

## The Two-Year Rule and Extension for Good Cause

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U.S. Department of Education regulations require accrediting agencies to require institutions with deficiencies to come into complete compliance within two years of the deficiency or the agency must act to terminate accreditation. Therefore, the Commission is changing its action letters and practices of tracking institutional performance to note the date deficiencies were identified by the Commission and the date by which the deficiency must be corrected. Readers should identify for the Commission the date at which deficiencies were first noted by the Commission and a required completion date. No longer than two years may be ordinarily granted for completion of changes necessary to fully resolve deficiencies except if the Commission, after providing two years, decides to grant extension for “good cause.”

Department regulations allow an accrediting agency to extend the time given for “good cause.” The ACCJC has submitted and received acceptance of four such “good cause” reasons for extension of the time to complete the work necessary to comply with Eligibility Requirements (for colleges already accredited), Accreditation Standards and Commission policies.

A Good Cause extension **may** be made if:

1. Resolution of the identified deficiency reasonably would take more than two years to complete. In such situations, the Commission will monitor the institution’s progress and find it satisfactory. For example, an institution may need more than two years to address a decline in fiscal reserves, and its consequent impact on fiscal stability, by restoring reserves, building enrollments to gain more revenues, arranging a sale of the institution, etc.
2. It is necessary to provide time for an institution to resolve a deficiency through necessary sequential steps mandated by other controlling agencies. For example, an institution that needs to build new facilities may be required to seek state approval for facilities development before building design by an architect, both necessary before building can commence. This process could take more than two years.
3. It is necessary to provide reasonable time for an institution that has indicated it has retained or had imposed outside, credible third-parties as consultants or aides who have the capacity and authority to resolve deficiencies. For example, an institution may seek the assistance of an auditing firm or a state controller to assist in resolution of fiscal matters, or may seek a State Monitor to guide an executive or governing board in better practice.
4. It is necessary to provide reasonable time as an institution waits for an outside agency or organization to resolve matters that are affecting an institution’s compliance with Eligibility Requirements, Accreditation Standards and Commission policies. For example, a federal college might have to wait for a federal agency to take action on some specific aspect of

operations in order to resolve a deficiency; in some cases, an institution might have to await resolution of legal issues in order to take necessary steps to resolve deficiencies.

5. The institution has completed a great amount of work on needed changes, and only a small number of issues remain. The Commission believes additional time is reasonable, and grants no more than one year to complete the work. For example an institution has approved offering a new academic program. Additional time is required to develop and implement assessment plans, secure faculty commitments, and clarify enrollment requirements as essential to meet the Standards.

**In all cases where the Commission decides to extend the time given an institution, the Commission’s action must establish an expected completion date. The notation of the extension and the completion date will be identified in the Commission’s action letter.** A Commission decision to extend the time permitted must weigh the consequences for students and the public of such an extension.

The Commission has informed the Department of Education that **it will not extend the time necessary to correct deficiencies that have substantial negative impact on educational quality or institutional integrity.** In all such actions, regardless of the cause of the deficiency or the means of addressing it, institutions will be given no more than two years (and reasonably might be given much less) to resolve such deficiencies.

<b>The U.S. Department of Education Two-Year Rule 34 C.F.R. §602.20(a),(b)</b>
<b>Two Year Rule:</b> U.S. Department of Education regulations expect accrediting agencies to require institutions with deficiencies under any standard to come into complete compliance within a time period <i>not to exceed two years of the deficiency or the agency must act to terminate accreditation.</i> <i>There must be a clear delineation by the Commission of when an issue moves from “monitoring” to time-limited full resolution (when “the clock is ticking”).</i>
<b>Department regulations allow an accrediting agency to extend the time given for “good cause.” Use of extensions should not be automatic; they are to be used infrequently and judiciously.</b> In all cases where the Commission decides to extend the time given an institution, the Commission’s action must establish <i>the reason for extension, the length of the extension, and the date by which the institution must be in compliance with the Standard(s).</i>
<b>CONSIDERATIONS PRIOR TO GRANTING AN EXTENSION OF THE TWO-YEAR RULE</b>
- A Commission decision to extend the time permitted must weigh the consequences for students and the public of such an extension.
- The Commission <b>will not extend the time necessary to correct deficiencies that have substantial negative impact on educational quality or institutional integrity.</b> In all such actions, regardless of the cause of the deficiency or the means of addressing it, institutions will be given no more than the initial two years (and reasonably might be given much less) to resolve such deficiencies.
- The ACCJC has submitted and received acceptance of four such “good cause” reasons for extension of the time to complete the work necessary to comply with Eligibility Requirements (for colleges already accredited), Accreditation Standards and Commission policies.

**REASONS ESTABLISHED BY THE ACCJC FOR POSSIBLE EXTENSION:**

**1. Resolution would reasonably take more than two years to complete.**

Resolution of the identified deficiency reasonably would take more than two years to complete.

In such situations, the Commission will monitor the institution's progress and find it satisfactory, but for the needed additional time.

For example, an institution may need more than two years to address a decline in fiscal reserves, and its consequent impact on fiscal stability, by restoring reserves, building enrollments to gain more revenues, arranging a sale of the institution, etc.

**2. Time is necessary for an institution to complete sequential steps mandated by other controlling agencies.**

It is necessary to provide time for an institution to resolve a deficiency through necessary sequential steps mandated by other controlling agencies.

This process could take more than two years.

For example, an institution that needs to build new facilities may be required to seek state approval for facilities development before building design by an architect, both necessary before building can commence.

**3. Reasonable time is necessary when there are credible third parties who have the capacity and authority to resolve deficiencies.**

It is necessary to provide reasonable time for an institution that has indicated it has retained or had imposed outside, credible third-parties as consultants or aides who have the capacity and authority to resolve deficiencies.

For example, an institution may seek the assistance of an auditing firm or a state controller to assist in resolution of fiscal matters, or may seek a State Monitor to guide an executive or governing board in better practice.

**4. Reasonable time is necessary as the institution awaits resolution of matters by an outside agency or organization.**

It is necessary to provide reasonable time as an institution waits for an outside agency or organization to resolve matters that are affecting an institution's compliance with standards.

For example, a federal college might have to wait for a federal agency to take action on some specific aspect of operations in order to resolve a deficiency; in some cases, an institution might have to await resolution of legal issues in order to take necessary steps to resolve deficiencies.

**5. Considerable work has been accomplished, and an additional year is granted.**

The institution has completed a great amount of work on the needed changes, and only a small number of issues remain. The Commission believes additional time is reasonable and grants no more than one year to complete the work.

For example an institution has come to an agreement with the bargaining unit which will fulfill Commission requirements. Additional time is required to develop and implement policies, procedures, timelines, etc. required to meet Standard requirements.