

U.S. DEPARTMENT OF EDUCATION
OFFICE OF POSTSECONDARY EDUCATION

NATIONAL ADVISORY COMMITTEE ON
INSTITUTIONAL QUALITY AND INTEGRITY
(NACIQI)

MEETING

WEDNESDAY
JUNE 18, 2014
8:30 a.m.

Holiday Inn Capitol
Columbia Ballroom
550 C Street, S.W.
Washington, D.C.

COMMITTEE MEMBERS PRESENT

SUSAN D. PHILLIPS, Chair
ARTHUR E. KEISER, Vice Chair
SIMON J. BOEHME, Student Member
JILL DERBY, Member
ROBERTA L. DERLIN, Member
JOHN ETCHEMENDY, Member
GEORGE T. FRENCH, Member
WILLIAM E. KIRWAN, Member
ANNE D. NEAL, Member
RICHARD F. O'DONNELL, Member
WILLIAM PEPICELLO, Member
ARTHUR J. ROTHKOPF, Member
CAMERON C. STAPLES, Member
CAROLYN WILLIAMS, Member
FRANK H. WU, Member

STAFF PRESENT

CAROL GRIFFITHS, Executive Director, NACIQI
HERMAN BOUNDS, Director, Accreditation
SALLY WANNER, Office of the General Counsel
PATRICIA HOWES, Management/Program Analyst
ELIZABETH DAGGETT, Staff Analyst
JENNIFER HONG, Staff Analyst
CHUCK MULA, Staff Analyst
STEVE PORCELLI, Staff Analyst
RACHAEL SHULTZ, Staff Analyst
KAREN DUKE, Records Management
CATHY SHEFFIELD, Staff Assistant

PRESENTERS

JAMIENNE STUDLRY, Deputy Under Secretary,
U.S. Department of Education
CLIFFORD ADELMAN, Institute for Higher
Education Policy
JUDITH EATON, Council on Higher Education
Accreditation
TERRY W. HARTLE, American Council on
Education
SUSAN HATTAN, National Association of

Independent Colleges and Universities
SALLY JOHNSTONE, Western Governors
University
PETER MCPHERSON, Association of Public and
Land-Grant Universities
BEN MILLER, New America Foundation
GEORGE L. PRY, Association of Private Sector
Colleges and Universities

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 Report

NACIQI Primary Readers:
 Cameron Staples; Frank Wu

Department Staff:
 Chuck Mula

Agency Representatives:
 Dr. Sharon Tanner, ACEN
 Dr. Mary Lou Rusin, ACEN
 Letitia McDonald, Attorney,
 King & Spalding

Third Party Commenter:
 Dr. Judith Halstead, Immediate Past
 President, National League for
 Nursing,

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Action for Consideration: Renewal of
 Recognition Based on a Compliance Report

NACIQI Primary Readers:
 Art Keiser; Cameron Staples

Department Staff:
Rachael Shultz

Agency Representative:
Ann Mockford, Executive Director, PRSAA

National Association of Schools of Dance
(NASD)

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Action for Consideration:
Renewal of Recognition

NACIQI Primary Readers:
John Etchemendy; Anne Neal

Department Staff:
Elizabeth Daggett

Agency Representatives:
Karen Moynahan, Executive Director,
NASD
Mr. Richard F. Mann, Legal Counsel,
Keller and Heckman

National Association of Schools of Theatre
(NAST)

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NACIQI Primary Readers:
Simon Boehme; William Kirwan

Department Staff:
Jennifer Hong

Agency Representatives:
Karen Moynahan, Executive Director,
NAST
Mr. Richard F. Mann, Legal Counsel,
Keller and Heckman

National Association of Schools of Music
(NASM)

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P-R-O-C-E-E-D-I-N-G-S

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(8:35 a.m.)

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CHAIR PHILLIPS: Good morning and welcome to the June 2014 meeting of the National Advisory Committee on Institutional Quality and Integrity. I'm Susan Phillips, the Committee Chair. I'd like to ask us to begin by introductions throughout the members, and I'll start with Art to my right.

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VICE CHAIR KEISER: Arthur Keiser, chancellor at Keiser University, Fort Lauderdale, Florida.

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MR. ROTHKOPF: Arthur Rothkopf, president emeritus of Lafayette College.

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DR. DERLIN: Bobbie Derlin, associate provost, New Mexico State University.

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DR. DERBY: Jill Derby, former regent of the Nevada System of Higher Education and consultant with the Association of Governing Boards of

1 Universities and Colleges.

2 DR. KIRWAN: Brit Kirwan,
3 chancellor of the University System of
4 Maryland.

5 MS. NEAL: Anne Neal, president
6 of the American Council of Trustees and
7 Alumni.

8 MR. STAPLES: Cam Staples,
9 president of the New England Association of
10 Schools and Colleges.

11 DR. ETCHEMENDY: John Etchemendy,
12 provost, Stanford University.

13 DR. WILLIAMS: Carolyn Williams,
14 president emeritus, Bronx Community College,
15 City University of New York and university
16 professor.

17 DR. PEPICELLO: Bill Pepicello,
18 president, University of Phoenix.

19 MR. BOEHME: Simon Boehme, recent
20 graduate of Cornell University just a few
21 weeks ago.

22 MS. WANNER: Sally Wanner. I'm
23 with the Office of General Counsel at the

1 Department of Education.

2 DR. BOUNDS: Herman Bounds,
3 director of the Accreditation Group.

4 MS. GRIFFITHS: Carol Griffiths,
5 executive director for NACIQI.

6 CHAIR PHILLIPS: I think we've
7 got everybody there. A special welcome to
8 Herman Bounds for his first meeting as the
9 director of the Accreditation Group, and
10 birthday wishes to Rachael Shultz.

11 (Applause.)

12 We've recently received notices
13 of resignation from NACIQI from two members,
14 Larry Vanderhoef and Bill Armstrong, so they
15 won't be joining us today, but we do expect
16 some of the other members in the course of
17 the day.

18 The overview of our meeting today
19 -- first let me begin with a very special
20 thanks to Carol Griffiths for her leadership
21 in putting together not only the meeting but
22 the policy agenda prior to the meeting.
23 Very special thank you.

1 And let me also invite Frank Wu,
2 as he catches his breath, to introduce
3 himself.

4 MR. WU: Frank Wu, chancellor and
5 dean at the University of California
6 Hastings College of Law.

7 CHAIR PHILLIPS: Thank you. A
8 reminder to each of the Committee members
9 and staff at the table: if you speak, please
10 press your mic. The red indicates that
11 you're on. If you can say your name when
12 you begin to speak that will help the
13 recorder. And I'll ask your indulgence, if
14 you don't say your name, I will, in order to
15 make that accurate. So remember that.

16 **CONSENT AGENDA**

17 We begin today with our consent
18 agenda. And this is actions for
19 consideration, renewal of recognition based
20 on compliance reports. We have a list of
21 the agencies who are listed currently on the
22 consent agenda.

23 They include:

- 1 1. Accreditation Commission for
2 Midwifery Education;
- 3 2. Accreditation Council for Pharmacy
4 Education;
- 5 3. American Physical Therapy
6 Association; Commission on
7 Accreditation of Physical Therapy
8 Education;
- 9 4. Association for Biblical Higher
10 Education, Commission of
11 Accreditation;
- 12 5. Commission on Collegiate
13 College Nursing Education;
- 14 6. Liaison Committee on Medical
15 Education;
- 16 7. Maryland Board of Nursing;
- 17 8. Middle States Commission on
18 Secondary Schools;
- 19 9. Missouri State Board of
20 Nursing;
- 21 10. National Association of Schools
22 of Art and Design; and
- 23 11. Southern Association of Schools

1 and Colleges.

2 Did I miss any?

3 Okay. I understand we have a few
4 recusals on this. Recusing from CCNE is
5 Pepicello and Derlin. Recusing from SACS is
6 Neal, Keiser, and French.

7 MS. NEAL: Susan, before I recuse
8 today, I would like to put a protest into
9 the record. I have been asked to recuse.
10 So I would like to enter into the record a
11 protest and a general statement of concern
12 regarding extensive conflicts of interest
13 that abound here and in the accreditation
14 community.

15 I was notified by the NACIQI
16 executive director, Carol Griffiths, in late
17 May that I would be recused when it came to
18 the matter concerning SACS. SACS had, I
19 have now learned, had requested my recusal.
20 And the Department attorney duly responding
21 to this request had concluded that I could
22 not participate ever again on the NACIQI
23 when it came to SACS. If I did so, she

1 claimed, I would be violating a criminal
2 statute.

3 This finding was not supplied to
4 me until I requested it. I have never seen
5 the SACS complaint and I had no opportunity
6 to respond to the request for recusal or to
7 the legal opinion before it was issued.

8 Quite frankly, I feel that the
9 ruling is flawed. As I read it, it amounts
10 to little more than criminalizing policy
11 differences. The regulated entity has run
12 to the regulators to ask them to oust a
13 critical voice.

14 Recusal puts me, I think, in a
15 position very similar to those parties that
16 are accredited under the current regime. If
17 I push back, I find myself accused of
18 criminal behavior.

19 In the case of institutions that
20 wish to push back against accreditors,
21 something even more terrifying and coercive
22 is threatened: the potential loss of Title
23 IV money. This allows the accrediting

1 agencies to hold a gun to the heads of our
2 higher education institutions.

3 Ironically, it is an objection to
4 accreditors' arbitrary and coercive exercise
5 of power that puts me in this position
6 today. In December of 2012, the independent
7 nonprofit organization of which I am
8 president, which receives no Title IV money,
9 no money from colleges and universities, and
10 which is wholly independent of the
11 accrediting system, filed a complaint with
12 the Education Department against SACS for
13 wrongfully interfering with the
14 institutional autonomy and governance powers
15 vested under the UVA Board of Visitors by
16 the state legislature.

17 The complaint, which is publicly
18 available, asked for the Department to
19 review this action, in accordance with
20 Section 602.33 of the regulations, which
21 permits review upon credible information
22 that raises issues relevant to recognition.

23 In other words, in filing this

1 complaint my organization played by the
2 rules and raised questions about the
3 appropriate behavior of the accrediting
4 body, much as I am charged to do in my
5 capacity as a member of NACIQI.

6 I think it is noteworthy that
7 this major complaint does not find itself
8 anywhere in the materials presented to us as
9 we are asked to decide whether SACS'
10 recognition should be renewed. As far as
11 our record goes, we do not and will not ever
12 know that these issues were raised and
13 adjudicated up to the level of the
14 Secretary, matters deemed so serious by the
15 accreditor and DOE as to recuse me, but not
16 so important or relevant as to be placed in
17 your preparation materials. What else might
18 be missing in our files?

19 The active complaint raises
20 questions about inappropriate intervention
21 in state jurisdiction and intrusion into
22 institutional governance. And the Department
23 concluded that when it comes to standards

1 outside the statutes, such as governance, it
2 had no power to review the accreditors'
3 actions at all. In other words, the
4 Secretary and all of us here are impotent to
5 review, override or disagree with SACS when
6 it comes to any standards they apply to
7 schools not required by the HEA.

8 And it's not just SACS. This is
9 true for all the accrediting bodies. Surely
10 as Congress considers the reauthorization of
11 the Higher Education Act, and as we today
12 consider the Department's and our review
13 authority, we should keep in mind this
14 troubling, unreviewable, blank check
15 authority that is provided accreditors under
16 the HEA. This authority now
17 allows accreditors to intrude as never
18 before into the autonomy of our colleges and
19 universities, autonomy, I might add, that
20 has been central to the success of higher
21 education.

22 Today, of course, my colleagues
23 are being asked to review SACS' compliance

1 report regarding specific criteria under the
2 statute, but I am nevertheless being forced
3 to recuse because of my earlier question
4 about SACS' overreach. Again, how ironic
5 that I am being banned from ever addressing
6 matters with SACS even when the so-called
7 conflict is one that has been exhaustively
8 adjudicated.

9 So I will recuse. But in doing
10 so, I want to ask a broader question. If I
11 cannot judge impartially, then who can? A
12 majority of the committee has a financial
13 interest in the existing system. One is the
14 CEO of a regional accrediting association.
15 We have and will potentially vote on policy
16 matters concerning the future of the
17 accrediting system, and most especially the
18 future of regional bodies.

19 Conflict? These kinds of
20 conflicts on NACIQI are, sadly, not too much
21 different from the conflicts that abound in
22 the accreditation process itself. No one
23 gets accredited without first paying dues to

1 the accrediting association. On top of that
2 is the cozy nature of review bodies, which
3 are largely made up of faculty and
4 administrators that benefit from the
5 accreditation system as well.

6 I do not in any way seek to
7 impugn the ethics of any of my colleagues
8 here, all of whom I respect and admire and
9 who are operating with the approval of
10 counsel. But in the interest of getting
11 real, isn't it time to admit that systemic
12 conflicts of interest abound in the
13 accrediting process? Just one more reason
14 that accreditors are questionable choices to
15 be gatekeepers of federal funds.

16 I appreciate the opportunity to
17 make the statement and I will now recuse
18 myself.

19 CHAIR PHILLIPS: Thank you, Anne.

20 Dr. Rothkopf?

21 MR. ROTHKOPF: This is the first
22 I've heard about this recusal and the
23 circumstances, and I really just want to

1 address the circumstances of the recusal, if
2 I might.

3 And I say this as someone who
4 many years ago was the general counsel of a
5 cabinet agency. I don't understand a
6 process -- and I might ask Sally to comment
7 on this, or anyone else who would like to --
8 as to how a accrediting agency files a
9 complaint about one of the members of this
10 group, the complaint is not furnished, as I
11 understand it, to that member -- and correct
12 me if I'm wrong -- an opinion is issued
13 without consulting with the member of NACIQI
14 and she has no knowledge of this until
15 informed by Carol. And then what happens is
16 the decision has already been rendered.

17 So I guess what I'm saying is I
18 think this is a very odd process. It's one
19 that is, in my view, just from what I've
20 heard, and maybe there's something to be
21 added here, highly questionable, and I just
22 wonder how high up within the general
23 counsel's office this decision went.

1 CHAIR PHILLIPS: If I could just
2 pause for a moment. We have a recusal on an
3 action item. I do think that we've opened
4 the door to a how-we-operate question about
5 how the Committee operates. But we do have
6 an opportunity to take that up in some
7 detail as we get to the policy agenda this
8 afternoon and tomorrow.

9 So unless you're questioning the
10 recusal itself on this action item, what I'd
11 ask is to defer this conversation until we
12 finish that.

13 MR. ROTHKOPF: I guess what I'm
14 questioning is whether it's a proper
15 recusal. I mean, is this decision a final
16 decision of the Department? Is the
17 circumstances they followed the rules in not
18 permitting so-and-so? And I guess I'm
19 saying is it a proper recusal?

20 CHAIR PHILLIPS: Fair question
21 for now.

22 MS. WANNER: I need to make it
23 clear that I'm not the ethics attorney. I

1 did not handle this. I know nothing about
2 it. What I heard today was the first I
3 knew.

4 CHAIR PHILLIPS: Brit?

5 DR. KIRWAN: Brit Kirwan. Could
6 someone explain the authority for requiring
7 a recusal? Is that the Department's
8 decision or the NACIQI's decision?

9 MS. GRIFFITHS: I'd like to
10 provide some input into the first question,
11 and then to answer your question. Every
12 Committee member, when they are nominated,
13 before they're appointed, go through a
14 vetting process. That is part of the
15 process to determine whether there may be
16 conflicts of interest, as well as just all
17 kinds of, I guess, other factors as well.

18 Now, before every meeting, every
19 member basically is, I will use the word
20 "vetted," but reviewed again for potential
21 conflicts of interest with the review of
22 every agency on the agenda, okay? And you
23 know that on more than one occasion each

1 meeting I ask you for your input into
2 whether or not you feel a need to recuse
3 yourself.

4 But that is not the level that it
5 stops. It goes to the General Counsel, to
6 the ethics side of the General Counsel, who
7 makes the final determinations of recusals.
8 The Department is required to act on any
9 information it gets from any source.

10 And I think perhaps that might
11 help answer your question. And so therefore
12 that is the process. That has been the
13 practice for every meeting that I have ever
14 attended since 1997. I can't go back before
15 then. But I hope that helps clarify for you
16 that it was a process that wasn't new or
17 different.

18 DR. KIRWAN: So just to be sure I
19 understand, you're saying that the legal
20 office in the Department of Education has
21 the final say on whether or not someone must
22 be recused. Is that correct?

23 MS. GRIFFITHS: To my knowledge,

1 that is exactly who is charged with the
2 authority and responsibility to do that,
3 yes.

4 DR. KIRWAN: Thank you.

5 CHAIR PHILLIPS: Frank.

6 MR. WU: I just want to make
7 three very quick comments. The first is I
8 think this is worth further discussion,
9 including on the issue of the process
10 followed, who makes the final judgment call,
11 but perhaps in the afternoon or later when
12 there is a chance to consult with the ethics
13 counsel.

14 The second point I wanted to make
15 is I think our colleague, Anne Neal, is
16 correct that this system does have
17 inherently many situations that could be
18 perceived of as conflicts.

19 If we were to hold everyone to
20 the strictest standard and ask are any of us
21 affiliated with any institution that's
22 affected by the process, there would be no
23 one eligible to serve.

1 So while I think it is true that
2 everyone does have some vested stake, anyone
3 associated with higher education will have
4 that problem unless the entire system were
5 to be dismantled.

6 Third and finally, I did want to
7 say, from what has been said today, and this
8 is the first I'm hearing of this as well, I
9 do not find it objectionable that a member
10 of this body be asked to recuse himself or
11 herself if he or she is adverse to an agency
12 that's being reviewed. I think that's
13 entirely appropriate. If one of us were to
14 make public statements against a particular
15 agency, I think it would be difficult for us
16 to sit in judgment then of that agency.
17 However, I do believe that the process does
18 have some significant problems, as has been
19 noted. So it's worth, certainly, discussion
20 at some point as we look at these policy
21 issues.

22 CHAIR PHILLIPS: Cam?

23 MR. STAPLES: I don't want to

1 prolong this. I'm sorry. Cam Staples. I
2 know we'll talk about it later, but I'm
3 curious about the fact that the information,
4 if I heard Anne correctly, that she has not
5 seen the complaint or information provided
6 to the Department staff. It seems to me
7 that that's a strange occurrence, but also
8 that the full Committee ought to be privy to
9 any legal opinions relating to the subject
10 since we all have potential conflicts.

11 I don't what the Department's
12 policy on that is, but it seems that this
13 should not be secret information. This is
14 all very vital to all of us to make sure
15 that we're on the right side of whatever the
16 analysis is for a conflict.

17 So I just throw that out there
18 for later conversation, but I guess I'm
19 surprised by the lack of disclosure, both
20 to her and to the rest of us. Aside from
21 the opinion itself, I'm surprised we don't
22 have the information before us.

23 CHAIR PHILLIPS: Let me suggest

1 at this point that we have two points of
2 information and discussion that we should be
3 pursuing as we get into our policy
4 discussion later.

5 One is the process by which
6 recusal comes to be, and to request a
7 clarification on that. And second is access
8 to information about complaints that may be
9 filed. They're separate issues but
10 important to be mindful of, even if it is
11 for our own edification, but certainly also
12 possibly for policy consideration and
13 discussion.

14 With that said, I have made notes
15 on both of those. I do note the recusal of
16 Anne Neal, Bill Pepicello, Bobbie Derlin,
17 George French, and Art Keiser. Because of
18 recusals on one of the items on the consent
19 agenda, it means that you're recused for all
20 of the items on the consent agenda.

21 And so at that point, I would ask
22 if there are any agencies to be removed from
23 the consent agenda?

1 (No response.)

2 Okay. Seeing none, I would
3 welcome a motion to approve.

4 MR. WU: So moved.

5 CHAIR PHILLIPS: Thank you, Frank
6 Wu. And second?

7 MR. BOEHME: Second.

8 CHAIR PHILLIPS: Simon Boehme.
9 Any further discussion?

10 Those in favor, by hand, say aye?

11 (Committee votes.)

12 Those opposed?

13 Any abstentions?

14 And the recusals will just simply
15 be. Okay, thank you very much.

16 **NACIQI RECOMMENDATION**

17 **NACIQI recommends that the**

18 **Assistant Secretary accept the**

19 **recommendation as stated on the Consent**

20 **Agenda**

21

22 Moving to our standard review of
23 the agencies that are before us at this

1 meeting, just to remind all that we begin
2 each one with an introduction of the agency
3 petition by the primary Committee reader.

4 We'll have a briefing by the
5 Department staff, remarks by the agency
6 representative, presentations by any third
7 party commenters that may be present, agency
8 response to those commenters, agency
9 response to agency and third party comments,
10 and Committee discussion and voting.
11

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3 Accreditation Commission for Education in4 Nursing, ACEN

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So with that in mind, yes, we begin with the Accreditation Commission for Education in Nursing, ACEN. This is a petition for renewal of recognition based on a compliance report.

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I understand we do have one recusal, Bobbie Derlin, and we do have one third party commenter. The procedure for recusals is to actually leave the table, and you're welcome to stand in the back of the room. But just so that you're aware.

16

17

18

19

20

So with that up, the NACIQI primary readers for this agency are Cam Staples and Frank Wu. Which of you is going to -- Cam is going to start? All right, Cam Staples.

21

22

MR. STAPLES: Thank you. I'll be happy to start. Thank you.

23

The history of the National

1 League of Nursing, a precursor to the NLNAC,
2 was that it was recognized initially as a
3 national accrediting agency in 1952 for the
4 accreditation of associate, baccalaureate,
5 and higher degree nurse education programs.
6 It has been continuously recognized since
7 that time.

8 It was reviewed in 2006 by NACIQI
9 and there was a scope expansion to include
10 distance education, but then was withdrawn.
11 Ultimately, they came back in 2008 and the
12 request for including distance education to
13 the scope was approved.

14 Our most recent meeting in 2012
15 with this particular agency resulted in a
16 motion that was approved by this body, and
17 ultimately by the Secretary, to provide 12
18 months for the agency to come into
19 compliance with a number of issues that were
20 raised during the course of their review.
21 Most significantly, issues around the
22 question of whether they were separate and
23 independent from the parent organization.

1 Many of those issues remain for
2 us to be addressing today and hearing about
3 today, as do many issues around very
4 extensive legal maneuverings that were
5 displayed at our 2012 meeting concerning a
6 couple of jurisdictions and lawsuits in two
7 different jurisdictions. I think
8 at this point, Madam Chair, rather than
9 expounding on those more, we might want to
10 hear from Chuck Mula and then dig into the
11 details of that of where we stand today.
12 Thank you.

13 CHAIR PHILLIPS: Wonderful.
14 Thank you. Chuck Mula, staff.

15 MR. MULA: Good morning, Madam
16 Chair and members of the Committee. My name
17 is Chuck Mula and I will be presenting a
18 summary of the compliance report submitted
19 by the Accreditation Commission for
20 Education in Nursing, ACEN, formerly the
21 National League for Nursing Accrediting
22 Commission, hereafter referred to as the
23 Commission.

1 The staff recommendation to the
2 senior Department official for this agency
3 is that she accept the report and that the
4 agency be granted an extension of its
5 recognition for good cause for a period of
6 six months. That the agency submit a report
7 demonstrating its compliance with the cited
8 criteria within 30 days of expiration of the
9 six-month period, with reconsideration of
10 recommendation status thereafter, including
11 a review of the report and appearance by the
12 agency at the NACIQI meeting to be
13 designated by the Department. And the
14 agency's report must include a completed
15 plan and timeline toward achieving full
16 compliance, any agreements made between ACEN
17 and NLN that have been developed, and that
18 bylaws addressing the deficiencies under
19 602.14(a) and (b), which preclude NLN from
20 being involved in the agency's independence
21 going forward.

22 This recommendation is based on
23 my review of the agency's petition and

1 supporting documentation, specifically
2 documentation demonstrating the Commission's
3 progression towards meeting the Secretary's
4 separate and independent requirements.

5 My review of the Commission's
6 compliance report found the Commission to be
7 substantially in compliance with the
8 remainder of the Secretary's criteria for
9 recognition. And while the agency remains
10 noncompliant with requirements of this
11 section, the Department has encouraged and
12 commends ACEN and NLN in the progress it has
13 made so far in resolving issues between the
14 two agencies. The Department is
15 also confident that ACEN will be able to
16 come into compliance within the time-frames
17 extended to the agency for good cause.

18 As stated earlier, we are
19 recommending the senior Department official
20 accept the report and that the agency be
21 granted an extension of its recognition for
22 good cause for a period of six months. That
23 the agency submit a report demonstrating its

1 compliance with the cited criteria within 30
2 days of expiration of the six-month period,
3 with reconsideration of recognition status
4 thereafter, including review of the report
5 and appearance by the agency at a NACIQI
6 meeting to be designated by the Department.

7 Agency representatives are here
8 today. This concludes my presentation and
9 I'll be happy to answer any questions that
10 the Committee may have.

11 CHAIR PHILLIPS: Thank you. If
12 you'll just hold on one moment. Can we get
13 the correction on the mic? Just say a few
14 test words.

15 MR. MULA: Sorry. Just testing
16 to see if it's working. Does it sound like
17 it's okay for now?

18 CHAIR PHILLIPS: We're going to
19 give it a shot.

20 Questions for the staff from the
21 Committee or from the readers first? Yes,
22 Cam?

23 MR. STAPLES: Just one question.

1 And Chuck, you and I had a brief
2 conversation before the meeting. There's
3 been some recent developments. Is that
4 something you prefer to have the agency
5 describe and try to shed light on that, or
6 is that something that makes sense for you
7 to let the Committee know about?

8 MR. MULA: I believe that the
9 agency's better -- has more knowledge and
10 better equipped to provide information to
11 the Committee. We have learned of this
12 information only recently and it was in an
13 unofficial capacity.

14 MR. STAPLES: Okay. All right,
15 thank you.

16 CHAIR PHILLIPS: Again, could we
17 get a sound check? Again we're getting a
18 feedback and -- thank you. While we're
19 waiting for that, other questions for the B-

20 MR. STAPLES: I've got just one
21 question. I note that those of us who sat
22 through the hearing a couple of years, I
23 think, recall it was a very complex scenario

1 which almost looked like it could never work
2 out, with litigation pending in two
3 different jurisdictions and a lot of money
4 being spent on counsel, and a real feud
5 between two organizations.

6 So I guess my understanding from
7 your analysis is that significant progress
8 has been made and at least you're relatively
9 confident that the opportunity to resolve
10 all outstanding legal issues is there if we
11 provide a six-month extension.

12 And I guess it would be useful
13 for us just to hear that, since it's hard to
14 imagine that that was going to be the case
15 when we saw it a few years ago. So if you
16 could give us some sense of what you think
17 remains that they can address, I'd
18 appreciate that.

19 MR. MULA: I will. Thank you,
20 sir. The Committee and the Department's
21 concern was basically the requirements,
22 meeting the requirements on separate and
23 independent, the Secretary-set separate and

1 independent issues. All the other agency's
2 criteria is in line with the Secretary's
3 criteria and all their standards are
4 substantially met.

5 But since there was legal issues
6 that the agency was involved in, the
7 Department was not made aware of those. So
8 the information that we had was the only
9 information we were getting from the agency
10 when it was required from them. We didn't
11 ask them or get involved in trying to get
12 from them any information on a legal
13 proceeding.

14 So when it was made public or the
15 agency provided us information, in taking
16 that information and analyzing it this year,
17 what we had, we saw that there was a lot of
18 progression towards the two identities
19 actually coming to some kind of a closure on
20 legal issues and suits and whatever, and
21 that they could come to some kind of an
22 agreement that would clarify the agency's,
23 the current agency's separate and

1 independent compromise.

2 So we were very, very pleased
3 with the information we received from the
4 agency. It brought us to this decision.

5 MR. WU: May I follow up?

6 CHAIR PHILLIPS: Frank Wu.

7 MR. WU: I just wasn't clear from
8 what I read that that was in the record that
9 we have. Is it in what the members have?

10 MR. MULA: No. Basically what we
11 did is we summarized the information we were
12 receiving from the agency. Any kind of
13 documentation, which I had required that
14 they bring forward at the next -- after the
15 good cause is up, time frame is up, you
16 would be able to see that information.

17 We have not seen it, and of
18 course when we talk to them after this
19 meeting we will ask them, giving them
20 guidance on what to provide at the next
21 meeting, we will ask for these documents.

22 MR. WU: Thank you. I'm actually
23 eager to hear from the agency and from the

1 adverse party. And it may be that this is a
2 case where setting a deadline will be
3 helpful to the parties and encourage them to
4 resolve these matters, because this has been
5 kicking around now for several years.

6 CHAIR PHILLIPS: Other Committee
7 questions for staff? Okay. Thank you,
8 Chuck. Inviting the agency representatives
9 to come forward.

10 DR. TANNER: Good morning.
11 Hearing you say you would like for this to
12 be over, you just can't imagine. I am
13 Sharon Tanner, the CEO of ACEN. This, to my
14 left, is my board chair, Dr. Mary Lou Rusin
15 from Daemen College in New York, the great
16 state of New York. And to my right is Tish
17 McDonald.

18 On your agenda it says that Pat
19 McKee would be here with us but he had a
20 conflict and he is not. And that is the
21 legal counsel that you heard speak the last
22 time we were before you.

23 Before we get into the questions

1 that you all want to ask, let me tell you
2 that the agency is alive and well and very
3 grateful to the guidance from the staff. We
4 are in compliance with all of the
5 regulations. There's just this little
6 separate and independent problem.

7 And, yes, it does seem like it's
8 been an eternity. You ought to have lived
9 in it. I will tell you that we are
10 continuing to grow and serve the nursing
11 community. We have 1,300 accredited
12 programs, with 200 more in the pipeline.

13 We are a huge agency. We do
14 about 200 to 250 reviews a year, and I think
15 we serve the nursing community very well.
16 We're the only agency that accredits all six
17 types of nursing programs, something we're
18 very proud of and I think we do very well.

19 So even through this time that
20 sounds very bleak, the agency has been
21 growing and doing extremely well, and
22 hopefully will continue to be healthy and
23 well.

1 So I don't want to take any more
2 of your time because I know you have
3 questions. And I will tell you that most of
4 the legal things that I feel that you will
5 ask, Mr. Wu and Mr. Staples, I am going to
6 defer to legal counsel. I am feeling like
7 an attorney these days, but I am not, so we
8 will share the mic and try to address your
9 questions.

10 MR. WU: If I may, two
11 questions. The first is what happened to
12 the other lawsuit? I have information here
13 on the New York case, but if I recall there
14 was a different case. So there were two
15 proceedings. So my first question is what
16 happened to the other one?

17 And the second is, as I
18 understand the present status of the New
19 York case, your adverse party, which is your
20 parent, prevailed at the trial court and
21 you've been enjoined from taking the actions
22 you would need to take to come into
23 compliance, but the matter's on appeal.

1 And I just want to make sure that
2 I understand that correctly. So, number
3 one, what happened to the other case, and
4 number two, you lost at the trial level but
5 it's on appeal. Is that correct?

6 MS. MCDONALD: These are good
7 questions.

8 CHAIR PHILLIPS: Please identify
9 yourself. Thank you.

10 MS. MCDONALD: This is Tish
11 McDonald. And as Dr. Tanner indicated, I am
12 one of the lawyers representing ACEN in
13 connection with this matter. I'm with the
14 law firm of King & Spalding. I am based in
15 Atlanta.

16 And while Mr. McKee could not be
17 here, he's outside general counsel, I am the
18 lawyer who has been primarily responsible
19 for trying to resolve this matter within
20 NLN's counsel. So it's appropriate that I
21 address the remarks to your questions, Dean.

22 Number one, to keep in mind there
23 are three pending actions. The first action

1 is in Georgia Federal Court. It has been
2 stayed for quite some time. And the reason
3 why is the parties have ultimately consented
4 to litigate in New York, but there are some
5 funds being held in Georgia in registry. So
6 technically the Georgia federal action has
7 to be open to keep those funds in place.

8 But we are in the process of
9 hopefully resolving issues surrounding two
10 of the contracts, and hopefully we'll be
11 able to reach agreement with NLN on that.
12 I'm very hopeful of that. So then we will
13 have no Georgia action.

14 So that turns to New York, and
15 there are two separate proceedings in New
16 York. One involves the matter you just
17 mentioned, Dean, and that is the efforts for
18 us to come into compliance with the separate
19 and independent requirements and get our
20 bylaws amended and things of that nature.

21 The status of that matter is as
22 follows. We had been unable to reach
23 agreement. We did exercise what I will

1 affectionately call a nuclear option. We
2 tried to amend our bylaws without NLN's
3 consent. The New York court did enjoin us.

4 We made several arguments, one
5 being a prevention argument, for the benefit
6 of the lawyers in the room. That argument
7 would be that these federal regulations
8 would trump a requirement of New York
9 nonprofit law. The New York court did
10 disagree with us. We are currently enjoined
11 from amending our bylaws. That matter is on
12 appeal.

13 In the meantime, the New York
14 court in its order directly recognized that
15 we don't think NLN wants to jeopardize our
16 recognition, so he encouraged us and asked
17 us to try to work together. So the status
18 of that is as follows.

19 We are continuing to try to reach
20 some sort of accord on the bylaws. This
21 Department has said several times, in fact
22 Mr. Mula, in the transcript I looked, said
23 that the Department's primary concern about

1 the bylaws that are in place for us are the
2 provisions that require written consent from
3 NLN to make any amendments. And that seems
4 to be the linchpin of our concern as well as
5 the Department's concern.

6 That's the primary area of
7 dispute. NLN does not want to give up that
8 right. They would like to continue to have
9 the ability to, I have to use the word
10 "control," control our bylaws.

11 We are committed to trying to
12 work, continue to work with NLN's counsel
13 and NLN to try to reach some sort of accord
14 on that issue, and barring that we believe
15 we have to return shortly to the New York
16 court. And, Dean, I very much was
17 heartened by your suggestion of a deadline
18 for the parties to come to some sort of an
19 agreement, in your mind. We would
20 appreciate the six-month extension to
21 continue to try to work that out.

22 I do want to be complete in our
23 presentation, however, about the status of

1 the third case that has been involved in
2 this matter, and that involves an effort to
3 dissolve us.

4 NLN filed a petition with the New
5 York court seeking our dissolution for
6 various reasons, but mainly the New York
7 court declined to dissolve us and found
8 specifically that the NLN's purpose of
9 seeking dissolution was to return the
10 accrediting function to NLN. And the
11 court specifically found that the Department
12 of Education could not provide the
13 assurance, of course it couldn't, but this
14 wouldn't be disastrous, on our recognition
15 and, you know, the commensurate effect on,
16 you know, hundreds of nursing programs and
17 thousands of students.

18 This matter is on appeal. I am
19 hopeful, I'm very hopeful, and I would love
20 to hear from NLN on this, if they would just
21 dismiss that. I don't think there could be
22 any real dispute that continuing to seek our
23 dissolution absolutely will deliver a death

1 knell to us and jeopardizes our separate
2 independence from them.

