

**Part I – Definitions, Prohibitions,
Advertising.**

8 VAC 40-31-10. Definitions.

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise:

“Administrative capability” means a branch is considered to have administrative capability if (i) the branch maintains or has access to all records and accounts; (ii) the branch designates a named site director; (iii) the branch maintains a local mailing address; and (iv) the course offering at the branch consists of a large number of unit subjects which comprise a program of education or a set curriculum large enough to allow pursuit on a continuing basis.

"Adjunct faculty" means a person who is employed by an institution to teach no more than two courses during only one semester, quarter, or equivalent term during an academic year.

“Branch” means an additional location, operated by an institution with an approved existing site. A branch campus must have administrative capability exclusive of the main campus and adequate resources to ensure that the objectives of its programs can be met.

“Certification” means the process of securing authorization to operate an institution of higher education and/or degree program in the Commonwealth of Virginia including but not limited to providing a notarized statement by the institution’s chief executive officer attesting to the institution’s compliance with applicable standards.

"CIP code number" means the six-digit Classification of Instructional Programs number assigned to each discipline specialty.

“College” means any institution of higher education that offers degree programs.

"Council" means the State Council of Higher Education for Virginia.

"Course for degree credit" means a single course whose credits are applicable to the requirements for earning a degree, diploma, or certificate.

"Degree" means any earned award at the associate, baccalaureate, master's, first professional, or doctoral level which represents satisfactory completion of

the requirements of a program or course of study or instruction beyond the secondary school level and includes certificates and specialist degrees when such awards represent a level of educational attainment above that of the associate degree level.

Degree program" means a curriculum or course of study that leads to a degree in a discipline or interdisciplinary specialty and normally is identified by a six-digit CIP code number.

Diploma" or **certificate**" means an award which represents a level of educational attainment at or below the associate degree level and which is given for successful completion of a curriculum comprised of two or more courses and applies only to those awards given for coursework offered within Virginia by institutions of higher education which are appropriately approved to offer, either within the Commonwealth or outside the Commonwealth, degrees at the associate, baccalaureate, graduate, or professional level.

Educational and general (E&G)" means those budget expenditures that are allocated to instruction, research, public service, academic support, libraries, student services, institutional support, operation and maintenance of plant, and scholarships and fellowships. Auxiliary enterprise accounts and mandatory transfer accounts (that is, expenditures that must be made in order to fulfill a binding legal obligation of the institution) are excluded.

Full-time faculty" means a person whose: (I) employment is based upon an official contract, appointment, or agreement with an institution; (ii) principal employment is with that institution; and (iii) major assignments are in teaching and research. A full-time administrator who teaches classes incidental to administrative duties is not a full-time faculty member.

In-state institution" means an institution of higher education that is formed, chartered or established within Virginia. For the purposes of certification as a degree-granting institution, an institution incorporated outside Virginia shall be considered a Virginia institution if (i) it is incorporated in a state in which it has no instructional campus, and (ii) it produces clear and convincing evidence that its main or principal campus is located in Virginia

Institution" or **institution of higher education**" means any person, firm, corporation, association, agency, institute, trust, or other entity of any nature whatsoever offering education beyond the secondary school level which has received certification from the Council and: (i) offers courses or programs of study or instruction which lead to, or which may reasonably be understood to be applicable to, a degree; or (ii) operates a facility as a college or university or

other entity of whatever kind which offers degrees or other indicia of level of educational attainment beyond the secondary school level; or (iii) uses the term "college" or "university," or words of like meaning, in its name or in any manner in connection with its academic affairs or business.

"Instructional faculty" means a person employed by an institution of higher education that is engaged in instructional, research, or related activities.

"Library volume" means a physical unit of any printed or typewritten work that is contained in one binding or portfolio, whether hardbound or softbound, or in micro or electronic format, and that has been cataloged, classified, or otherwise prepared for use. Textbooks and other materials regularly used in classroom instruction are excluded from this definition. Single-purpose institutions offering only occupational/technical programs in closely related disciplines may include multi-media materials in this definition.

"Multistate compact" means any agreement involving two or more states to offer jointly postsecondary educational opportunities, pursuant to policies and procedures set forth by such agreement and approved by Council.

"One full-time equivalent (1.0 FTE) faculty" means a statistical unit equal to either: (i) 15 credit hours of courses taught at the associate degree level or below; (ii) 12 credit hours of courses taught at the bachelor's level or (iii) nine credit hours of courses taught at the master's level or above. Courses taught by administrators, as well as those taught by instructional faculty, shall be included in this calculation.

"One full-time equivalent (1.0 FTE) student" means a statistical unit equal to either: (i) 15 hours of degree credit courses each term at the bachelor's level or lower, or (ii) 12 hours of degree credit courses each term at the master's level or higher.

"Out-of-state institution" means an institution of higher education that is formed, chartered or established outside Virginia.

"Part-time faculty" means a person whose: (i) annual employment is based upon an official contract, appointment, or agreement with an institution; (ii) principal employment is with an entity other than that institution; and (iii) teaching assignments include at least one course during at least two terms within the academic year.

"Postsecondary school" or "school" means an institution offering a curriculum or course of study in a discipline or interdisciplinary area that leads to a degree, certificate, or diploma.

"Program" means a curriculum or course of study in a discipline or interdisciplinary area that leads to a degree, certificate, or diploma.

"Program area" means a general group of disciplines in which one or more degree programs, certificates, or diplomas may be offered.

"Program of study" means a curriculum of two or more courses that is intended or understood to lead to a degree, diploma, or certificate. It may include all or some of the courses required for completion of a degree program.

"Site" means a location in Virginia where an institution (i) offers one or more courses for degree credit on an established schedule and (ii) enrolls two or more persons who are not members of the same household.

"Telecommunications activity" means any course for degree credit or program of study offered by an institution of higher education or consortium of institutions where the primary mode of delivery to a site is television, videocassette or disc, film, radio, computer, or other telecommunications devices.

"University" means any institution offering programs leading to degrees or degree credit beyond the baccalaureate level.

