the school’s response to this Warning letter, NECI must submit a copy of the notice provided to students and applicants regarding the school’s accreditation status.

Response Requirements:

By applying for accreditation, a school accepts the obligation to demonstrate continuous compliance with the Standards of Accreditation. While the Commission employs its own methods to determine a school’s compliance with accrediting standards, the burden rests with the school to establish that it is meeting the standards. The Commission’s deliberations and decisions are made on the basis of the written record and thus a school must supply the Commission with complete documentation of the school’s compliance with accrediting standards.

NECI must provide a response to the items expressed above that provides the information requested along with any additional information that the school believes supports a demonstration of compliance with accrediting standards.¹ If the school’s response contains documentation that includes personal or confidential student or staff information that is not required for the Commission’s review (e.g., social security numbers, dates of birth, etc.), please remove or redact that information.

NECI must upload the school’s electronic response directly to ACCSC’s College 360 Database. The ACCSC College 360 database can be accessed by clicking here. Please note that the password utilized by the institution to access the Annual Report Portal is the same to access the School Submission section of the College 360 database. The Instructions for Electronic Submission can be found here. A detailed overview on how to upload a school submission can be found here.

Keep in mind, the school’s response must be prepared in accordance with ACCSC’s Instructions for Electronic Submission (e.g., prepared as one Portable Document Format (“PDF”) file that has been prepared using Adobe Acrobat software (version 8.0 or higher) and which has a .pdf extension as part of the file name). The school will receive an e-mail confirmation that the file has been received within 24 hours of the submission.

The school’s response must also include a signed certification attesting to the accuracy of the information, the required $500 processing fee, and be received in the Commission’s office on or before September 17, 2020. If a response, the required fee, and the certificate of attesting to the accuracy of the information is not received in the Commission’s office on or before September 17, 2020 the Commission will consider further appropriate action.

¹ ACCSC has issued two modules of the Blueprints for Success Series – Organizing an Effective Electronic Submission and Preparing a Comprehensive Response for Commission Consideration – which provide a framework for submitting a well-documented, organized, electronic response for Commission consideration. ACCSC encourages the school to review these modules when formulating its response to this letter. More information is available in the Resources section at www.accsc.org.
For assistance with the password or for any other questions regarding the electronic submission requirements, [redacted]. Please note that any password requests to access College 360 must be made by the school director, or designated member of the school’s management team, via e-mail.

For further assistance or additional information, please contact [redacted] or [redacted].

Sincerely,

Michale S. McComis, Ed.D.
Executive Director

Encls.  ACCSC Refund Report Summary Sheet
        ACCSC Refund Report Worksheet
ACCSC REFUND REPORT SUMMARY SHEET

School Name: 
School Number: 
Refund Report Date Range: 

<table>
<thead>
<tr>
<th>Student Name</th>
<th>Start Date</th>
<th>Last Date of Attendance</th>
<th>Date of Determination of Withdrawal / Termination</th>
<th>Refund Due Date</th>
<th>Date Refund Paid*</th>
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</table>

*This is the date that the refund was distributed to or received by either the student or applicable funding source.
REFUND REPORT WORKSHEET

A separate worksheet must be completed for each refund made within the time period specified by the Commission.

Name of student: ___________________________ Date of enrollment: ___________________________

The maximum number of days for which the school must disburse refunds, as defined in the school’s refund policy:

Based upon the school’s refund policy, select (a) or (b) below and enter the date the school used to calculate the number of days required to disburse the refund:

(a) Last date of attendance
(b) Date of determination of termination/withdrawal

Date of refund disbursement:
The actual number of days between (a) or (b) above and the date the school disbursed the refund:

☐ Attach to this worksheet a detailed explanation for why the refund was late (if applicable).

<table>
<thead>
<tr>
<th>Length of program or period of enrollment:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of program or period of enrollment completed: %</td>
</tr>
<tr>
<td>Total tuition for program or period of enrollment: $</td>
</tr>
<tr>
<td>Total amount of tuition collected: $</td>
</tr>
<tr>
<td>Percentage of total tuition collected: %</td>
</tr>
<tr>
<td>Percentage of collected tuition retained (c): %</td>
</tr>
<tr>
<td>Percentage of collected tuition refunded (d): %</td>
</tr>
</tbody>
</table>

Amount of refund $ 

Attach to the school’s submission:
- ☐ One copy of the school’s withdrawal/refund policy and attendance policy, as it appears in the school’s catalog, must accompany the school’s submission. If the school uses one or more state refund policies, please attach a copy of each state’s refund policy. One copy per state will suffice for the entire Refund Report.
- ☐ The Refund Report Summary Sheet for all refunds included in this report.

Attach to this worksheet:
- ☐ Copy of the calculation sheet(s) showing how the refund was calculated,
- ☐ Copy of the front and the back of the refund check(s) or electronic transmission document(s).
THE REFUND REPORT WORKSHEET GLOSSARY

Name of student: As it appears on the signed Enrollment Agreement.

Date of enrollment: The date the Enrollment Agreement was signed.

Last date of attendance (a): The last day the student attended class.

Date of determination of termination/withdrawal (b): The date the student’s enrollment was terminated either by voluntarily withdrawal or by termination by the school.

Date of refund disbursement: The date the refund check was processed and disbursed or electronically transmitted (Pell accounts).

Length of program or period of enrollment: The total length of the program, or period of enrollment for which tuition is charged, measured in either weeks, months, or clock hours, whichever is most appropriate for refund calculation purposes.

Percentage of program or period of enrollment completed: Length of the total program, or period of enrollment for which tuition is charged, completed divided by the amount of the length of the program or period of enrollment for which tuition is charged uncompleted.

Total tuition for program or period of enrollment for which tuition is charged: The total tuition cost for the program, or period of enrollment for which tuition is charged. This amount does not include application fees, books, supplies, uniforms, etc., unless those items are completely refundable by the school.

Total amount of tuition collected: The amount of refundable monies collected.

Percentage of total tuition collected: The percentage of refundable monies collected.

Percentage of collected tuition retained (c): The percentage of refundable monies collected that was retained by the school for training received by the student.

Percentage of collected tuition refunded (d): The percentage of refundable monies collected that was returned to the student, or to financial aid accounts on behalf of the student, for training which was purchased but not received by the student. Items (c) and (d) should total 100%.

Amount of refund: The dollar and cents amount of the refund.