3 So those are the three
4 components. We are committed to trying to
5 work diligently with NLN and its counsel to
6 try to reach some sort of accord. We would
7 appreciate the six-month extension and any
8 guidance the Department can give.

9 Yes, sir?

10 MR. WU: So I just wanted to make
11 two observations then and ask a further
12 question. The two observations are, first,
13 this litigation shows our relative
14 powerlessness as NACIQI, because it's clear
15 that staff and this body have found that
16 this agency is out of compliance because of
17 its parent and that it has to be separate.

18 But we have no capability of
19 making that. So, and indeed from what we've
20 heard, although I haven't read what the
21 state court wrote, the New York state court
22 does not believe that the federal
23 regulations in this regard trump New York

1 nonprofit law. So it's just an observation
2 that we lack the capacity to actually have
3 our decisions and those of the Department be
4 meaningful.

5 The second observation is a
6 question for us. Do we, does the Department
7 of Ed either intervene formally or file a
8 briefing in matters such as this when NACIQI
9 decisions are directly involved in state or
10 federal court and should we do so?

11 It's just a question, because it
12 would seem to me that NACIQI and the
13 Department have a stake here in protecting
14 certain legal positions. The question I
15 have for you is actually two questions.

16 The first is, I seem to recall,
17 in addition to NLN wanting to reclaim this
18 function, there was some property involved.
19 There's some money. There was some fight
20 over whose money it was. And so I'm
21 wondering, are you still fighting over money
22 as well, because it would be easier, it
23 seems to me, to resolve this matter if there

1 were just one issue.

2 And the same question I have
3 about all of this is just to make sure I'm
4 clear on what's happening. It's your
5 position that NLN is still attempting to put
6 you out of business, in essence, through
7 these cases? Okay, I just wanted to make
8 sure. Do we have NLN appearing here today?

9 CHAIR PHILLIPS: We do have
10 somebody from NLN as a third party coming.

11 DR. TANNER: I will address your
12 question about the finances, and if I don't
13 answer it please tell me and I'm sure Tish
14 can help.

15 There was an unusual agreement.
16 When NLN was originally the accrediting
17 body, and I won't take you back too far, it
18 appeared before this board many years in a
19 row trying to deal with this separate and
20 independent issue.

21 And one of the ways that was
22 finally resolved and NLNAC was made the
23 separate agency was there was a royalty

1 agreement between the two agencies, and NLN
2 received 16-1/2 percent of every fee that
3 was collected from this agency.

4 Over the course of the last 15
5 years that has, 13 years, that has amounted
6 to over \$10 million. And at one point this
7 agency was quite in dire straits, because
8 imagine trying to pay that amount of money
9 and run an agency the size of ours. And I
10 came on the scene in 2005 when there was no
11 money at all.

12 And so we have worked very hard
13 to continue to pay that royalty no matter
14 what, the 16-1/2 percent, but that was an
15 area of dispute. We of course through the
16 litigation had that reviewed, and we were
17 told in no uncertain terms that that royalty
18 was excessively high and it should never
19 have been set at that level.

20 But we've continued to pay it all
21 this time. The money that is in the court
22 right now is \$1.7 million and it is the
23 royalty that I have continued to place,

1 because that is a monthly payment, aside.
2 So your question about are there funds
3 involved, absolutely. Because if, and they
4 have appealed the dissolution, they are
5 still trying to dissolve us and if they do,
6 as the parent they would then assume all of
7 our assets including not only the money in
8 the court but all the assets of the agency.

9 And one thing you didn't bring up
10 that I thought you were going in that
11 direction is in the meantime, of course,
12 there have been all the press releases and
13 public statements that they are beginning
14 their own agency and they will be in direct
15 competition with our agency and the other
16 nursing accrediting agency. They intend to,
17 and they've already begun that process. So
18 that's in a nutshell that's the money
19 situation, if that's helpful.

20 MR. WU: Yes. Just one last
21 question. So it seems there are two issues
22 then between the parties. One is, they want
23 to assert a level of control which would not

1 be consistent with the regs that we are
2 charged with dealing with upholding. That's
3 number one.

4 Number two, alongside that there
5 is a fight over money. There is just a
6 fight that you see all the time in civil
7 cases. There are millions of dollars that
8 flow and they want the money. Okay. I just
9 want to make sure I understand. It's not
10 just control, there's also money at stake.

11 MS. MCDONALD: And I want to make
12 sure that the record is clear on that and I
13 want to be candid to this body. The legal
14 court has ordered us to make payments under
15 the two contracts at issue and we have
16 appealed that.

17 But we are in very active
18 settlement discussions, and I'm going to be
19 careful on confidentiality about this
20 because at least just concerning the
21 contracts and some of the discussions are
22 confidential. But we've made a very
23 generous offer to avoid any appellate

1 hassle, quite frankly, and avoid paying the
2 lawyers. They have made a counter proposal
3 and that response is due today. I'm hoping
4 that that issue will be put to bed. I'm
5 hoping.

6 But to make another comment,
7 Dean, that you pointed out. You said it
8 appears that the Department lacks the
9 capacity to force NLN to amend the bylaws.
10 And that is exactly the position they took
11 with the New York court. They said the DOE
12 cannot tell us what to do.

13 I actually would encourage the
14 Department's counsel to consider the
15 possibility of intervention to give its
16 interpretation of the regs. We continue to
17 give our interpretation but it seems to be
18 consistent, number one.

19 Number two, on appeal of that
20 issue, if we're forced to continue to appeal
21 this decision again, we will argue
22 preemption. We will argue that deference
23 should be given to the United States

1 Department of Education regulations over New
2 York nonprofit law.

3 So were there any other
4 questions?

5 CHAIR PHILLIPS: Cam Staples?

6 MR. STAPLES: Thank you. This
7 doesn't sound like it's close to resolution.
8 It sounds like it's very much the status,
9 maybe even with the settlement discussions
10 aside around funds, very similar to the
11 status it was two years ago. So maybe I'm
12 missing something.

13 But you still have three court
14 actions. You have no settlements. You're
15 fighting over money. They may create a
16 competitor. They may dissolve you. Doesn't
17 sound like you're within six months of
18 reaching a resolution.

19 And the only reason I say that is
20 because six months is what the Department is
21 recommending, but we're not bound by that
22 time limit. And it's something we can at
23 least as a committee make some

1 determinations ourselves as to whether
2 that's sufficient time.

3 I think to Frank's comment, I
4 think the limit of our authority, we can't
5 order anybody to do anything. We can just
6 say you're not recognized any longer because
7 you're out of compliance.

8 And one of the questions I have
9 in my mind, if we've given you two years,
10 and I say "you" collectively, and are
11 maintaining the status quo, the recognition
12 we've done we've had no effect because we've
13 given everyone a pass for two years.

14 So it argues for a deadline, as
15 Frank said, but I don't think it's really
16 our place to dictate what the outcome is. I
17 mean in the sense that if you're dissolved
18 you're dissolved.

19 If there's a new agency created
20 that competes with you that's not our
21 business either. If that agency seeks
22 recognition that would be the Department's
23 purview. I don't think that's necessarily

1 our concern as to whether there are multiple
2 agencies in the same field, it's just, do
3 you meet our standards. And right now, the
4 fact that we haven't drawn a line in the
5 sand has allowed this fight to continue.

6 So I guess I would just ask you,
7 my sense is that that deadline is important
8 not because you're close but because it
9 might make you get to a resolution. And
10 perhaps you can tell me I'm wrong that
11 you're as far apart as you sound.

12 DR. TANNER: I would never tell
13 you that you're wrong. And I will tell you
14 that yes, we are closer than we were because
15 there was no settlement discussions at that
16 time. There hadn't been no action taken on
17 the dissolution there had been, so it has
18 moved along.

19 I would like to tell you that we
20 can make it move faster, but there's a very
21 slow docket in New York and those of you who
22 are familiar know that. And so we're
23 somewhat at the mercy of that.

1 But this agency is absolutely
2 committed to the hundreds of thousands of
3 students we serve and all the programs, and
4 I mean, you know, and a couple of things
5 have changed.

6 The other thing I will tell you
7 is I think most of you know that I was
8 personally named in all of the litigation
9 from NLN, and so I have decided to step
10 aside this summer. And I think, you know,
11 that itself may help in the situation. I
12 can't really tell you why or how but that's
13 just how, you know, these matters work.

14 And so I do think we're closer
15 than we were the last time we appeared,
16 absolutely. Are we where we would like to
17 be? No. Because there is nothing worse
18 than having your agency leave money to legal
19 counsel. And I'm sorry to say that Ms.
20 McDonald, but that's not the purpose of
21 collecting the small fees that we do. It is
22 to offer a service that protects those
23 students that are going to go out and

1 provide your health care.

2 So I think there's a true
3 recognition on the board that there needs to
4 be resolution and there is certainly the
5 willingness to compromise. But there is no
6 question that the compromise has to work
7 both ways and they have to be willing to
8 remove some of the terminology out of the
9 bylaws such as the written consent and being
10 able to remove the board members on a whim.

11 And having control over the CEO
12 of the agency, those kind of things do not
13 meet the regs. They'll never meet the regs.
14 We all know it, we understand that. I would
15 also like to think that an agency with the
16 mission statement of serving the nursing
17 education community would not continue to
18 seek to dissolve this agency after all the
19 good that it does every day and continues to
20 do simply because they are also in the
21 nursing education business.

22 And that part I don't understand
23 and I can't explain to you. Why would you

1 continue to appeal the dissolution and try
2 to dissolve? The one thing you need to not
3 forget is that we are recognized as a Title
4 IV gatekeeper, and all of the programs that
5 we serve they have publicly stated that they
6 do not intend to seek that recognition
7 because they don't want the new agency to be
8 separate and independent.

9 So what happens to all those
10 programs and all those students? There is
11 no other option in the accrediting world for
12 those programs. So please do not forget
13 those programs and that purpose we serve.

14 So I hope there will be
15 recognition that, I'm not disagreeing with
16 what you're saying, Mr. Staples, in terms
17 of, you know, it's not your purview to say
18 if there's three or four or five and you're
19 just to decide if we meet the standards.

20 But it is your purpose to make
21 sure, and I listened very carefully to what
22 Ms. Neal said earlier, as I do every
23 meeting, about accreditation and Title IV,

1 but right now we are the path for those
2 students and we have been for many years and
3 we take that role very seriously.

4 MS. MCDONALD: And finally, Mr.
5 Staples, to your point. One reason why I
6 think some sort of deadline for NLN and ACEN
7 to get together is helpful would be because
8 I believe the New York court would find that
9 persuasive if we had to go back to the court
10 and say we've been unable to reach
11 agreement. I think it would be a helpful
12 signal to the court as well as to us and
13 NLN. So it's a good idea.

14 CHAIR PHILLIPS: Any further
15 committee questions for the agency? Thank
16 you. I believe that we do have a third
17 party commenter, Judith Halstead. I'd ask
18 you to come forward.

19 DR. HALSTEAD: Good morning.
20 Thank you for the opportunity to appear
21 before you today on behalf of the National
22 League for Nursing. My name is Judith
23 Halstead and I am the immediate past

1 president of the National League for
2 Nursing, serving from 2011 to 2013 in that
3 capacity. Prior to that I was president-
4 elect for two years.

5 My years of service in these two
6 leadership roles corresponds with the time
7 period associated with bringing both the NLN
8 and NLNAC, now ACEN, bylaws into compliance
9 with the Department of Education's
10 regulations.

11 My purpose for being here today
12 is to reiterate the NLN's strong and
13 continued commitment as the parent
14 organization of ACEN, for supporting ACEN in
15 the revision of their bylaws to bring them
16 into compliance with DOE regulations. The
17 mission of the National League for Nursing
18 is to promote excellence in nursing
19 education to build a strong and diverse
20 workforce to advance the nation's health.

21 As part of our mission to promote
22 quality in nursing education, we have been
23 involved in accreditation since 1952. I

1 know that NACIQI is aware that there are
2 ongoing legal actions involving NLN and ACEN
3 which you've just discussed.

4 As a brief update on the status
5 of those legal actions last year, the New
6 York Supreme Court ruled in a summary
7 judgment motion that the contracts between
8 the two organizations were valid.

9 And in another motion heard at
10 the same time declared the NLNAC 2005 bylaws
11 too to be valid. Over the past few years
12 the NLN has been made aware that language in
13 both the NLN and ACEN's bylaws were not
14 compliant with DOE regulations.

15 In both 2010 and 2012, and with
16 the guidance and support of the Department
17 of Education, the NLN has removed language
18 from their bylaws to bring them into
19 compliance and to reflect current practices.

20 The NLN does not interfere with
21 ACEN's accrediting activities and has no
22 role in the composition and election or
23 removal of ACEN's board of commissioners,

1 the creation or approval of their budget,
2 their personnel activities or any
3 administrative functions. In 2011,
4 after discussion with DOE, the NLN formally
5 requested that then NLNAC revise their 2005
6 bylaws to reflect current practices and to
7 bring their bylaws into compliance with the
8 DOE. The NLN also understands that the DOE
9 regulations do not dictate corporate
10 structure.

11 We are fully supportive of ACEN
12 revising their bylaws to be compliant with
13 the DOE while still remaining congruent with
14 New York corporate laws in recognizing NLN's
15 legal status as the parent organization.
16 Again I thank you for the opportunity to
17 provide these comments and I will be glad to
18 answer any questions that you may have of me
19 that I am able to provide an answer to.
20 Thank you.

21 CHAIR PHILLIPS: Thank you very
22 much. Frank Wu?

23 MR. WU: So thank you. I have

1 three questions. First, I'm not sure I
2 heard you right, but I want to make sure
3 that I did. Did you indicate that NLN would
4 allow the agency to revise its bylaws to
5 comply with the regs?

6 DR. HALSTEAD: Yes.

7 MR. WU: But it hasn't yet been
8 done.

9 DR. HALSTEAD: No, it has not
10 been.

11 MR. WU: Okay. So that was the
12 first question. The second question. We
13 just heard that NLN is seeking to eliminate
14 the agency in order to start its own new
15 agency. Is that so?

16 DR. HALSTEAD: I think to put the
17 two together would be inaccurate. It's my
18 understanding there's been a dissolution
19 action, and I am not a lawyer so please do
20 not hold me accountable for any words I use
21 and those languages.

22 That's been in the court for some
23 time. It is true that the NLN has

1 undertaken the beginnings of a new
2 accrediting organization which would be
3 Category 2, as my colleague Dr. Tanner has
4 said, a non-gatekeeper, Title IV gatekeeper.

5 We have a consultant, an analyst
6 assigned to us from the Department of
7 Education. We have begun those operations
8 as a result of significant requests from the
9 nursing profession for options in
10 accrediting activities.

11 MR. WU: Okay. So it is both
12 true that NLN is seeking to dissolve the
13 agency, and it's also true that NLN is
14 creating a non-Title IV gatekeeper agency.
15 But those are distinct, so you just don't
16 want the --

17 DR. HALSTEAD: It is true that
18 there is still action in a New York court
19 that's been sitting there for some time
20 around dissolution of which I cannot address
21 from a legal perspective. It is true that
22 these years later that we are seeking to
23 initiate and have had the approval of our

1 membership to initiate a new accrediting
2 division.

3 MR. WU: Now just, sorry to press
4 you on this. I'm not asking for, you know,
5 a legal judgment. But if a dissolution
6 action is in the courts that would suggest
7 that NLN would like to see the agency go out
8 of existence, that is, to dissolve.

9 DR. HALSTEAD: What we would like
10 to see is that ACEN, formerly NLNAC, become
11 compliant with the bylaws to meet the
12 Department of Education's regulations.

13 MR. WU: Okay. And the last
14 question. In your view, if NACIQI were to
15 recommend and if the secretary were to
16 impose a tight deadline, would that be
17 helpful in bringing the parties to
18 resolution on all these issues including the
19 money issue that's out there?

20 DR. HALSTEAD: It is my personal
21 opinion that such a deadline would be of
22 help. Again I'm here to reiterate that NLN
23 is fully supportive of ACEN, or ACEN,

1 bringing the bylaws into compliance.

2 They do not reflect current
3 practices which are in compliance, and we
4 would like to see the bylaws corrected to
5 reflect current practices. NLN, as I said,
6 became aware of the inconsistencies some
7 years ago, and in 2010 and 2012 put our
8 bylaws before membership to remove any
9 language that may have been not in
10 compliance.

11 So we have taken care of our
12 bylaws, and we would like to continue and do
13 continue to support ACEN in resolving their
14 bylaw noncompliant issues.

15 CHAIR PHILLIPS: Cam Staples?

16 MR. STAPLES: Just one question.
17 Have you, I'm assuming you, the new
18 accrediting agency that you're establishing
19 isn't seeking recognition for a number of
20 reasons including that you want them to
21 remain within your association.

22 But also have you made a
23 determination that a large number of the

1 programs that are accredited already have
2 access to Title IV funds through another
3 accreditor B-

4 DR. HALSTEAD: May I ask about
5 the question about not seeking recognition?

6 MR. STAPLES: Oh, you mentioned
7 that you're not looking to have your new
8 accreditor be a gatekeeper.

9 DR. HALSTEAD: Oh, for Title IV.
10 I was going to say we are definitely seeking
11 or will be in the process of seeking
12 recognition from the Department of Education
13 as a Category 2.

14 MR. STAPLES: Oh, okay, but not
15 as a gatekeeper. Because many of the
16 nursing programs already have access to
17 Title IV funding --

18 DR. HALSTEAD: Many of the
19 nursing programs do have access. There are
20 a small number, I don't have an accurate
21 number right now in terms of those who need
22 Title IV, but the last I heard it was around
23 80 or less. But again I do not have

1 accurate numbers.

2 But in the grand scheme of
3 things, the large number of nursing programs
4 that seek accreditation do not need the
5 Title IV gatekeeping.

6 MR. STAPLES: All right, thank
7 you.

8 CHAIR PHILLIPS: Any committee
9 questions of the third party comment? Thank
10 you very much. We'd invite the agency to
11 return if you would like to respond to the
12 third party comments? This is Tish
13 McDonald.

14 MS. MCDONALD: Yes. Thank you,
15 Madam Chairperson. I wanted to respond
16 briefly to just a couple of points that Dr.
17 Halstead made and I want to be sympathetic.
18 She does not have legal counsel present.

19 And I don't mean to contradict
20 her, I mainly mean just to clarify for this
21 body a couple of misstatements. First of
22 all, in connection with the dissolution
23 action, Linda Christensen who is affiliated

1 with NLN submitted an affidavit which said
2 or indicated that the purpose of seeking the
3 dissolution is to bring, get rid of us and
4 bring accrediting functions back in-house.

5 So in answer to your question
6 that was a stated purpose of the dissolution
7 action, which we hope the appeal of that
8 will be dismissed by NLN in connection with
9 these proceedings.

10 Second, Dr. Halstead said, and
11 she's been consistent on this and her
12 counsel has been consistent that, okay, NLN
13 would like to amend our bylaws to comply
14 with the separate and independent
15 requirements. The problem has been there is
16 a disagreement on what those amendments look
17 like.

18 And just to reiterate, NLN's
19 position has been stated to me as recently
20 as a couple of days ago that as long as the
21 bylaws are amended to let us select our
22 board, do our budget and things of that
23 nature then we should be okay.

1 But this Department and this body
2 has said otherwise. It has said that. A
3 number of comments. One, we need to have
4 the sole ability to amend our bylaws.
5 That's been made clear. They're not
6 agreeing with that. They still have
7 the power to remove our board. They still
8 have the power. They want us to be
9 accountable to them, give them our financial
10 information. We still believe,
11 fundamentally, and the earlier 2012 staff
12 reports are consistent with this that that
13 violates separate and independent.

14 I think again I'm harking back to
15 Mr. Staples' comment that we do seem far
16 apart. I think though we are at the crux of
17 very, very, very important deadlines and
18 decisions here. A deadline from this group
19 would be helpful as well as, and I'm
20 grateful that Dr. Halstead is here and can
21 communicate the concerns of this body back
22 to her group, and we will do the same with
23 ours. But again I just wanted to clarify

1 those two points.

2 CHAIR PHILLIPS: Thank you.

3 Department response to agency and
4 third party comments? Chuck? Chuck Mula.

5 MR. MULA: I think staff
6 believes, and Dr. Bounds could help clarify
7 this, but we would be willing to discuss
8 what our requirements are and what the
9 requirements say that the bylaws must
10 contain if everybody would sit down to talk
11 to us.

12 But we don't get any information
13 because of course it is in legal limbo, but
14 we will provide the guidance necessary so
15 that they can understand exactly the
16 Department's position on the separate and
17 independent requirements and what kind of
18 outcome would be if this agency lost its
19 recognition.

20 There is a lot of federal student
21 aid money out there, and that is our main
22 concern of the students being able to get
23 the kind of education they want, the federal

1 money that's out there.

2 CHAIR PHILLIPS: Thank you.

3 Herman Bounds?

4 DR. BOUNDS: Yes, Herman Bounds.

5 And that's correct. It is a concern of ours
6 with the issue that was raised about having
7 to get approval to change the bylaws. So
8 that is a significant violation. Maybe
9 violation's not the right word, but that's a
10 significant concern with meeting the
11 separate and independent requirements.

12 But as Chuck has said, we would
13 be willing to sit down and provide guidance
14 to the agencies to try to get this problem
15 resolved. But as it is right now that is a
16 significant issue for us.

17 CHAIR PHILLIPS: Any further
18 questions for the Department staff? I'd
19 invite discussion and/or motion if you're
20 ready to go to that point.

21 MR. STAPLES: I think personally
22 the staff recommendation makes sense, and I
23 would suggest it as a motion that the, and I

1 can read it. I don't know if you have that
2 prepared to upload, the staff
3 recommendation?

4 CHAIR PHILLIPS: Just have to get
5 our projector up and running.

6 MR. STAPLES: There it is.
7 Perfect. I think that's quite
8 comprehensive. It gives them six months
9 with some very specific direction including
10 review and report and appearance back at a
11 future NACIQI meeting which I think is
12 important. So I would recommend that we
13 adopt the staff recommendation.

14 MR. WU: I concur on that. I
15 would add the following observation. If we
16 aren't prepared though to take some more
17 drastic action and if everyone knows we're
18 not prepared to take more drastic action
19 this will just keep going and they'll just
20 come every six months and we'll hear an
21 update on these cases.

22 I would like us to signal that as
23 a body we will not shy away from at some

1 point pulling the trigger, because otherwise
2 we're just sitting here in a hotel
3 conference room listening to people talk at
4 us every six months and that doesn't seem to
5 serve a great societal purpose.

6 So I think at some point we have
7 to say to the agency and to its parent, if
8 you don't straighten this out we will put
9 the agency out of business. And we say that
10 in a non-hostile way in order to get you to
11 work it out. So that's just my gloss on
12 this language.

13 CHAIR PHILLIPS: Cam Staples?

14 MR. STAPLES: If I could maybe
15 make sense for the members, I was not aware
16 of the extraordinary circumstances, you
17 know, just cause types of extensions. We've
18 already exceeded the 12 months that we've
19 always known were the limits of our
20 capacity, so this is a very specific finding
21 the secretary has to make that there are
22 extraordinary circumstances in this case.

23 So I think to Frank's point, I

1 think the fact that we're doing it is
2 unusual. We have not done this, as far as I
3 know we have not done this before. And it
4 would be very unlikely to find extraordinary
5 circumstances and just cause twice. So I
6 would just, it's in support of Frank's
7 point.

8 CHAIR PHILLIPS: So would you be
9 interested in inserting language into the
10 motion that would communicate that, or do
11 you think it communicates that by itself?

12 MR. STAPLES: I think the
13 message, and people are present, I think the
14 message is probably pretty clear.

15 MR. WU: And it's in the
16 transcript. So I don't think the agency or
17 its parent are unaware that we are prepared
18 to do something, and they're the audience
19 that really needs to hear it.

20 CHAIR PHILLIPS: So I'm going to
21 assume that a motion has been made and
22 seconded. Further discussion? Okay, let's
23 call the question. Those in favor of the

1 motion as shown on the screen raise your
2 hands.

3 Those opposed?

4 Abstentions?

5 Thank you very much, the motion
6 carries.

7 **NACIQI RECOMMENDATION**

8 **NACIQI recommends that the agency be granted**
9 **an extension of its recognition, for good**
10 **cause, for a period of six months and that**
11 **the agency submit a report demonstrating its**
12 **compliance with the cited criteria within 30**
13 **days of expiration of the six-month period,**
14 **with reconsideration of recognition status**
15 **thereafter, including a review of the report**
16 **and an appearance by the agency at a NACIQI**
17 **meeting to be designated by the Department.**

18

19 The agency's report must include
20 a completed plan and timeline toward
21 achieving full compliance, any agreements
22 made between ACEN and NLN that have been
23 developed, and (a revision of the) By-Laws

1 **addressing the deficiencies under 600.14(a)**
2 **and (b) which preclude(s) d NLN involvement**
3 **and the impingement on the agency's**
4 **independence going forward.**

5 We're scheduled for a short break
6 at this point. I would ask that those who
7 are reviewing the dance, theatre and music
8 agencies, if you would just have a brief
9 huddle with Carol up here for a moment
10 before our break, we would appreciate it.
11 We expect to come back by about 10 o'clock.

12 (Whereupon, the above-entitled
13 matter went off the record at 9:44 a.m. and
14 resumed at 10:03 a.m.)

15 CHAIR PHILLIPS: Calling us back
16 into order, I have a quick note from the
17 microphone police. If we sit up straight
18 and speak from that position, our mics will
19 be compliant with our voice. If we lean
20 forward or slouch, we'll have some problems.
21 So therefore, the microphone police request
22 proper seating.

23
24

1

2 Puerto Rico State Agency for the

3 Approval of Public Postsecondary Vocational,

4 Technical Institutions, and Programs

5 (PRHRDC)

6

7 Thank you very much for coming

8 back. Our next agency before us is the

9 Puerto Rico State Agency for the Approval

10 of Public Postsecondary Vocational,

11 Technical Institutions, and Programs

12 (PRHRDC). The action for consideration is

13 renewal of recognition based on a compliance

14 report.

15 I believe we have a recusal of

16 Bill Pepicello, and our primary readers I

17 believe are Art Keiser and Cam Staples.

18 Which of you two will begin?

19 (No audible response)

20 CHAIR PHILLIPS: Art Keiser?

21 VICE-CHAIR KEISER: This is Art

22 Keiser. The Puerto Rico State Agency for

23 Approval of Public Postsecondary Vocational,

1 Technical Institutions, and Programs; I
2 think we have a little different acronym,
3 PRSAA, is the state agency in Puerto Rico
4 for accrediting public postsecondary
5 vocational education programs and
6 institutions in the Commonwealth of Puerto
7 Rico.

8 The agency currently accredits
9 programs located in seven vocational
10 technical schools located in Puerto Rico
11 with one institution awaiting institutional
12 approval.

13 The PRSAA was granted with the
14 authority to approve public postsecondary
15 vocational technical education institutions
16 and programs in Puerto Rico in 1982 by
17 Puerto Rico's secretary of education. The
18 agency has granted initial recognition as
19 the state approval agency by the U.S.
20 Secretary in 1983 and has received continued
21 recognition since that time.

22 The agency's most recent petition
23 for continued recognition was reviewed in

1 the spring 2012 NACIQI meeting. Following
2 that meeting the secretary continued the
3 agency's recognition and requested that it
4 submit a report on its compliance with
5 certain issues, and the report is the
6 subject of our discussion today.

7 CHAIR PHILLIPS: Rachael?

8 MS. SHULTZ: Good morning. I'm
9 Rachael Shultz and I will be presenting
10 information regarding the report submitted
11 by the Puerto Rico State Agency for the
12 Approval of Public Postsecondary Vocational,
13 Technical Institutions, and Programs, and
14 the acronym I will be using is the PRSAA.

15 The staff recommendation to the
16 senior department official is that the PRSAA
17 be granted an extension of its recognition
18 for good cause for a period of six months
19 and that the agency submit a report
20 demonstrating its compliance with the cited
21 criteria within 30 days of the expiration of
22 the six-month period with reconsideration of
23 recognition status thereafter, including a

1 review of the report and an appearance by
2 the agency at a NACIQI meeting to be
3 designated by the Department.

4 Although the agency was unable to
5 completely address the findings cited in the
6 spring 2012 petition in its current report,
7 it did take substantive steps to begin
8 making changes to address the earlier
9 findings. The agency hired a bilingual
10 consultant who traveled to Washington to
11 meet with Ed staff and many of the agency's
12 policies and procedures had been revised as
13 a result of her input.

14 While not all of the
15 documentation that we had requested has been
16 supplied, we feel that the language barrier
17 may have added some confusion as to what
18 information or materials the Department was
19 requesting. Because it appears that the
20 agency has made a good-faith effort to bring
21 itself into compliance with the regulations,
22 we feel that an extension for good cause is
23 justified.

1 Of the eight remaining issues it
2 should be noted that five require only
3 additional documentation of the
4 implementation of the agency's revised
5 policies. One issue requires information
6 related to the agency's standards review
7 cycle, and two issues require additional
8 information and documentation pertaining to
9 the agency's policies and procedures. It
10 appears likely that the agency will be able
11 to provide the requested information once
12 additional documentation is translated from
13 Spanish into English.

14 So to reiterate, the staff
15 recommendation to the senior department
16 official is that the PRSAA be granted an
17 extension of its recognition for good cause
18 for a period of six months and that the
19 agency submit a report demonstrating its
20 compliance with the cited criteria within 30
21 days of the expiration of the six-month
22 period with reconsideration of recognition
23 status thereafter including review of the

1 report and appearance by the agency at a
2 NACIQI meeting to be designated by the
3 Department.

4 That concludes my presentation.
5 The agency's new director is here today and
6 we will be happy to answer the Committee's
7 questions. Thank you.

8 CHAIR PHILLIPS: Thank you,
9 readers. Art Keiser?

10 VICE-CHAIR KEISER: Rachael,
11 thank you for the long report. Some of the
12 issues require policy and a demonstration of
13 the policy being enacted. Will they be able
14 to do that in six months or would we back
15 here with -- instead of eight; because last
16 time it was -- I don't remember how many, it
17 was so many -- will we be back down to four?

18 MS. SHULTZ: I think that most of
19 the issues that we've identified this time
20 pertain to needing additional documentation
21 as opposed to policy changes. We do need to
22 know how often their reviews are conducted
23 and how they're collecting information

1 related to substantive change. Most of the
2 rest of the information is related to
3 additional documentation.

4 For instance, for the site
5 visitor pool, their advisory body and their
6 Board of Examiners, which is their decision
7 making body, we need to have more
8 information about the membership, the
9 selection, their qualifications, training,
10 things like that. I think that there was
11 probably a problem getting a lot of résumés
12 translated to provide additional information
13 about qualifications in the instance of
14 these three bodies that work with the
15 agency.

16 There are also three findings
17 that are related to appeals and mainly we
18 are asking for additional documentation
19 related to the appeals process. For
20 instance, we need to know that they
21 continued the status of an institution or
22 program during the appeal period and we need
23 to have letters showing the reason for the

1 appeal's decision. So I think that in most
2 instances we're just going to be asking for
3 additional documentation.

4 And Mrs. Mockford had contacted
5 me prior to the meeting and has asked to
6 meet after today's meeting, so at that point
7 I think we can go into more specifics about
8 the documentation that we're looking for.
9 Hopefully that will clear things up and it
10 won't be a problem getting it in in six
11 months. I hope.

12 CHAIR PHILLIPS: Other Committee
13 questions for the -- Arthur?

14 MR. ROTHKOPF: I just wanted to
15 be sure my recollection is right. Is this
16 the agency that came before us and where
17 NACIQI either recommended that they not
18 accredit any new institutions or we said
19 they ought to be put out of business, and
20 that judgment was reached by NACIQI, and
21 then the secretary did not adopt it, or is
22 this a different place? Because I don't see
23 that -- at least I haven't heard, but is

1 this the same place that was frankly pretty
2 hopeless the last time?

3 MS. SHULTZ: This is an agency
4 that has a lot of turnover in staff. We
5 rarely work with the same director two
6 cycles in a row. When they submitted the
7 initial petition most of the petition,
8 rather than providing information, consisted
9 of the statement "nothing has changed since
10 the last petition." Obviously we needed
11 more information than that. So at that
12 point we asked them to come back with a
13 report. For all intents and purposes the
14 report was a full petition because they
15 hadn't responded to the questions the first
16 time. So the report looked pretty bleak
17 because there were an awful lot of findings.

18 At that meeting the staff
19 recommendation was to ask for the report.
20 The Committee recommendation was to deny.
21 The deciding official went with the staff
22 recommendation and allowed them to come back
23 with the report.

1 I misspoke. When they submitted
2 the petition very little information was
3 there. We sent the draft back. They had to
4 respond to the draft as if it was a full
5 petition and then that resulted in a current
6 report.

7 CHAIR PHILLIPS: Art Keiser?

8 VICE-CHAIR KEISER: To follow up
9 on Arthur's question, considering they were
10 at a hair's breadth of being withdrawn from
11 recognition, why do you think they came back
12 in two years without having all of the
13 issues addressed?

14 MS. SHULTZ: Well, obviously I
15 don't know the answer to that. I will say
16 that they totally revised their policy
17 manual, so I think that they made a good
18 faith effort to update their policies and
19 address deficiencies. I think that there is
20 a problem with either time or staff involved
21 in getting documents translated, and I think
22 they tend to be rather thin in their
23 documentation because it's such a problem, I

1 would assume, to get everything translated.

2 So I would think that the problem
3 is more with providing the depth of
4 documentation that we typically require at
5 this point as opposed to having gone back
6 and having revised their policies and
7 procedures, which they did hire the
8 consultant who came in and spoke with me at
9 great length to get the polices in place,
10 but then they don't have the documentation
11 showing the implementation of the policies
12 that have been revised in some instances.
13 So that's the problem at this point.

14 CHAIR PHILLIPS: Cam Staples?

15 MR. STAPLES: Just a question
16 about documentation, and it does seem like
17 that's largely the issue. And I'm curious.
18 I know we the Department or the Congress has
19 changed the standards a little bit over the
20 years, but they've been recognized since
21 1983. Has documentation always been an
22 issue, or is it that we are now requiring so
23 much more in the way of documentation? I'm

1 just curious if this is a new issue for them
2 or an old issue.

3 MS. SHULTZ: We were in sort of
4 an awkward position when I came to review
5 the agency in 2012 because the analyst who
6 had had them on the previous cycle, who is
7 no longer with the Department, was totally
8 bilingual. And so materials were submitted
9 in Spanish, which we had not accepted in the
10 past, but which this person, because she
11 could read them, accepted. So I think that
12 put both the Ed staff and the agency in a
13 kind of awkward position when it came time
14 for the current petition because what they
15 had submitted in the past had been
16 acceptable to the analyst who's no longer
17 here. But I don't speak Spanish and we
18 require all of our documentation to be in
19 English since it becomes part of the record,
20 since it's submitted into the system. So I
21 think that kind of factored into the --

22 MR. STAPLES: Okay.

23 MS. SHULTZ: -- problems with the

1 documentation.