8 VAC 40-31-20. Prohibited Acts.

- A.** Except as in accordance with this chapter, no person, or other entity shall sell, barter, or exchange for any consideration, or attempt to sell, barter, or exchange for any consideration, any degree, degree credit, diploma, or certificate.
- B.** No person, or other entity shall use, or attempt to use, in connection with any business, trade, profession, or occupation any degree or certification of degree or degree credit, including but not limited to a transcript of coursework, which has knowingly been fraudulently issued, obtained, forged, or materially altered.
- C.** Unless exempted from the provisions of this chapter pursuant to §23-276.2 of the *Code of Virginia*, no person, firm, or institution may represent that credits earned at or granted by that person, firm, or institution are applicable for credit toward a degree, except under such conditions and in a manner specified and approved by the Council in accordance with this chapter.

D. Without prior certification, no person or other entity subject to the provisions of this chapter shall use in any manner, within the Commonwealth of Virginia, the term "college" or "university" or abbreviations or words of similar meaning in its name or in any manner in connection with its academic affairs or business or in any literature, catalog, pamphlet, or descriptive materials.

1. This subsection shall not apply to any person or other entity that (i) used the term "college" or "university" openly and conspicuously in its title within the Commonwealth prior to July 1, 1970; (ii) was granted authority to operate in Virginia by the Council between July 1, 1970, and July 1, 2002, and maintains valid authority to so operate in Virginia after July 1, 2002; (iii) was exempted from the provisions of Chapter 21 (§ 23-265 et seq.) of this title, as such law was in effect prior to July 1, 2002; or (iv) was authorized by the Council to use a name while its request for certification is pending.
2. This subsection shall not apply to any person, firm, association, trust, corporation, or other entity which used the term "college" or "university" openly and conspicuously in its title within the Commonwealth prior to July 1, 1970.
3. For only as long as the provisions of Item 158 D of Chapter 912 of the 1996 Acts of Assembly shall be in effect, this subsection shall not apply to individual proprietorships, associations, co-partnerships or corporations which use the words "college" or "university" in their training programs solely for their employees or customers, which do not offer degree-granting programs, and whose name includes the word "college" or "university" in a context from which it clearly appears that such entity is not an educational institution.

E. Council may refuse to certify institution names and terms, which have the potential to mislead the general public about the institution's affiliation or association with any state-supported institution of higher education in Virginia. Terms such as, but not limited to, "public university", "public college," or "community college" may be protected from use by private institutions of higher education.

8 VAC 40-31-31. Advertisements, announcements, and other promotional materials.

A. An institution certified to operate by the Council in accordance with this chapter shall include in any print and electronic catalogs, advertisements, and other publications that the Council has certified the institution to operate in Virginia.

- B.** An institution shall use its name as shown in its certification, together with a complete address, for all advertising and promotional purposes within Virginia.
- C.** An out-of-state institution shall state in all of its electronic and print advertisements, announcements, and course registration materials distributed in Virginia that:
1. Each course or degree, diploma, or certificate program offered in Virginia is approved by the governing board of the institution;
 2. The appropriate state agency, if any, in the state where the main campus of the institution is located has granted whatever approval may be necessary for the institution to:
 - a. Offer courses or degree, diploma, or certificate programs at the level for which credit is being awarded for those courses or programs in Virginia;
 - b. Offer courses or degree programs outside its state;
 - c. Offer each course or degree, diploma, or certificate program being offered in Virginia; and
 - d.** Any credit earned for coursework offered by the institution in Virginia can be transferred to the institution's principal location outside Virginia as part of an existing degree, diploma, or certificate program offered by the institution.
- D.** All advertisements, announcements, and promotional material of any kind which are distributed in Virginia shall be free from statements that are untrue, deceptive, or misleading.
- E.** No advertisement, announcement, or any other material produced by or on behalf of an institution of higher education shall in any way indicate that the institution is approved, supervised, recommended, endorsed, or accredited by the Commonwealth of Virginia, by the State Council of Higher Education, or by any other state agency in Virginia; neither shall it include the name of the State Council of Higher Education for Virginia, except to assert that the institution is certified to operate in the Commonwealth of Virginia.

**Part II -
Exemptions**

8 VAC 40-31-40. State-supported institutions.

This chapter shall not apply to the institutions named in §23-9.5 of the *Code of Virginia*, including their branches, divisions, or colleges, or to any state-supported institution of higher education that may be established in the future.

8 VAC 40-31-50. Religious institutions.

- A. The Council shall exempt from the provisions of Chapter 21 (§ 23-276.1 et seq.) of Title 23 of the *Code of Virginia*, any institution of higher education whose primary purpose is to provide religious training or theological education, provided that the institution:
1. Awards only degrees, diplomas, or certificates (i) whose titles indicate the institution's primary purpose plainly upon their face and (ii) which state that the institution is excluded from the requirement of state certification; and
 2. States plainly in its catalogs and other publications that (i) the institution's primary purpose is to provide religious training or theological education, (ii) the institution's degrees, diplomas, or certificates are so titled and worded, and (iii) the institution is exempt from the requirement of state certification.
 3. The title of each degree, diploma, or certificate awarded by an institution which claims an exemption under the provisions of this section must reflect that the institution's primary purpose is religious education.
 - a. The titles of religious degrees that may be awarded include, but are not limited to, (i) Bachelor of Christian Education, (ii) Master of Divinity, and (iii) Doctor of Sacred Theology.
 - b. The titles of secular degrees that may not be awarded in any discipline, including religion, Christian education, and biblical studies, are (i) Associate of Arts, (ii) Associate of Science, (iii) Associate of Applied Science, (iv) Associate of Occupational Science, (v) Bachelor of Arts, (vi) Bachelor of Science, (vii) Master of Arts, (viii) Master of Science, (ix) Doctor of Philosophy, and (x) Doctor of Education.
- B. Exemptions granted after July 1, 2002 will be for a maximum of five years. Institutions wishing to maintain an exempt status, must reapply to Council at least six months prior to the expiration of the exemption period. D. Exempt institutions shall not make claims of "approval" "endorsement" or other such terms by the Council in any of their promotional materials. Exempt institutions shall clearly state in their

catalogs and promotional materials that they are exempt from the requirements of state regulation and oversight.