2 MR. STAPLES: So it's not a lack
3 of documentation necessarily. It's a lack
4 of English language documentation?

5 MS. SHULTZ: Correct.

6 MR. STAPLES: Okay. All right.
7 Thank you.

8 CHAIR PHILLIPS: Other Committee
9 questions of staff?

10 (No audible response)

11 CHAIR PHILLIPS: Thank you for
12 now. If we could invite the agency
13 representatives to come forward.

14 Thank you very much. If you
15 could press your microphone. Thank you.

16 MS. MOCKFORD: Thank you for the
17 opportunity to be here today. My name is
18 Ann Mockford and I'm the executive director.
19 I may ask excuses because in Puerto Rico we
20 speak Spanish always. We don't have the
21 opportunity to be speaking English. We read
22 and understand and write it, but my fear is
23 to speak English.

1 (Laughter)

2 MS. MOCKFORD: So here I am
3 trying to do my best. Okay.

4 First of all, my main objective
5 here is to establish and certify as the
6 agency director that our main commitment is
7 to continue with the job and tasks that the
8 agency is supposed to perform and is doing.
9 Also, I want to certify that in the last
10 year we have made all the adjustments,
11 changes, updates and reviews to enter into a
12 full compliance.

13 Our engagement is with the
14 students of the institutions that we
15 approve. Much of them come from
16 socioeconomic disadvantaged communities and
17 have no more options that they can afford.
18 I would like to state that the only
19 alternative Puerto Rico has to approve the
20 state public institutions is the USDE.

21 Our failure to fully comply with
22 the approval process is caused by our whole
23 revision process that doesn't allow us full

1 implementation because the due date haven't
2 arrived yet. Also, although it's not an
3 excuse, it's our reality that our main
4 language is Spanish and all the processes,
5 documents, policies and trainings are in
6 Spanish and that we have to produce them and
7 pass through the translation process. That
8 takes time and it's expensive. We have that
9 role to fulfill all the compliance aligned
10 to the Higher Education Act.

11 That's what I have to say up to
12 now.

13 CHAIR PHILLIPS: Thank you very
14 much. Readers, questions for the agency?
15 Art Keiser?

16 VICE-CHAIR KEISER: Do you
17 believe that the six months that is being
18 afforded to you; it's six months plus one
19 month, I think that's the way it reads, will
20 be sufficient for you to meet the standards?

21 MS. MOCKFORD: Yes.

22 CHAIR PHILLIPS: Other questions,
23 readers or Committee?

1 (No audible response)

2 CHAIR PHILLIPS: Thank you very
3 much.

4 MS. MOCKFORD: Thanks to all of
5 you.

6 CHAIR PHILLIPS: Yes, Arthur
7 Rothkopf?

8 MR. ROTHKOPF: Are there any
9 pending applications for recognition before
10 your agency, or is any school applying for
11 new recognition?

12 MS. MOCKFORD: Not new.

13 MR. ROTHKOPF: What?

14 MS. MOCKFORD: Not new.

15 MR. ROTHKOPF: No new ones?

16 MS. MOCKFORD: No new.

17 MR. ROTHKOPF: Thank you.

18 CHAIR PHILLIPS: Thank you very
19 much.

20 MS. MOCKFORD: Thanks to you.

21 CHAIR PHILLIPS: I don't believe
22 that we have any third party comments for
23 this agency. Department would like to --

1 would you like to respond to the agency?

2 Rachael?

3 MS. SHULTZ: I don't have any
4 further comments. Thank you.

5 CHAIR PHILLIPS: Thank you.
6 Committee discussion? Frank?

7 MR. WU: Just two observations.
8 First, given that the agency isn't looking
9 at any new programs, and I would guess isn't
10 likely to look at any other new programs,
11 probably restricting it in that manner would
12 not have any consequence other than to
13 signal concern, which we might want to do.
14 So it might be an effective way to signal
15 concern without harming anyone.

16 The other observation I have is
17 also a question. It's my understanding that
18 agencies such as this that are associated
19 with a state, or commonwealth here, are
20 treated the same as other agencies. Is that
21 right? There isn't a separate set of
22 guidelines and regs if there's a
23 governmental association? And I wonder if

1 there should be some way of looking at these
2 differently. It just seems to me that they
3 sort of occupy a different place in the
4 world, you know, the New York one and any
5 others.

6 CHAIR PHILLIPS: Let me ask the
7 director of the Accreditation Group to
8 respond.

9 DR. BOUNDS: Yes, there are a
10 different set of criteria for the
11 recognition of state agencies. Yes, there
12 is.

13 MR. WU: And on the whole they're
14 easier to meet, is that right? They're not
15 as onerous?

16 (Simultaneous speaking)

17 DR. BOUNDS: Yes, fewer. A
18 lesser amount to comply, to address.

19 CHAIR PHILLIPS: Art Rothkopf?

20 MR. ROTHKOPF: Yes, I mean, the
21 point of my question; and Frank I think saw
22 it, is this is an agency that, at least the
23 last time around, really had no clue as to

1 what they were doing or how they were going
2 to go about it. Now I think they've
3 improved to some extent. But I think it
4 would be useful, and I'd ask the readers to
5 comment on that because they're more
6 familiar with the agency and the history, as
7 to say, all right, well, let's give them
8 more time, whether it's six months -- I
9 think realistically it probably ought to be
10 a year, you know, but say in the motion that
11 they are not permitted to accredit any new
12 institutions during that period until they
13 get approval from NACIQI. So I'm really
14 asking Art and Cam whether they think that's
15 a good idea or not.

16 CHAIR PHILLIPS: Art Keiser?

17 VICE-CHAIR KEISER: Well, this is
18 a very small agency. They accredit only
19 seven schools and they're all kind of small.
20 They're vocational technical schools. If we
21 didn't send the message the last time, which
22 is one of the few denials I think we've ever
23 done that I remember, and they -- you know,

1 it's still -- I can't understand how they
2 couldn't get it all right in two years. But
3 we can send whatever sanctions, but it looks
4 like that's not going to make a difference
5 here. So let's see if they can bring it in
6 compliance for the next six months.

7 They have a tiny budget; it's not
8 really well funded by the commonwealth, and
9 they struggle apparently each budget cycle
10 to get the money they need. Frankly, I
11 don't understand why they even exist for
12 only seven schools, but when you have a
13 group like COE or some of the others who
14 could accredit them, the vo-tech centers.
15 But that's not for me to decide.

16 Cam, I don't know, what do you
17 think?

18 CHAIR PHILLIPS: Cam Staples?

19 MR. STAPLES: I tend to agree
20 with that. I'm not sure that it makes -- I
21 think that we now know that this is an
22 extraordinary extension, and I think we're
23 not aware of a situation -- I know it puts

1 on the staff on the spot, but I think we're
2 not aware of a situation where the
3 Department has done two of these
4 successively for an agency. So it's a
5 pretty strong message to this agency that
6 they have this extension and then that's the
7 limit for the Department's reach.

8 And I think I guess I'm slightly
9 less concerned, although there was a lot on
10 the plate last time, if it's largely
11 documentation at this point and it was
12 largely because it's -- they may have it in
13 the Spanish language but not in the English
14 language. To me it's not as egregious as it
15 was two years ago. I know there are other
16 issues, but I'm just saying I think my sense
17 is six months and a drop-dead deadline,
18 they'll get the message, and there's not
19 much more else we can say about that.

20 CHAIR PHILLIPS: Art Keiser?

21 VICE-CHAIR KEISER: Well, I
22 agree. Obviously, they've made a lot of
23 progress. I mean, it was so bad before, you

1 know, any progress would have been a lot of
2 progress. However, they're still going to
3 have some issues in terms of demonstrating,
4 because I think our staff tends to require
5 that they demonstrate the policies are in
6 place and have been acted upon. And some of
7 those over a six-month period I think will
8 be very difficult for them to do. So I
9 think we'll be back here with a couple more
10 with -- at the next meeting. So, but that's
11 above my pay grade.

12 CHAIR PHILLIPS: Rachael Shultz?

13 MS. SHULTZ: I'd just like to
14 point out that in instances where they've
15 developed policies but haven't had a chance
16 to implement them yet that we allow the
17 agency to say we haven't had an instance
18 where this has been implemented and
19 therefore we have no supporting
20 documentation. And in those cases we would
21 just accept the revised policy and not find
22 them out of compliance. So that won't be an
23 issue. If they haven't had a chance to

1 implement something, that's not their fault
2 and we don't penalize them for it.

3 CHAIR PHILLIPS: Anne Neal?

4 MS. NEAL: I just wanted to
5 follow up briefly on just a point that Frank
6 made. And I think NACIQI, we're looking at
7 these accrediting bodies to determine
8 whether or not they're ensuring educational
9 quality and are abiding by the terms of the
10 statute. And I think there's sometimes
11 implicit this idea that we can't close them
12 down because that would harm students. And
13 in fact, that would suggest that with the
14 large accrediting bodies they're too big to
15 fail because we might harm students, because
16 Title IV money might not lend to them.

17 And I question that premise, and
18 I think it's something that we should -- to
19 think about, because if in fact the
20 accrediting bodies; and I'm not singling out
21 this one, I'm just looking at them broadly
22 -- if they're not doing a good job of
23 protecting taxpayer dollars and ensuring

1 educational quality, we're not doing those
2 students a service in allowing them to
3 continue. So I just think that that
4 sometimes is an implicit premise in why we
5 can't do things, and I think we should think
6 twice about that.

7 CHAIR PHILLIPS: Thank you.
8 Other Committee questions or comments? Or
9 alternately, readers' motion, if you're
10 ready to make a motion.

11 MR. STAPLES: Make a motion. I
12 would accept the staff recommendation; let
13 me just pull that up, which is -- you can
14 put it up on the board, which is they be
15 granted an additional six months for good
16 cause to demonstrate compliance and that
17 they would also -- I'm just paraphrasing
18 because the language is up there -- they
19 would also appear before NACIQI at the next
20 meeting after their submission of their
21 report.

22 CHAIR PHILLIPS: Second?

23 VICE-CHAIR KEISER: I'll second

1 that motion.

2 CHAIR PHILLIPS: Further
3 discussion?

4 (No audible response)

5 CHAIR PHILLIPS: Ready for vote?
6 The motion is on the screen. Those in
7 favor, signal by raising your hands.

8 (Show of hands)

9 CHAIR PHILLIPS: Those opposed,
10 same signal.

11 (Show of hands)

12 CHAIR PHILLIPS: Abstention?

13 (Show of hands)

14 CHAIR PHILLIPS: Motion carries
15 with one abstention.

16 Thank you very much, readers.

17 **NACIQI RECOMMENDATION**

18 **NACIQI recommends that the agency be granted**
19 **an extension of its recognition, for good**
20 **cause, for a period of six months and that**
21 **the agency submit a compliance report**
22 **demonstrating its compliance with the cited**
23 **criteria within 30 days of expiration of the**

1 six-month period, with reconsideration of
2 recognition status thereafter, including a
3 review of the compliance report and an
4 appearance by the agency at a NACIQI meeting
5 to be designated by the Department.

6

7

1

2

National Association of Schools of Dance,

3

National Association of Schools of Theatre,

4

and National Association of Schools of

5

Music.

6

7

Our next agency is a set of

8

agencies, three affiliated actions for --

9

action for consideration, being renewal of

10

recognition. This is the National

11

Association of Schools of Dance, the

12

National Association of Schools of Theatre,

13

and the National Association of Schools of

14

Music.

15

I don't believe we have -- we

16

have one recusal for Bobbie Derlin from

17

Music.

18

Bobbie, we're going to be doing

19

these partly together and partly separate,

20

so when we come to the vote on Music, we

21

will invite you to step aside.

22

Our plan here is to ask one of

23

the readers to do an introduction for all of

1 the agencies, and the staff will also
2 provide a singular summary staff report. I
3 believe it's Simon Boehme who has been
4 nominated to take the lead on this.

5 So, Simon Boehme?

6 MR. BOEHME: Thank you and good
7 morning, Madam Chair. The National
8 Association of Schools of Dance Commission
9 on Accreditation, NASD, the National
10 Association of Schools of Music Commission
11 on Accreditation, NASM, and the National
12 Association of Schools of Theatre Commission
13 on Accreditation, NAST, are all both
14 programmatic and institutional accreditors.

15 The agencies are requesting
16 recognition for their accreditation of their
17 freestanding institutions within their
18 specialty accreditation. The freestanding
19 institutions accredited by each agency may
20 use their accreditation to establish
21 eligibility to participate in Title IV HEA
22 financial aid programs.

23 Currently three NASD-accredited

1 institutions participate in the Title IV
2 programs, as do five NASM-accredited
3 institutions and six NAST-accredited
4 institutions. NASM has been granted
5 periodic renewal of recognition since its
6 initial recognition in 1952, NAST since
7 1982, and NASD since 1983.

8 The last full review of the
9 agencies was conducted in December 2007 at
10 which time the National Advisory Committee
11 on Institutional Quality and Integrity, us,
12 recommended and the secretary concurred that
13 the agencies' recognitions be renewed for
14 five years and that their scopes of
15 recognition be expanded to include programs
16 offered via distance education. The staff
17 analysis will provide a brief summary of the
18 Department's review. Thank you.

19 CHAIR PHILLIPS: Thank you very
20 much. Chuck, are you the spokesperson for
21 the staff?

22 MR. MULA: I am, Madam Chair.

23 CHAIR PHILLIPS: Wonderful.

1 MR. MULA: Thank you. Good
2 morning, Madam Chair, Members of the
3 Committee. My name is Chuck Mula and I am
4 providing a summary of the review of the
5 petitions for re-recognition for the three
6 agencies: National Association of Schools of
7 Dance or NASD; National Association of
8 Schools of Music or NASM; and the National
9 Association of Schools of Theatre or NAST.
10 The reason for the joint presentation is
11 that these agencies are associated and that
12 the findings are substantially similar.

13 The staff recommendation to the
14 senior department official for these
15 agencies is to continue each agency's
16 current recognition, revise each agency's
17 scope as requested, and require a compliance
18 report in 12 months on the issues identified
19 in the staff report for each agency. This
20 recommendation is based on our review of
21 each agency's petition and its supporting
22 documentation, as well as observation of
23 activities in the first half of 2014.

1 Our review of each agency's
2 petition found that each agency is
3 substantially in compliance with the
4 criteria for recognition, however, there are
5 some outstanding issues that each agency
6 needs to address. In brief, most of the
7 outstanding issues require demonstration of
8 revision of policies, procedures and
9 information in each agency's handbook.

10 We believe that each agency can
11 provide satisfactory documentation and
12 demonstrate its compliance in a written
13 report in a year's time. Therefore, as I
14 stated earlier, the staff is recommending to
15 the senior department official to continue
16 each agency's current recognition, revise
17 each agency's scope as requested, and
18 require a compliance report in 12 months on
19 the issues identified in the staff report
20 for each agency.

21 Each of the analysts who
22 conducted the petition review for each
23 agency is here to address any specific

1 questions you might have. And I believe
2 that representation from the agency is
3 supposed to be present, but I don't see
4 anybody here right now.

5 CHAIR PHILLIPS: Thank you,
6 Chuck. We've got a bit of a different
7 choreography for this set of reviews, so
8 bear with me. We'd like to invite any
9 reader questions for the National
10 Association of Schools of Dance. That would
11 be, I believe, Anne Neal and John
12 Etchemendy.

13 MS. NEAL: Nothing to add.

14 CHAIR PHILLIPS: Nothing to add?
15 Any Committee questions for the
16 Schools of Dance staff member?

17 (No audible response)

18 CHAIR PHILLIPS: Same procedure
19 for Schools of Theatre. Opportunity for the
20 readers to inquire. I believe this is Brit
21 Kirwan and Rick O'Donnell, but it's somebody
22 else.

23 DR. KIRWAN: I have nothing to

1 add.

2 CHAIR PHILLIPS: Simon Boehme,
3 nothing to add?

4 MR. BOEHME: I have one question.
5 Will they be able to be in compliance with
6 this given one year?

7 MS. HONG: Yes, I mean, all of
8 the non-compliance findings are related to
9 just providing final revisions to policy,
10 which they should easily be able to remedy.

11 MR. BOEHME: Thank you.

12 CHAIR PHILLIPS: That's Jennifer
13 Hong.

14 And finally, any Committee
15 questions for Theatre?

16 (No audible response)

17 CHAIR PHILLIPS: Reader questions
18 for Music? This is Jill Derby and Bill
19 Pepicello.

20 DR. DERBY: Well, just really the
21 same question that Simon just asked. There
22 are just quite a list of issues of non-
23 compliance. Will they be able to come

1 within compliance within the 12 months?

2 MR. MULA: Yes, the staff worked
3 together on these four agencies. One of
4 them has already been approved through the
5 consent agenda, and we all agreed that they
6 would be able to come into compliance within
7 that period.

8 CHAIR PHILLIPS: Thank you. Any
9 Committee questions for Music?

10 (No audible response)

11 CHAIR PHILLIPS: I'd like to note
12 for the record that we've been joined by
13 George French, Committee Member, NACIQI
14 Committee Member, who has just arrived.

15 Thank you for joining us.

16 Okay. If there are no further
17 questions for the staff, we'd invite, if
18 there is an agency representative in the
19 room, which we --

20 MR. MULA: Madam Chair, we have
21 found out that they are walking in the door
22 right now.

23 (Laughter)

1 CHAIR PHILLIPS: Perfect. We
2 welcome the agency staff to come to the
3 table. This is the same staff for all three
4 agencies. And let them catch their breath.

5 Welcome.

6 DR. MOYNAHAN: Good morning.

7 CHAIR PHILLIPS: Good morning.

8 DR. MOYNAHAN: We're pleased to
9 be here this morning. We extend to you good
10 wishes this morning and thank you for your
11 consideration and review of the petitions of
12 NASM, NASAD, NAST and NASD. We offer
13 appreciation to USDE staff members for their
14 assistance.

15 In particular, we offer special
16 thanks to Chuck Mula and Jennifer Hong for
17 their careful and studied attention of the
18 materials we submitted. These individuals
19 took the time to get to know our agencies,
20 they studied our materials diligently, and
21 initiated opportunities for further and
22 informative dialogue which assisted the
23 agencies in the preparation of materials.

1 Given the hours of hard work and dedicated
2 work by our staff, their interest in our
3 process and conscientious desire to know and
4 understand these complex agencies was
5 welcomed. Mr. Mula and Ms. Hong exhibited
6 extraordinary examples of dedicated public
7 service. We extend our deepest appreciation
8 to them both.

9 We are pleased to have the
10 opportunity to be reviewed. Any successful
11 review results in a strengthening of
12 procedure and process and enhances thought
13 and dialogue, all with the resultant benefit
14 of institutions, and particularly to their
15 students.

16 These agencies with seriousness
17 of purpose have embraced secretary reviews
18 for decades. As an example, NASM has been
19 recognized since 1952. Each review has
20 challenged the agencies in appropriate ways,
21 deepening the focus on rigor and
22 effectiveness.

23 This round of review offered new

1 and unexpected challenges. In January of
2 2013 the four agencies submitted petitions
3 for review. We learned months later that
4 the Department had resources to review only
5 one application and that the remaining three
6 would be postponed a year, that the
7 petitions, now due in January of 2014, would
8 need to be substantially rewritten.
9 Further, as we entered this round of review,
10 decade-long-held designations regarding
11 agency scope and standing as separate and
12 independent were modified multiple times in
13 mid-process.

14 These events steered our minds
15 and our efforts away from the important
16 forward-looking work needing to be
17 accomplished. However, with the assistance
18 of staff we were able to navigate the
19 challenging landscape and to finalize our
20 petitions.

21 We look forward to offering these
22 materials now required to complete the
23 process for NASM, NAST and NASD, and as well

1 we look forward to continuing to participate
2 in a conversation that centers its focus on
3 and helps us to consider and address the
4 important issues that face higher education
5 and our fields today.

6 I would be pleased to address any
7 questions that have arisen with regard to
8 our agencies at this time. Thank you.

9 CHAIR PHILLIPS: And I might ask
10 you to state your name.

11 DR. MOYNAHAN: Indeed, and I
12 should have done that at the beginning. May
13 I first introduce to my right Richard Mann,
14 our agency's counsel. And my name is Karen
15 Moynahan. I'm the associate director --
16 sorry, I'm the executive director of the
17 National Association of Schools of Music,
18 the National Association of Schools of Art
19 and Design, the National Association of
20 Schools of Theatre, and the National
21 Association of Schools of Dance. Thank you.

22 CHAIR PHILLIPS: Reader questions
23 for the agencies? Bill Pepicello?

1 DR. PEPICELLO: Good morning.

2 DR. MOYNAHAN: Good morning.

3 DR. PEPICELLO: I'm just
4 wondering what the rationale is for the
5 request in change of scope from units
6 offering music to just the freestanding
7 institutions.

8 DR. MOYNAHAN: We did not request
9 that change of scope. The Department staff
10 suggested it to us. NASM, as an example;
11 the other three as well, but I'll use NASM
12 as the example, has a membership of over 600
13 institutions. The great majority of those
14 are multipurpose institutions which use any
15 of the regional bodies as their gatekeepers.
16 There are freestanding schools of music,
17 that if they hold both regional and our
18 accreditation, specialize -- in this case
19 institutional accreditation, can choose one
20 of the two accrediting bodies as the
21 gatekeeper for federal funding.

22 So what we have done in the case
23 of freestanding institutions is that all the

1 standards apply to all the institutions, but
2 there are additional standards from the law
3 that are applied to -- must be applied to
4 any freestanding institutions. So we have
5 applied those standards to all institutions
6 for which we serve as the gatekeeper. And
7 the Department has suggested now that we
8 apply those standards to all freestanding
9 institutions for which we accredit. And I
10 believe that that's the history of the
11 request for the change.

12 It would still be appropriate for
13 the associations to -- it would always be
14 appropriate for the associations to apply
15 all of the standards to all the
16 institutions, but we'll work with the
17 Department staff to craft wording and study
18 the issue of applying all of the standards,
19 the gatekeeper standards to the institutions
20 that don't choose us as their gatekeeper.

21 DR. PEPICELLO: Okay. Thank you.

22 DR. MOYNAHAN: You're welcome.

23 CHAIR PHILLIPS: Other reader

1 questions or Committee questions for the
2 agency?

3 (No audible response)

4 CHAIR PHILLIPS: I'd like to add
5 one question of my own for you. You've been
6 doing a lot of thinking and reanalyzing
7 where you've been -- needed to be in
8 compliance with the regulations. Are there
9 things that you have run into in the course
10 of this process that you've discovered you'd
11 like to try, but you haven't been able to in
12 terms of recognition?

13 DR. MOYNAHAN: I'm not so sure in
14 terms of recognition, but I think there are
15 always issues that the associations wrestle
16 with, contemplate, consider that could be of
17 better furthering assistance to the member
18 institutions. And we participate in ongoing
19 dialogue with each of the four
20 organizations, their boards, their executive
21 committees, if they indeed have them, their
22 commissions and the memberships to try to
23 ascertain that which they hold important

1 now, that which they think is important in
2 the future and that which we should be
3 speaking about as organizations. That for
4 us is a particularly important conversation
5 and an ongoing one.

6 CHAIR PHILLIPS: Can you give any
7 information about what kinds of things you
8 are hearing about that institutions are
9 interested in trying that they're
10 considering?

11 DR. MOYNAHAN: Indeed. Well, let
12 me give an example. Let's take the Art and
13 Design Association, which was on the consent
14 agenda this morning and is not before you
15 right now, but it's a very good example.

16 Art and Design started in the
17 '40s, the accrediting body started in the
18 '40s. If you look at the standards that
19 were written or put together in the '40s,
20 you won't find standards for animation,
21 design, digital media, not specifically as
22 they're written today. And so as the field
23 progresses, we have to consider how we would

1 consider standards that would progress with
2 the field. So are we trying
3 those things? And the answer is I'm not
4 sure we're trying them, but we're aware of
5 them and we are desirous of being current
6 with the field and its activities to assist
7 the institutions by developing standards
8 that speak to majors and new areas of
9 emphasis within majors that we didn't see in
10 1940 or 1950, or earlier than that.

11 So the initiatives tend to be --
12 they tend to bubble up from the work of the
13 associations, the activities in the field,
14 the progression of the disciplines in Music,
15 Theatre, Art and Design and in Dance.

16 CHAIR PHILLIPS: Thank you very
17 much.

18 DR. MOYNAHAN: You're welcome.

19 CHAIR PHILLIPS: Any last
20 questions? Simon Boehme?

21 MR. BOEHME: Simon. Thank you,
22 Madam Chair. Why were the standards not
23 applied to the freestanding institutions

1 previously?

2 DR. MOYNAHAN: They were.

3 MR. BOEHME: They were?

4 DR. MOYNAHAN: Yes. Yes. Indeed
5 they were.

6 MR. BOEHME: Thank you.

7 CHAIR PHILLIPS: Anne Neal?

8 MS. NEAL: Along that same line,
9 can you explain for me again your statement
10 that applying those same standards to the
11 Title IV and to everybody else but
12 potentially not applying the same standards
13 to those that are not using you for Title IV
14 purposes -- what's your druthers there? I
15 mean, what would that entail if you had
16 different standards depending on whether it
17 was for gatekeeping purposes or not?

18 DR. MOYNAHAN: Well, our druthers
19 would be to be comprehensive to all
20 institutions to ensure that any institution
21 that gained accreditation met all of the
22 standards and did so in a comprehensive
23 nature.

1 But let me give you an example:
2 This is a matter I think to a certain extent
3 of two different agencies. Let's take
4 conservatory A, and conservatory A exists in
5 state A. And this conservatory has a few
6 options with regard to accreditation. It
7 could seek the accreditation of NASM, and
8 because NASM is secretary-recognized, it
9 could use that accreditation as its ability
10 to tap into federal programs. But the
11 conservatory also has the ability to choose
12 a regional body as well. And many of them
13 do.

14 A good number of our institutions
15 that are freestanding in music, in art and
16 design, in theatre and in dance -- and there
17 are very few in music, very few in dance and
18 very few in theatre, and maybe 30-some-odd
19 in art and design. The grand majority of
20 them do indeed choose to have two
21 accreditations, two accrediting bodies
22 accredit them. So many times what we'll see
23 in our institutions is conservatory A will

1 be recognized by NASM, accredited by NASM,
2 but also accredited by one of the six
3 regionals.

4 So in this case, it would be --
5 and the institution will choose, and
6 typically they'll choose the regionals. Not
7 always, but typically. In this case it
8 would be the regionals that would pass
9 through the requirements with regard to
10 teach-out and some requirements with regard
11 to student services, as an example, so that,
12 as I believe the law suggests, that you
13 don't have two accrediting bodies serving in
14 the same role.

15 And so it's not that we don't
16 want to apply those. It's that we're trying
17 to look at the institution and ensure that
18 the institutional accrediting body or the
19 accrediting body that's been designated as
20 the institutional body take the lead role in
21 that.

22 So we don't have different standards for
23 different institutions, but we tack onto the

1 application those standards if we are the
2 sole accrediting body.

3 MS. NEAL: And your standards are
4 over and above what the regionals are
5 applying?

6 DR. MOYNAHAN: No, I don't think
7 I would say that. I think with regard to
8 curricular programs that would be true --
9 obviously so. But, no, I don't think so.
10 No, not at all. I think they're very
11 complementary. As a matter of fact, the
12 agencies have a long history of conducting
13 with the regional associations, all six of
14 them, joint visits where our procedures, to
15 a certain extent, and our standards dovetail
16 and we help the institutions to conserve
17 their resources by bringing both processes
18 together at the same time. And we've been
19 able to do that successfully because the
20 standards are very complementary. Thank
21 you.

22 CHAIR PHILLIPS: Other questions
23 for the agencies?

1 (No audible response)

2 CHAIR PHILLIPS: Thank you very
3 much.

4 DR. MOYNAHAN: You're welcome.
5 Thank you.

6 CHAIR PHILLIPS: Department want
7 to make any further comments, Department
8 staff?

9 (No audible response)

10 CHAIR PHILLIPS: No? Okay.
11 We'll have separate motions for each of the
12 agencies, and I'll start with the Dance
13 agency. That one is Anne Neal and John
14 Etchemendy. Your motion would be?

15 MS. NEAL: This is Anne Neal.
16 Let's see, that NACIQI recommend that the
17 assistant secretary accept the
18 recommendations as submitted by the staff
19 for, let's see, continuation -- I have the
20 wrong sheet. That's for continuation -- I
21 apologize. I'm looking for the -- wrong
22 motion. Can somebody help me here? On the
23 screen? Oh, there we go. Without my

1 glasses, I'm not sure I can see it. For
2 compliance -- oh, let's see. Oh, within 12
3 months. That's right. Hold on. Let me
4 just get it.

5 CHAIR PHILLIPS: Motion's been
6 made as on the screen. Second? John
7 Etchemendy second. Discussion?

8 (No audible response)

9 CHAIR PHILLIPS: Calling the
10 vote. Those in favor, signify by your
11 hands?

12 (Show of hands)

13 CHAIR PHILLIPS: Those opposed?

14 (Show of hands)

15 CHAIR PHILLIPS: Abstention?

16 (Show of hands)

17 CHAIR PHILLIPS: Vote carries
18 unanimously. Thank you.

19 **NACIQI RECOMMENDATION**

20 **National Association of Schools of Dance**
21 **(NASD)**

22 **NACIQI recommends that the**
23 **agency's recognition be continued and that**

1 **the agency be required to come into**
2 **compliance within 12 months, and to submit a**
3 **compliance report that demonstrates the**
4 **agency's compliance with the issues**
5 **identified in the staff report.**

6
7 Our next one will be Music, and
8 I'll invite the recusal to recuse. This is
9 Brit Kirwan and Simon Boehme. The
10 recommendation motion would be?

11 DR. PEPICELLO: This was Jill and
12 myself. Bill Pepicello.

13 CHAIR PHILLIPS: Oh, I'm sorry.

14 DR. PEPICELLO: We would support
15 the staff recommendation you see on the
16 screen, and I would so move that that be the
17 recommendation of the NACIQI.

18 CHAIR PHILLIPS: Okay.

19 DR. DERBY: I second the motion.

20 CHAIR PHILLIPS: Motion's been
21 moved and seconded. The recommendation is
22 on the screen. Those in favor, signify by
23 raising your hands.

1 (Show of hands)

2 CHAIR PHILLIPS: Those opposed?

3 (Show of hands)

4 CHAIR PHILLIPS: Abstentions?

5 (Show of hands)

6 CHAIR PHILLIPS: Thank you very
7 much.

8 **NACIQI RECOMMENDATION**

9 **National Association of Schools of Music**
10 **(NASM)**

11 **NACIQI recommends that the agency's**
12 **recognition be continued and that the agency**
13 **be required to come into compliance within**
14 **12 months, and to submit a compliance report**
15 **that demonstrates the agency's compliance**
16 **with the issues identified in the staff**
17 **report.**

18

19 Last is Theatre.

20 MR. BOEHME: Simon Boehme.

21 Motion that the agency's recognition be
22 continued and that the agency be required to
23 come into compliance within 12 months and to

1 submit a compliance report that demonstrates
2 the agency's compliance with the issues
3 identified in the staff report. So moved.

4 CHAIR PHILLIPS: Second?

5 DR. WILLIAMS: Carolyn Williams.

6 Second the motion.

7 CHAIR PHILLIPS: Carolyn Williams
8 second. Any further discussion?

9 (No audible response)

10 CHAIR PHILLIPS: Call the
11 question. Those in favor, signify with your
12 hand.

13 (Show of hands)

14 CHAIR PHILLIPS: Those opposed?

15 (Show of hands)

16 CHAIR PHILLIPS: Abstention?

17 (Show of hands)

18 CHAIR PHILLIPS: Thank you very
19 much. Motion carries.

20 All right. Thank you very much.

21 DR. MOYNAHAN: Thank you.

22 **NACIQI RECOMMENDATION**

23 **National Association of Schools of Theater**

1 (NAST)

2 NACIQI recommends that the agency's
3 recognition be continued and that the agency
4 be required to come into compliance within
5 12 months, and to submit a compliance report
6 that demonstrates the agency's compliance
7 with the issues identified in the staff
8 report.

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CHAIR PHILLIPS: So as we shuffle
our paper, we find ourselves in the
surprising situation of being ahead of
schedule. We were set to conclude our
agency review business, adjourn for lunch
and resume at 1:00. We do have the deputy
undersecretary joining us after lunch around
1:00, 1:15, but we would like to at least
start our policy agenda, frame the
discussion that will occupy our agenda for
the rest of today and tomorrow. Start that
before lunch. Then we'll take a lunch break

1 and come back with the larger part of the
2 agenda, if that works for folks.

3

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OVERVIEW OF THE 2014 POLICY AGENDA

5

6 So in designing our policy
7 agenda, as many of you know, we had a small
8 subcommittee work with what kinds of things
9 we needed to do to get the Committee
10 thinking again about the policy
11 recommendations that it had made in 2012, as
12 well as to consider -- now, here we are
13 different time, different place -- what
14 kinds of things we needed to take up now,
15 and also what kinds of things we might be
16 prepared to think about our own processes in
17 the recognition process.

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And so we put together a series
of opportunities for learning and
discussion. We had a Webinar, a training
Webinar for the Committee Members to get
some updates on what has been on the
legislative and executive scene for the last

1 several years and also have designed a
2 series of panels for later on this afternoon
3 to speak to the kinds of perspectives that
4 we might want to consider as we take up our
5 policy agenda.

6 We thought we would start today
7 with a basic reminder about NACIQI's charge
8 and then also where we left off in 2002. So
9 very briefly I asked Carol to speak to the
10 question of the legislative mandate to
11 NACIQI, our charter, the value of NACIQI,
12 what it does. And I'll turn the mic over to
13 her as a starting point. So this is our
14 context.

15 MS. GRIFFITHS: All right. Thank
16 you. And, yes, this is a context for the
17 policy.

18 The NACIQI is established by law,
19 and that law of course was the Higher
20 Education Opportunity Act, and Section 114
21 specifically, that calls for the
22 establishment of a committee to assess the
23 process of accreditation and institutional

1 eligibility and certification of
2 institutions of higher ed under Title IV.
3 Basically, there are two broad areas, but
4 those broad areas are listed as six
5 different functions in the law.

6 So your function specifically is
7 also mandated by law. Those six functions
8 were lifted and placed within the
9 regulations -- I mean, in your -- and in
10 your charter. I think it's really in your
11 charter. I'm not sure about the
12 regulations. Excuse me.

13 The first three of those
14 functions deals specifically with the
15 recognition review process; so that's 50
16 percent of your work specifically has to do
17 with the recognition process, to advise the
18 secretary on the establishment and
19 enforcement of standards for accrediting
20 agencies under Sub-part 2, which is the
21 recognition criteria, to advise the
22 secretary with respect to individual
23 recognition of individual agencies, and

1 third, to advise the secretary with a list
2 that he publishes each year regarding which
3 agencies he deems by listing are reliable
4 authorities as to the quality of the
5 education and training of the institutions
6 and programs that they accredit. That's a
7 pretty heavy lift and a very, very critical
8 part of your work.

9 The last three functions deal
10 more broadly with accreditation,
11 certification and eligibility and the
12 relationship between the institutions and
13 the state and the federal government. They
14 include advising the secretary regarding
15 eligibility and certification processes that
16 enable institutions to participate in Title
17 IV. And you might recollect on the Webinar
18 there was a briefing on the various policy
19 initiatives taking place in the Department
20 regarding regulations affecting institutions
21 who choose to participate in Title IV under
22 program integrity, gainful employment, those
23 kinds of issues. Secondly, to advise the

1 secretary with respect to the relationship
2 between the institutions in that perspective
3 that they have with the certification
4 process and with the state licensing
5 responsibilities. So you're looking
6 broadly. And then any other advisory
7 functions that the secretary seeks from you.

8 As you recollect, back in 2010
9 the secretary invited and asked for a report
10 of recommendations as we go forward in
11 evolving the eligibility process and the
12 accreditation process and the
13 reauthorization of the HEA.

14 That, too, is 50 percent then of your charge
15 and something that is very critical to the
16 Department that you participate in and that
17 your voices are heard, as your voices are
18 representative of many different
19 perspectives. So we're glad to have you
20 here and participating in that part of the
21 process as well.

22 Let me digress back to the
23 recognition process. The Department relies

1 and the secretary relies very heavily on
2 your independent judgment from your
3 experience and your perspective. Just as
4 negotiated rulemaking calls on the community
5 to participate in the process of making
6 rules, so too the NACIQI is charged with
7 providing that independent assessment. It
8 keeps the process transparent, which is why
9 you're an advisory committee. It's part of
10 being an advisory committee is that your
11 process is transparent and open to the
12 public.

13 It also provides the Department
14 an assurance of a fair and equitable review
15 because of the NACIQI's role in doing this
16 function, but also because of the various
17 perspectives you bring to the function. So
18 not to lessen that portion of your job and
19 what you volunteered for at all.

20 I hope I've set the context
21 there. If there's anything else or if you
22 have questions about any of the six
23 functions that are outlined in your charter,

1 please don't hesitate to inquire.

2 CHAIR PHILLIPS: Questions for
3 Carol?

4 (No audible response)

5 CHAIR PHILLIPS: Okay. So let me
6 take the next couple of steps in framing our
7 discussion. As Carol mentioned, and many of
8 you know, when we convened, when NACIQI was
9 reconvened in 2010 the secretary asked us
10 specifically for recommendations about the
11 higher education reauthorization.
12 Obviously, that was now four years ago. It
13 took us about a year, a little over a year
14 to walk through the process of developing
15 recommendations. A long process. After we
16 did a lot of listening, a lot of reading, a
17 lot of learning, a lot of discussion, a lot
18 of debate, the final report was accepted and
19 I'm going to speak to both the report and
20 the alternative report.

21 The final report was accepted in
22 a bipartisan vote of nine to two in favor,
23 and it began with a recommendation to retain

1 accreditation as an element evaluating
2 institutional eligibility for Title IV
3 funds. It also spoke to the Triad of actors
4 in educational quality assurance: federal,
5 state and accreditor, that they can and
6 should work better together. It raised
7 questions about whether state or regional
8 recognition processes made sense in a world
9 where cross-state and indeed cross-nation
10 educational activity was increasingly the
11 norm.

12 It encouraged more flexibility
13 and nuance in the recognition and
14 accreditation process directing more
15 attention to where it was needed and
16 providing expedited options for where it
17 wasn't. It argued for relief from existing
18 regulatory criteria to make them less
19 intrusive, prescriptive, costly and granular
20 while maintaining essential quality controls
21 of gatekeeping.

22 It spoke to the need to contain
23 the voracious appetite for data that has

1 grown through statute and regulation across
2 accreditation state and federal agencies.
3 It argued for a minimum set of data that
4 would address federal interest and/or
5 institutional improvement without imposing
6 due burden or undue intrusions. It
7 advocated for greater transparency in the
8 accreditation process. And it recommended
9 that its own work continued to consider how
10 quality assurance processes might be
11 improved.

12 The minority report was also
13 voted on in a bipartisan way. It was a vote
14 of four to seven opposed. It recommended
15 breaking the link between federal student
16 aid and accreditation citing concerns about
17 the quality of the accreditation and quality
18 assurance system with the note that
19 accreditation was both costly and intrusive,
20 impinging on institutional autonomy and full
21 of conflicts of interest among accreditors.

22 It also recommended a new
23 simplified and consumer-friendly expedited

1 alternative cost-effective system of quality
2 assurance that was comprised of indicators
3 of financial solvency, as well as public
4 disclosure of a basic set of information
5 such as costs, retention, graduation rates,
6 default rates and student outcomes. It
7 argued that accreditation raises costs,
8 undermines institutional autonomy and argued
9 against the current system of regional
10 accreditation.

11 Much has happened since 2012.
12 The Department has advanced expedited agency
13 review options. Regional accreditors are
14 beginning to explore common terminology.
15 Worries about affordability of higher
16 education have grown enormously. The House
17 and Senate have made a number hearings on
18 the topics of higher education, and there is
19 even a congressional panel perhaps that Brit
20 Kirwan will fill us in on the reduction of
21 regulatory burden.

22 In the context of these past two
23 years, where we were and the past two years

1 now, our question becomes for us of the 2012
2 observations, the main report and the
3 alternative report, what are the significant
4 changes that have occurred? What needs
5 revising, simplifying, clarifying, updating?
6 What areas were not addressed in 2012 that
7 warrant new policy recommendations now? And
8 are there some areas of NACIQI role and
9 operation that could better serve the goal
10 of assuring quality in higher education?
11 Not a small task.

12 As we approach our conversations
13 this afternoon, we've introduced three sets
14 of panels. Two will be this afternoon and
15 one tomorrow morning. One on policy
16 perspectives, one on institutional
17 perspectives and one on accreditor
18 perspectives to help us address that set of
19 questions. What are the significant
20 changes? What needs changing from our prior
21 positions? What hasn't been addressed that
22 should be addressed now? And how can we as
23 a body be more effective in advancing the

1 goal?

2 So that casts a frame for our
3 policy conversations coming up. Our goal
4 for the meeting is to arrive at the end of
5 our work tomorrow with a set of areas in
6 which we'd like to develop further policy.
7 Depending on how that looks, we'd invite a
8 smaller group to work on that over the
9 summer and into the fall, come back to the
10 larger group with a set of recommendations
11 for us to consider. There's a period of
12 public comment in that. And then final
13 action on whatever it is we choose to take
14 action on in our December meeting. So
15 that's the overall arching -- it's a bit of
16 a faster paced schedule than we did last
17 year, but that's the overall as we look at
18 it.

19 Now, those of you who were in the
20 policy conversation in 2012 might want to
21 add your perspectives. I would invite you
22 to do so and would even -- if Brit would
23 tell us a bit more about the policy

1 deregulation initiative, we'd welcome that
2 as well.

3 DR. KIRWAN: Brit Kirwan. Fine.
4 Happy to do so. First I have a question:
5 Could you speak a little more to one of the
6 items you mentioned, that the Department is
7 sponsoring or has sponsored an expedited
8 review process that I guess the regionals
9 are considering? Or have they any
10 implemented -- what exactly did the
11 Department -- what is this expedited review
12 process?

13 CHAIR PHILLIPS: The "expedited"
14 is my word, I think, not the Department's.
15 As you know, there are something on the
16 order of 95, 96 criteria that are currently
17 in place. Last year the Department
18 identified a subset of 25 that would be
19 focused on -- I'll ask Herman Bounds to fill
20 in the pieces on where the Department is
21 with that.

22 DR. BOUNDS: Yes, Herman Bounds.
23 Yes, that process was started by Kay

1 Gilcher. And as Susan said, we identified
2 25 criteria that we thought would speak
3 closely to educational quality. The way
4 that it's supposed to begin is once all the
5 agencies have been reviewed and satisfied
6 and we've looked at the 95 criteria for
7 Title IV gatekeepers, their next review
8 would then be of those specific 25 items.

9 We still expect agencies to be in
10 compliance with all of the criteria, but
11 once they do that initial review, we're
12 going to start the detailed review of just
13 the 25. And of course if we receive
14 information say through a complaint process
15 or from the public of any other means that
16 would question their compliance in any other
17 areas, then of course the analyst would look
18 at those specific areas.

19 DR. KIRWAN: So the expedited
20 review is of the accrediting bodies, not in
21 the expectations of the institutions?

22 DR. BOUNDS: Right, it's of the
23 accrediting bodies themselves.

1 DR. KIRWAN: Okay.

2 DR. BOUNDS: That's correct.

3 CHAIR PHILLIPS: And further, for
4 the Title IV function it's --

5 DR. BOUNDS: Right. Yes, the
6 Title IV function will still be reviewed.
7 Right. Yes.

8 CHAIR PHILLIPS: Just to clarify
9 further, the regionals have responded to a
10 different set of concerns in their interest
11 to work together to see if they could come
12 up with common language. It's a separate
13 initiative altogether from what the
14 Department has been working.

15 DR. KIRWAN: Did you want me to
16 make just some brief comments?

17 CHAIR PHILLIPS: That would be
18 wonderful.

19 DR. KIRWAN: Okay.

20 CHAIR PHILLIPS: Thank you.

21 DR. KIRWAN: So back about six
22 months ago the U.S. Senate, sponsored by
23 Senator Mikulski and Senator Alexander,

1 established a commission to look at the
2 deregulation of higher education. The idea
3 was they heard consistently about the
4 onerous burden of regulations on higher
5 education institutions across the board, but
6 specifically those emanating from the
7 Department of Education. And so they
8 invited me and Nick Zeppos, who's the
9 chancellor of Vanderbilt University, to co-
10 chair this commission. And the commission
11 members consist of representative presidents
12 of institutions across the United States
13 representing the variety of types of
14 institutions. The American Council of
15 Education is providing the staff support for
16 this work.

17 So we've been hard at work now
18 for quite a few months and our aim is to
19 issue a report early in 2015. And the
20 Senators' interest is in using this report
21 as they go about the process of
22 reauthorizing higher education.

23 Senator Alexander, in his typical

1 colorful language, said I want to know the
2 top 10 most onerous regulations and how to
3 fix them. And so we are taking that
4 seriously. We're looking at that particular
5 aspect. But there's also a feeling on the
6 commission that we don't want to try to fix
7 10 regulations and then have 10 more come
8 along down the road that are equally
9 problematic.

10 And so we're also looking at the
11 policy creation, regulatory operation, modus
12 operandi to how can that process lead to a
13 more streamlined focused set of regulations?

14 Oh, I should have said at the
15 outset everyone on the commission has said
16 obviously higher education needs to be held
17 accountable. We need to have oversight.
18 The federal government spends a lot of money
19 on higher education. It has every right to
20 have regulations and have accountability.
21 But I think everyone agrees the process
22 could work better, could be streamlined and
23 respecting the need for accountability, but

1 hopefully reducing the cost and other
2 burdens associated with the regulations.

3 Now accreditation is coming into
4 this mix. It's not about accreditation, but
5 that is a part of the process that is coming
6 into the mix. So that is something the
7 commission will take a look at it. But it's
8 not, as I say, the primary focus.

9 What also is interesting is that
10 you may remember that the National Research
11 Council issued a report two years ago on the
12 future of America's research universities,
13 and in that report there was a call for a
14 review of the regulatory burden that faces
15 research universities. So there is a second
16 effort at work.

17 The Board on Higher Education in
18 the Work Force in the National Research
19 Council has been charged at looking at the
20 regulatory burden across higher education
21 somewhat parallel to what the Senate has
22 asked the commission Nick Zeppos and I co-
23 chair are doing. However, a difference is

1 that it's clear in the case of your
2 commission that we are focused on the
3 Department of Education. And so the
4 National Research Council, the Board of
5 Higher Education in the Work Force is
6 looking more broadly and undoubtedly will
7 focus more on the research regulation. In
8 the irony of ironies, I happen to chair the
9 Board on Higher Education in the Work Force.
10 So I'm involved ironically in both reviews.

11 So I would say we're off to a
12 good start. We have terrific staff support
13 from ACE, and Nick and I have volunteered
14 staff from our institutions to help with
15 this effort. And I'm optimistic that we're
16 going to produce a hopefully useful report.

17 CHAIR PHILLIPS: Thank you. I'm
18 sure that every institution is rooting for
19 you.

20 DR. KIRWAN: Well, we have put
21 out calls.

22 CHAIR PHILLIPS: Yes.

23 DR. KIRWAN: Terry Hartle from

1 ACE and I made a presentation at the
2 American Council on Education meeting, AAU
3 is -- and other major association meetings.
4 Letters have been sent out to institutions
5 asking for their guidance and advice on
6 these matters.

7 A major focus of the effort is on
8 the financial aid process, so we are
9 collecting best thinking on how to
10 streamline that process.

11 CHAIR PHILLIPS: Thank you. Art?

12 MR. ROTHKOPF: Yes, a couple of
13 thoughts. One, Brit, I'm not sure -- I
14 mean, it's good to hear this report, because
15 I think it's an important subject that the
16 two senators have got you on, but I'm not
17 sure where if at all accreditation fits in.
18 You go back to the -- well, the majority
19 report of two years ago had things in there
20 about not just reducing excessive data and
21 regulation, but it also talked about
22 expedited reviews, risk-adjusted decisions
23 that accrediting bodies would make basically

1 saying -- and also saying the regional -- or
2 there ought to be sector-related accrediting
3 bodies, more transparency. There was a
4 whole series of recommendations, much of
5 which seemed to have landed with a thud, but
6 -- because I don't know that anything has
7 ever happened on any of them.

8 But my question really is- is
9 your group looking at those recommendations
10 in any way or is -- where does accreditation
11 fit in, because it's obviously a regulatory
12 burden of some consequence onto the
13 institutions that are being reviewed?

14 DR. KIRWAN: So the answer is,
15 yes, we are looking at accreditation because
16 it is part of the charge to -- I mean, it is
17 a regulation, so it's part of the charge.
18 And we are certainly doing a considerable
19 research effort to find various reports and
20 recommendations that have come from any
21 number of different bodies about how to
22 streamline or improve the accreditation
23 process. So I'm sure the information you

1 just described will be included in that that
2 is reviewed as we make -- assuming -- and
3 it's not a given, that we make any
4 particular recommendations on accreditation.

5 But so, I'm not sure I completely
6 understand your question, but we are
7 definitely looking at accreditation.

8 MR. ROTHKOPF: I guess my
9 question is to whether -- as you look at
10 accreditation there were a series of
11 recommendations that were included in the
12 majority report that went to transparency,
13 restructuring the regionals, including maybe
14 treating the research universities in a
15 different way, I mean, a whole series of
16 ideas and also lessening the burden on
17 institutions that are doing what by all
18 accounts a very good job. I mean, we heard
19 testimony from Shirley Tilghman and others
20 about the process they were put through.
21 And I guess my question is is this something
22 you're going to think about or is this
23 something that we ought to be still dealing

1 with here in NACIQI?

2 DR. KIRWAN: Well, I would say
3 both. We will definitely -- and if there's
4 further guidance from NACIQI, that would be
5 much appreciated. So, but I think the
6 commission I co-chair won't be bound by
7 looking at only the recommendations that
8 come from NACIQI.

9 MR. ROTHKOPF: Oh, I understand
10 that.

11 CHAIR PHILLIPS: Frank Wu?

12 MR. WU: I just have a question
13 about the policy work that we're going to
14 do. It may be that nobody here knows the
15 answer. It also may be that the answer
16 won't affect what we do. But I'm just
17 curious. And if someone does know the
18 answer, it might change how we go about our
19 work. Hearing about what Brit's working on
20 makes me wonder how many other official
21 federal government efforts are there that
22 are parallel to, similar to, or maybe
23 overlapping with what we're doing. I'm just

1 wondering so that we can provide maximum
2 value and make the best use of our time.

3 Although maybe we want to do
4 this, I'm not inclined to duplicate other
5 people's work, but it may be that there is
6 value to multiple reports. But, if for
7 example, Brit and his group is already doing
8 something, I would imagine Brit doesn't want
9 to do it in that forum and also here. I may
10 be wrong. So I'm just wondering.

11 The question is how many other of
12 these efforts are underway at this time? I
13 mean official federal government Department
14 of Ed or congressional efforts to do things
15 similar to what we're about to do.

16 CHAIR PHILLIPS: So the devil is
17 in the details of how you define "similar."
18 So many people wonder if the Department's
19 development of a rating system is similar to
20 the recognition process. I don't believe
21 that there are any other officially
22 constituted entities to focus specifically
23 on accreditation and recognition. That

1 would be us. But it would be a good
2 question for Jamie Studley as she comes,
3 since she would certainly be aware of those.

4 And if one imagines the
5 connections between what I'll call the
6 Deregulation Commission and our work,
7 obviously the deregulation is about all
8 matters concerning institutional regulation,
9 not just the accreditation process, and
10 certainly it could be argued that there is
11 no other body than this that knows the
12 recognition and accreditation better. So I
13 could say that that Venn diagram is not
14 particularly strongly overlapping. Some,
15 but not strongly.

16 I'd welcome other questions or
17 comments if people have different knowledge
18 of other bodies than I'm aware of. Sally?

19 MS. WANNER: I agree with what
20 you said. I don't think there's any other
21 federal group that's focusing of recognition
22 and accreditation in the Title IV arena.

23 CHAIR PHILLIPS: Frank?

1 doing may be for a very broad audience and
2 specifically seems to be charged by Senate
3 leaders of the Education Committee, the HELP
4 Committee. I don't know. It's a
5 congressional audience generally.

6 We're the Advisory Committee to
7 the secretary, so it's potentially a
8 different role, a different process. And I
9 was always under the impression that our
10 advice was intended to impact the
11 Department's internal work around the
12 development of its higher education
13 authorization proposal as opposed to --
14 doesn't mean we wouldn't share it with
15 outside groups and Congress, but that we are
16 advisory to the secretary; he asked us to do
17 this, and that our job is to try to help him
18 in his development of a department agenda
19 around that.

20 And I guess this gets ahead of
21 what Jamie is going to say to us, but I
22 think that to your point, Frank, my question
23 would really be how can we help the

1 Department? I mean, we all have opinions
2 about everything; in fact, I think we do,
3 but how do we in our role on this Committee
4 help the Department in its revisions or
5 approaching its development? Because I
6 don't know if it's done. I don't know what
7 status is completely of the Department's
8 work, but my sense is it will continue to
9 evolve. And that's where I think we'll have
10 the greatest impact is on their legislative
11 program as opposed to the rest of the
12 debate.

13 CHAIR PHILLIPS: It's certainly
14 the ears that are -- that we're assigned to
15 speak to are the ears of the secretary. But
16 did you want to say something?

17 (No audible response)

18 CHAIR PHILLIPS: Okay. Anne?

19 MS. NEAL: I appreciate what Cam
20 just said, but I also think in the nature of
21 an advisory committee where we are to bring
22 independent perspectives that if I do not
23 view my job as assisting the Department -- I

1 think my job is to provide an independent
2 perspective on issues before us. They may
3 or may not assist the Department. But to
4 suggest that I am here to facilitate
5 whatever the Department is doing, I think
6 would undermine the very purpose of this
7 body, which is bipartisan, it is appointed
8 in very different ways, it presumably should
9 be bringing diverse perspectives on it. I
10 think it would be a marvelous opportunity to
11 address some of these issues and to allow us
12 to bring different perspectives, but not
13 necessarily on the premise that I need to be
14 agreeing with or helping the Department.

15 MR. STAPLES: If I could. Not to
16 engage in a debate over that. That
17 certainly wasn't what I was intending. I
18 think we're advisory. We have our own
19 opinions. We've already differed from the
20 Department in various ways. Just that our
21 primary audience by virtue of our
22 constitution is the secretary. That's all.

23 CHAIR PHILLIPS: Art Rothkopf?

1 MR. ROTHKOPF: Yes, I just want
2 to follow up on Frank's point about the
3 rating system. And Jamie's in charge, so
4 we'll have the person in charge here in a
5 couple of hours. But I guess my question is
6 -- and it's very murky in light of what was
7 in the background materials to the
8 President's State of the Union message, I
9 guess, in 2013 suggesting that the ratings
10 somehow were related to accreditation. And
11 we've never gotten any further amplification
12 or clarification of that.

13 And so I guess the point I'd make
14 is I think that when we as NACIQI look at
15 accreditation and what -- is it good, bad or
16 indifferent, I think we almost have to
17 include the rating system within it because
18 unless someone's going to say, gee, it's got
19 nothing -- you know, some definitive
20 statement, it's got nothing to do with
21 accreditation -- and we certainly haven't
22 heard that in the last 18 months. So I
23 think ratings should be on the agenda.

1 CHAIR PHILLIPS: I've alerted
2 Jamie Studley that we'd like to hear about
3 ratings when she gets here this afternoon.

4 Other comments or questions or
5 observations on the policy agenda as we go
6 forward?

7 (No audible response)

8 CHAIR PHILLIPS: Okay. With that
9 in mind, I'd like to call us out of session,
10 adjourn for about an hour and 15 minutes.
11 See if we can be back here at 12:45 ready to
12 take up -- it's a little bit earlier than
13 we'd anticipated. Don't go too far. And
14 Jamie Studley will be joining us we hope at
15 that time. See you at 12:45.

16 Actually, for those of you
17 Committee Members who wanted to eat at the
18 Capitol Bistro, I reserved a table for 10,
19 if you'd like to just do that. There may
20 also be places outside the building that I'm
21 not aware of.

22 (Whereupon, the hearing was
23 recessed at 11:29 a.m. to reconvene at 12:45

1 p.m. the same day.)

2

3 CHAIR PHILLIPS: Good afternoon
4 and welcome back. I trust that all of you
5 have survived that wilderness of heat and
6 humidity outside the walls.

7 We begin, as I mentioned before
8 our lunch break, our policy conversation
9 this afternoon. Before we do that, I wanted
10 to just do a quick follow-up to the question
11 that was raised this morning about the
12 process of recusals and the complaints
13 against an agency. We've asked for the
14 folks who are the policy people at the
15 Education Department to be available if
16 possible tomorrow. And so we'll hold off on
17 that. I'm filling in the pieces of
18 providing ourselves with an education on the
19 policy until tomorrow. We're not sure if
20 that's going to work or not. But
21 nonetheless, it's on our list of things to
22 take up. So look for that. We're hoping
23 for first thing tomorrow morning.

1 So back to the other parts of the
2 policy agenda. We are fortunate today to be
3 joined by somebody who's very familiar to
4 you, Jamie Studley, who, gosh, if I just
5 moved over, she could move from this chair
6 to that one in the Department. She has been
7 heavily involved obviously in the
8 accreditation process, in the recognition
9 process, and also in the work that the
10 Department is doing in the college score
11 card and rating system.

12 So we've invited her to come
13 bring the Department and her perspective on
14 the policy questions that we might tackle.
15 And I did alert her to the interest that the
16 Committee had expressed just prior to lunch
17 about learning about the role of the rating
18 system relative to the accreditation work
19 that we do.

20 So with that as an introduction,
21 I will turn the mic over to Jamie Studley.
22 Moving the mic here.

23

1 **PRESENTATION:**

2
3 **JAMIENNE STUDLEY,**
4 **DEPUTY UNDER SECRETARY,**
5 **U.S. DEPARTMENT OF EDUCATION**

6
7 DEPUTY UNDERSECRETARY STUDLEY: Oh,
8 I don't need two mics. One is more than
9 enough.

10 CHAIR PHILLIPS: Thank you for
11 being here.

12 DEPUTY UNDERSECRETARY
13 STUDLEY: It's my pleasure and it is very good
14 to be back with NACIQI. I know that the
15 phrase "revolving door" has a mixed
16 reputation in Washington, but for me the
17 chance to have served on NACIQI is actually
18 a very helpful perspective to have as I now
19 am asked to look at the landscape/
20 waterfront as a whole for higher education.
21 And it's good to see all of you with whom I
22 served and those of you who are new, and I
23 understand equally wonderful. So that's a
24 terrific situation to be in. And
25 congratulations to Susan and Art for taking

1 on leadership roles in NACIQI.

2 I'm going to be relatively
3 informal and leave lots of my short time for
4 conversation with you.

5 Carol, the handout that I gave
6 you, I didn't mention, has already been
7 around, so I will assume -- I know you all
8 have different levels of familiarity with
9 the conversation about the college rating
10 system, but I thought that would be a
11 helpful primer at least. And I believe I
12 brought some extra copies for the audience,
13 although perhaps not enough for everyone.

14 The Department is looking at a
15 very big vision for all the kinds of
16 education that we are involved with. The
17 frames of higher better standards,
18 preparation for career and life, and
19 meaningful ways of measuring those are
20 central to how we're thinking about these
21 issues. And I think each of those elements
22 is familiar to anyone thinking about
23 accreditation.

1 The administration has a goal of
2 returning the United States to world
3 leadership in college completion. And when
4 I say "college," I include career technical
5 preparation and the whole universe of post-
6 secondary education opportunities.

7 The President has asked us all to
8 address how college value and affordability
9 fit into the nation's potential for
10 achieving that goal. We have a special
11 focus on access, and also at the same time
12 on meaningful outcomes, especially for low-
13 income students, first generation college
14 goers and others for whom college is the
15 path to opportunity, and, if I might use the
16 word, for "agency," for the sense of control
17 in their lives that is increased by post-
18 secondary education.

19 The President talks very movingly
20 about how post-secondary education
21 accomplished this for him. And the First
22 Lady does the same in regard to her own life
23 story. And we think about those as we think

1 about the much more technical nuance levels
2 of how to make sure that the education that
3 is available in this country actually is
4 available to all, and that it is affordable,
5 and that it means something, that when
6 people get a degree or certificate, it
7 actually carries with it content and
8 learning.

9 And sometimes when we have these
10 conversations, the particular roles that
11 each of us have in that mix becomes very
12 apparent. So the Department has an
13 important role that we all recognize; in
14 some ways the simplest to describe, although
15 quite difficult to execute, of helping move
16 the national investment in funding post-
17 secondary education to people in terms of
18 dollars to allow them to afford a form of
19 post-secondary education, but there are lots
20 of other pieces that I'll come back to as
21 well.

22 Accreditation has a critically
23 important role in helping us understand the

1 learning aspect of that complex set of
2 issues. And in our country's system, what
3 Sylvia Manning described at the last HLC
4 meeting as of a uniquely American creation,
5 we ask accreditation to help us understand
6 what the outcomes of learning are to be and
7 whether the institutions that purport to
8 provide the skills and knowledge that people
9 are seeking are actually effective in doing
10 so.

11 We talk a lot about values when
12 we get to this, and value has at least two
13 important meanings in this conversation on a
14 broad level. And then I will become more
15 specific both about accreditation and about
16 the rating system to help answer your
17 questions.

18 When we talk about value, we
19 sometimes mean quality and affordability,
20 the combination of what we get for what we
21 invest, whether it's time or money, or a
22 combination of the two. We also talk about;
23 and many people have wanted to be very sure

1 that we have these front and center at the
2 same time, values, with an S on the end, the
3 public good of having a more educated
4 citizenry, the civic engagement and lifelong
5 learning and ability to be leaders or
6 interrogate leaders, the economic growth
7 potential that's captured by people having
8 as much education as they can use to fuel
9 innovation and imagination.

10 Today at the White House there is
11 actually something going on that I very much
12 I'd been invited to, but wasn't, called the
13 Maker Faire, F-A-I-R-E. Maker Faires have
14 been happening around the country. The ones
15 I'm familiar with are a combination of
16 technological and craft and art creativity.
17 And it's one way of expressing how people
18 can use the education and broad learning
19 that they get to put to work, to create, to
20 innovate, to see connections and to make new
21 things happen.

22 We also know that there are
23 tremendous individual rewards, individual

1 value that sometimes are front and center in
2 the conversation about what's important
3 about higher education. Resilience, health,
4 the sheer joy of inquiry and mastery, as
5 well as greater chances of being employed,
6 especially in tough times, and income
7 advantages that follow advanced education
8 beyond high school.

9 So all of those play a part in
10 what you do and what we have to think about
11 when we consider the best ways to invest in
12 higher education, the important ways to see
13 whether we're getting what the taxpayers
14 ought to get for that investment. The
15 country is now spending about \$150 billion
16 on post-secondary education support and
17 Secretary Duncan often says that it's one of
18 the bigger expenditures that anybody makes
19 that is relatively untested in terms of the
20 outcomes. We are very clear about the
21 qualifications going in to be able to
22 participate in that program, but all of us
23 are learning to be better at understanding

1 the results of post-secondary education.

2 I'd like to touch on a few themes
3 related to accreditation that I would love
4 you to be looking for as you listen to the
5 expert panels in the next couple of days and
6 as you have your conversation tomorrow.

7 I think we did a good job with
8 our report in 2012, and to the extent that
9 we did, it's a credit to everyone's
10 thoughtfulness to the comments and
11 suggestions that we got, and to Susan's
12 leadership on developing that report. But
13 we also did it at a time when most of us
14 were quite new on NACIQI and just starting
15 to sink our teeth into the role that NACIQI
16 played in the accreditation process and
17 understanding the process itself.

18 Some of you are new and are in a
19 particularly good position to ask fresh
20 questions, and I hope you will. Some of you
21 have probably been thinking back to the
22 recommendations we made and saying, you
23 know, we could go further, or now my

1 experience tells me I want to come at it at
2 a different way. So I think Susan would
3 join me in saying have at it. Go deeper or
4 criticize ourselves. And it may be a useful
5 platform. There may be some ideas you like,
6 but I think that NACIQI's additional
7 experience and two more years of incredible
8 change in the landscape of higher education
9 may mean that there's a lot more that you
10 can do to suggest how this might work.

11 I gather that there was a little
12 bit of discussion about some other
13 activities that are going on, not just the
14 college rating system, but also the
15 commission that Brit is chairing, about
16 regulation, and burden reduction, and making
17 good use of the information, and questions
18 that we ask of higher education, but it
19 seems to me every day I receive more than
20 one interesting thing on the subject of how
21 we can do higher education better.

22 So the sense of information and
23 recommendations coming at all of us and

1 trying to master, sift, use what's useful
2 and be in all of the conversations that are
3 potentially useful is an incredibly tough
4 job. And to the extent that you can help
5 point people to some of the most compelling
6 solutions, some of the most cogent
7 critiques, that is also an important part of
8 the work.

9 We also expect that there may be
10 a conversation to be joined with the Hill on
11 the Higher Education Act, at least coming
12 from the chair, given Senator Harkin's own
13 timetable for leaving the Senate soon. So
14 that's another venue in which the
15 opportunity for suggestions for change from
16 modest to radical also invites your and our
17 best thinking.

18 Susan and I have talked about
19 this before. We had not known each other
20 before NACIQI, and now we find ourselves
21 continuously wanting to talk about these
22 issues. Some of things that we anticipate
23 coming up in your conversation and in the

1 many others that I've mentioned start with
2 the desired outcomes of higher education.
3 NACIQI and accreditation and the Department
4 in its role on accreditation -- well, let me
5 say that again. NACIQI is in a position to
6 challenge accreditors to deepen their
7 thinking about learning outcomes.

8 Accreditors in this uniquely
9 American system have a tremendous
10 responsibility to help us understand what is
11 quality, what is sufficient; both the
12 minimums and what excellence looks like, and
13 that becomes more and more essential as the
14 forms of education delivery, the range of
15 providers grows and as we challenge
16 assumptions about both. How it can be
17 delivered and how we might be able -- the
18 sheer capacity to understand when people are
19 actually learning in both skills and
20 knowledge, what we need, they want -- I
21 mean, there are an infinite number of
22 variations of this -- what a program
23 purported to provide them, what the people

1 who will employ or be served by those people
2 expect of them.

3 And you are very much at a
4 critical pivot point for helping improve
5 that conversation with accreditors to lift
6 up that which is most thoughtful and
7 imaginative. And if there are enterprises
8 that are lagging in that, to help enrich
9 that conversation and set clear expectations
10 so that accreditors both bring their best to
11 the forum in which they can exchange it and
12 meet the standards that you set for them.

13 I think many of us agree that a
14 second thing that NACIQI, the Department,
15 accreditors and many other players can do is
16 better inform and educate the public about
17 what accreditation means, does and stands
18 for. There's a fair amount of discussion
19 whenever these conversations come up about
20 what people should understand by the fact of
21 accreditation or by which accreditor
22 accredits a program. Or we get questions
23 sometimes about why some other controls or

1 constraints are necessary or not fully
2 effective.

3 If accreditation is supposed to
4 set a minimum floor for quality, why would
5 we need some of the other regulatory or
6 statutory kinds of conditions? Shouldn't
7 that take care of it, is the way people ask
8 us. And I think helping us all deconstruct
9 that answer, which is not a simple one,
10 would be very helpful. What are each of our
11 respective roles in setting minimum criteria
12 and helping people understand what that
13 means?

14 Flexibility. And I would add to
15 flexibility burden reduction because there
16 are some natural links in that combination.
17 Are there ways that accreditors can be more
18 nuanced in their determinations? Right now
19 the public answer is not exactly a
20 pass/fail, because in the areas of concern
21 there are variations and nuances if an
22 enterprise is on show cause, subject to a
23 termination order, if there is a finding of

1 concern, there are ways to communicate that.

2 NACIQI raised the question two
3 years ago about whether there should be an
4 up side that would allow accreditors to
5 signal a higher quality bar and ask whether
6 that might be connected to burden reduction
7 or to regulatory flexibility. As we think
8 about experimentation and how you, we,
9 accreditors and others can provide greater
10 flexibility to allow people to pursue new
11 ways of delivering educational program and
12 content, moving in that sort of direction
13 may be part of the foundation for allowing
14 flexibility sooner than we can move through
15 a full statutory, regulatory and
16 implementation process.

17 Let me talk a little bit about
18 ratings. You are all expert on
19 accreditation and can speak to that, but I
20 seem to have gotten the ratings outreach
21 baseball hat to wear. And I passed out the
22 very short blog that I did because it's a
23 quick summary and it would probably save me

1 a little time in telling you about what's
2 going on in ratings, but I will do a
3 synopsis.

4 Back in August, President Obama
5 asked the Department of Education; and we
6 are working in conjunction with the White
7 House, to design a rating system that would
8 allow us to better measure access,
9 affordability and completion in ways that
10 would help advance quality education and
11 opportunity with a particular focus on the
12 population for which we have designed a
13 financial aid system, people who would
14 otherwise be least likely to have an
15 opportunity to secure post-secondary
16 education.

17 That led us to embark on a
18 listening conversation. We made the choice
19 to listen first and draft second. That
20 makes it a little harder because there's no
21 target, no clarity about what we are
22 thinking about, but we thought it would be
23 better to co-design with the public broadly.