- C. An institution that awards secular degrees in addition to religious degrees, certificates or diplomas, as defined in subsections A and B of 8 VAC 40-31-50, must comply with the provisions for certification for all non-religious degree programs.
- D. Each institution requesting full or partial exemption must apply on forms provided by and in a manner prescribed by the Council.
- E. The Council, on its own motion, may initiate formal or informal inquiries to confirm that this chapter is not applicable to a religious institution if the Council has reason to believe that the institution may be in violation of the provisions of this section.
 - 1. Any institution which claims an exemption under subsection A of this section on the basis that its primary purpose is to provide religious training or theological education shall be entitled to a rebuttable presumption of the truth of that claim.
 - 2. It shall be the Council's responsibility to show that an institution is not exempt under subsection A of this section.
 - 3. The Council assumes no jurisdiction or right to regulate religious beliefs under this chapter.
- F. An institution whose claim for exemption under subsection A of this section is denied by the Council shall have the opportunity to appeal the Council's action in accordance with 8 VAC 40-31-70.

8 VAC 40-31-60. Institutions, Programs, Degrees, Diplomas, & Certificates Exempt by Council Action

- A. The following activities or programs offered by institutions, otherwise subject to this chapter shall be exempt from its provisions:
 - 1. Any postsecondary school subject to the provisions of Chapter 16 (§22.1-319 et seq.) of Title 22.1 of the Code of Virginia.
 - a. Included are proprietary schools and other postsecondary non-degree-granting institutions - subject to the approval of the State Board of Education and that offers only non-degree credit certificate or diploma programs.
 - b. A proprietary school or other postsecondary nondegree-granting institution licensed by the State Board of Education that applies to the Council for certification shall continue to comply with the provisions of Chapter 16 (§ 22.1-319 et seq.) of Title 22.1 of the

Code of Virginia and relevant regulations of the State Board of Education for the approval of all non-degree credit programs.

2. Any honorary degree conferred or awarded by an institution, as long as the degree (i) does not represent the satisfactory completion of all or any part of the requirements of a program or course of study and (ii) is normally regarded as one which is intended to be commemorative in nature in recognition of an individual's contributions to society. Such degree must state on its face that it is honorary in nature.
3. Any postsecondary educational course or program of study offered by an institution of higher education at a United States military post or reservation when that course or program is open only to military post personnel, their dependents or civilians employed by that military post or reservation.
 - a. Military personnel or civilians employed at one military post or reservation may take courses or programs of study at another military post or reservation without affecting the exemption from this chapter.
 - b. This exemption shall not apply to an institution that offers a course or program of study at a military post or reservation if:
 - (1) Civilians who are not employed by the military post or reservation are enrolled in the course or program at that site.
 - (2) The appropriate military official at the military post or reservation submits a written request to the executive director of the Council that the institution be subject to this chapter.
4. Any nursing education program offered by an institution to the extent that the program is regulated by the Virginia Board of Nursing.
 - a. The Virginia Board of Nursing is the state agency which is authorized to license registered nurses and to approve nursing programs with regard to the adequacy of the curriculum and resources for preparing students to take the licensing examination.
 - b.** To offer a degree in nursing, an institution must have obtained prior Council certification.

5. A professional program for professional or occupational training offered by an institution to the extent that the program is subject to approval by a regulatory board pursuant to Title 54.1 of the *Code of Virginia*.
 6. A certificate or diploma awarded by an institution on the basis of Continuing Education Unit (CEU) credit, or the equivalent, provided that the institution shall plainly state on the face of the certificate or diploma that the CEU credit is neither intended to be applicable to a degree program nor to be used in place of that for which degree credit is required.
 7. Any course or program of study given by or approved by any professional body, fraternal organization, civic club, or benevolent order principally for professional education or advancement or similar purpose and for which no degree or degree credit is awarded.
 8. Courses or programs offered through approved multistate compacts, including but not limited to, the Southern Regional Education Board's Electronic Campus; and
 9. Courses for degree credit offered and delivered by an institution of higher education solely on a contractual basis for which no individual is charged tuition.
- B. Notwithstanding the exemptions provided in this section, an institution of higher education may seek certification for an otherwise exempt activity or program.

8 VAC 40-31-70. Denial of Exemption; Appeal of Action

- A. If the Council determines that an institution does not qualify for an exemption as provided by 8 VAC 40-31-50 or 8 VAC 40-31-60 of this chapter, the executive director of the Council shall provide written notification to the institution of the reasons for that determination and the Council's action to deny the exemption.
- B. An institution whose claim of exemption is denied by the Council shall have an opportunity to appeal the Council's action, either through informal proceedings before the Council in accordance with § 9-6.14:11 of the *Code of Virginia* or through formal proceedings in accordance with § 9.6-14:12 of the *Code of Virginia*.
- C. An institution wishing to take the opportunity for either formal or informal proceedings shall make a written request to the executive director of the Council within 10 days of receiving notification of the Council's determination that the institution is not exempt from this

chapter. No extension beyond the 10-day period shall be granted except for good cause shown.

- D. When an institution has requested formal or informal proceedings, the proceedings shall be held at a time and date convenient to both the institution and the Council. Any formal proceedings will be scheduled by the hearing officer. Any informal proceedings will be scheduled by the Council.
- E. An institution requesting formal or informal proceedings in accordance with this section shall bear the cost of any independent consultants and attorneys representing the institution. In addition, an institution which elects formal proceedings shall bear the cost of those proceedings, including the cost of any court reporter and for the preparation of a transcript.

Part III – Role of the Council and Staff.
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8 VAC 40-31-80. Role of the Council

- A. Pursuant to § 23-276.9 of the *Code of Virginia*, the Council may establish fees for services and the methods for collecting such fees.
- B. Pursuant to § 23-276.3 (E) of the *Code of Virginia* and unless otherwise indicated, the Council delegates authority for administering the requirements of § 23-276.1 through § 23-276.12 of the *Code of Virginia* and this chapter to the executive director.
- C. Pursuant to § 23-276.3 of the *Code of Virginia*, adopt certification criteria for the operation of institutions of higher education in Virginia.
- D. Only the Council may refuse to grant certification, or revoke or suspend certification. In these instances, the Council will be responsible for ensuring due process and compliance with the Administrative Process Act (§ 2.2-4000 et seq.)

8 VAC 40-31-90. Role of the Executive Director

- A. In addition to other administrative responsibilities vested in the executive director of the Council, the executive director shall carry out the following administrative responsibilities relative to this chapter:

1. Authorize certification to operate for institutions of higher education that meet the certification criteria.
2. Authorize the use of the term "college" or "university" in an institution's name.
3. Authorize religious exemptions.
4. Pursuant to § 23-276.7 of the *Code of Virginia*, authorize emergency action in the event an institution has received an adverse action by the United States Department of Education or by its accrediting agency which threatens a disruption of the operation of the institution and exposes students to a loss of course or degree credit or financial loss. All emergency actions shall be reported to Council at its next meeting to either ratify or take such as actions as it may deem necessary. The authority of the executive director in these instances includes:
 - a. Suspend new enrollment in specified programs, degree levels or in all programs and degree levels.
 - b. Require the institution to provide a guaranty instrument or increase the penal amount or a current guaranty.
 - c. Take other actions as may be necessary to protect the rights of currently enrolled or future students.
5. Assess administrative fees.
6. Authorize the release of a guaranty instrument requirement.
7. The executive director may delegate certain administrative responsibilities to the Council staff.

8 VAC 40-31-100. Role of the Council Staff

- A. The role of Council staff shall include:
 1. Oversight and administration for purposes of compliance, Title 23, Chapter 21, Sections 23-276.1 through 23-276.12 of the *Code of Virginia* and chapter.
 2. Review initial and annual certification requirements for all institutions.
 3. Perform random and periodic site visits to review, inspect and investigate institutional compliance.
 4. Investigate as necessary all non-certified higher education activities operating in the Commonwealth of Virginia.

5. Monitor the accreditation activities of all non-accredited higher education institutions operating in the Commonwealth of Virginia.
6. Investigate all written and signed complaints or adverse publicity or any situation that may adversely affect students or consumers.
7. Share with state or federal agencies and appropriate accrediting bodies information regarding the operation or closure of institutions of higher education operating in Virginia.
8. The executive director may delegate other responsibilities as deemed appropriate.

Part IV – Institutions for which Certification is Required.

8 VAC 40-31-110. Certain Existing Approvals & Exemptions Continued

- A. An institution of higher education that was approved or authorized to confer degrees at a particular level or to offer one or more degree programs or program areas prior to March 1, 2003, may continue to confer those degrees and to offer those programs until and unless the institution's approval or authorization is revoked by the Council in accordance with 8 VAC 40-31-210 of this chapter.
- B. Virginia institution of higher education that was approved or authorized to confer degrees by the Council, the State Board of Education, or act of the General Assembly of Virginia prior to July 1, 1980, shall be subject to whatever conditions or stipulations may have been imposed at the time the approval or authorization was granted.
- C. An institution of higher education that is wholly or partially exempt from the requirement of state approval may continue to confer degrees and offer credit and noncredit instruction in accordance with Part II of this chapter (8 VAC 40-31-40 et seq.) until and unless the institution no longer qualifies for exemption from this chapter.

8 VAC 40-31-120. Certification Required for New and Existing Institutions of Higher Education

- A. All instructional offerings for degree credit in Virginia are subject to this chapter, even though the degree credit awarded for those offerings may be transferred to a location outside Virginia.
- B. A new institution must become certified to operate prior to engaging in activities related to higher education via telecommunications activity or at a site within the Commonwealth.
 - 1. The determination for certification of telecommunications activities may be based upon, but not limited to, physical presence.
 - 2. Telecommunications activities, with the exception of degree programs and academic credit offered exclusively from outside the state through individual and private interstate communication, are subject to the certification criteria required for all institutions of higher education.
- C. Existing institutions must re-certify compliance with certification criteria on an annual basis in order to continue offering programs for degree credit or conferring degrees.
- D. Institutions operating additional campuses must certify each location separately.

Part V – Certification Criteria.

8 VAC 40-31-130. Application of Certification Criteria

- A. The certification criteria shall include but not be limited to, (i) procedures by which an institution may apply for certification, (ii) criteria designed to ensure that all institutions of higher education that are subject to this chapter meet minimal academic standards, and to be in the best interests of students who are expending time and money in obtaining postsecondary education and persons who rely on postsecondary degrees, diplomas, and certificates in judging the competence of individuals.
- B. Institutions, by notarized signature of the Chief Executive Officer, will be responsible for certifying total compliance with certification criteria on an initial and annual basis.

8 VAC 40-31-140. Certification Criteria

- A. The following criteria shall apply to each institution for which certification is required:
- B. The course, program, curriculum and instruction must be of quality, content and length to adequately achieve the stated objective. Administrators and faculty must be qualified and appropriately credentialed:
 - 1. For terminal occupational/technical programs leading to the Associate of Occupational Science (A. O. S.) degree, general education courses must compose at least 10% of the total credit hours required for the degree.
 - 2. For terminal occupational/technical programs leading to the Associate of Applied Science (A. A. S.) degree, general education courses shall compose at least 25% of the total credit hours required for the degree.
 - 3. All instructional faculty teaching in a terminal occupational/technical program leading to the Associate of Applied Science (A. A. S.) or Associate of Occupational Science (A. O. S.) degree shall:
 - a. If teaching general education courses, hold a baccalaureate degree plus at least 18 graduate credit hours in the discipline being taught.
 - b. If teaching occupational/technical courses, hold either (i) an associate degree or (ii) qualify for a faculty appointment by virtue of scholarly or professional achievements.
 - 4. For all university parallel associate degree programs, general education courses shall compose at least 25% of the total credit hours required for the degree, and required courses in the major field of study shall compose no more than 50% of the total credit hours required for the degree in a specific discipline.
 - 5. All instructional faculty teaching in a college-transfer program at the associate level shall:
 - a. If teaching general education courses or in programs in the liberal arts and sciences, hold a baccalaureate degree plus at least 18 graduate credit hours in the discipline being taught.