1 So beginning in September with a
2 group of student leaders and then with open
3 forums around the country in four different
4 regions we have been listening to
5 stakeholders ranging from parents and
6 counselors, particularly counselors of low-
7 income students, businesses, philanthropy
8 and especially higher education subdivided
9 in many ways. Faculty, presidents,
10 trustees, institutional researchers,
11 admissions folks. I say faculty again
12 because we have come back through many
13 different clusters and associations in order
14 to get a rounded picture. Just because
15 metrics are so important, 80-plus meetings,
16 4,000-plus participants, 450 or more written
17 comments about how we might do this.

18 We find ourselves with lots of
19 great ideas, a few critically important
20 considerations that I want to mention, and
21 then I will talk a bit about how
22 accreditation and ratings actually come
23 together. And you may see lots more

1 opportunities for alignment or
2 specialization as you have your
3 conversations.

4 We have heard a number of people
5 who tell us that a rating system done well
6 could be helpful for both of the potential
7 purposes, accountability for quality
8 education defined as good results at an
9 affordable price in ways that reach the
10 breadth of our population. They see room
11 for positive change in both sharing
12 information for consumer purposes and for
13 accountability about how we spend that very
14 substantial investment, or how we defend
15 making that investment at all.

16 I'm not telling any of you
17 anything new when I say that the environment
18 of concern about the cost of education and
19 people's fears about whether education will
20 be accessible for them and their children
21 puts pressure on that investment in the
22 first place. In order for taxpayers to feel
23 that they are willing to make that

1 investment, they have to think that it's
2 generating results, that it's a good use of
3 public money. So that's part of why we want
4 to make this information clearer and to
5 focus it on a set of values that we and the
6 people we're consulting with think are
7 important. Again, it's almost a mantra.
8 Access, affordability and real meaningful
9 outcomes in educational results.

10 We have been reminded loud and
11 clear that it's important to avoid
12 destructive incentives or to point people in
13 the wrong direction. And I think everyone
14 certainly at this table has lived in an
15 environment in which incentives that move in
16 the wrong direction create behaviors that
17 are unfortunate or pathological. And we are
18 very sensitive to those.

19 Most specifically, on the notion
20 that not only do we take as a centerpiece of
21 whatever we do, the responsibility to avoid
22 reducing access, but in fact to reward
23 access when it is coupled with completion to

1 both make it known when schools are
2 providing access to quality education to
3 students who are the least able to afford
4 higher education, or had the least
5 educational preparation when they began.

6 And that will include some
7 version of looking at the characteristics of
8 the students in ways that let us make a
9 determination about the work that the
10 college has done. We will make this as
11 simple as it can be, but as subtle as it has
12 to be. That's an easy thing to say, but a
13 very hard thing to deliver on.

14 Three quick points that I've
15 started to make lately: I was yesterday at
16 a forum of community college institutional
17 researchers talking about the rating system.
18 And the president of Johnson County
19 Community College in Overland Park, Kansas
20 introduced the event by saying we use data
21 to make ourselves better. And that really
22 is the simple description of what we are
23 trying to do here.

1 This ratings process is not -- in
2 proposing a rating system, we were, and the
3 President was, by no means the first to
4 observe that you get what you measure. And
5 the states have recently started to make the
6 kinds of linkages that the rating system
7 would make. Many of them have worked on
8 performance-based models, and it is
9 interesting and no accident that the
10 institutions that we hear from who see the
11 most positive potential for a rating system
12 are public institutions, and always with the
13 caveat done in a smart way and a thoughtful
14 way and using data that makes sense and
15 avoiding those unintended consequences.

16 The state institutions that are the most
17 familiar with these kinds of discussions are
18 the most comfortable with the positive good
19 that they can do.

20 We already measure an awful lot
21 of things in higher education. What we want
22 to do through the rating system is measure
23 the right things. Frank I know has been --

1 his school is rated by a system that
2 measures primarily wealth, reputation and
3 rejection and it drives institutions in
4 directions that are not very helpful.

5 We count lots of things. We
6 count how many programs a school offers,
7 although we don't really know whether
8 numerosity of different program headings is
9 good for students, bad for students or
10 irrelevant. Wouldn't it be better to
11 measure what the programs are leading to and
12 which one are most effective?

13 So I've already seen a lot of
14 value. Admittedly, I am an optimist and I
15 am inclined -- and I'm listening hard for
16 this. Simply raising these questions and
17 asking people to have this conversation
18 seems to me to have improved the
19 conversation. There are more thoughtful
20 questions at meetings of trustees and
21 presidents about what people can do to
22 increase persistence. Who graduates, why do
23 they graduate, and if they don't, what can

1 we do about it? What tools are available?
2 What are other people doing? How should we
3 evaluate our programs? How can we borrow
4 innovations from other places and how can we
5 accelerate them in our institution? I think
6 there is already positive movement in that
7 regard.

8 So a quick list of things I
9 thought of about how ratings and
10 accreditation have different jobs but
11 complement each other. One is that they are
12 both designed to honor effectiveness,
13 encourage improvement; that's the peer
14 aspect of accreditation, and to set minimum
15 standards. Both systems draw attention to
16 results, accreditation to learning and the
17 rating system to whatever outcomes we
18 choose. But the possibilities include, for
19 example, whether people secure work, whether
20 they secure work that pays better than
21 minimum wage, better than -- we're thinking
22 about how you wisely would measure earnings,
23 whether that has a place in a rating system

1 and how you might do it in a way that
2 answers the question that we hear from
3 students, which is will I be able to have
4 work that lets me pay back my loans, carry
5 out my responsibilities and support my
6 family?

7 They are not as concerned about
8 minute variations amongst schools, and
9 schools are very concerned about both minute
10 variations and any metrics that would drive
11 us to think that a school was better if it
12 graduated more investment bankers than early
13 childhood teachers, or more law firm
14 partners than public interest lawyers. And
15 we've gotten many different interesting and
16 thoughtful suggestions about how we can meet
17 the understandable interest in knowing
18 something about people's capacity to work
19 and earn without being so precise as to
20 create unfortunate incentives in admissions,
21 in career placement, in individual and
22 institutional behavior around those issues.

23 Both of us have potential for

1 advancing transparency and public
2 understanding of educational quality and
3 differences, I think, that speaks for itself
4 as accreditation thinks about how much to
5 share with the public and as our 2012 report
6 asked the question about the role for
7 transparency.

8 Convergence on common metrics and
9 data across federal, state and
10 accreditation. The states are hungry for
11 that conversation. Accreditors have raised
12 it with me. And we are all mindful of the
13 NACIQI recommendation from two years ago
14 that we can enrich that conversation. And I
15 know that the federal government has a
16 particular opportunity to do that, and we
17 are initiating those conversations because
18 the definitional convergence has some very
19 practical potential for freeing up effort
20 that people now spend, but also letting us
21 understand what's going on. If you want to
22 actually know what's working or where people
23 are able to serve populations or what ways

1 of educating people or supporting them
2 through student services make a difference,
3 you find yourself foundering if everything
4 is defined in different ways and nothing can
5 come together.

6 Both of us can invite and reward
7 innovation better. And when I say
8 "innovation," I don't just mean things that
9 have plugs in the wall. I mean all kinds of
10 innovation and change. What are the
11 smartest ways that people are keeping
12 students -- renewing their enrollment when
13 they face life crises or financial
14 situations? How long do programs really
15 need to be to achieve the competencies that
16 a program or institution want to have? How
17 can we learn better from each other? And
18 some of the most interesting things that
19 I've seen under the heading of innovation
20 relate to student services and counseling or
21 a linkage between financial aid and other
22 human services elements.

23 Ratings do have affordability at

1 their core and the President issued a
2 challenge for accreditation to think about
3 affordability. And Susan Phillips has been
4 very clear in reminding accreditors of that
5 challenge and suggesting that it's an
6 important element to think about and to
7 shape so that academia and institutions and
8 accreditation see that conversation develop
9 in a way that seems thoughtful and
10 meaningful and that is constructive in just
11 the way the President intended.

12 Some of that probably assumes
13 that we're all in the same conversation and
14 some of it may have been much less
15 sophisticated than ideas that you already
16 have had.

17 So why don't I just pause there
18 and spend whatever time Susan has planned to
19 see if you've got questions about these
20 issues.

21 CHAIR PHILLIPS: Let me pose the
22 question that nobody's saying but everybody
23 said before you walked in, which is, so, is

1 the rating system going to replace
2 accreditation?

3 DEPUTY UNDERSECRETARY STUDLEY:

4 Excellent question, Susan. I hate when
5 people say that. I should have included it
6 because it is one of my favorites. I see
7 them as having different purposes, and I use
8 that word "complementary" intentionally.

9 Under our system, accreditation
10 is skilled, experienced and expected to help
11 us understand learning outcomes. And of all
12 the things I said that ratings might include
13 or has been asked to include, you did not
14 hear a reference to direct student learning
15 outcomes.

16 We have some proxies that we
17 might consider. If you think of employment
18 as a crowdsourcing understanding of whether
19 people are learning, then maybe there is an
20 element of learning outcomes that's possible
21 in the rating system. If you think of
22 ability to repay loans as similarly
23 connected to whether you got educational

1 value, that too might follow.

2 This may be going deeper than you
3 were looking for. I will come back to the
4 main chain, but it's also a very fair
5 question whether employment earnings and
6 loan repayment tell us more about
7 preexisting family connections, social
8 capital, and financial capital to help you
9 get through the tough times if you're
10 struggling to repay your loans than they do
11 about value-added for an education.

12 So we have outcome-related
13 measures or proxies, but not a direct
14 measure of whether people actually are
15 learning what they came for, or what their
16 field expects people with that degree or
17 certificate to know.

18 So I think of them as having
19 side-by-side capacities. And it may be
20 literally that in the ultimate presentation
21 of information that comes out of the ratings
22 process we have some -- for anybody here,
23 I'm holding up both hands -- I have no idea

1 what it will look like. I genuinely don't
2 have in my back pocket a draft of anything.

3 But if ratings information is my
4 right hand, then it's possible that there
5 could and should be a way to say, what else
6 would you want to know about at the same
7 time, because only some of it is included
8 here? What would an institution, or an
9 accreditor on behalf of all of its
10 institutions, like to say about the source
11 of information about learning outcomes? Is
12 there something that an institution wants to
13 say about its educational philosophy that
14 goes beyond -- or its areas of
15 specialization that complement what can be
16 included in a universalized rating system,
17 but that round out that picture?

18 So we are not trying to answer
19 those questions. And every time I think
20 about it, I think of it as useful but not
21 sufficient, and that accreditation has a lot
22 to offer to expand that picture and into a
23 whole set of intangibles that a rating

1 system could never capture and that
2 institutions or groups of institutions may
3 want to explain in some way that builds off
4 it or in parallel.

5 CHAIR PHILLIPS: So that prompted
6 all sorts of questions. I have Brit, Frank,
7 Anne and Arthur.

8 DR. KIRWAN: So I assume that
9 we're talking about a rating system, not a
10 ranking system.

11 DEPUTY UNDERSECRETARY STUDLEY:
12 Yes.

13 DR. KIRWAN: Okay. And so what
14 is --

15 DEPUTY UNDERSECRETARY
16 STUDLEY:What's the difference?

17 DR. KIRWAN: You can count me in
18 the cadre of people who think we need
19 something other than U.S. News & World
20 Report to do --

21 DEPUTY UNDERSECRETARY STUDLEY:
22 You're counted.

23 DR. KIRWAN: So there's the

1 concept that there would be sort of -- let's
2 take Standard & Poor's or Moody's. They
3 give you a AA+, AAA. I mean, is the concept
4 that institutions would be put into buckets
5 of performance based on some metrics? So
6 that's one question.

7 And a second one is how do you
8 address the mission -- I mean, the mystery,
9 the difficulty in the U.S. is the great
10 diversity of our institutions. So how do
11 you have a single rating system that
12 includes Stanford, if I may cite John on the
13 one hand, and some open admissions
14 institutions?

15 And then thirdly, this has been
16 in the ether for so long, you know, 18
17 months, whatever.

18 DEPUTY UNDERSECRETARY STUDLEY: Oh,
19 yes, I forgot to tell you the process going
20 forward.

21 DR. KIRWAN: Yeah, so when will
22 people actually see something that they can,
23 you know --

1 DEPUTY UNDERSECRETARY

2 STUDLEY: Kick the tires of?

3 DR. KIRWAN: -- talk about more
4 than in abstract terms.

5 DEPUTY UNDERSECRETARY STUDLEY:
6 Thank you.

7 DR. KIRWAN: All right.

8 DEPUTY UNDERSECRETARY STUDLEY: I
9 missed the page that will -- let me start
10 with the third question first, but I have
11 all three.

12 We are processing all of that
13 thoughtful input that we received and we are
14 digging very deep into the subtleties of the
15 possible answers. It's both more
16 complicated to do than I certainly
17 recognized at the outset, but also benefits
18 from thinking about much more subtle,
19 analytic approaches than -- you know, it's
20 not one plus two plus three equals
21 something.

22 We had a technical symposium in
23 February with a large number of people who

1 do this kind of institutional research.
2 Many people, including a number in this
3 room, provided us with everything from
4 fully-developed possible rating systems
5 using existing or not-yet-available data to
6 comments on the process.

7 We are now pursuing some of the
8 more technical and specific questions, data
9 source questions, data matching questions,
10 with the idea that we want to come to the
11 public with something that would allow
12 institutions to know where they would fit in
13 a rating system so that we could have both
14 philosophical and real reactions to the
15 success of a draft system.

16 We plan to do that by fall and
17 feel that we are on track to have a rating
18 system available by the academic year that
19 starts a year from September. Within that,
20 we would be deciding what the nature of the
21 -- the way that we would share it, what kind
22 of consumer-student-community-institutional
23 interface would there be and how would the

1 information be visible to others. But we
2 want to be thoughtful.

3 I'll just say there are some
4 people who are very aware of the complexity
5 of the questions that we are grappling with
6 and the issues relating to diversity of
7 institutions, diversity of student
8 population, the kind of discussion I
9 mentioned about earnings. Are there ways to
10 be informative without being damaging or
11 destructive as we look at that? What
12 sources of data are there that go beyond
13 IPEDS, but that are appropriately useful and
14 available to us without increasing burden on
15 schools, without asking schools to collect
16 any new information required for this?

17 And some people think that we're
18 going to take a look at graduation rates,
19 multiply them by price, and don't anybody
20 dare take that quote of context that that's
21 what we're going to do. We are actually
22 asking ourselves whether enough people know
23 how nuanced and deep this discussion is.

1 On the question of diversity of
2 institutions, there have been a number of
3 suggestions about how we might do that, and
4 they range from using familiar existing
5 buckets -- there are two kinds of schools in
6 the world -- which could be by type of
7 degree, or by open or selective, or chunks,
8 along that kind of array. There are others
9 that have mentioned the Carnegie
10 classifications, but there are also lots of
11 other ways to do it based on either of the
12 input measures or the results internal to
13 the system.

14 And I don't have an answer for
15 that question as we continue to think about
16 what would be most useful for this purpose,
17 and fairest to the institutions and their
18 differences, but not create so many little
19 teacups that it doesn't work for an
20 evaluative purpose.

21 And your first question about
22 ratings and types. Not as many
23 subcategories as Moody's. If I recall, that

1 has As and AAAs and Bs. And the thinking is
2 that this is broad bands of information and
3 people, in commenting to us, have raised
4 reasons for either combining different
5 elements, like affordability, access and
6 outcomes, into a single measure or obviously
7 advantages of keeping them separate and
8 allowing people to see who is strong in each
9 of those dimensions. I am not going
10 to compare this to other ratings because
11 I've gotten in trouble for that, or been
12 quoted in a narrowing sort of way, but there
13 are lots of things that we rate. And bonds
14 are one, energy efficiency is one that is a
15 single measure and has driven public
16 behavior. There are ratings of institutions
17 that provide the full array of
18 characteristics and have let people make
19 their own kinds of judgments.

20 To the extent that we have a
21 consumer audience, there's a tremendous
22 advantage to keeping it as simple and clear
23 as possible, but I think there's a very good

1 question about whether a single element is
2 what we would ultimately do.

3 Just to mention something that
4 many people have asked, one way that many
5 systems of data are operating these days is
6 that if we got to a point where we shared a
7 system that had the values that the
8 Department, the government, wanted to
9 incorporate, which for example would have a
10 very substantial priority on access. Once
11 we do that, there could be room -- and some
12 people consider this a real positive and
13 others find it makes them nervous -- for
14 others to use the data in other ways to tell
15 different versions of the story, to make it
16 accessible to students in different kinds of
17 ways, to let it be individualized to a
18 person's own set of comparison institutions
19 or priority on what they were looking for.
20 And whether we should do it to that degree,
21 or whether that's better left to an
22 infinitely imaginative field after we have
23 done a more basic system, is a real

1 practical question that's down the road for
2 us.

3 DR. KIRWAN: Thank you.

4 CHAIR PHILLIPS: So that was a
5 three-for. I have Frank, Anne and Arthur.

6 MR. WU: I also have several
7 questions.

8 First, with respect to this body,
9 NACIQI, on a spectrum of, on the one hand,
10 we just ignore what you're doing and proceed
11 merrily with what we're doing, to, on the
12 other hand, we invite you to come visit us
13 every time we meet and keep you apprised and
14 in the loop at all times. Which do you
15 prefer?

16 So that's the first question.
17 You touched upon that, what you're doing as
18 compared to what we're doing. But in
19 concrete terms, how coordinated should we
20 be? That's the first question.

21 Second question. You mentioned
22 common terms, and I think there's a
23 consensus, maybe unanimity, that it would be

1 desirable in the world if higher education
2 institutions, accreditors and the government
3 had some common definition of some terms,
4 like "credit hour," or something like that.
5 I wonder if you could just expand on where
6 that is going, because I imagine, when you
7 have a rating system, your terms and your
8 definitions of those terms will become
9 prevalent, if not prevailing.

10 Third and finally, you may have
11 said this and I might have missed it, is the
12 rating system applicable to all institutions
13 of higher education, or is it undergraduate-
14 focused? Or is every institution that's
15 receiving Title IV monies? What's the total
16 universe? Or will it roll out with colleges
17 and then expand from there?

18 DEPUTY UNDERSECRETARY STUDLEY:How
19 coordinated? I would like to be as
20 coordinated as is helpful to you. I would
21 benefit from the knowledge and will try to
22 be here as much as I can and read the papers
23 that you've gotten so that we can move

1 toward insight as efficiently as we can
2 without intruding on NACIQI independence,
3 which is important.

4 I don't want you to feel that you
5 have to link up with anything that we're
6 doing, but I think we can benefit from what
7 you're thinking about, and that the more we
8 can exchange, as I said, you know, what are
9 the really good ideas, what are the really
10 controversial ideas that we should all
11 grapple with from our different
12 perspectives?

13 Common terms. I know this is
14 something you've been interested in for a
15 good while. I know Arthur has long been
16 interested in it. Obviously, it is incredibly
17 challenging, because people come from
18 different policy places and practical places
19 when they think about those terms.

20 Let's use an example other than
21 credit hour, because I personally would like
22 the phrases "credit hour," "two-year
23 school," and "four-year school" to disappear

1 in our lifetime, because I think we can do
2 better. But it's a very serious question.
3 As we think about it, we have every
4 incentive to use definitions that already
5 exist, because if we're going to do
6 something that requires existing data, we
7 have to pick some set that's been collected
8 according to a definition.

9 Yesterday at that meeting I
10 mentioned of community college institutional
11 researchers, they had some particular
12 questions. When asked what they thought was
13 most important out of a three-hour
14 conversation, common definitions, or
15 definitions where there were none at all,
16 was the first thing that they mentioned,
17 even before some of the deep, philosophical,
18 how are you going to think about the half of
19 our students who are adult learners and so
20 forth? So I think what we do
21 will help move definitions in some
22 direction, and we're trying to be
23 collaborative, coordinated and smart about

1 the ones that we use. To the extent that
2 states are also in this space, a lot of the
3 information that one might want is collected
4 by some or many states, and they don't
5 always have to have the same definition.
6 The multiplication of that challenge is
7 enormous.

8 But we're very sensitive to both
9 how hard it is for people to collect data,
10 collect data on different dimensions -- and
11 I'll just say it before somebody else does:
12 the more complicated that task is, the more
13 it competes with the affordability
14 objectives that we have, or the ability to
15 rotate resources to using the information.
16 Even if you keep the investment in
17 institutional research and metrics, you want
18 them to be able to actually support the work
19 of the institution and not just the
20 collection.

21 All institutions, at this point,
22 we're talking about not graduate programs,
23 but with respect to the rest of your

1 question, TBD.

2 CHAIR PHILLIPS: Okay. I have
3 now Anne, Arthur, Bobbie and Simon. And I'm
4 going to call it at Simon.

5 MS. NEAL: I talk really fast.
6 First, Jamie, it's great to see you.
7 Appreciate your being here, and I think we
8 all appreciate very much the work that we
9 did before on this issue, and I think we
10 produced some very good reports.

11 And I guess in chatting today
12 about a sensible college rating, which you
13 are pursuing, I would urge you and the
14 Secretary to look at the alternative, which
15 this body came up with before with
16 bipartisan support, which I think would
17 empower a very sensible rating for consumers
18 but that would not require the federal
19 government picking and choosing. Because I
20 think as you'll recall, in the alternative,
21 one of our hopes was to allow the
22 accrediting bodies to be set free so that
23 they could be more than the lowest common

1 denominator and could really provide a more
2 robust system of voluntary ratings, like
3 LEED, which we heard from during our
4 previous policy discussions.

5 And I guess, certainly from my
6 perspective, I think one of the greatest
7 aspects of American higher education is that
8 we do not have a federal ministry. And so I
9 think if you all can pursue non-governmental
10 ways to rate schools where consumers can be
11 the rating bodies, I would urge you to do
12 that. And I think the alternative proposal
13 was designed with that very much in mind, to
14 ensure financial stability, which the
15 Department of Education currently does, and
16 then to develop a set of key metrics along
17 the lines of what you just articulated that
18 would look at cost, that would look at the
19 success of schools vis-à-vis various
20 demographics, that would allow schools to
21 show if they utilize assessments and how
22 they do, if they use them, and that would
23 look at economic success. And so that this

1 would be a very transparent, consumer-
2 oriented system that would allow consumers
3 to make their own ratings.

4 So I thank you and I hope you'll
5 revert back to what we've done before.

6 CHAIR PHILLIPS: Thank you, Anne.
7 Arthur?

8 MR. ROTHKOPF: Yeah, thank you,
9 Jamie, for actually that really excellent
10 exposition here.

11 The one thing I'm not clear about
12 are the consequences of the rating system.
13 And I don't know whether it's A to F, or
14 what's the difference if you're an A or if
15 you're a D-minus. What are the
16 implications? And how do you view those in
17 terms of the current funding that goes on,
18 whether they're Pell grants or loans or
19 whatever else may be on the table? And does
20 it mean, or is your thinking at this point,
21 that the current pot of money would continue
22 and this would be, assuming you were an A
23 school, that you would get additional

1 funding and that students who went there
2 could get additional funding, but the
3 existing programs would remain the same? Or
4 would it be a zero sum game where the money
5 would come out of the existing pot?

6 DEPUTY UNDERSECRETARY STUDLEY: You've done a
7 terrific job, Arthur, of describing the
8 options. And we have not framed what kind
9 of proposal we would make to Congress, in
10 part to see what the ratings support, what
11 kind of differentiations we think they
12 reveal. But it is definitely part of the
13 President's objective to link ratings to
14 some form of both incentive and smart
15 investment in quality activities.

16 Let me tweak what you said. Even
17 A through F is more specific than we are
18 likely to be, or likely to be in early
19 iterations. But picture high, medium, low;
20 red, yellow, green; more like three or four
21 bands than a lot.

22 I think you've laid out some of
23 the ways that we could think about what the

1 consequences might be, whether it's
2 primarily to reward and draw people toward
3 the best behaviors, what degree of
4 withdrawal or exclusion might make sense.
5 Some of that depends on the objective nature
6 of the weakest institutions. If
7 accreditation is successful in setting a
8 floor that is strong enough, maybe we won't
9 have anybody doing a really bad job.

10 There's another way in which
11 accreditation is somewhat different, because
12 I could envision -- some people have asked
13 this question of me, let me digress just one
14 second. Accreditation, because it has not
15 been asked to think about affordability or
16 about a concept like need for training in a
17 particular program -- it's not National
18 Defense Act grants like we used to have, or
19 right now we're saying there are certain
20 foreign languages our country needs to teach
21 people, and so we're going to provide that
22 training.

23 Accreditation looks at the

1 quality of an institution, but not whether
2 we need more of fill-in-the-field. And this
3 would get at that. So that's a way in which
4 you could be perfectly eligible to be
5 accredited under current educational quality
6 standards, but be a very weak value in terms
7 of affordability relative to employment and
8 loan repayment outcomes.

9 Whether it is additive money,
10 incremental investment or not also depends
11 completely on Congress. Whether it would be
12 possible to demonstrate that all the money
13 currently being spent is being spent wisely
14 and this should be more, whether the system
15 is under pressure and we use this to hold
16 the investment that we've got, is up to
17 Congress. And we envision designing the
18 system first and then having that
19 conversation with people about whether Pell
20 or core student aid should be effected,
21 whether programs that meet particular kinds
22 of purposes or incremental funding should be
23 the model that we propose.

1 The other day I testified before
2 the Senate Indian Affairs Committee and
3 Senator Franken asked me why a certain sum
4 that is in law had not been appropriated for
5 the benefit of Tribal Colleges and
6 Universities and I'm sorry, in retrospect,
7 that I didn't say, "With all respect, sir,"
8 but I said, "I believe you are in a better
9 position to answer that question than I am."
10 Because it was, Why hasn't it been
11 appropriated?@

12 So we can all suggest about that,
13 but none of those changes could be made
14 until there was legislation to drive that.

15 MR. ROTHKOPF: So let me ask,
16 Jamie, how can you get the program rolled
17 out a year from now, really, unless you know
18 what Congress wants to do with it? Or are
19 you assuming that somehow Congress will deal
20 with these very tough issues you're talking
21 about?

22 DEPUTY UNDERSECRETARY STUDLEY: Our
23 sense is that the first round would both set

1 the stage for a proposal to Congress and
2 provide additional information on the
3 consumer side. The President, I believe,
4 also specifically said that the kind of
5 timetable that he suggested would give us a
6 chance to work with and improve a rating
7 system so that it could be a more -- and
8 build respect and support for it so that it
9 could be a more reliable indicator that
10 Congress might be willing to accept as a
11 basis for driving investment.

12 CHAIR PHILLIPS: Thank you.
13 Bobbie?

14 DR. DERLIN: Hi, Jamie. It's
15 Bobbie, and I'm not supposed to lean, but
16 I'm leaning anyway.

17 I have a different kind of
18 question. You addressed the issue of having
19 a simple system and not wanting to
20 necessarily talk about some of the competing
21 information that's out there, but my
22 question relates to has there been
23 discussion of how this rating system will in

1 fact redirect noise for consumers, students
2 and their families? There is already so
3 much competing information about our
4 institutions that is inconsistent. How does
5 this system somehow reduce the volume on all
6 that other stuff?

7 DEPUTY UNDERSECRETARY STUDLEY:

8 That's a question that we have thought
9 about, as well. And when I said simple, I
10 said simple and subtle and the appropriate
11 balance between the two. My sense is that
12 we're already well past the point of a
13 manageable flow of information. There's
14 already a huge amount of noise. So then you
15 have to ask the question what would be
16 valuable about doing another one from a
17 federal perspective?

18 And it comes down to two primary
19 reasons. Some people you talk to this
20 afternoon may have lots of other reasons for
21 and against. One is that the federal
22 government plays a particular role in both
23 capturing values that are driven toward

1 national objectives for educational
2 achievement, and not sales of a magazine or
3 to advance a particular kind of education.
4 So we have a view, but we think our view has
5 a responsibility to a public and the logic
6 behind our enormous both expectations for
7 education and investment in education.

8 So we have a distinctive role to
9 play, not to be so crass as to say because
10 it's our money, but because we want, and
11 taxpayers want, to see our money -- our,
12 everybody's, money used well.

13 And the second is that both the
14 access that we have to knowledge and
15 expertise and the opportunity that we may
16 have to use data either that are not readily
17 available to others, not at all available to
18 others, or to use it in ways that are smart
19 and constructive and fair means that we may
20 be able to do something that has value even
21 within all the noise that's going on.

22 Unfortunately, I think that the
23 direction in the public sphere is not toward

1 less noise, it's toward trying to have some
2 voices come through within the noise.
3 Because we're so much the creatures of
4 individualization and everybody having an
5 opportunity to create a different model for
6 how you might understand ratings. But if we
7 can be a clear voice or help drive the
8 conversation, it would mean that somebody
9 else may end up being the portal that
10 students want to go to for information,
11 whether it's the quickest or the prettiest
12 or the one that lets them do things in the
13 way that they most want. But if we
14 have been able to drive the measures of
15 what's important to think about, or ours is
16 the one that because of our other
17 authorities generates attention to the most
18 important questions, to completion by poor
19 students as opposed to rejection of many,
20 many applicants, then I would think that we
21 had made a positive contribution into a very
22 noisy space.

23 CHAIR PHILLIPS: Thank you.

1 Simon, last call.

2 MR. BOEHME: Great. Well, thank
3 you so much for joining us, and it was great
4 meeting you. I have three questions and
5 I'll try to keep it brief.

6 My first question is how will
7 this rating system factor in the political
8 climate to which -- when we talk about
9 higher education, it's fairly ubiquitous.
10 When we talk about funding lack, state
11 government cuts, the legislators are cutting
12 back on all this funding. So how will this
13 rating system strike that balance, that
14 well-funded private research institutes
15 aren't just at the top, but maybe some of
16 the public institutions that are not as
17 wealthy are being rewarded for their
18 innovations? For example, like SUNY and
19 Arizona State that you mentioned inside your
20 blog. So just how does the political
21 climate and the variation of resources among
22 higher education play into the rating
23 system?

1 And my second question is the
2 three tenets that you talk about: access,
3 affordability and meaningful outcomes. And
4 as a student, I have gone through a personal
5 and career journey at Cornell that was very
6 unique and I changed along the way. And
7 what I worry about when we talk about
8 meaningful outcomes is whether people have a
9 job or they don't have a job, and how do we
10 factor in when someone finds a new passion
11 or they want to take a gap year?

12 If it's this big government, or
13 just the federal government looking at
14 students and saying, oh, well, Simon doesn't
15 have a job, and maybe that's not considered
16 a meaningful outcome. And so as a student,
17 and I feel obligated to say this, I think
18 it's worthy of your time to really think
19 about what is a meaningful education and be
20 careful to not be too restrictive in that
21 definition.

22 And the third question is how
23 will the design, the rating system, empower

1 rather than punish colleges that don't do
2 well? I have a quote for you. President
3 Obama said, "What we're really trying to do
4 is just identify here are some good
5 bargains, here are some really bad deals."
6 And so, to me, that's scary, right, these
7 good, bad, positive, negatives and how do we
8 work to really empower these institutions
9 that can make affordability, access and
10 meaningful outcomes really important?

11 DEPUTY UNDERSECRETARY
12 STUDLEY:It's good to see you using your
13 Cornell education so effectively. My
14 brother is a Cornell graduate.

15 I think your first question, you
16 may not have realized, was a two-part
17 question, because one specific purpose of
18 the rating system and the affordability
19 elements is to challenge and re-engage
20 states in the historic compact in which the
21 federal government, states, families,
22 institutions and philanthropy or community
23 support helped people go to college, and

1 state disinvestment from the education of
2 the 80 percent of our students who attend
3 public institutions is one of the major
4 drivers of the escalations in cost, net
5 price and student debt burden.

6 So, in that sense, it is
7 political in that it is attempting to
8 influence state understanding and state
9 responsibility for us stepping back into
10 that role, as some states have started to
11 do, but to move all of them down that track.

12 You put it very well. What you
13 are describing is exactly what we mean to
14 do, and that is -- people say it in
15 different ways -- but it's to reward
16 institutions who do the job that has
17 historically appeared to be the toughest
18 job, to take students who don't have a
19 family experience of higher education, who
20 come from institutions that probably
21 prepared them less well, who have fewer of
22 the financial and experiential resources to
23 know how to navigate school, or if read the

1 New York Times story on college persistence,
2 who are more vulnerable to bumps in the road
3 causing them to derail completely.

4 So this is meant to be the
5 opposite of we take smart, talented people
6 and we graduate them. What we're trying to
7 find are the places that -- to recognize
8 that that's an important and valuable thing
9 to do, but to make sure that we are
10 recognizing the institutions that do the
11 very tough jobs. Whether we end up
12 denominating it as Pell recipients, or Pell
13 plus first generation, or Pell plus first
14 generation plus a number of other
15 characteristics, depending on what
16 information is available, to understand the
17 challenge that institutions take on and how
18 well they do at that challenge.

19 Your third question about
20 empowering, one feature that I didn't
21 mention was the importance of improvement.
22 This is significant for the President and
23 particularly fits well with Secretary

1 Duncan's commitment to not just taking a
2 snapshot and seeing where people are now,
3 but using this as a tool to encourage
4 improvement, whether by benchmarking and
5 understanding where you are and that you are
6 not maybe quite as strong in something as
7 others now that you can see the information
8 in a comparable way, to make institutions
9 and us and accreditors' peer support side
10 step up to the challenge once people say,
11 okay, you've got my attention, I want to do
12 better. To take institutions wherever they
13 are and move them forward.

14 And your third question or
15 comment was about meaningful outcomes for
16 students. I think the best way I can
17 respond to that is to say that we are
18 looking at a wider picture of information,
19 longer time horizons. And by not looking at
20 tiny distinctions between who's 10th and
21 11th, but who is strong, who is good or
22 acceptable and who is weak, that we can
23 paint a broad enough picture that there's

1 value in the distinctions, but we're not
2 making too many distinctions. So if you
3 want to take a gap year, go ahead, but if
4 Cornell can't graduate a significant number
5 of people in six years, we should worry.

6 Using any earnings metrics that
7 we might come to, people sometimes worry
8 that we're going to look at three months
9 after graduation or six months, the way some
10 surveys do. We are doing a much more
11 thoughtful job of trying to understand the
12 point at which earnings become stabilized
13 and are predictive of lifetime earnings. So
14 we may get five years away from school or
15 more in order to allow for what I call way-
16 finding, graduate school-going, business-
17 starting, experimentation, exploration, so
18 that we would use numbers that would be at a
19 point where many of those choices have
20 shaken out and people are actually at a
21 point that we can make more meaningful
22 judgments.

23 MR. BOEHME: Thank you.

1 CHAIR PHILLIPS: Thank you,
2 Jamie. I'm going to call time for this part
3 of our policy agenda, but because I'd like
4 us to get some coffee, take a quick break
5 before we go into the next part, what I'd
6 like to do is just have maybe a 5- to 10-
7 minute break at this point.

8 I suspect that there are some
9 people who would like to buttonhole you
10 before you leave. And I know she's able to
11 stay for some, but perhaps not all of our
12 time.