- b. If teaching occupational/technical courses, hold a baccalaureate degree in the discipline being taught or qualify by virtue of professional or scholarly achievement.
- 6. All instructional faculty members who teach in programs at the baccalaureate level shall:
 - a. Hold a master's degree in the discipline being taught or hold a master's degree in an area other than that being taught with at least 18 graduate semester hours in the teaching discipline.
 - b. Exception to academic preparation may be made in instances where substantially documented professional and scholarly achievements can be made.
- 7. All instructional faculty teaching in a program at the master's or higher, level shall;
 - a. Hold a doctoral or other terminal degree.
 - b. Exception to academic preparation may be made in instances where substantially documented professional and scholarly achievements can be made.
- 8. In addition to the above instructor qualifications, the institution must certify that:
 - a. All instructional courses for degree credit normally require a minimum of 15 class contact hours for each semester credit hour or a minimum of 10 class contact hours for each quarter credit hour, or the equivalent.
 - b. The elective and required courses for each program are offered on a schedule and in a sequence that enables both full-time and part-time students to complete the program in a reasonable period of time.
 - c. The institution's instructional faculty at each site shall hold either full-time, part-time, or adjunct appointments.
 - d. At least one qualified full-time faculty member shall be teaching in each program area, major or concentration at each site.

- e. The institution shall have at each site not less than 1.0 full-time equivalent (FTE) faculty per 25 full-time equivalent (FTE) students.
- C. The institution shall have a clear, accurate, and comprehensive written mission statement, which shall be available to the public upon request. The statement of mission minimally shall include the following items:
1. The history and development of the institution;
 2. An identification of any persons, entities, or institutions that have a controlling ownership or interest in the institution;
 3. The purpose of the institution, including a statement of the relative degree of emphasis on instruction, research, and public service;
 4. A description of the institution's activities including telecommunications activities away from its principal location, including a list of all program areas in which courses are offered away from the principal location;
 5. A list of all locations in Virginia at which the institution offers courses, a list of the degree programs currently offered or planned to be offered in Virginia, and the relationship of these programs to the statement of purpose; and
 6. A statement of the institution's long-range plans (minimally five years).
- D. The institution shall have a current, written document, available to students and the general public upon request that accurately states the powers, duties, and responsibilities of:
1. The governing board or owners of the institution;
 2. The chief operating officer at each site in Virginia;
 3. The principal administrators at each site in Virginia;
 4. The students, if students participate in institutional governance.
- E. The institution shall have and maintain, and shall provide to all applicants upon request, a policy document accurately defining the minimum requirements for eligibility for admission to the institution and for acceptance at the specific degree level or into all specific degree programs offered by the institution. In addition, the document shall explain:
1. The standards for academic credit given for experience;

2. The criteria for transfer credit;
3. The criteria for refunds of tuition and fees; and
4. Students' rights, privileges, and responsibilities.

F. The institution shall maintain records on all enrolled students. These records minimally shall include:

1. Each student's application for admission and admissions records containing information regarding the educational qualifications of each regular student admitted which are relevant to the institution's admissions standards. Each student record must reflect the requirements and justification for admission of the student to the institution. Admissions records must be maintained for five years.
2. Transcript of the student's academic work at the institution, which shall be retained permanently in either hard copy forms or in a database with backup.
3. A record of student academic progress at the institution including programs of study, dates of enrollment, courses taken and completed, grades, and indication of the student's current status (graduated, probation, etc.); and the student's employment after completion of the program if known.
4. Pursuant to 8 VAC 40-31-380 (C), the institution shall transact a written, binding agreement with another institution or records-maintenance organization with which the institution is not corporately connected for the preservation of students' transcripts by another institution or agency, as well as for access to the transcripts, in the event of institutional closure or revocation of certification in Virginia.

G. Each institution shall provide students, prospective students, and other interested persons a catalog, bulletin or brochure containing, as a minimum the following information:

1. A description of any financial aid offered at the institution including repayment obligations, standards of academic progress required for continued participation in the program, and source of loan or scholarship.
2. A broad description, including academic and/or vocational objectives of each program offered, the number of hours of instruction in each subject and total number of hours required for course completion,

course descriptions, and a statement of the type of credential awarded.

3. A statement of tuition and fees and other charges related to enrollment, such as deposits, fees, books and supplies, tools and equipment, and any other charges for which a student may be responsible.
 4. The institution's refund policy pursuant to subparagraph 15 of this section.
 5. The institution's procedures for handling complaints, including procedures to ensure that a student will not be subject to unfair actions as a result of his/her initiation of a complaint proceeding.
 6. The name and address of the institution's accrediting body, if applicable.
 7. The minimum requirements for satisfactory completion of each degree level and degree program.
 8. The institution shall ensure that all institutional officials accurately represent the transferability of any courses or programs and state if any of the associate degrees offered by the institution are considered terminal degrees.
 9. If the institution offers programs leading to the Associate of Applied Science or Associate of Occupational Science degree, that these programs are terminal occupational/technical programs and their credits generally are not applicable to other degrees.
 10. The academic schedule for the period covered by the publication.
 11. Placement services and employment opportunities shall be accurately stated.
- H. The institution must have a clearly defined process by which the curriculum is established, reviewed and evaluated. Evaluation of institutional effectiveness must be completed on a regular basis and include, but not be limited to:
1. An explanation of how each degree or degree program is consistent with the mission of the institution.
 2. The written process for evaluating each degree level and program once initiated_c. Written procedures for assessing the extent to which the educational goals are being achieved.