13 So let me just call a 5- to 10-
14 minute break. We invite, as we come back
15 from that at 2:10, the first panel to join
16 us at the table. That will include Cliff
17 Adelman, Judith Eaton, Peter Ewell, Sally
18 Johnstone and Ben Miller, if you are here.

19 DEPUTY UNDERSECRETARY STUDLEY: An
20 all-star team.

21 CHAIR PHILLIPS: An all-star
22 team. So 2:10 we're back here.

23 (Whereupon, the above-entitled

1 matter went off the record at 2:02 p.m. and
2 resumed at 2:10 p.m.)

3 CHAIR PHILLIPS: Good afternoon.
4 Welcome. I'd like to just make a quick note
5 that Committee Member Rick O'Donnell has
6 joined us, thank you, for the rest of the
7 afternoon on the agenda.

8 In our speaking panels this
9 afternoon, what we've attempted to do is to
10 provide opportunities for the Committee to
11 hear the best thinking on a number of topics
12 from people who study and think about
13 policy, from people who represent and think
14 about institutions, and from people who
15 study and think about accreditation.

16 We have three different panels:
17 policy, institutions and accreditors. We've
18 asked each panelist to speak for five to
19 seven minutes on their views of the current
20 state of quality assurance in higher
21 education, addressing questions such as: of
22 the recommendations in the 2012 report, what
23 do you see as significant changes since that

1 time? What needs revising, clarifying,
2 simplifying or updating? What areas not
3 addressed in the 2012 report warrant new
4 policy recommendations now? And are there
5 areas of NACIQI role and operation that
6 would better serve the goal of assuring
7 quality in higher education?

8 I imagine that they might offer
9 us some other ideas as well, but that's what
10 we've asked from them.

11 So we're going to ask each
12 panelist to present, hold our questions
13 until the end of a particular panel, and
14 then we'll have an opportunity for question
15 and answer discussion with the panelists
16 before we then move to the next panel.

17

18 **PANEL A: POLICY PERSPECTIVES**

19

20 So with that, I introduce our
21 policy panel. I mentioned that Peter Ewell
22 would be here. As it turns out, he's not
23 able to be here. So our panelists are

1 Clifford Adelman, Institute for Higher
2 Education Policy; Judith Eaton, Council for
3 Higher Education Accreditation; Sally
4 Johnstone, Western Governors University; and
5 Ben Miller, the New America Foundation.
6 Thank you all for being here.

7 We're going to go in the order
8 that appears on the agenda, so I'm going to
9 ask Clifford Adelman to go first.

10 DR. ADELMAN: Well, thank you
11 very much, and many thanks for inviting me
12 to put some issues on your table today and
13 for placing me among the distinguished
14 company of people who, at my age, I can say
15 I've known for decades, which is also true
16 of Brit, which also true of Carolyn, who
17 disappeared. And Anne, also, I would at
18 least put on a one decade timetable, maybe
19 two, I don't know. Whatever it happens to
20 be. There are plenty of other folks in this
21 room that would follow suit.

22 I have three items for your
23 consideration. Two depend on NACIQI's

1 interpretation of its own authority and
2 protocols for recommendations to the
3 Department. I'm unsure of this territory.
4 That's why I'm asking questions.

5 The third lies in a territory
6 where interpretation, I think, is moot and
7 where the ruling protocol is take no
8 prisoners. It's Jamiene's notion of deeper
9 thinking about student learning outcomes in
10 the face of not thinking at all about them.
11 And that's the take no prisoners territory
12 and I'm going to spend most of my time on
13 that.

14 Student learning outcomes
15 criteria as promulgated or not in
16 accreditation standards document. In our
17 April 2012 report, you ducked this issue.
18 Frankly, you ducked it. And it's a critical
19 part of public accountability and quality
20 assurance, as Jamiene has emphasized. I'm
21 not urging NACIQI to get into the business
22 of prescribing specific standards for
23 student learning outcomes -- I don't think

1 that's appropriate, I don't think you do
2 either -- rather to make sure that
3 accreditors require all their member
4 institutions to include acceptable
5 statements on this matter. Right now, my
6 friends, they don't.

7 In the paper I submitted to you,
8 you have the results of my isolating 47
9 accrediting organizations, 6 regional, 4
10 national, 37 specialized, that accredit
11 bachelor's and pre-bachelor's degrees, not
12 the one that accredit graduate degrees only.
13 My reading zeroed in on all sections of the
14 standard statements that had anything to do
15 with student learning, curriculum coverage,
16 learning opportunities, assessment, degree
17 award criteria and outright student learning
18 outcomes.

19 Now, only 18 out of the 47
20 accreditation association documents even
21 made an attempt to deal with student
22 learning outcomes. Eighteen out of forty-
23 seven. And of these, only eleven did so

1 with specific student learning outcome
2 statements governed by operational verbs,
3 which is what you will read in the degree
4 qualifications profile, which is probably
5 the most embracing and convincing model for
6 summative degree qualifying proficiencies to
7 be found in the U.S. higher education
8 system, of which both Peter Ewell and I are
9 co-authors along with Paul Gaston and Carol
10 Schneider. So that's in the interest of
11 disclosure, of course. And we're going to
12 be very defensive about the DQP,
13 particularly as over 400 institutions have
14 adopted some form of it, and four regional
15 accreditors have encouraged that.

16 Now, 18 out of 47 did something
17 with it. Eleven out of 47 made no attempt
18 to address student learning outcomes at all.
19 At all. Eleven out of 47. The balance, and
20 this is where I'm going to disagree with
21 Jamiene, used one or more types of proxy
22 statements, none of which I find acceptable
23 at all.

1 Number one, provision of
2 opportunities. All 18 of them did that.
3 The statement made there is because we
4 offered these various features of
5 curriculum, that means students have learned
6 something. @ Give me a break.

7 The second -- when you think
8 about the logic of these statements -- the
9 second used by nine of these associations as
10 a proxy was completion of curricular
11 segments. Simply to say the student
12 finished the general education program, the
13 student finished the required clinical
14 internship, meant that they learned
15 something. That's a proxy statement. It's
16 not a statement of student learning
17 outcomes.

18 The third used by five of the
19 associations had to do with student academic
20 standing. That is, our students are
21 required to have a GPA of 2.5 or better, our
22 students are required to have earned at
23 least 60 credits, our students, et cetera,

1 have reached junior level and therefore
2 they've learned something.® I think you're
3 very smart about logic here. None of these
4 are very logical statements.

5 Another one still is the
6 provision of assessment plans or processes.
7 ASimply because we assess, we have a program
8 of assessment, it is assumed students have
9 learned something.® Excuse me?

10 And the last one, which is used
11 only by one, but in my study of
12 international comparison on these issues
13 turns up frequently in professional fields,
14 had nothing to do with whether the student
15 learned anything while the student was
16 enrolled with you, rather had to do with
17 student behavior after they left you. That
18 is, although the student did the following
19 in a clinical or a hospital situation, the
20 student did the following in a civil
21 engineering challenge.

22 All proxies, my friends, are just
23 that. They are not statements of learning

1 outcomes and accreditation standards. They
2 are not transparent where learning is on the
3 other side of the window. And that's where
4 I disagree with Jamie. I don't find them
5 acceptable and I don't think you should
6 either. They conveniently bypass the task
7 of expressing clearly, to both students and
8 the general public, precisely what actions
9 are required to demonstrate that students
10 qualify for a degree award from that
11 institution. Therefore, I am
12 requesting that NACIQI put an end to such
13 evasions, that it recommend that the
14 Department of Education recognize only those
15 accrediting associations that require
16 detailed, concrete student learning outcome
17 statements. Not specific language. No, you
18 can't do that. Not interference in local
19 curricula prerogatives. No, you can't do
20 that. But no more proxies. No more
21 indirection and no more avoiding those
22 public markers of quality, which is what
23 they are altogether. And as a matter of

1 fact, what your April 2012 report refers to
2 as a set of basic information.

3 There's nothing more basic in
4 higher education than concrete sign posts of
5 learning attainment that are provided to
6 students, their families and the general
7 public. When Jamiene spoke of content and
8 meaning, that doesn't mean avoiding the
9 issue or ducking it through unconvincing
10 proxies.

11 That's my basic item on the
12 table. I'll do the other two very fast.
13 They come of the -- you've got these
14 documents and I know you're going to get
15 them, if you don't.

16 One has to do with whether, as a
17 matter of data, which you raised in the
18 April 2012 report, you can require
19 institutions to maintain current contact
20 information about their students instead of
21 scrambling to put various items together
22 using the U.S. Postal Service, social media
23 services, to make sure that they've got a

1 database where they can contact students,
2 tell them when they've qualified for
3 degrees, tell them when they're in danger of
4 not getting degrees, et cetera, et cetera.

5 That's an issue. I don't know
6 whether you have the authority to include
7 that, but it's a data issue that I think is
8 rather critical if we're going to make sure
9 that we do degree completion appropriate.

10 The second, very fast, is one of
11 the reasons that we discovered we could not
12 award degrees to people who otherwise
13 deserve to get them. This was in this
14 Project Win-Win report that you'll get a
15 copy of, is that the local degree award
16 policy in two out of three schools in this
17 country is called opt-in, which means the
18 student is required to fill out an
19 application for a degree, pay a fee, a
20 graduation fee, and in some cases be
21 enrolled in the term in which the student
22 is. I don't know if you have the authority
23 to deal with that. And that's a question

1 you're going to have to answer, period.
2 That's all.

3 CHAIR PHILLIPS: Thank you very
4 much. We do have available a longer
5 document with Mr. Adelman's comments, so
6 very compelling and persuasive. Thank you
7 very much.

8 Forgive me for not alerting you
9 to the meaning of different bells and
10 sounds. I'll give you your first bell at
11 five minutes and your second bell at seven
12 minutes. And then I'll start turning on my
13 own microphone.

14 So, again, I apologize and thank you very
15 much, Mr. Adelman, for your comments and for
16 the paper that you have.

17 Next on the panel is Judith
18 Eaton, the Council on Higher Education
19 Accreditation. Judith?

20 DR. EATON: Thank you, Susan, and
21 Members of the Committee. It's a pleasure
22 to be here with you today.

23 I want to take my time to focus

1 on the future of, especially, the
2 accreditation-federal government
3 relationship and offer some comments about
4 what that might be and what this body might
5 do.

6 First, let me point out that
7 we're well-aware of some of the concerns
8 about accreditation when it comes to rigor,
9 when it comes to innovation, when it comes
10 to accountability.

11 I have to say that Cliff and I go
12 back at least three decades, and over the
13 course of those three decades, we have
14 usually differed with regard to
15 interpretation of data, and this occasion is
16 no different from other ones.

17 Accreditors do have standards
18 with regard to student learning outcomes.
19 They do implement those standards. They are
20 not evasive. They are not ignoring this
21 vital issues. I say that based on our
22 experience at CHEA with the recognition of
23 accrediting organizations, a process that is

1 similar to what is carried about by the
2 National Advisory Committee examining
3 standards, examining policies, and indeed
4 seeing if those standards and policies are
5 met. But I won't go any further.

6 Focusing on the future of
7 accreditation, I think the critical issue is
8 answering the question what role do we want
9 it to play? And to get to an answer to that
10 we can turn to this body. And I'm
11 suggesting that you consider doing three
12 things as you address the 2012 report and
13 updating it and your advice to the
14 Secretary.

15 First, to take what I call a
16 fresh look at law and regulation with regard
17 to accreditation. Second, to establish some
18 principles to guide that fresh look, a
19 principle that describes the relationship,
20 and a principle that describes what you
21 expect accreditation to do, its role and its
22 relationship with the federal government.

23 And then, third, to take a look

1 at, if you've done the work of a fresh look
2 and if you've developed those principles,
3 how that affects the role of the federal
4 government and the role of the states. In
5 short, the triad issue. I don't tend to
6 talk about the triad, because I think I'm
7 talking about yesterday when I do use that.

8 What am I talking about when I
9 say a fresh look? First, let's not start,
10 with regard to reauthorization or advice to
11 the Secretary, with where we are right now,
12 which is that every word currently in law or
13 regulation is sacrosanct. Let's start with
14 what do we not need, what isn't working,
15 what is just plain duplicative or
16 unnecessary about guiding principles,
17 suggesting that we need, too, a principle to
18 describe the federal
19 government/accreditation relationship.

20 We need law or regulation that is
21 directly related to holding accreditation
22 accountable for educational quality, not for
23 finance, not for public relations or a whole

1 variety of other issues. Educational
2 quality is why you hired accreditation
3 decades and decades ago. It still remains a
4 very good reason to have this relationship.

5 The second principle I'm
6 suggesting with regard to the role of
7 accreditation is that you can describe that
8 role by three things: One, accreditation is
9 here to help students learn, it's here to
10 improve institutional program performance,
11 and it's here to promote quality innovation.
12 To the extent that a proposed or actual law
13 or regulation does not support this role, we
14 either don't need the law or regulation or
15 it needs to be changed in some ways.

16 Taking a fresh look would mean we
17 stop doing certain things. We are, I
18 sometimes think, engaged in a descent into
19 trivia as we look at the operation of
20 accreditation organizations, regulations and
21 sub-regulatory guidance. And I said "our."
22 CHEA does recognition as well. The
23 accrediting community looks at it itself. I

1 sometimes think that we are so focused on
2 the less important that the more important
3 escapes us.

4 Let's not allow regulation to
5 make change very difficult. Right now, it
6 does in many, many ways. We need to stop
7 focusing on the processes associated with
8 accreditation simply for the sake of the
9 process and is it working effectively.
10 Process has a purpose. I think in this
11 instance Cliff and I would be in agreement.

12 And, finally, we work on the
13 assumption, many of us, that if the process
14 is okay, we get quality or we get good
15 performance. Let's take another look at
16 that assumption. I think it's highly
17 questionable, as well.

18 So, in response to the questions
19 that the Committee has raised today when
20 seeking testimony, what about significant
21 changes since 2012, I think we've reached a
22 breaking point with regard to the extent and
23 kind of regulation we have of accreditation

1 right now. Regulation itself is turning our
2 good intentions, all of us, into activity
3 that is simply not particularly helpful to
4 us. We're trying to do the right thing for
5 students, we're trying to do the right thing
6 about quality, and we are so enmeshed at a
7 level of regulatory review that we simply
8 cannot do it very well. And, again, this is
9 all of us.

10 What needs clarifying,
11 simplifying or revising? Not just some
12 regulations. I could sit here for an hour
13 and offer up suggestions about changing
14 regulations. Indeed, in the office, we've
15 gone through all the regulations and sub-
16 regulatory guidance and done that. But we
17 need something different. We need to step
18 back. We need that fresh look. We need to
19 say what is important to us here about the
20 role of accreditation?

21 With regard to areas not
22 addressed in 2012, we've been talking about
23 it, in a way, all day here. The extent of

1 federal capacity, the growth of federal
2 capacity to judge quality has been marked in
3 the last two years. Jamie mentioned the
4 extent of the change of the landscape. What
5 are the implications of that growth in
6 federal capacity, whether one likes it or
7 doesn't like it? What are the implications
8 for accreditation if, increasingly, the
9 federal government is in the lead with
10 regard to judging quality in higher
11 education? And how can the Advisory
12 Committee better serve?

13 I'm suggesting lead that fresh
14 look. This is the time. Reauthorization of
15 the Higher Education Act. And you are the
16 body. You are public and private. You're
17 independent, but I've heard a lot of mention
18 of being bipartisan today. Your sole focus
19 is accreditation. No group of people in
20 this country is more expert on the
21 accreditation/federal government
22 relationship than this body, so turning to
23 you for leadership in this area I think is

1 appropriate and desirable and can be very
2 helpful to all of us. Thank you.

3 CHAIR PHILLIPS: Thank you very
4 much, Judith.

5 Our next panelist is Sally
6 Johnstone, Western Governors University.
7 Sally?

8 DR. JOHNSTONE: Thank you very
9 much and thanks for the opportunity to join
10 you. Many people around the table I have
11 known in other aspects of my life, which has
12 included a lot of policy work, but in the
13 last couple of years I've spent time in
14 public, not for -- well, public state
15 institution, as well as now for the last
16 couple of years at a national private
17 institution, and the perspective is rather
18 interesting.

19 While I agree with a number of
20 things that both Judith and Cliff have
21 mentioned, I think I come closer to Cliff on
22 not that learning outcomes aren't there, but
23 they could be a lot better dealt with.

1 In terms of the assignment, I'm
2 just going to go through the assignment,
3 being one of those people that follows
4 directions, sometimes.

5 In terms of changes that have
6 gone on, one of the things I would point out
7 that I think is changing that is critical
8 when it's in your report and talked about
9 and there's been activities is this whole
10 notion that the states are starting to take
11 some action with reciprocity agreements, and
12 that is a huge step. At a national level it
13 is a little absurd the way in which you go
14 from state to state to state to state to
15 deal with what is supposed to be quality
16 assurance, not just consumer protection as
17 we think of it in terms of protecting
18 students, and recognizing that that state
19 authorization reciprocity agreement is
20 developing, needs to be reflected, because
21 that's a new element that really wasn't
22 there when you produced that report.

23 I think another very important

1 part of the landscape that is emerging since
2 that 2012 report came out is the incredible
3 pace at which institutions are trying to
4 take on competency-based education. And it
5 means lots of stuff to different
6 institutions, but the reality is at -- a
7 count that we try to keep track of, we've
8 got at least 200 institutions across the
9 country that represent public, private, for-
10 profit, not-for-profit entities that are
11 moving quickly.

12 I was at a seminar two weeks ago
13 that people actually paid to come to. We
14 had over 130 people there trying to figure
15 out how they could implement competency-
16 based education. And when you think about
17 competency-based education, it's a Wild West
18 landscape at the moment, but it is mastery-
19 based not time-based. And that means a lot
20 in terms of -- as Judith has mentioned, a
21 lot of the regulatory structures.

22 Another aspect that I think is
23 significant that needs to be acknowledged is

1 the growth of technologically-assisted
2 education, and by that I don't mean just
3 exporting the classroom electronically. I
4 mean some of the rather interesting things
5 that are being brought into the classroom,
6 some of the interesting providers that are
7 either public or private that are now being
8 used to provide certain tools within what we
9 think of as a classroom setting. That's a
10 whole realm that gets to be very interesting
11 when you look at it differently.

12 In terms of clarifying, certainly
13 the federal role - and I see this as the
14 NACIQI role in many ways, of coordinating an
15 increasing communication among the actors is
16 absolutely critical. We're now looking at
17 situations within institutions where the
18 federal and state governments are in many
19 ways - not every way, but many ways,
20 duplicating what accreditors are doing. And
21 to begin to say we're going to hold the
22 accreditors accountable for what they're
23 dealing with in terms of quality and accept

1 accreditation as the evidence of that
2 quality needs to happen. So the role of the
3 federal actor is, I think as you reflected
4 in your report, to coordinate that process.
5 It needs to get going.

6 Another thing with regard to the
7 federal roles is -- as I mentioned before,
8 there is a -- in the report you recognized
9 the emphasis on looking at state regulations
10 to incorporate cross-state activities. And
11 I think we have a surrogate for that now,
12 that being the State Authorization
13 Reciprocity Agreement, or SARA. We just
14 don't need to keep duplicating accreditors'
15 efforts.

16 In the section on accreditation
17 roles there's a lot said with regard to
18 encouraging the accrediting community to be
19 able to take advantage of and/or accept
20 innovative practices. That=s my five
21 minutes? Thank you. Encourage needs to be a
22 little stronger. I'm working with eleven
23 community colleges across the country in

1 different states and they are doing similar
2 things within their cultures, but they have
3 to progress at different rates because of
4 the vast differences in the way that their
5 regional accreditors are dealing with
6 competency-based education.

7 I would argue that, as I
8 mentioned, we need to be paying -- or you
9 need to be paying and the accreditors need
10 to be paying a lot more attention to student
11 learning outcomes, how they're established
12 and how they're measured. And auditing that
13 does not mean uniformity, as Cliff
14 mentioned. You can still let it be driven
15 by the institution.

16 When we think about regional
17 accreditation in terms of what things
18 weren't addressed that need to be, quite
19 frankly I heard a great deal of that just a
20 few minutes ago from Jamie with the notion
21 of certain kinds of outcomes from
22 institutions being gathered and utilized in
23 this ranking framework.

1 Another area that the NACIQI role
2 and operation might better serve quality
3 assurance is to really strengthen this
4 notion of balancing innovation and quality
5 assurance. When we talk about this shift
6 that just seems to be happening so quickly
7 to competency-based learning opportunities,
8 it means we're looking at a different
9 framework of doing things. And I would
10 suggest that it may be a venue in which we
11 could look to the accrediting communities
12 across the country to at least harmonize
13 their language, which has come up before,
14 their definitions, but I would also suggest
15 some of the processes.

16 And I do want to acknowledge that
17 I'm very aware of the different governance
18 structures within the regionals. And that
19 doesn't make things easy, but if we can take
20 a new area and let them begin to try and
21 harmonize on that, I think it would be much
22 stronger. Thank you.

23 CHAIR PHILLIPS: Thank you very

1 much. I realize we're plowing through this
2 very quickly. I hope you're keeping your
3 notes and comments. We'll come back to you.

4 And next to Ben Miller, from the
5 New America Foundation. Thank you for
6 joining us.

7 MR. MILLER: Yes, thank you very
8 much for having me.

9 I think that since the 2012
10 NACIQI report we have seen some positive
11 changes, and I'll touch on those throughout
12 my testimony, but I don't think they quite
13 go far enough in that sort of we're still
14 faced with the same couple basic problems
15 here in the accreditation system, which is
16 that on the consumer protection side it's
17 not doing enough because it's essentially
18 too difficult to move people sort of our of
19 the financial aid system by taking away
20 their accreditation.

21 But on the flip side it's sort of
22 too difficult to get into the system in the
23 first place, which means that it sort of

1 discourages innovative models either within
2 an institution or sort of innovative
3 providers and that it's all sort of
4 occurring too much in a system that operates
5 sort of out of public sight with not enough
6 transparency.

7 So I want to touch on sort of
8 three main kind of issues within the system
9 and sort of provide some suggestions of
10 where I think the NACIQI recommendations
11 were good and also where it could go
12 further. And those three are transparency,
13 consistency and then a little bit of an out-
14 there suggestion about ways to think about
15 changing the incentive structure to better
16 encourage quality around student learning.

17 So on transparency a common
18 critique you hear from defenders of
19 accreditation when accreditation is
20 criticized is that the public doesn't really
21 understand what accreditation does. And I
22 think that's fair. It's an incredibly
23 complicated process, but at the same time

1 it's very hard for the public to understand
2 it when so much of its work sits behind
3 closed doors. And so I thought NACIQI's
4 recommendation in 2012 that there needs to
5 be more transparency around the actual
6 reports being produced is a very good one
7 and I think it's heartening that some
8 accreditors like WASC have taking the steps
9 to actually start published those things.

10 But at the same time now if I'm a
11 student attending a WASC school, I can see
12 my accreditation report, or my school's
13 accreditation report, but if I'm attending a
14 nationally-accredited school down the
15 street, I don't get to see anything. And
16 that sort of is unfair to the students and
17 it also means that sort of a lot of the work
18 that goes on just sort of -- no one sees it,
19 especially in the learning outcomes space.

20 And so as NACIQI sort of reviews
21 accreditors and also thinks about proposals
22 for future work, I strongly recommend you
23 consider looking at the transparency

1 policies of accreditors and really ask sort
2 of why if WASC is comfortable published
3 these the others aren't comfortable going
4 down the same route.

5 Next is consistency. I think
6 that we're increasingly less in a world
7 where higher education varies a lot by
8 geography. And so what that means is that
9 sort of the way you're approved or what you
10 go through should start to look more similar
11 regardless of where you're located. I think
12 this is especially important because we have
13 seen some schools do things like
14 accreditation shop where basically they get
15 sort of a negative result from one
16 accreditor and they turn around and try to
17 find another one that might be more lax.

18 And here I think that again
19 there's been important first steps here. I
20 think the work by the Council for the
21 Regional Accrediting Commissions on trying
22 to put some common definitions around what
23 various things like warning and show cause

1 mean is very important. I strongly urge
2 NACIQI to try to talk to the national
3 accreditors to get them to do something as
4 well.

5 I do think it's probably
6 important that those are separate with
7 regionals having their own set and nationals
8 having their own, but at the same time if
9 the definitions for sort of the outcome
10 decisions are the same, that's only a
11 partial step, because if the underlying
12 standards and the way that the decisions get
13 made about sort of what met a standard or
14 what doesn't meet a standard vary a lot,
15 then you've got a common outcome, but the
16 way you get to that outcome can still be
17 radically different.

18 And so I think it's very
19 important that the accreditors really, again
20 separate for regionals and nationals, start
21 to come together and think more about how
22 they can create greater consistency among
23 their processes so that you know that when

1 someone's getting, say, a warning decision
2 that what prompted it is also coming through
3 a similar process.

4 But the sort of final part is
5 that what I think makes a lot of this very
6 difficult is that the current accreditation
7 system is not set up to have an incentive
8 structure that really rewards a strong focus
9 on learning outcomes and quality. If I'm an
10 institution and I'm just trying to get
11 access to federal student aid, I can
12 basically go to any accreditor I want and
13 just try to get into the system. If I can
14 get into the regionals, that's probably
15 better for me because it helps with credit
16 transfer, but essentially my access to
17 federal student aid is binary. As long as
18 someone will approve me, I get access to
19 everything.

20 At the same time, if I'm an
21 accreditor at the national level, being
22 particularly tough on learning outcomes or
23 quality, it could actually hurt my business

1 model because my revenue is tied to the
2 institutions I accredit. And if I'm a
3 regional, it's a very tough sell to schools
4 to try to ask them to do more when they're
5 faced with so much other burden in terms of
6 what they're asked to report and what's
7 going on. And so I think that
8 what we need to think about is is there a
9 way that we can change the incentive
10 structure to really encourage accreditors
11 and institutions to want to do more on
12 learning outcomes, to be more transparent
13 about this and to place a greater emphasis
14 on it.

15 And so I would suggest sort of
16 two ways you could think about this, and I
17 recognize that both of them fairly
18 different. One would be, much as there's a
19 discussion about trying to tier the
20 accreditation review process to reflect sort
21 of different levels of risk, start to think
22 about whether there should be different
23 levels of accreditation for federal student

1 aid purposes.

2 Right now, again, once you're in
3 the system you get the access to the same
4 amount of aid, but if you're a school and
5 we're really concerned about your learning
6 outcomes, we should probably recognize that
7 not all federal student aid benefits carry
8 the same degree of risk. A loan for a
9 program where a student's not going to learn
10 anything is a far riskier investment than
11 someone who's at a program where they know
12 they're going to learn something. And so
13 you could think about starting to create a
14 system that allows accreditors to offer
15 different levels of accreditation with
16 respect to federal student aid.

17 The alternative would be to
18 actually treat accreditors differently and
19 recognize and reward the ones that really do
20 want to place an emphasis on learning
21 outcomes and quality. You could do this by
22 trying to take away some of the things that
23 Sally mentioned -- or I'm sorry, that Judith

1 mentioned as being particularly burdensome.
2 So if you had an accreditor that was really
3 willing to focus on learning outcomes or
4 quality, maybe they should get more
5 flexibility to not be judged as much on some
6 of the less-important things, or maybe they
7 should have the ability to approve colleges
8 for longer, or do other things that really
9 represent a trade that encourage the
10 accreditor to go down that road and also
11 would reward institutions and make it worth
12 their while to also want to do that
13 additional work.

14 So I know that's a lot to take
15 in, so I'll stop there.

16 CHAIR PHILLIPS: Thank you very
17 much.

18 It's remarkable how short five to
19 seven minutes is. I feel that any of our
20 panelists could go on at much more length to
21 our benefit. However, thank you for
22 containing yourselves into the required time
23 period.

1 Committee Members, questions that
2 you have of the panelists or, panelists,
3 questions that you have of each other.

4 DR. ADELMAN: If nobody else
5 does, I'm going to address the argument
6 between Judith and myself, which is not
7 really an argument.

8 My point is this: look, folks, if
9 you're concerned with learning outcomes,
10 Judith says that even though you said
11 nothing about it in your documents, which is
12 my source of evidence --

13 DR. EATON: (Off microphone)

14 DR. ADELMAN: Wait a minute.
15 Wait a minute. You're still doing it.

16 And my answer to that is what is so
17 difficult about taking what you're actually
18 doing and turning it into a stated explicit
19 learning outcome standard in your
20 accreditation document? There's no great
21 effort there. If you're already doing it,
22 tell people what it is that you expect
23 students to learn in your program, period.

1 Don't use a proxy. Spell it out since
2 you're already doing it anyway. Big deal.

3 I'd also point out --

4 DR. EATON: Well, may I have
5 equal time?

6 (Laughter.)

7 CHAIR PHILLIPS: If you would
8 respond, and then I have Frank and Arthur.

9 DR. EATON: All right. First,
10 Cliff, you claim I've been ignoring you.
11 I'm going to invite you to the office and
12 we'll have a wonderful time sitting down and
13 going through accreditation standards --

14 DR. ADELMAN: I agree on that
15 one.

16 DR. EATON: -- and take a good
17 look -- well, you need some help. All
18 right?

19 (Laughter.)

20 DR. EATON: Second, I agree with
21 you on one point, and that is we can do a
22 better job with this. There's no question
23 about it. We can focus more intently. We

1 can be broader in the information that's
2 available. A lot of what we do is
3 professional work for professionals. We are
4 hearing all around us in accreditation that
5 accreditation has to be more helpful, useful
6 to the general public and to students. And
7 I think that transition is under way, but it
8 also has a long way to go.

9 And I take Cliff's point earlier
10 on, and you may be going here now, that the
11 way in which we're describing student
12 learning outcomes is something that he'd
13 like to see changed in some way. I see what
14 you're getting at there.

15 DR. JOHNSTONE: May I make a
16 comment to that, too, to begin the
17 reconciliation of these two?

18 (Laughter.)

19 DR. JOHNSTONE: I think if we
20 take Cliff's perspective of a real focus on
21 student learning outcomes, we then can look
22 at Judith's comments and see how they
23 complement that, because then we pull back

1 on other regulatory structures.

2 DR. ADELMAN: Yes, absolutely.
3 Yes, agreed.

4 CHAIR PHILLIPS: Thank you. I
5 have Frank and Arthur.

6 MR. WU: Just a question for
7 Judith and also for the benefit not just of
8 myself, but other folks at this table,
9 including people who are new.

10 I wonder if you could just give a
11 very short description of what CHEA is, why
12 you were founded, what you do and who you
13 are.

14 DR. EATON: All right. CHEA is a
15 non-governmental institutional membership
16 organization of degree-granting colleges and
17 universities. We were established in 1996.
18 Our purpose is to provide national
19 coordination of accreditation. That
20 involves working with the federal government
21 on accreditation issues. It involves
22 recognition of accrediting organizations,
23 membership services, conferences, meetings,

1 research. And we now have an international
2 arm working with colleagues around the world
3 on international quality assurance issues.

4 CHAIR PHILLIPS: Thank you.

5 MR. WU: Thanks.

6 CHAIR PHILLIPS: Arthur?

7 MR. ROTHKOPF: Yes, we're sort of
8 dealing with a lot of concepts here. Our
9 paper, or the report of two years ago dealt
10 with concept. Let me talk about a concrete
11 case and ask any of you to comment on it.

12 I think at our last meeting it
13 was, or the meeting before, we probably
14 heard 40 witnesses from the City College of
15 San Francisco come and tell us why they
16 should not lose their accreditation. And
17 then we took up the recognition of I think
18 it's WASC, Jr. I never quite get the name
19 right. And actually, I voted in favor of
20 the continued recognition even though the 40
21 or 50 witnesses said they weren't really
22 suitable to be an accreditor, but I thought
23 it was good because, frankly, this was one

1 of the few cases where an accreditor stood
2 up for saying there were standards there
3 which they were applying. And I thought,
4 fine, we're done with that.

5 Well, now I learn just from the
6 press that the politicians have gotten in
7 the act and have said, oh, no, you can't
8 take away this accreditation of this great
9 school. And so we've got to continue it.
10 And I see once again even two days ago that
11 WASC is considering some new status to keep
12 these people in business.

13 I guess the question is how do
14 you get rid of an institution, which I know
15 virtually nothing about, but which the
16 accreditor said shouldn't continue and yet
17 through their efforts, legal, political and
18 otherwise, continue? So why are we here?

19 DR. EATON: Well, Art, I think
20 the issue here with WASC, Jr. and City
21 College of San Francisco is not -- first and
22 foremost that is why an action was taken to
23 terminate the institution, but the

1 institution's accreditation has not been
2 terminated -- has far more to do with the
3 political situation that you described,
4 which has been ongoing both at the state and
5 federal level for some time.

6 I think the answer lies in, are
7 -- and it's not an isolated case. I can
8 give you a number of other examples where
9 there's been political intervention on
10 behalf of institutions after an accreditor
11 has taken an adverse action. We need
12 something, some assistance either from
13 within the higher ed community or the
14 federal government that provides some kind
15 of protection vis-à-vis the extent of this
16 political influence and we simply don't have
17 it. All right? We need to be looking at
18 how to solve that problem. That is a
19 separate issue from how you judge whether or
20 not the accreditor took the appropriate
21 action. I'm putting that aside and
22 addressing the political dimension of this.

23 MR. ROTHKOPF: Okay.

1 CHAIR PHILLIPS: I have John and
2 Simon.

3 DR. ETCHEMENDY: Yes, I'd just
4 like to throw out a worry that -- and maybe
5 somebody could address it. Maybe Cliff or
6 Sally, in particular. And that is about
7 whether we have any evidence that focus and
8 attention on direct student learning
9 outcomes and measuring these really improves
10 an institution or improves a higher
11 education institution. Let me try to
12 explain where my worry is. I mean it seems
13 so obvious, so obvious that we want students
14 to be learning, and so why aren't we
15 measuring directly what they're learning and
16 making sure that that's actually happening?

17 Now, we have a very longstanding
18 system of competency-based education, namely
19 the GED, that has been in place since --
20 basically since World War II, and that's
21 based on competency-based principles where
22 you actually measure to see whether or not
23 the students have a certain set of concepts.

1 And in fact, given that it's for high
2 school, it's an area where we think we
3 understand pretty well what the important
4 student learning outcomes of high school
5 are. They should know these sorts of
6 algebraic knowledge, they should be able to
7 write competently and so forth and so on.
8 And we have a very good system. I mean,
9 it's actually -- it's a pretty good test and
10 it's well-graded and so forth and so on.

11 Now, that's been studied fairly
12 extensively by Richard Heckman from the
13 University of Chicago and it turns out that
14 the outcomes of that system bear virtually
15 no relation to the job outcomes, the
16 workforce success and so forth and so on of
17 the students. That is, students who get the
18 GED equivalency look more like high school
19 dropouts than like high school graduates,
20 normal high school graduates.