3. Documented use of the results of these evaluations to improve the degree programs.
- I. Pursuant to § 23-276.3 (B) of the *Code of Virginia*, the institution must maintain records that demonstrate it is financially sound, exercises proper management, financial controls and business practices and can fulfill its commitments for education or training. The institution's financial resources should be characterized by stability, which indicates the institution is capable of maintaining operational continuity for an extended period of time depending upon the level of degrees offered by the institution.
1. The institution shall provide the results of an annual audit or certified financial review. Each audit or review must attest to the fact that the financial audit requirements and procedures of the U.S. Department of Education have been used.
 2. Within five years from initial certification, the optimum ratio of current assets to liabilities is 1:1. However, upon review of certification information;
 - a. Institutions shall be considered in "good standing" if the ratio of current assets to liabilities is .8:1 or higher;
 - b. Institutions shall be considered "marginal" if the ratio of current assets to liabilities is between .5:1 and .79:1;
 - c. Institutions with a ratio of current assets to liabilities less than .5:1 shall be immediately considered for audit.
- J. Pursuant to § 23-276.3 (B) of the *Code of Virginia*, the institution shall have and maintain a surety bond, issued by a surety company, authorized to transact business in Virginia, adequate to provide refunds to students for the unearned non-Title IV portion of tuition and fees for any given semester, quarter or term and to cover the administrative cost associated with filing a bond claim. The bond shall be based on the non-Title IV funds which have been received from students or agencies for which the education has not yet been delivered. This figure shall be indicated in audited financial statements as a Current (non-Title IV) Tuition Liability. The audit date shall correspond to the institutional fiscal year. Accredited institutions that demonstrate financial stability for at least three continuous years may apply for an exemption from the bond requirement. Existing schools within the State for Virginia can immediately apply for a Bond Waiver. In order to qualify they must submit to SCHEV Audited Financial Statements for the three prior years, all of which must attest to the fact that the financial stability requirements of the U.S. Department of Education have been met.

- K. The institution shall have a current written policy on faculty accessibility which shall be distributed to all students. The institution shall ensure that instructional faculty are accessible to students for academic advising at stated times outside regularly scheduled class hours at each site when a course is offered and throughout the period during which the course is offered.
- L. All recruitment personnel must provide prospective students with current and accurate information on the institution through the use of written and electronic materials and in oral admissions interviews:
 - 1. The institution shall be responsible and liable for the acts of its admissions personnel.
 - 2. No institution, agent, or admissions personnel shall use deceptive trade or sales practice by knowingly making any statement or representation that is false, inaccurate or misleading.
- M. All programs offered via telecommunications must be comparable in content, faculty, and resources to those offered in residence, and include regular student-faculty interaction by computer, telephone, mail, and and/or face-to-face meetings.
- N. The institution shall maintain and ensure that students have access to a library with a collection, staff, services, equipment and facilities that are adequate and appropriate for the purpose and enrollment of the institution. Current and formal written agreements with other libraries or from other resources may be used. Institutions offering graduate work shall provide access to library resources that include basic reference and bibliographic works and major journals in each discipline in which instruction is offered.
- O. In accordance with 23-276.3 (B) of the *Code of Virginia*, the institution shall establish a tuition refund policy and communicate it to students.

8 VAC 40-31-150. Chief Executive and other Administrative Officer Requirements.

- A. The chief executive and other administrative officers must:
 - 1. Have no record of felony convictions related to the operation of a school;
 - 2. Have no record of convictions involving crimes of moral turpitude;
 - 3. Have no record, within the last 10 years, that involves fraud or deceptive trade practice;

4. Have not within the last 10 years, owned a school with habitual violations of legal requirements; or have not owned a school within the last ten years that closed with violations including, but not limited to, unpaid refunds; or
5. Have not knowingly falsified or withheld information regarding the requirements of this certification, previous certifications, or approval of a similar nature in another state.

**Part VI - Certification
Requirements.**

8 VAC 40-31-160. Initial certification.

- A. An institution shall not use the term "college" or "university" until it has received acknowledgment from SCHEV that the name is not in violation of 8 VAC 40-31-20 (C) of these regulations.
 1. An institution seeking certification, must notify SCHEV of its proposed name prior to filing such name with the State Corporation Commission.
 2. Prior to receiving certification to operate, a copy of the institution's certificate from the Virginia State Corporation Commission authorizing it to transact business in the Commonwealth under the acknowledged name must be submitted.
- B. An institution shall not begin operation in the Commonwealth of Virginia without first having received certification to operate from the Council.
- C. Certification shall be for no longer than twelve months. All certifications shall expire 365 days from the date of issuance. Applications for re-certification must be submitted to SCHEV at least 60 days prior to the expiration date of the current certification.
- D. Certification is not transferable. In the event of a change of ownership of a certified institution, the new owner or governing body must secure certification.

8 VAC 40-31-170. Application Requirements.

- A. Each certification to operate attests that the institution is in compliance with § 23-276.1- 23-276.12 of the *Code of Virginia* and with this chapter.
- B. To apply for certification the following information must be submitted:

1. A completed certification application form provided by SCHEV.
 2. A statement regarding the institution's accreditation status.
 - a. Out-of-State Institutions requesting certification must be fully accredited by an organization recognized by the United States Department of Education.
 - b. Unaccredited institutions must submit a plan of action for securing accreditation from an organization recognized by the United States Department of Education, including the name of the accrediting organization and timeframe.. In order to remain eligible for certification, an institution must secure accreditation within ten years of its initial date of certification.
 3. A copy of the transacted surety bond form.
 4. A completed checklist acknowledging compliance with certification criteria with a notarized attestation statement signed by the chief executive officer or equivalent .
 5. A company check in the correct, non-refundable amount, made payable to the Treasurer of Virginia.
 6. A copy of the institution's certificate from the State Corporation Commission providing authorization to transact business within the Commonwealth.
 7. For out-of-state institutions, a copy of the institution's authorization to operate from the state agency in which its main campus is domiciled.
- C. An existing post-secondary school licensed by either (i) the Virginia Department of Education in accordance with Chapter 16 (§22.1-319 et seq.) of Title 22.1 of the *Code of Virginia* or (ii) any other state agency empowered by the *Code of Virginia* to license the school, its teachers or curriculum, or both, must become certified prior to enrolling any student into a course for degree credit or program of study. The school must submit an application for certification to operate that shall contain all of the requirements outlined in 8 VAC 40-31-170 A; B.