21
22 So it seems like here's a case
23 where it should be perfectly obvious what

1 the outcomes are that we should be looking
2 at, because it's high school. It's fairly
3 standardized and so forth and so on. We put
4 in place a system that is pretty good at
5 testing those and it doesn't do what it's
6 supposed to do. It doesn't tell us that
7 these kids or young people are actually
8 getting the benefit that they would have
9 gotten from graduating from high school,
10 from staying in high school and completing
11 it in the normal way. And that actually
12 worries me because I don't think we have
13 much information and data and actual
14 research on whether that is useful.

15 Another sort of observation. Suppose
16 we had a case where we had an institution
17 that was measured very well if you measured
18 directly the set of student learning
19 outcomes that they say are important to
20 them, but their students don't get jobs,
21 they don't do well in the workforce, so
22 forth and so on. Then would we feel good
23 about that institution? Or conversely, if

1 we had an institution that didn't measure
2 student learning outcomes or whose students
3 did not perform particularly well on those
4 measurements and yet the indirect measures
5 were all very, very good, would we feel less
6 good about that institution?

7 My view is probably not. I
8 actually think that the indirect measures
9 and the proxies are actually -- could be the
10 most important things to measure and the
11 things that we really should be focusing on.
12 So that's just a musing.

13 DR. JOHNSTONE: I'll go first and
14 then --

15 DR. ADELMAN: You go first.
16 We're going to go back and forth.

17 DR. JOHNSTONE: -- Cliff can
18 disagree with me.

19 There's a whole host of issues
20 around a GED. It was designed to replicate
21 those academic functions within high school
22 to say, okay, you know algebra, you know how
23 to write, you know how to do everything

1 else. And we know that the high school
2 experience does a whole lot more than just
3 have some academic framework.

4 Okay. We have a lot of other
5 longstanding examples of competency-based
6 frameworks in our higher education sector.
7 Law is a great example. You have to pass a
8 bar exam. It is determined by the state -
9 it's not uniform, what has to be involved in
10 it. Medicine, the same stuff. That's true
11 now more and more and more in technology
12 fields so that the private sector is
13 actually saying this is what we need of
14 someone who's going to call themselves an X,
15 a computer engineer or whatever. So I think
16 that there are different ways to think about
17 just this notion of competency.

18 And I would suggest also that it
19 is an enabling function to allow an
20 institution to do a lot of things. I cannot
21 disagree that if somebody scores well on a
22 competency framework and then can't get
23 employed -- then I would say that tells us

1 that what's going on in the way in which
2 those competencies were determined was
3 faulty. It was not giving the students what
4 they needed. What I'm talking
5 about when I talk about the strength of
6 student learning outcomes, I'm basically
7 saying the institution, the people in the
8 institution, obviously the faculty, need to
9 determine what it is that students need to
10 master. And that could be different by
11 fields. That's fine. But it has to be
12 explicit. And I know that's what our
13 accrediting system now is trying to do, but
14 I also know that it's pretty weak, or I
15 would argue it's pretty weak.

16 Once there is an explicit process
17 for determining how we're going to define
18 what a student needs to learn, and that can
19 be institutionally specific, and quite
20 frankly, departmentally specific, it doesn't
21 matter, then there has to also be an
22 explicit framework of determining how that's
23 going to be measured. And it can take many,

1 many forms. We do this already in most of
2 our high quality institutions, but I think
3 what I'm arguing is we need to make it
4 explicit so a student really understands
5 what's going on, and it's more transparent
6 to an employer or a grad school or whatever
7 what that student has actually accomplished,
8 not just based on, oh, it's a Stanford
9 degree. I knew one of those once. Let's go
10 for it. Or Cornell. Or whatever. Which is
11 kind of where we are right now. And we can
12 do better. And if we're going to open up
13 educational experiences to a broader
14 population within the country than have been
15 able to afford it in the past, we're going
16 to have to have ways of making that
17 explicit.

18 And I would even argue some of
19 our best institutions are not very good at
20 this. And what students learning is how to
21 navigate a very complex process, just as
22 they would in high school instead of the
23 GED.

1 DR. ETCHEMENDY: To which, Sally,
2 I --

3 CHAIR PHILLIPS: Excuse me.
4 Being the clock watcher, I just want to give
5 us an opportunity to respond. I know Cliff
6 you want to respond and I still have Simon
7 and Art on the docket, and Anne. So just be
8 mindful. Thank you.

9 DR. ETCHEMENDY: I was just going
10 to say that I understand what you're asking,
11 that you're asking that these be made
12 explicit and then somehow or other measured.
13 And I'm actually asking a much more radical
14 question about whether -- first of all,
15 whether they can all be made explicit or
16 even nearly all be made explicit.

17 And secondly, whether -- and
18 here's the radical part, whether it might
19 actually be harmful to the education system
20 to attempt to make them explicit and focus
21 on them. I mean, this gets back to the
22 worry that many people have about teaching
23 to the test, right? So you make something

1 explicit. You say here's explicitly what
2 we're looking for. And that can actually be
3 harmful to the educational system.

4 DR. JOHNSTONE: Are you
5 advocating we get rid of syllabi?

6 (Laughter.)

7 DR. JOHNSTONE: That was a joke.
8 I'm sorry.

9 DR. ADELMAN: Okay. This is an
10 a-ha moment, maybe some learning. There is
11 something in this world called tuning.
12 Tuning is a faculty-driven project within
13 each discipline that seeks to develop a
14 common template of reference points in the
15 discipline. It started in Europe, went to
16 Latin America. It started in Europe in
17 2000. Went to Latin America in 2005. Came
18 to the U.S. in 2009. It's in Japan now,
19 Australia, China, Africa and Central Asia.
20 So it's something going on here. It's
21 faculty-driven.

22 Now does this mean in a business;
23 I'll illustrate it in business, that if --

1 in the European group if we all sat together
2 around a table, representatives from 15
3 countries speaking 11 languages, agreed that
4 the core of a -- one of the reference points
5 in any business curriculum is the notion of
6 a firm. Not only a firm, but what a firm
7 is, which we agree is a value chain from
8 procurement to customer service. It has
9 different variations.

10 Does that mean that the way I
11 teach this at the University of Freiburg in
12 Germany is the same as the way I deliver
13 this at the University of Coimbra in
14 Portugal? No deal. But we're singing in
15 the same key. We're not necessarily singing
16 the same song. And then we go to the
17 next part of your critique. Does that mean
18 we use a standardized test? Hell no. That
19 means that we learn how to write assignments
20 that match the -- you're going to call them
21 competencies and the degree qualification
22 profile dropped that word. We're talking
23 about proficiencies. The phrasing of the

1 proficiencies would act the verbs that lead
2 naturally to the better assignments the
3 faculty give.

4 Let me give you an example of an
5 assignment. You want to an a-ha moment. We
6 have a proficiency -- I give you one in my
7 paper anyway, but I'll do another one fast
8 because you'll say, ah, that's what they're
9 talking about -- about quantitative
10 literacy, which everybody says that they
11 want to do. Here's a map of England. You
12 are flying a certain aircraft, a Hunter
13 Tornado, or something. Here are all of its
14 specifications in terms of how much fuel it
15 burns in different maneuvers. Here are
16 three air fields. Here's an Intruder.
17 Here's a refueling aircraft. Your
18 assignment's -- 3:00, the weather is closing
19 -- intercept the Intruder coming in from the
20 northeast, destroy the Intruder, tell me
21 which air field you're going to land at, at
22 what hour, how much fuel you're going to
23 have left and write the algorithms out.

1 That is a real ad in the London
2 Sunday Times recruiting for the Royal Air
3 Force. We turned it into a type of
4 assignment that would satisfy or -- not
5 satisfy, but that was a logical extension of
6 the way quantitative literacy was phrased in
7 the degree qualifications profile. And it
8 was really the requirement, write out the
9 algorithms for each step of that that made
10 it that way. So you see what
11 we mean by -- the DQP is loaded with those
12 things. And Sally knows this from working
13 with Western Governors. Of course they
14 don't make it public, but that's okay. They
15 do it. They do it. Which is to say that
16 here are what they call competencies. Here
17 are the assignments, which elicit the
18 student behavior that allows you as a
19 faculty member to judge it. Does not pass
20 it over to a third party standardized test
21 at all. And that's the point of DQP. Bye.

22 CHAIR PHILLIPS: Thank you. I
23 want to move along to make sure that other

1 people have an opportunity to speak. I have
2 Simon, Art and Anne.

3 MR. BOEHME: Thank you, Madam
4 Chairwoman.

5 Affordability is one of the most
6 important issues in higher education right
7 now. We throw around this \$2 trillion worth
8 of debt, or how much it ever is, and access
9 for low-income to middle-income earners is
10 very important to me and I think many
11 members of this body, and obviously to the
12 administration and people across the
13 country. I did not hear it much
14 in any four of your guys' presentations.
15 And so I'd like Ben or Judith to comment on
16 this. And we are in an advisory body, but
17 you guys are here to advise us. So I want
18 to hear your comments about where you see
19 affordability fitting within the broader
20 picture, specifically what NACIQI can do and
21 just your general take on accreditation and
22 affordability.

23 MR. MILLER: So I think one thing

1 on affordability is part of it is like the
2 dollar level, but it's also sort of what are
3 you buying with your money? And right now
4 it's very easy to know the dollar level,
5 unless you're looking at some colleges that
6 try to even hide that, but it's much harder
7 to know what you're actually buying with
8 your money. And so if you want to have any
9 sort of consumer pressure on sort of
10 affordability and keeping things more
11 reasonable, you need some way for people to
12 know that what they're buying is of any
13 value.

14 And I think that's where you have
15 to start with some greater transparency on
16 the learning outcome so at least you can
17 know, okay, maybe this one's actually more
18 expensive, but I'm going to learn a lot
19 more, so it's worth it. Or this one's
20 40,000; this one's 20,000. The \$20,000 one
21 you learn even more, so I shouldn't even
22 look at that one. Because right now there's
23 so much less of a sense about what you're

1 buying that instead -- like reputation
2 dominates, and other colleges know that.
3 And reputation is much more expensive to
4 build than high quality learning.

5 And so I think that's like sort of where it
6 has to start.

7 If you go beyond that, then you
8 have to start thinking about sort of what
9 other models are there that you could
10 encourage that would sort of reduce the cost
11 of the education, and that's a lot tougher.
12 And that gets into things like sort of how
13 do you use hybrid learning well, how do you
14 consider credit for prior learning or other
15 things like that that can sort of speed time
16 to degree and things like that.

17 DR. EATON: The federal
18 recognition standard that addresses this
19 talks about fiscal and administrative
20 sustainability, stability in an
21 organization. If we want to go beyond that,
22 and I question whether you would want to go
23 beyond that, as part of the purview of

1 accreditation, what do we want to know? The
2 theory on which all of this built of course
3 is that you're turning to accreditation as a
4 reliable authority on educational quality
5 because you want the money to buy
6 educational quality. That to me does not
7 take me to the accreditor is responsible for
8 determining the cost-benefit ratio of the
9 education of a college or university.

10 So I don't know what you want
11 accreditation to do. I'm posing it as a
12 question. With regard to the affordability
13 issue there are so many variables that tie
14 into that and when you're asking an
15 authority on educational quality to address
16 affordability, what are we asking them to do
17 or what should we ask them to do beyond what
18 is currently required by the federal
19 recognition standard we have? And that is a
20 genuine question. I don't have an answer to
21 it.

22 But I get nervous with the
23 affordability questions. I think that one

1 of the problems out there for us, a
2 challenge for us to meet is we're
3 increasingly defining the value of higher
4 education in terms of affordability or
5 defining quality as affordability. That's
6 not a comfortable place I think for us to
7 be. I worry about that.

8 MR. BOEHME: I actually can
9 suggest sort of one thing to consider there,
10 which is the credentialing, because I think
11 -- I mean, there's sort of affordability for
12 the bachelor's degree, which is concern over
13 price, but then at the lower end you've got
14 sort of the creation of a number of
15 especially certificate programs that really
16 even, frankly, if people learn something,
17 it's got no payoff because it's not a
18 regulated profession or there's sort of no
19 reason to really be offering it.

20 And I think accreditation could
21 do a lot more that when these schools expand
22 at a very high rate of speed, start offering
23 credentials that are sort of different from

1 what they have been offering or expanding
2 into new areas, actually being a lot tougher
3 about what gets added there. And that would
4 at least fix affordability sort of on the
5 lower end.

6 DR. EATON: All right. And
7 accreditors do look at what is added, but it
8 is not -- they're looking at it from the
9 perspective of does an institution have a
10 capacity, all right, among a number of other
11 things.

12 I take your point. I think
13 learning pays off no matter what. Now, I
14 have a bachelor's degree in philosophy a
15 thousand years ago and couldn't get a job
16 for a while, so I understand what you're
17 talking about. But nonetheless, I worry
18 greatly about defining the worth of
19 education solely in financial terms and I
20 worry about expanding the role of
21 accreditation to judge their financial
22 effectiveness, the cost-benefit ratio of
23 colleges and universities. Maybe we need to

1 do that. I'm not sure accreditation needs
2 to do it.

3 CHAIR PHILLIPS: Thank you. I
4 have Art and Anne.

5 VICE-CHAIR KEISER: Yes, I'm
6 going to follow up on that kind of line of
7 questioning, because you take the outcomes
8 -- you know, defining outcomes. Then you
9 take affordability. And then the next term
10 becomes return on investment, which seems to
11 be catching on in a lot of different areas.
12 And it concerns me and I'm curious how you
13 feel that accreditation is going to be able
14 to deal with return on investment. I know
15 the government has certainly jumped in the
16 involvement in that discussion, whether it
17 be called gainful employment or any other
18 discussion that you want to have. How does
19 accreditation -- can accreditation deal with
20 this, especially in the post-graduate
21 situation that that implies?

22 DR. JOHNSTONE: In a lot of ways
23 I have to absolutely agree with Judith on

1 this. I'm not sure it's the role of
2 accreditation to go to an ROI. It's
3 important for students perhaps to begin to
4 understand that, particularly the post-
5 graduate level, but I'm not sure that we
6 want to put that burden on accreditation.

7 VICE-CHAIR KEISER: Well, but if
8 you are the -- your job is to define the
9 quality, and that's operating in a vacuum,
10 it's going to be hard to explain to the
11 public that, well, these are great
12 institutions, but nobody can get a job or
13 the education has no value, intrinsic value.
14 So how do you deal with that?

15 DR. JOHNSTONE: Well, I think it
16 goes back to something that John brought up
17 a few minutes ago. So if we have just a
18 competency-based program, but people go
19 through that, they get their qualification,
20 whatever it is, but they can't get a job, it
21 points back to there are some problems. And
22 that implies that you can't look solely at
23 learning outcomes, which I didn't say, but I

1 think it's part of what you were saying, and
2 you've got to look at these secondary
3 activities. And it's my sense that that's
4 what the Department is talking about when
5 they begin to talk about a rating system.

6 MR. BOEHME: I think the concept
7 of sort of gradations of ROI is hard, but
8 you could at the very least sort of look at
9 something and ask yourself on its face does
10 this look like it's destined for disaster.
11 Is it something that's three times the
12 length of what it should be? Is it inflated
13 in credit hours? Is it something the school
14 would sort of know doesn't fit within the
15 school's traditional mission? Is it going
16 to be in an area where it's going to create
17 an over-supply so that graduates likely
18 aren't going to get jobs? Is it priced such
19 that you know that people, best case
20 scenario, are looking at essentially
21 subsistence-level wages? You could ask all
22 of those questions at least and do some more
23 to sort of check on the front end.

1 VICE-CHAIR KEISER: Well, in some
2 respects that's nice and easy to say, but
3 who wants to make those judgments when the
4 diversity of the institutions, the diversity
5 of missions, the type of students, the type
6 of education that you're providing all play
7 factors into those discussions? So I asked
8 the question because it concerns me greatly
9 that that's what seems to be where the
10 conversation is going. And I agree with
11 Judith it's not where we need to be, but I'm
12 afraid we may not be moving as quickly as
13 the public.

14 DR. ADELMAN: Quick, fast on --

15 CHAIR PHILLIPS: Judith, the very
16 last card.

17 DR. ADELMAN: -- this one. Very,
18 very fast on this one. I don't think it has
19 any place in the accreditation universe at
20 all mostly because -- well, no, in addition
21 because more than half our students attend
22 more than one institution. It's very
23 difficult if you look at the institutions in

1 your own family to figure out who is going
2 to -- which institution was responsible for
3 what -- and actually it's not the
4 institution. It's the student and the
5 individual who is ultimately responsible.
6 So stay away from it. Bye.

7 CHAIR PHILLIPS: Judith, last
8 call and then we're going to go onto to
9 Anne.

10 DR. EATON: Yes, I said earlier
11 we need to take a fresh look at all this.
12 This conversation leads me to wonder, are we
13 really fundamentally redefining the role of
14 accreditation and expectations. Is that
15 where we want to go? Accreditation is about
16 affordability. Accreditation is about
17 grinding out certificates and degrees.
18 Accreditation is about return on investment.
19 Accreditation is about earnings.

20 I'm asking. Is that where we
21 want to go? Then we have to take an even
22 bigger step backward and look at that big
23 picture and what do we mean when we say an

1 institution is accredited when that
2 accreditor is federally recognized? I'm not
3 saying go there. I'm not saying not go
4 there. You all know me well enough, most of
5 you, that I don't want to go there. All
6 right.

7 But nonetheless, that's where we
8 are. We're at a point where we can't just
9 tweak regulations or change a few things.
10 The heart and soul of accreditation as we
11 have known it is at stake here and the
12 people in this room know more about changing
13 that than anybody else around. So we need
14 to be very, very careful and thoughtful with
15 regard to how we proceed and we're really
16 looking to the role that this body plays in
17 leading us with regard to this.

18 CHAIR PHILLIPS: Thank you,
19 Judith. Anne, and then I'm going to reserve
20 the last question for me.

21 MS. NEAL: Just quickly.
22 Obviously we were here in 2012 and you all
23 are here helping us now to decide what has

1 changed or what has gotten better and
2 whether or not we should change our position
3 that we had back in 2012. And I guess as I
4 listen to you, and particularly Cliff and
5 Peter, who's not here, what I hear you
6 saying is that the accreditors are not
7 looking at educational quality, they're not
8 looking at outcomes, they're not even
9 looking at proxies of outcomes. And so I'm
10 left to believe that we have no greater
11 assurance that accreditors are doing a good
12 job of ensuring educational quality and
13 protecting the taxpayer dollars than we were
14 back in 2012.

15 And as I listen to you, what I
16 keep hearing is that there's a fundamental
17 inability to agree as to what is quality.
18 And that's understandable. I think that's
19 why accreditation was a resource-based
20 exercise. It used to be how many books did
21 you have, how many buildings did you have.
22 That's much easier to count and it's much
23 easier to agree to that's a definition of

1 something.

2 So I'm then forced to ask myself,
3 well, if you can't agree on what quality is
4 and it's not particularly transparent, what
5 are accreditors doing? And I come back to
6 what I continue to be deeply concerned
7 about, which is intruding in areas that are
8 not peer review. Peer review is educational
9 quality, looking at that. But I'm hearing
10 you're not doing that peer review exercise.

11 So I'm fearful that what is
12 happening is that you're looking into
13 management, you're looking into governance,
14 whether it's the Community College of San
15 Francisco, UVA, Tiffin, you name it. If you
16 look at those recent exercises, we've got
17 accreditors that are basically second-
18 guessing management, second-guessing
19 governance and not necessarily focusing at
20 all on educational quality, which is what I
21 thought we wanted from the peer review
22 process.

23 So I am left with continuing deep

1 concerns particularly as I see this focus
2 outside the educational area harming
3 innovation and harming entities that are
4 dealing with a very rapidly changing higher
5 ed landscape and who are finding this so-
6 called peer review process getting in their
7 way of change.

8 DR. ADELMAN: Can I ask a
9 question to follow up on that fast? Do you
10 know anybody who's done -- I mean, I read
11 all these documents, and when -- you could
12 also read these documents and classify
13 statements into default categories of topic,
14 like financial management, or staffing, or
15 whatever it is. Is there anybody that's
16 done any research that you know that's
17 looked across all of the -- or a huge
18 majority of accreditation statements by
19 regional, national, specialized in terms of
20 the types of default statements that are
21 made? If there isn't, then maybe it's time
22 that somebody do it just as a background
23 tapestry for any future considerations.

1 That's all.

2 CHAIR PHILLIPS: Thank you. Last
3 question. This one is for Ben. You had
4 mentioned some options about incentivizing
5 doing more about sorting learning outcomes
6 by offering gradations or different
7 varieties of standing relative to access to
8 Title IV funding, but also relative to
9 accreditor status. Could you say a little
10 bit more about the latter, the gradations
11 among accreditors?

12 MR. MILLER: Sure. I mean, I
13 think if you wanted to encourage accreditors
14 to focus more on learning and outcomes, you
15 need a way to sort of empower them to make
16 the value proposition to a college that it's
17 worth it for them to engage in the extra
18 work that that's going to entail. And you
19 also need a way to sort of make a value
20 proposition to the accreditor itself that
21 it's worth its while to pursue something
22 like that.

23 So I think you could do something

1 like say to accreditors right now we look at
2 -- I don't know what the number of things
3 you look at for an accreditation, like 90-
4 something, 100-something. And you could
5 maybe say if you're going to really go
6 deeper on the learning outcomes and the
7 quality, we're going to presume compliance
8 with, say, 85 of those things and we're
9 really just going to look at how well you're
10 enforcing this narrower, more targeted set
11 of things.

12 I'm not 100 percent sure that's
13 within your sort of purview, but that would
14 be sort of the most basic way to do it, is
15 just assume compliance of some of the things
16 that we all recognize are kind of silly and
17 then focus more on the things we really care
18 about, but really say you're going to be
19 more rigorous on it.

20 The one that's probably a little
21 bit tougher or sort of the next step down
22 would be to start saying things like, we
23 will sort of give you additional benefits if

1 these are things you're willing to do. So
2 that would probably mean something like
3 giving them the flexibility to offer say a
4 longer approval period to some colleges. So
5 if they are going to really focus more on
6 outcomes, say to them if you're going to
7 designate someone as sort of a high outcomes
8 performer, maybe you can approve them for 15
9 years instead of 10, or something like that,
10 so that they can actually offer that trade
11 to the school. Because ultimately they're
12 going to have to sell the school on wanting
13 to continue with its accreditation, unless I
14 guess if it's a regional.

15 But so I think you could sort of
16 thing about -- the most logical ones would
17 be sort of longer period of review, maybe
18 the need for the school itself and the self-
19 study to also waive some of the things
20 you'll assume compliance on. You could
21 maybe think about if there's other reporting
22 requirements out there that you could sort
23 of just say we're going to assume it's a

1 good job. I think there's probably not
2 enough flexibility you could offer to change
3 any terms on federal aid access or anything
4 like that, but that's where you'd sort of
5 start.

6 CHAIR PHILLIPS: Okay. Thank you
7 very much.

8 I'm working on a timeline that
9 keeps us with about the same number of
10 minutes per panel, but it's shifted back for
11 about a half an hour. That means that our
12 next panel would begin in 10 minutes. Again
13 a quick break to shift.

14 I wanted to thank you, panelists.
15 You've promoted a lot of really interesting
16 wheel-turning on this side of the table, I'm
17 sure. We really appreciate your sharing
18 information and perspective with us. We
19 hope that you'll continue to do that.

20 I'd like to call a 10-minute
21 break. We'll switch, and our next panel
22 coming up will be the perspective of
23 institutions. That panel will include Terry

1 Hartle, American Council on Education; Peter
2 McPherson, Association of Public and Land
3 Grant Universities; George Pry, Association
4 of Private Sector Colleges and Universities;
5 and Susan Hattan, the National Association
6 of Independent College and Universities.

7 So, 3:30 we're back on.

8 (Whereupon, the above-entitled
9 matter went off the record at 3:21 p.m. and
10 resumed at 3:30 p.m.)

11 CHAIR PHILLIPS: Welcome back.
12 These 10-minute breaks are clearly five
13 minutes too short. I apologize for that.
14 We're trying to pack in a lot of ideas and
15 thinking and talking in a very short amount
16 of time.

17

18

19

20 **PANEL B: PERSPECTIVES OF INSTITUTIONS**

21

22 A final panel for today is the
23 perspective of institutions. We've invited

1 four perspectives to be offered today, and
2 we'll go in the order on the agenda. That
3 includes Terry Hartle, American Council on
4 Education; Peter McPherson, Association of
5 Public and Land Grant Universities; George
6 Pry, Association of Private Sector Colleges
7 and Universities; and Susan Hattan, National
8 Association of Independent College and
9 Universities.

10 We'll follow the same procedure
11 as before. We've asked each of the
12 panelists to speak for five to seven
13 minutes. Fair warning, you'll get a little
14 blip at five, and then you'll get another
15 blip at seven. I realize it's very
16 difficult to contain magnificent thoughts
17 into that period of time, but we ask your
18 indulgence.

19 We're going to ask each of the
20 speakers to speak their turn, hold our
21 questions until the end, and then open it up
22 for question and answer for the remainder of
23 the agenda time.

1 So with that, I will turn over
2 the microphone to -- first up is Terry
3 Hartle, American Council on Education.
4 Terry?

5 DR. HARTLE: Thank you very much,
6 Madam Chairman. I appreciate the
7 opportunity to be here and to talk with you
8 about issues related to reauthorization of
9 the Higher Education Act and NACIQI's
10 earlier paper about ideas for the
11 reauthorization of HEA.

12 At the outset I think it's
13 important to note that the Department of
14 Education has two central roles to play with
15 respect to institutional eligibility to
16 participate in federal student aid programs.
17 First, the Department is to ensure through
18 the recognition process that accreditation
19 achieves its statutory purpose of being a
20 reliable authority regarding the quality of
21 education offered by a college or
22 university. And second, the Department is
23 charged with ensuring that institutions are

1 financially and administratively strong
2 enough to administer the student aid
3 programs and to guarantee that fraud is not
4 taking place.

5 I think from the perspective of
6 the college and university officials I
7 talked to, the Department of Education has
8 in the last six years since the last
9 reauthorization become increasingly -- the
10 Department has increasingly come to treat
11 accreditors as an extension of the
12 Department. That is to say we believe
13 they're micro-managing accreditors and often
14 inserting themselves into the determinations
15 of academic quality.

16 Second, we think the Department
17 of Education's process on financial
18 responsibility is flawed. The Department
19 doesn't seem to be following its own
20 regulations on a determination of financial
21 responsibility. Ironically, I know of no
22 school that has been shut down or closed
23 because it failed to meet the Department of

1 Education's financial responsibility
2 standards, and I know of no school that
3 closed because of financial problems was
4 ever on the Department of Education's
5 financial responsibility watch list.

6 So I think the Department needs
7 to revisit that. I realize that's not a
8 particular area of concern for this
9 Committee, but since the secretary asked you
10 for your advice, I would call that part of
11 the Department's responsibility to your
12 attention.

13 Looking at your recommendations,
14 a couple of observations. First,
15 Recommendations 9 and 10 suggest a need for
16 expedited review and systems for varied
17 levels and duration of accreditation review.
18 We strongly support these recommendations.
19 One of the problems here is the creditor is
20 not entirely sure whether they're allowed to
21 do this under current legislation and
22 regulatory authority, but we would strongly
23 support giving accreditors clear and

1 unambiguous authority to design and
2 implement such systems providing for
3 expedited review.

4 Second point, Recommendation 12
5 in your document calls for streamlining the
6 accreditation statute and regulations to
7 make them, quote, "less intrusive,
8 prescriptive, costly and granular while
9 maintaining essential quality controls." We
10 strongly support this recommendation. The
11 number of fairly prescriptive requirements
12 that accreditors are responsible for
13 enforcing grows ever longer.

14 My favorite, at least my favorite
15 for today is that accreditors under sub-
16 regulatory guidance from the Department are
17 required to review an institution's
18 compliance with local fire codes.
19 Accreditors don't know much about fire
20 codes. Local fire marshals do and they tend
21 to close places down that are in violation
22 of fire codes. But I think this is one of
23 those areas where the accreditors don't

1 necessarily need to be doing things.

2 Accreditors are also responsible for
3 examining the institution's record of
4 compliance with Title IV requirements. Most
5 accreditors don't have the expertise to look
6 at the very complicated and detailed Title
7 IV student aid requirements of the
8 Department of Education.

9 And finally, the Department has
10 elected to impose a credit hour definition
11 on all of higher education. Accreditors are
12 responsible to see if schools are conforming
13 to the federal definition. We think this is
14 another area where the Department has done
15 things that they did not need to do and
16 should not have done without explicit
17 statutory authority.

18 The third point, your document
19 has a number of recommendations, basically
20 Nos. 13 through 21, on the need for better
21 data for accountability and consumer
22 information purposes. I think the question
23 here that we need to ask ourselves is how

1 much information is too much information?

2 We are required right now to give
3 students, the public, potential students,
4 parents a truck load of information. And I
5 think we give them so much information that
6 few people pay attention to what we are
7 giving them. We often seem to believe that
8 giving unlimited information to people is a
9 good idea. In fact, we think it probably
10 diverts their attention from the core things
11 that we might want them to know and
12 understand about an institution.

13 Mind you, we can do it. I think
14 it's just a question of whether it's worth
15 the cost and whether it's counterproductive
16 to what it is we are trying to accomplish.
17 We support the recommendation for
18 communication and information sharing among
19 the Triad, assuming that the data are
20 reliable and useful.

21 Finally, the report says you want
22 to ensure that NACIQI adds value to the
23 recognition process, quote, "exercising

1 independent judgment and addressing
2 significant priority issues," end quote.

3 We are not sure that NACIQI has
4 the ability to exercise truly independent
5 judgment because you are totally reliant on
6 the Department of Education staff for your
7 body. We think it might be very desirable
8 to think about a model like the Advisory
9 Committee on Student Financial Assistance,
10 which is part of the Department of
11 Education, but has autonomy from the
12 Department to hire its own staff and to
13 decide how best to carry out its missions.

14 Finally, it says that you would
15 like NACIQI to play a role in system review,
16 monitoring, dialogue and exchange and policy
17 recommendations to advise the secretary.
18 This role could include developing standards
19 to meet changing realities in education,
20 identifying needed flexibility in
21 accreditation standards and assessing
22 system-wide outcomes and consistency.

23 I think there will be some

1 discomfort with the idea of NACIQI defining
2 accreditation standards further,
3 particularly as I just noted, because we
4 don't really see NACIQI as an independent
5 body. We see it totally as a creature of
6 the Department of Education. We think
7 NACIQI has a very key role to play and we
8 would like it to be independent as they play
9 it.

10 Two comments on the
11 recommendations to the NACIQI report by Anne
12 Neal and Art Rothkopf. They recommend
13 breaking the accreditor monopoly and the
14 current regional accreditation structure. I
15 think the idea of allowing accrediting
16 agencies to consider going to other
17 accrediting agencies is a good one and one
18 that merits some attention. I think the
19 risk here is that you will see agency
20 institutions that get in trouble with an
21 accreditor shopping for a better offer from
22 another agency.

23 So it would be very important to

1 make sure that if you allow institutions to
2 move from one accreditor to another that
3 they don't do it because they're about to be
4 placed on warning or notice or have negative
5 action taken against them by an accreditor.
6 That was a problem in the past. It was one
7 reason why Congress prevented institutions
8 from moving from one accreditor to another.
9 Stop at this point. Thank you very much.

10 CHAIR PHILLIPS: Thank you very
11 much, Terry.

12 Our second speaker is Pete
13 McPherson, Association of Public and Land
14 Grant Universities.

15 MR. McPHERSON: Good afternoon
16 and thank you for having me here. Let me
17 make a few critical points.

18 One is Mr. Hartle was discussing
19 differential accreditation or other
20 descriptions such as that. We strongly
21 endorse that. As a manager of various
22 things, I don't really understand why you
23 spend huge resources on an effort that you

1 don't expect to have any substantial impact
2 on. I know as far as Michigan State, when I
3 was there, the accreditation process, we
4 calculated it would cost us about \$1 million
5 to undertake it. I think figures like that
6 are broadly the case for the big publics and
7 big privates and other figures, but
8 important figures for smaller schools as
9 well.

10 Next, since this 2012 report has
11 been written, was written the reciprocity
12 proposal for states on distance education,
13 the SARA effort, has gone astonishingly
14 well. We started actually a couple of years
15 ago and it got going. Then Secretary Riley
16 chaired the commission. The report was out.
17 There are -- now SARA is an institution
18 going concern with the resources to do it.
19 Six states have already agreed to undertake
20 this reciprocity. The staff of SARA is
21 expecting about 20 states before the end of
22 this year. Often it takes a change of law.
23 So it's no little thing. As a lawyer I've

1 been involved in various uniform law
2 procedures, and this by traditional
3 standards is going extremely well. It
4 wasn't in your old report because it wasn't
5 there in going. I hope you can now pick it
6 up in this one.

7 Next since I've been studying
8 accreditation now for some time,
9 particularly since I've been in Washington,
10 I am struck at how often people in
11 Washington seem to think of accreditors as
12 enforcers, and I don't think they're
13 equipped to do this. The work load
14 difference between the Department of
15 Education, now perhaps the Consumer
16 Financial Protection Bureau at the Fed --
17 those are the people with the general
18 counsel's office with subpoena power,
19 investigatory authority to really undertake
20 a big chunk of this responsibility. And if
21 there's anything I'd like to see changed --
22 I mean, there are lots of things, of course,
23 but I really think you need to have

1 accreditors be responsible for traditional
2 functions, if you will, and look to those
3 with true enforcement powers to go after a
4 bunch of things.

5 Now this feeds into my view.
6 APLU has in fact proposed an alternative
7 plan, if you will, to President Obama's
8 ranking system where it's much simpler, but
9 one of the key components is to beef up the
10 institutional eligibility provisions in the
11 law to include certain things and
12 essentially look to the Department for some
13 key enforcement functions. We know there's
14 a bunch of problems. Accreditors, again, I
15 don't think structurally have the capacity
16 to do this and I think in Washington that
17 often isn't recognized, and I appreciate
18 this Committee might think about it in I
19 believe a stronger way.

20 Next, I concur that often we're
21 asked for just too much data, individual
22 institutions, and we need to sort out what
23 we really need. That's IPEDS, it's the

1 accreditation process, etcetera. But I do
2 think there is some information which needs
3 to be approved or obtained. Clearly when
4 you do an accreditation there ought to be
5 some awareness of default rates which are
6 now available. I'm not sure they're always
7 looked at in the accreditation process, but
8 they're an indication.

9 I think many of you are aware of
10 satisfactory -- of the student achievement
11 measurement, SAM, which six associations
12 here in Washington have worked out together,
13 which is a much more complete measurement of
14 graduation rates, of completion rates than
15 the IPEDS data. It shows essential -- the
16 key differences. It includes transfer
17 students in and out. If you haven't looked
18 at SAM on your Web site that you can easily
19 look at, almost 500 institutions
20 overwhelmingly public at this juncture, some
21 87 percent of APLU members have signed up.
22 But I think it's free. Everybody has some
23 data that's missing that make the picture

1 more complete, and it seems to me that's the
2 kind information that accreditors are
3 wanting to look at. I call to your
4 attention and you may wish to call to the
5 next edition of your report.