8 VAC 40-31-180. Withdrawal of application by institution.

- A. An institution that has submitted an application to the Council may withdraw that application without prejudice at any time.

- B. Withdrawal of an application by an institution shall result in revocation by the Council of all authorizations associated with that application that previously had been granted to the institution.
- C. An institution that has withdrawn an application may submit, at any time and without prejudice, a new application to the Council in accordance with Part V of this chapter.
- D. An institution that withdraws an application prior to receiving notification of certification will receive a refund of the filing fee minus a handling charge.

8 VAC 40-31-190. Audit Requirements

- A. All certified institutions shall be subject to random periodic audits. The purpose of such audit is to verify compliance with certification criteria.
- B. At the discretion of Council staff, an audit review committee shall consist of the executive director or designee and may:
 - 1. Include individuals with the experience in the disciplines in which the institution provides instruction; and/or
 - 2. Consist of Council staff.
- C. Audits shall be random and/or triggered by, but not limited to, the following events:
 - 1. Staff concerns based on questionable initial or re-certification application information.
 - 2. Volume and frequency of negative student complaints and/or adverse publicity.
 - 3. Difficulty securing accreditation within the specified time period.
 - 4. Adverse action by the U.S. Department of Education or the institution's accrediting agency.
 - 5. An assets to liabilities ratio of less than .5:1
- D. Following an audit of the institution, Council staff will prepare a report with recommendations for review by the Council. If an institution is found non-compliant, the Council may:
 - 1. Determine no action is necessary and have the report filed;
 - 2. Apply administrative fees for non-compliance items;

3. Change the status to probationary certification and require remediation action(s) within a specified timeframe
4. Revoke or suspend certification;
5. Pursuant to § 23-276.12 of the *Code of Virginia*, refer the matter to the Office of the Attorney General for consideration of imposition of criminal penalty.

8 VAC 40-31-200. Duplication of, and need for instruction for degree credit is irrelevant.

In considering an institution's application, the Council shall not take into account either duplication of effort by public and private institutions in Virginia or need within the Commonwealth for the course for degree credit, program of study, or degree program for which certification is sought.

Part VII - Council Denial, Suspension, or Revocation of Certification.

8 VAC 40-31-210. Denial, suspension, or revocation of certification.

- A. The Council, on its own motion, may deny an institution's application for certification to operate at a Virginia site, if the Council determines that the institution has done one or more of the following:
 1. Knowingly submitted any material information to the Council in connection with its application for certification to operate that is misleading or untrue.
 2. Failed to comply with the certification criteria, providing that there is clear and convincing evidence of that failure.
 3. Publicly made or caused any false or misleading representation that it has complied with any of the requirements of §23-276.1 through §23-276.12 of the *Code of Virginia* and this chapter.
 4. Violated any of these regulations.
 5. Willfully refused to furnish the Council with any requested information or records demonstrably necessary for the Council to carry out its responsibilities in accordance with Chapter 21 (§23-276.1 et seq.) of Title 23 of the *Code of Virginia* and this chapter.

B. The Council, on its own motion, may suspend an institution's certification at a Virginia site, if the Council determines that the institution has done any of the following:

1. Failed to comply with the certification criteria, providing that there is clear and convincing evidence of that failure, or the Board of Education recommends following review of the institution's certificate and diploma programs below the associate degree level that any of those programs should be discontinued.
2. Failed to maintain full accreditation with an accrediting agency recognized by the U.S. Department of Education.
3. Receives substantial verification that the chief executive officer of an institution is in violation of 8 VAC 40-31-150 (A).

C. The Council, on its own motion, may revoke an institution's certification at a Virginia site, if the Council determines that the institution has done any of the following:

1. Committed any of the actions described in subsection A of this section.
2. Not enrolled any students within two years after receiving certification to operate.
3. Not enrolled any students during any of the consecutive semesters, quarters, or equivalent terms composing a full academic year.
4. Ceased to operate, and has no plans to reinstitute operations again within one year, at:
 - a. The main campus of an in-state institution; or
 - b. A Virginia site of an out-of-state institution.
5. Receives substantial verification that the chief executive officer of an institution is in violation of 8 VAC 40-31-150 (A).

C. No later than seven days after the Council denies, suspends, or revokes the certification of an institution, the executive director of the Council shall provide written notification to the institution of:

1. The Council's action and reasons for that action; and
2. The institution's opportunity to appeal the Council's action.

8 VAC 40-31-220. Appeal process.

- A. An institution whose certification has been denied, suspended, or revoked by the Council shall have an opportunity to appeal the Council's action, either through informal proceedings before the Council in accordance with §9.6.14:11 of the *Code of Virginia* or through formal proceedings in accordance with §9.6-14:12 of the *Code of Virginia*.
- B. An institution wishing to take the opportunity for either formal or informal proceedings shall make a written request to the executive director of the Council within 10 days of receiving the written notification required by subsection D of 8 VAC 40-31-210 of this chapter. No extension beyond the 10-day period shall be granted except for good cause shown.
- C. When an institution has requested formal or informal proceedings, the proceedings shall be held at a time and date convenient to both the institution and the Council. Any formal proceedings will be scheduled by the hearing officer. Any informal proceedings will be scheduled by the Council.
- D. An institution requesting formal or informal proceedings in accordance with this section shall bear the cost of any independent consultants or attorneys representing the institution. In addition, an institution which elects formal proceedings shall bear the cost of those proceedings, including the cost of any court reporter and for the preparation of a transcript.

8 VAC 40-31-230. Council action after appeal.

- A. No later than 60 days following either informal or formal proceedings in accordance with subsection C of 8 VAC 40-31-400 of this chapter, the Council shall make a determination on the appeal by an institution whose certification to operate has been denied, suspended, or revoked.
- B. After consideration of an appeal by an institution whose certification to operate has been denied or revoked, the Council may:
 - 1. Reaffirm its action to deny or revoke the certification;
 - 2. Reinstate certification; or
 - 3. Grant probationary certification to the institution.
 - a. The Council may specify certain conditions under which the probationary certification is granted and may stipulate requirements to be fulfilled by the institution during the term of probationary certification.
 - b. The term of probationary certification shall be for not less than one year or more than two years.
 - c. Prior to the expiration of the term of probationary certification, the institution shall demonstrate that it:

- (1) Has complied with all the conditions and stipulations imposed by the Council; and
 - (2) Is in complete compliance with this chapter.
- d. Upon the expiration of the term of probationary certification, the Council shall either reinstate or revoke the certification of the institution.
- C. After consideration of an appeal by an institution whose certification has been suspended in accordance with subsection B of 8 VAC 40-31-210, the Council may either:
- 1. Revoke the certification.
 - 2. Grant probationary certification for a term of no more than two years.
 - a. Probationary certification shall be granted by the Council only if the institution offers convincing evidence that, by the end of the two-year term, it will have corrected the deficiencies cited in paragraphs 1 or 2 of subsection B of 8 VAC 40-31-370 that resulted in the suspension of certification by the Council.
 - b. Prior to the expiration of the term of probationary certification, the institution shall demonstrate to the Council that it is in full compliance with 8 VAC 40-31-160 of this chapter and has regained full accreditation with an accrediting agency recognized by the U. S. Department of Education.
 - c. Upon the expiration of the term of probationary certification, the Council shall either reinstate or revoke the full certification of the institution.
 - 3. Assess administrative fees.
- D. No later than seven days after the Council makes its determination on the appeal in accordance with subsection B or C of this section, the executive director of the Council shall provide written notification of the Council's action to the institution.

PART VIII – Criminal Prosecution For Violation; Civil Enforcement.

8 VAC 40-31-240. Criminal prosecution for violation.

- A. Any person, firm, association, institution of higher education, trust, or other entity which violates any provision of §23-276.12 of the *Code of Virginia* or

which, without certification from the Council as provided in this chapter, offers or confers degrees, diplomas, certificates, programs, or courses of study shall be guilty of a class 1 misdemeanor (§23-273 of the *Code of Virginia*).

- B. Each degree, diploma, certificate, program, or course of study offered or conferred in violation of this chapter or each violation of the provisions of §23-276.1 of the *Code of Virginia* shall constitute a separate offense.

8 VAC 40-31-250. Civil enforcement.

Upon the determination of the Council that any institution of higher education, or its agents or representatives, is in violation of this chapter, the Council may institute a proceeding in equity to enjoin the violation. It shall not be necessary for the Council to allege or prove an inadequate remedy at law in that proceeding. In the civil proceeding, the Council may also sue for and recover a monetary penalty if no criminal prosecution is instituted as provided by § 23 – 276.12 (B) (C) of the *Code of Virginia*.

Part IX - Additional Regulations

8 VAC 40-31-260. Virginia law to apply to agreements.

The laws of Virginia shall govern any agreement, contract, or instrument of indebtedness executed between an institution of higher education and any person enrolling in any course or program offered or to be offered by an institution in Virginia and also between that institution and any person employed or offered employment by that institution in Virginia.

8 VAC 40-31-270. Fees.

- A. Pursuant to § 23-276.9 of the *Code of Virginia*, the Council may establish fees to cover the cost of certification activities.
- B. All fees collected by Council staff will be deposited in the State Treasury.
- C. All fees are non-refundable with the exception of withdrawal of an application in which case all fees will be refunded minus a reasonable handling charge.
- D. Fees must be paid with a company check and made payable to the Treasurer of Virginia.
- E. The Council is authorized to adjust fees as deemed necessary.

8 VAC 40-31-280. Receipt of applications, correspondence and other materials.

- A. All applications, forms, letters or other materials relating to, or required by this chapter should be sent to:

State Council of Higher Education for Virginia
ATTN: Institutional Certification
James Monroe Building, 9th Floor
101 North Fourteenth Street
Richmond, Virginia 23219

- B. The mail of items specified in subsection A of this section shall not constitute receipt of them by the Council unless sent by registered or certified mail, return receipt requested.

8 VAC 40-31-290. Closure of an Institution.

- A. The Council, on its own motion, may authorize an institution whose application for certification to operate is denied in accordance with subsection A of 8 VAC 40-31-210 of this chapter to continue to offer instruction for degree credit to all currently enrolled students until the end of the semester, quarter, or other academic term during which certification is denied.
- B. The Council, on its own motion, may authorize an institution whose certification is revoked in accordance with subsection C of 8 VAC 40-31-210 of this chapter to offer the coursework necessary for all currently enrolled students to complete their programs and to award degrees to those students, provided that the institution:
1. Offers degree coursework only to those students who were enrolled at the time the institution's certification was revoked; and
 2. Offers all necessary coursework on a schedule that permits all currently-enrolled students to complete their programs in a reasonable period of time.
- C. When an institution decides to voluntarily cease operations it must immediately inform the Council of the following:
1. The planned date for the termination of operations.
 2. The planned date and location for the transfer of student records.
 3. The name and address of the organization to receive and manage the student records and the name of the official who is designated to manage

transcript requests. The organization designated for the preservation of the student records may not be corporately connected to the closing institution.

4. Arrangements for the continued education of currently enrolled students.

5. Rosters showing the name, address, and current academic status of enrolled students.

D. In the event of institutional closure or revocation of certification, Council may facilitate the transfer of student records to the designated repository.

E. Council shall be responsible for securing and preserving student records until the designated repository accepts them.

8 VAC 40-31-300. Waiver by Council.

The Council may waive or modify the certification requirements for an accredited institution, if the Council finds that such waiver or modification will not conflict with the intent of the regulations and that in light of the institution's mission, literal application of such requirement(s) creates an unreasonable hardship on the institution.

8 VAC 40-31-310. Freedom of Information Act to apply.

All materials submitted by an institution in its application for approval or in response to a request by the council for pertinent information shall be subject to the Virginia Freedom of Information Act (Chapter 21 of Title 2.1 of the Code of Virginia) and shall be available for public inspection in accordance with the provisions of §2.1 -342 of the Code of Virginia.