6 I also think, and this will be --
7 to go to what everyone would agree to to
8 something a bit more controversial. I don't
9 really -- I think it's very important when
10 you look at a school to know what the
11 employment rates are of your graduates. I
12 don't think about -- I know income is a
13 problem for all kinds of reasons, but
14 employment is certainly something immediate
15 perhaps and five years out or something that
16 indicates is important information for you
17 to know, for a school to know for its own
18 drive. Now that would take a unit record.
19 You can't do it state by state. Some scaled
20 back, something focused unit record. As I
21 say, a bit more controversial, but APLU has
22 long supported the unit record.

23 Those are my comments. I'm going

1 to give you a couple of minutes, so that
2 gives me a chance to answer more questions.

3 CHAIR PHILLIPS: Thank you very
4 much, Peter.

5 Our next speaker is George Pry,
6 Association of Private Sector Colleges and
7 Universities.

8 MR. PRY: Thank you for allowing
9 me to be here today representing APSCU.

10 I'm going to give really an
11 institution's perspective as we look at this
12 through, and I'm going to give you just a
13 quick 10-second background on my own self.
14 I've been either chair or executive
15 committee of two national accrediting
16 commissions. I've served on three different
17 state boards over the last 25 years on and
18 off and I've taken three national accredited
19 institutions to regional status: Northwest,
20 SACS, and Middle States. So I have a fairly
21 decent understanding of the Triad.

22 In this long history of
23 experience I have understood the

1 responsibilities of each of these members.
2 And as we all know, American higher
3 education is extremely complex, diverse and
4 robust. It is my firm belief that oversight
5 cannot be simplified with so many types of
6 programs and degrees leading to expectations
7 for graduate outcomes of every type of
8 student and demographic. While we face a
9 whole lot of challenges, it is still the
10 best solution. It provides balance, quality
11 assurance and outward affirmation to the
12 public when all three members of the Triad
13 do their part.

14 Obviously, I am extremely in
15 favor of the accreditation process. It has
16 a rigorous objective peer review process and
17 it provides institutions the ability to look
18 at accreditation that is responsible for the
19 type of programs and missions that they may
20 have and is still the best cost-effective
21 solution in evaluating overall the quality
22 of education.

23 To suggest that one size can fit

1 all is a dismal trivialization and fails to
2 meet the needs of today's challenges and I
3 believe would be the direction taken if we
4 would choose a different gateway to
5 financial aid. We believe that moving to a
6 federal system of oversight will damage and
7 diminish the rich complexities, histories
8 and diversity of our education system.

9 In their current form national
10 and regional accreditation affords for
11 healthy and rigorous peer review and really
12 advances the institution standards. Today
13 every institution should have a choice.
14 Accreditation, after all, is a self-directed
15 opportunity and an institution must make the
16 appropriate selection depending on their
17 mission.

18 This choice should also include
19 choosing any regional accreditor regardless
20 of geographic location. In addition,
21 without those geographic boundaries we
22 should begin to benefit from specialization
23 that may come from each of the current

1 regional accrediting bodies that typically
2 arise when healthy competition enters into
3 the mix.

4 Across all accreditors graduate
5 outcomes are the single most universal and
6 critical focus. Now is the time to unite,
7 evaluate and determine what those outcomes
8 should be. Regional accreditors, and this
9 is an extreme generalization, suggest that
10 we teach students to learn as its top
11 priorities. National seems to focus on the
12 students entering the work force as its
13 ultimate focus. Regardless of governance,
14 an institution's programs must have
15 different expectations of success and
16 different ways to define what is considered
17 graduate success.

18 I contend that career readiness
19 and cost of education must be a shared
20 concern across every type of university,
21 college and school and across all
22 accreditors. In turn, institutional
23 effectiveness, the evaluation of the

1 learning process and the ability of the
2 graduate to become an ultimate learner is
3 desperately needed with the rapid growth of
4 knowledge in our fields and should be
5 paramount regardless of accreditor.

6 The outcomes that prove to be our
7 greatest concern are as follows in my
8 opinion: Every institution must consider
9 retaining students through the length of the
10 program. Every institution must consider
11 how many students are graduating from their
12 programs in what is considered a timely rate
13 of graduation for its own population. All
14 institutions must consider what it means to
15 be successful once they leave their
16 institution and how that is measured. Hand
17 in hand with what is being considered a
18 successful graduate all institutions must be
19 measured on their students' ability to pay
20 back for their education through student
21 debt, or for that matter their own
22 investment in education. All institutions
23 must measure institutional quality and its

1 teaching effectiveness. And last,
2 affordability of the college endeavor is in
3 serious question and must be addressed by
4 all.

5 To achieve our goals I strongly
6 believe that members of the Triad must
7 become transparent and unified. Students
8 must know what they can expect when they
9 invest in an institution and depend on the
10 seal of approval granted by its
11 accreditation.

12 I need to make two other points
13 here. The other two members of the Triad
14 must do their part and we cannot continue to
15 expect the accreditor to act as an arm for
16 USDE to do their part. As you look at the
17 changes being made today by many accrediting
18 bodies, more seems to be done to collect
19 information and oversee those areas
20 belonging to the government and to really
21 look at the quality of education, which is
22 their primary task. We have to find ways to
23 achieve universal accountability and

1 reciprocity between states.

2 I used to track requirements
3 across 37 different states and understand
4 first hand how different expectations can
5 be. Some have a plethora of regulation and
6 others very few. They must bring to the
7 table the consumer protection and also
8 educational quality of this relationship.
9 And while it can overlap, it is not the sole
10 responsibility of the accreditor, nor pushed
11 on the accreditor because we can. It won't
12 be easy, I know that, but it can work and
13 our students deserve it. Thanks.

14 CHAIR PHILLIPS: Thank you very
15 much.

16 Our last panelist is Susan
17 Hattan, National Association of Independent
18 Colleges and Universities. Susan?

19 MS. HATTAN: Okay. I really
20 appreciate having the opportunity to speak
21 on behalf of NAICU today as you consider
22 your revised recommendations to the
23 secretary on accreditation provisions.

1 A strong accreditation system is
2 vitally important to the nearly 1,000
3 private and non-profit institutions that
4 comprise the NAICU membership. We see its
5 effective operation as maintaining both the
6 quality and the diversity of American higher
7 education.

8 Fundamentally I guess to start
9 with we would say that accreditation is a
10 very dynamic process and one that we believe
11 works. NAICU member presidents have
12 discussed this on numerous occasions and I
13 will say no one has ever argued it's a
14 perfect process and there are lots of
15 complaints, but at the same time the clear
16 message is is that it is a viable system and
17 that it continues to get better.

18 It has very much obviously grown out of
19 academia and the way in which quality can be
20 assessed is kind of a no-holds-barred peer
21 review process, and that essentially is what
22 this process provides.

23

1 It also works because of its
2 mission-based focus. The reason that a
3 diverse array of higher educational
4 opportunities are available in this country
5 is due to that focus of our accreditation
6 system. This diversity permits students to
7 find their best fit institutions and
8 maintains the vitality of our system of
9 higher education. I think other means of
10 external review, particularly if conducted
11 by a government entity, really can't match
12 this level of flexibility. It also works
13 best when it basically focuses on quality
14 assurance, which is what it is intended to
15 do. Obviously accreditation started as an
16 academic endeavor. It's been borrowed by
17 the federal government, but that doesn't
18 change its fundamental focus. And one
19 of the big problems, and I know I'll sound
20 like an echo chamber here, but that mission
21 creep is really becoming an important and
22 serious problem in the area of
23 accreditation. There is a constantly

1 growing list of federal legal requirements
2 that accreditors are expected to see that
3 institutions are meeting. Time that really
4 should be spent on the fundamental quality
5 assurance functions has been used to check
6 on an institution's compliance with federal
7 Title IV requirements. This is a function
8 that is more appropriately handled by
9 federal officials.

10 I know Terry mentioned this, but
11 one of the more concerning recent examples
12 is the development by regulation of a
13 federal definition of a credit hour and the
14 assignment of the enforcement of that
15 definition to the accreditors. And it's not
16 just an issue of writing the enforcement
17 responsibilities into the regulation, but
18 also the prescriptiveness of the
19 requirements the accreditors are expected to
20 meet.

21 There is a real need to avoid
22 having accreditation become a check-the-box
23 compliance activity. It's really not about

1 the granular view of institutional
2 compliance that was addressed in your
3 recommendation No. 12. The review of
4 institutional quality is not a focus on a
5 list of narrow requirements, and reviews of
6 accreditors shouldn't be either. All too
7 often a holistic view of accreditor's
8 performance seems to get lost in a sea of
9 what seem to be minor procedural
10 infractions.

11 The reviews; and I've sat through
12 a lot of the deliberations of this group,
13 and you get the impression that one needs to
14 score 100 percent on the exam in order to
15 pass -- and so if there is a provision in
16 law or regulation that demands this level of
17 compliance, particularly with the very
18 lengthy list of boxes that gets checked
19 here, I really think it should be modified.
20 I've looked for it myself. I haven't found
21 it, but I would certainly be happy to help
22 in the hunt.

23 And finally, I think it's also

1 been mentioned that there is a need for
2 better public understanding of what
3 accreditation does and how institutions
4 demonstrate their quality. It's not well
5 understood by either the public or policy
6 makers and I think, although it is
7 incredibly difficult to explain, efforts to
8 do so should continue.

9 I don't know that publishing
10 accreditation reports per se is going to do
11 the trick, though obviously know there's a
12 lot of interest in that. As I've discussed
13 with this group before, NAICU's view is that
14 a general disclosure of accreditation
15 reports and the like will substantially
16 change the nature of the process and
17 undermine the frankness and candor that
18 helps make it successful.

19 We really think that a more
20 productive approach for addressing questions
21 of consumer information would be to develop
22 a tool that kind of helps the college
23 selection process, more comprehensive and

1 more responsive to interests and priorities
2 of an individual student and his or her
3 family. This kind of resource would
4 basically tell students what they want to
5 know. It would be of some size, but short
6 enough to be digestible. It would include
7 both quantitative and qualitative
8 information about an institution, and then
9 it would utilize some of the volumes and
10 volumes of data that's already collected by
11 the Department of Education.

12 Our organization has a document
13 known as U-CAN that some may be familiar
14 with which follows this model and was
15 developed out of a focus group process.
16 We're not tied to that, but we do think it's
17 effective in terms of the combination of
18 information that it provides to students and
19 their families.

20 In closing, again thank you for
21 this opportunity. And I'd also like
22 actually to express my appreciation to all
23 of you who -- it's not just today, but you

1 spend an awful lot of time mastering the
2 intricacies of all this, and I can only
3 salute that.

4 CHAIR PHILLIPS: Thank you very
5 much. Committee, it's your turn. Questions
6 that you have. I have Brit, Arthur and
7 Frank.

8 DR. KIRWAN: Yes, I have sort of
9 a two-part question for you. First of all,
10 I wonder from your perspective if you feel
11 that significant reform in the accreditation
12 process is possible. That is to say, you've
13 got so many players in this. Obviously
14 Department of Education. You've got
15 Congress. You've got people who feel we
16 need to have more rigid definitions of
17 quality. You've got groups who feel maybe
18 we're going too far in that way, etcetera,
19 etcetera.

20 And with all of these different
21 deeply felt and deeply in conflict views,
22 and given what would have to be -- who would
23 have to come on board to reform the process,

1 is it possible in your view? And I'm sort
2 of reminded of that great -- I think it's
3 Winston Churchill who said, "Democracy is
4 the worst form of government except for all
5 the others." I mean, is it possible that we
6 have the worst form of accreditation except
7 for anything we could come up with that
8 would get approval?

9 So that's one thought I have and I'd be
10 interested in your observations about that.

11 Secondly, I just chaired the
12 accreditation visit for an AAU institution,
13 and they produced a 300-page report. And
14 they had 250 faculty and staff involved in
15 developing this report. Cost them over a
16 million dollars. Since I'm on NACIQI I
17 asked them to keep account of what it cost.
18 And then I asked the Middle States folks
19 what would have actually been required in
20 order to be reaccredited, and they said,
21 well, probably 30 pages. So is there a
22 sense in which higher education is its own
23 worst enemy?

1 Now this institution felt very
2 good. They got all these people involved,
3 they produced lots of reports, they think
4 they're good planning documents for the
5 future, etcetera, etcetera, etcetera. So
6 are the complaints we hear from higher
7 education really because we self-inflict a
8 more onerous process on ourselves than is
9 actually required?

10 MR. McPHERSON: Shall I start
11 off? DR. KIRWAN: Anybody.

12 MR. McPHERSON: I think this
13 story is applicable. When I took over AID
14 in 1981, in part because we were trying to
15 reduce FTE, I reduced over a couple-year
16 period the staff of Washington by 10
17 percent, the overall staff, the agency by 10
18 percent and touched none in the field with
19 the idea that I would -- that that was key
20 to get power and control out in the field.

21
22 I suggest that not infrequently
23 in complex organizations you need to find a

1 key lever to move things. I think here, for
2 example, if the accreditors were to make
3 clearer that there's not going to be -- if
4 you meet certain standards, there's not
5 going to be visits. There's going to be
6 initial questions. If properly answered,
7 that's it. You would find whatever the
8 school you reviewed, they'd spend a couple
9 hundred thousand dollars. I think you need
10 to kind of cut the knot somehow.

11 My sense is we shouldn't give up.
12 I know you're not. You never give up. But
13 I think that if we could figure out -- and
14 I'd be happy to tell you what I think they
15 are, but I think there are some key
16 components to a vision on what to do with
17 accreditation. It's to cut back on the
18 rules, on the burdens. It is to get
19 accreditation out of enforcement. And this
20 is a huge deal. The Department and others
21 have to step up if they're out of
22 enforcement. But I do think there are some
23 key principles that this Committee could

1 grab onto that some of which wouldn't be
2 that controversial. And you have to drive
3 them.

4 But I think back. I have a story
5 that isn't exactly applicable, but my taking
6 all the reductions in staff that the
7 administration forced me to take out of
8 Washington had a dramatic impact upon where
9 the power was in the agency. And I'm
10 wondering if there aren't similar decisions
11 that could be made here.

12 DR. HARTLE: I completely concur
13 with Peter on that. Is significant reform
14 possible? Yes, but I think ironically to
15 get to that point we have to be willing to
16 take off some of the strings that we have
17 encumbered accreditors with at the present
18 time. If I talk to accreditors, which I do
19 on a fairly regular basis, about could they
20 do X, or could they do Y, or could they do
21 Z, the answer is, well, no, because federal
22 regulation or federal legislation or some
23 regulatory guidance would preclude it. And

1 so I think that that's become something of a
2 barrier to get agencies to do different
3 things.

4 I use the example of expedited
5 reviews. I think most of the regional
6 accreditors I've talked with would love to
7 be able to do that for multiple reasons, but
8 they're not clear they have the authority.
9 And if there's one thing accreditors cannot
10 do it's get cross-wise with the Department
11 of Education. Right now the worst thing an
12 accreditor can do is do something that
13 brings the wrath of the Department down upon
14 them.

15 So we've gone through a period
16 when our view was if we want accreditors to
17 do different stuff, we have to give them
18 more and more responsibilities and be more
19 and more precise in detail. And it's
20 reached about as far as it can go. It's now
21 become a point where it's sort of strangled
22 itself.

23 And then, Brit, your second

1 question, are complaints we hear because we
2 self-inflict a process on ourselves that's
3 more onerous than it needs to be? You bet.
4 You know, self-inflicted problems could be a
5 good definition for higher education.

6 (Laughter)

7 DR. HARTLE: And I think we do do
8 that. And a lot of times in some of the
9 work I've been doing with you recently, when
10 we've met with campus officials to talk to
11 them about regulatory burdens they face,
12 they're not entirely sure where the
13 regulation is coming from, whether the
14 problem is coming from the state government,
15 whether it's coming from the accreditors, or
16 whether it's being passed through from the
17 Department of Education and somebody else is
18 merely enforcing it.

19 So, yes, it's a very complicated
20 process. And we've really reached a point I
21 think where a lot of institutions,
22 particularly big institutions like some of
23 yours and Michigan State where Peter was,

1 are just doing stuff because they know they
2 have to do it. They don't know who they're
3 doing it for and they might not even know
4 why they're doing it. See fire codes.

5 CHAIR PHILLIPS: I'm going to
6 move us along to the next question. We may
7 be able to come back and weigh in some more,
8 but I have Arthur, Frank and Cam up front
9 now.

10 MR. ROTHKOPF: Yes, let me make a
11 couple observations and a couple of
12 questions. One, this whole issue we've been
13 talking about is the accreditors don't want
14 to be agents of the government. Well, they
15 are agents of the government because there's
16 \$200 billion at risk here. And the
17 government has outsourced it to the
18 accreditors for better or worse; I think for
19 worse, and that's why Anne, I and a couple
20 of other members of this body two years ago
21 said de-link. And I think it will free the
22 accreditors to do anything they want. And
23 you can thus put data in the hand -- let the

1 consumer decide and put really good data
2 there.

3 Second, a point that Terry made,
4 and actually before you were here we talked
5 about who is this body responsible to? Are
6 they responsible to the secretary? Are they
7 responsible to the public? And I'd only say
8 I think they used to be responsible to the
9 secretary and someone decided a few years
10 ago that the Congress ought to be appointing
11 some of our members. I don't know whether
12 the higher education community wanted that
13 because they didn't like what a former
14 secretary was doing and they tried to get it
15 out of her hands, but we have a system where
16 we're not even sure whom we are responsible
17 to.

18 I guess the two points I'd like
19 to get comment on; and I know the position
20 of NAICU on transparency, but, Terry, when
21 you went through your list, you did not
22 include transparency as something that ACE
23 was for or against. The Committee, I mean

1 NACIQI in its report strongly endorsed the
2 idea of making reports public, accrediting
3 reports. I think one accrediting body has
4 moved in that direction. I don't know
5 whether others are doing it.

6 What's the position of ACE on,
7 one, transparency, and then, two, let me
8 throw in a unit record system which we again
9 either endorse or sort of tiptoe in the
10 direction of saying we ought to be taking a
11 look at it for having better information out
12 there?

13 DR. HARTLE: Well, ACE has not
14 had to take a formal position on either one
15 of those, but I will respond personally to
16 your observations.

17 With respect to transparency,
18 you're meaning specifically the idea that
19 accreditation materials ought to be made
20 publicly available?

21 MR. ROTHKOPF: (No audible
22 response)

23 DR. HARTLE: My personal view is

1 that's fine. Sure. Go ahead. Do it. My
2 comment would be it doesn't make a bit of
3 difference. Every public college and
4 university in the country has their
5 accreditation materials made public right
6 now. I have yet to see a newspaper story
7 where some reporter went in and tried to
8 wade through it and make sense out of it.
9 And I know some of the Big Ten institutions;
10 Peter's might have done the same thing,
11 simply had their room set available. If
12 anybody called and said we want to see the
13 accreditation materials, they'd say, fine,
14 it's in room 72 of Old Main. Come and help
15 yourself.

16 MR. ROTHKOPF: Yes, how about the
17 statement of the -- you know, the report of
18 the Review Committee? That's kind of a more
19 interesting document in a way.

20 DR. HARTLE: Well, I think -- no,
21 but my point is all of the stuff is public
22 now for all public colleges and universities
23 and very few people pay attention to it. I

1 realize there are some folks, including my
2 friends at NAICU, who are much less
3 comfortable with this idea. I just don't
4 think it makes a difference, because in fact
5 we've been running a natural experiment with
6 this for a very long time and nobody pays a
7 lick of attention to it.

8 On unit record system, here's the
9 deal: A unit record system would give us
10 much better, much more accurate, more
11 complete information about student
12 performance. A unit record also raises
13 serious privacy considerations. A unit
14 record system will be used for other
15 purposes sure as we're sitting here. And
16 that's the challenge.

17 This is as much a political
18 question as it is an education policy
19 question. Indeed, when Congress in 2008
20 decided to preclude the Department from
21 moving forward with a unit record system, it
22 was the Democrats who were controlling the
23 House of Representatives who put that

1 forward. Congress might decide whether to
2 do that or not. I think it's as much a
3 political decision as anything else.

4 As Peter mentioned, APLU has put
5 together this project called SAM which works
6 with individual institutions and the
7 National Student Clearing House to calculate
8 accurate retention and graduation rates, and
9 that does show that every institution has
10 higher rates than they do under the current
11 federal rate. That's relatively
12 straightforward.

13 I think the question is how far
14 do you want to go with a unit record system?
15 How much other data would you want to link
16 to it? How many other databases would you
17 want to bring in? Would you want to bring
18 in IRS? Would you want to bring in
19 Department of Labor work force data? Would
20 you want to bring in HHS data?

21 You could have either a fairly
22 specific unit record system that just did
23 retention and graduation, or you could have

1 a unit record system that was the mother of
2 all federal databases. And I think
3 ultimately the question will be do we want
4 to take this step and how big a step do we
5 want to take? And I think that's as much a
6 political question as an education policy
7 question.

8 MR. McPHERSON: I think those are
9 helpful comments, Terry. It does seem to me
10 that the unit record that was proposed by
11 the Department many years ago appeared to be
12 a huge database, was going to cost millions
13 of dollars to do, a big, big project. And I
14 think that was part of why it got into
15 trouble.

16 I think it's impossible for big
17 places, or even small places in many cases,
18 to know what happens to their graduates. I
19 remember I tried hard at Michigan State.
20 Now I could always know what the accounting
21 department, some other kind of
22 professionally preparation departments --
23 what they did, because they kept careful

1 track of them. But we need to know what
2 happens to our students, otherwise, how do
3 you judge, how do you judge yourself? I
4 mean, that's one of the things, to improve
5 our program, our institution. Forget
6 everybody else. How do we drive
7 improvement?

8 And as Terry suggests, it would
9 be wonderful if we could have a discussion
10 to get at some fairly narrow things. SAM
11 goes a long way toward taking care of
12 graduation rates. We're going to put part
13 time into it later this year. Now it
14 doesn't include everybody. Clearing house
15 is what, 87 percent of the students in the
16 country or something. Excuse me, 95
17 percent. So but where we really don't have
18 the data that we need to run our
19 institutions is employment data.

20 I prefer not to get the income
21 because of all the -- in fact it would be
22 easier to talk about just -- to not having
23 income. Terry is correct, this is in part a

1 political issue, but, geez, we need help to
2 manage our institutions properly.

3 MR. PRY: Just a couple comments.
4 One is I believe in transparent data across
5 all institutions and across --

6 CHAIR PHILLIPS: If you could
7 just bring your mic closer.

8 MR. PRY: I believe in
9 transparent data across all institutions and
10 across all accreditors. I also believe that
11 the kiss of death would be to de-link
12 accreditation when you look at the future of
13 education, because as I said, one size does
14 not fit all and I'm extremely concerned that
15 if it came to a different gateway that it
16 would be adopted one-size-fits-all. And
17 whatever shortcomings we may have in the
18 accreditation process, I think we understand
19 the various missions and the
20 responsibilities of what we're trying to do
21 which cannot be duplicated or replicated
22 elsewhere and not without great cost. As
23 you could look at other models in other

1 industries right now without great cost to
2 us. So I truly believe that that's where we
3 should be going.

4 And I think good transparency and
5 good data, if we could all agree on some
6 numbers on what those data points are. And
7 I think when we lack that data, I believe
8 that's when everybody else wants to come in
9 and give us what they expect us to have.
10 And I think at some point in time we're
11 going to have to agree with what we're going
12 to measure.

13 CHAIR PHILLIPS: Thank you. I
14 have Frank and Cam.

15 MR. BOEHME: So this is a
16 question for any of you who would like to
17 take it. It's a thought that has come to my
18 mind as people discuss the need for greater
19 streamlining, for the process to be more
20 customized to different schools and so on.

21 The question I have is what about
22 the risk that if we make it easier or more
23 streamlined, less onerous, more efficient,

1 something will slip through the cracks?
2 That is, an institution that an agency
3 should have taken action on won't have that
4 action taken or we, NACIQI, won't act with
5 respect to an agency that we should act on.
6 So the easier it becomes, the greater the
7 risk.

8 As I say that, it occurs to me
9 that one possible response is, well, the
10 system isn't all that effective anyway, so
11 the risk level won't go up. But I just pose
12 this question, do we have a concern that if
13 we are less punctilious, we NACIQI, and as
14 the accrediting authorities are less
15 punctilious, that something will fall
16 through the cracks?

17 MS. HATTAN: If I could take
18 that. I think that's an excellent question
19 because I think there's a lot to be said,
20 and obviously the concept has been endorsed
21 because it does seem foolish to spend a lot
22 of time examining things that you already --
23 that there isn't a problem and it's clear

1 that there's not a problem.

2 On the other hand, what's tricky
3 is how do you write that such that that
4 happens as opposed to -- at the top end as
5 opposed to what -- and at the bottom end a
6 lot of stuff happening? So part of it is
7 just being careful, I think, in terms of
8 drafting something appropriate. And I also
9 think that because you get a pass on certain
10 things doesn't mean you necessarily get a
11 pass on what peer review is all about. It
12 would be that you would be looking at
13 different things. And I think that's a
14 component of it that would guard against the
15 kind of abuse -- because you're right you
16 create an exception and you've got to worry
17 about the people who are going to try and
18 game it.

19 MR. WU: If I could add. So we
20 have a tendency to think, well, at the best
21 schools, at a Ivy League school we never
22 have to worry about this sort of thing, but
23 from time to time even at the best schools

1 there is some violation, including a federal
2 law, that it would be good if someone were
3 watching and caught it.

4 And so I just raise this concern
5 that if we stop looking, we'll miss things
6 along the way and we will all be unhappy if
7 it turns out that we didn't look at the fire
8 code, etcetera, and some dorm room burns
9 down and then everyone says, well, why
10 didn't the accreditor look at the fire code
11 and they trace it back to a meeting that
12 NACIQI had in 2014 --

13 (Laughter)

14 MR. WU: -- where a decision was
15 made not to do that and then the *Washington*
16 *Post* will blame this group of people for the
17 deaths of hundreds of students, right?
18 That's what will happen.

19 MR. McPHERSON: I know you're
20 being facetious, but of course the point is
21 that you have no control. You shouldn't try
22 to vest responsibility with a party that has
23 no capacity to impact. And I would argue

1 that if there's a problem at one of the big
2 Ivy Leagues that deals with fire codes or
3 whatever else, that isn't the accreditor's
4 problem probably. In fact, we have -- I
5 think one of the biggest questions, biggest
6 problems here is that the accreditors have
7 become enforcement agencies and we should
8 really back away from that.

9 They're not the people that
10 should -- that the institution eligibility
11 requirement of Department's decision in my
12 view should be strengthened, should have
13 within it graduation rates and employment,
14 both immediate and longer term, as well as
15 default, and loan repayments, or a cluster
16 like that. And if those were there and if
17 the Department really exercised reasonable
18 but as appropriate aggressive control, then
19 the real problems that you're suggesting is
20 something -- should be picked up there. And
21 they can look at that data all the time as
22 it's -- and pick it up. And the
23 accreditors -- just think of your self as

1 the head of an accreditation agency and you
2 know everybody's going to sue you when you
3 do this or that and you don't really -- you
4 don't have a general counsel's office.
5 You're not equipped to be an enforcer. And
6 we -- Congress has been our -- has in effect
7 forced -- it's not just the Department.
8 Congress appears to want the accreditors to
9 be enforcers.

10 DR. HARTLE: I think Peter's
11 exactly right. We all say there are three
12 legs to the Triad. The fact is not all the
13 states want to play the role that they
14 should be playing. Despite the Department
15 of Education's best efforts to bludgeon them
16 into doing it, there are some states that
17 just don't want to help. And the
18 Department's role on the eligibility and
19 certification front I think frankly is
20 uneven. So the accreditors become the
21 default choice for everything that has to be
22 done; i.e., fire codes. And I think
23 if you were to start afresh, you would say

1 we want accreditors to focus in particular
2 on three things: student learning,
3 educational quality and responsible
4 innovation, or something like that, and
5 other things would be added to that. What's
6 happened is that we've just given them so
7 much to do that everything gets diluted and
8 that their chance to do as much in depth as
9 you want them to do is uncertain.

10 My view, if the standards were to
11 be relaxed would we run the risk that a bad
12 institution would fall through the cracks
13 and somehow become eligible for federal
14 student aid, sure. It's a risk now. It
15 does happen now. I think NACIQI, frankly,
16 looks at accreditors and potential
17 accreditors so carefully that the likelihood
18 of a slipshod accreditor getting through
19 this body approaches a negative number. I
20 just don't think that that's terribly likely
21 to happen.

22 But I think the benefit of not
23 being quite as prescriptive is you would

1 give agencies the opportunity to be more
2 flexible and to try to some things including
3 experimenting with alternative learning
4 approaches that they right now find
5 themselves constrained against doing.

6 MR. McPHERSON: A great example
7 of where the Department I think -- and the
8 Department is full of really good-
9 intentioned people. I mean, it's not that
10 people are unwilling. But a few years ago a
11 -- this happened to be a public institution
12 actually said -- a president said that his
13 predecessor had given false information
14 concerning a certain rule that allowed that
15 school -- certain students to continue to
16 get student loans and Pell money. They
17 shouldn't have gotten it. One president
18 says my predecessor got this done.

19 So I was having lunch with a very
20 senior official of the Department that day
21 and I said, gosh, what are you guys going to
22 do? And he said, well, geez, I think the
23 accreditor ought to look into this. And I

1 thought to myself, having been in the
2 executive branch several times, wait a
3 minute, the state -- the president just
4 stood up and said that the institution
5 committed fraud. Technically, as a lawyer,
6 his words seemed to fit. What in the world
7 would you look to an accreditor as the first
8 line to investigate that? And I think that
9 happens too often.

10 Now this was a smart thoughtful
11 senior person. Not there any longer. But I
12 -- did a good job I think by the way. I
13 didn't mean to imply contrary. But I think
14 that there's -- this enforcement expectation
15 is just very difficult.

16 MR. WU: Just one real quick
17 observation.

18 CHAIR PHILLIPS: Okay.

19 MR. WU: So much of this
20 conversation is several levels removed in
21 the following way: We want colleges to do
22 something, so we want accrediting agencies
23 to do something to get the colleges to do

1 something. Then we want NACIQI to do
2 something to get the agencies to do
3 something so that the colleges will do
4 something. So it's really attenuated. And
5 it's just an observation. Because we're
6 always at least one full step away from
7 what's actually going on, because all we can
8 do is get agencies to do things and then
9 they in turn have to get the colleges to do
10 things.

11 CHAIR PHILLIPS: Moving onto to
12 Cam.

13 MR. STAPLES: Thank you, Madam
14 Chair. Just a follow-up to that discussion,
15 which is if you separate out the compliance
16 function of accreditors, that's what you're
17 all essentially saying makes sense and I
18 would imagine the accreditors would agree
19 with that, it's hard to imagine the federal
20 government or policy makers backing off of
21 this increasing focus on accountability on
22 measuring non-compliance.

23 So I guess I would just ask you

1 where would you house that and how would you
2 suggest if we were to make a recommendation
3 around that that we recommend the Department
4 to house those compliance functions in a way
5 that is productive and consistent with the
6 general focus of trying to get institutions
7 to do certain things that they want them to
8 do without using accreditors as the vehicle
9 for that?

10 MR. PRY: One aspect could be
11 every institution is required to be audited
12 and there could be basic compliance that is
13 measured in that audit process. The problem
14 with that is that's usually the black and
15 white; it's either there-or-not-there kind
16 of questions, and who's going to make the
17 determination on all the shades of gray?
18 Usually your auditor doesn't do that. But
19 that's where some of that could go. The
20 rest of it, again I'd go back and -- you
21 know, the problem with the Department is it
22 has not been universal across all sectors
23 and types of institutions. And that's my

1 concern.

2 MS. HATTAN: And I mean in the
3 Higher Education Act it was anticipated that
4 the Department would have a fairly robust
5 eligibility and certification process, and
6 in fact there are criteria and various risk
7 factors that they're to look at. So I think
8 that if you're talking true compliance on
9 particularly non-academic quality issues,
10 that you would look to that section of the
11 law that if those authorities were not
12 sufficient would be the place to beef them
13 up.

14 MR. McPHERSON: I think that's
15 exactly right. You got this eligibility
16 institution, eligibility process in the law
17 and I think it needs to be strengthened, and
18 that would take a change to the law. But I
19 would include graduation rates and
20 employment, immediate and longer term, as
21 well as default and I'd put loan repayment.
22 Default is to deferred loan payment. I
23 think a few criteria like that that looks --

1 that the Department uses as part of its
2 eligibility determinations in a way that
3 can't be gamed. Basically we've got
4 probably not a large number, but some number
5 of our institutions that on all three of
6 those things performed terribly and they're
7 unsafe for students. But if we could have
8 something like that, a lot of these other
9 issues that we're talking about I think
10 would fade in importance.

11 CHAIR PHILLIPS: A follow-up
12 question, if I could add. Perhaps this
13 isn't the right image, but tell me in the
14 ways in which it doesn't work. What you're
15 describing I think is what I call the safety
16 deposit box model of access to aid. One is
17 the academic quality key that has to be
18 turned with a certain set of standards, and
19 the other is the financial eligibility and
20 fire code key, for lack of a better term.
21 And if that were the case, if I have that
22 right, from an institutional perspective
23 then you still have the same number of

1 masters you need to serve. You just now
2 have two processes by which the door that
3 you're looking for gets opened. So it
4 doesn't reduce your burden at all, but it
5 separates it into two separate entities and
6 doesn't confuse one with the other.

7 MR. McPHERSON: (Off microphone)
8 -- but that, but it also puts the
9 responsibility where there's greater
10 capability. It seems to me that accreditors
11 aren't really in the position for lots of
12 reasons to be law enforcement agencies.

13 CHAIR PHILLIPS: Yes, understood.

14 MR. McPHERSON: And I think you
15 need to divide that.

16 CHAIR PHILLIPS: Yes. Susan?

17 MS. HATTAN: Yes, just to add to
18 that, it's not the only issue. The issue
19 isn't that you do this one time and it's a
20 matter of a different key and a different
21 regulator. It's the fact that all three of
22 them are regulating you on the same thing,
23 but slightly differently. So if your

1 accreditor comes in and talks about your
2 fire code and is at odds with what your fire
3 marshal has told you, never mind what might
4 be a situation of state law, of -- you know,
5 and not only is it a burdensome thing, but
6 often you're in kind of a irreconcilable
7 situation of competing and contradictory
8 instructions.

9 CHAIR PHILLIPS: Let me go back
10 to Cam.

11 MR. STAPLES: Thank you. I just
12 had a different question, which was we're
13 observers of this process of NACIQI and
14 obviously in the Department's review, and
15 I'm struck sometimes by how we value the
16 accreditation process, the self-reflection
17 peer review, and yet we don't have anything
18 like that for the way we actually view
19 accreditors. We treat them in very much of
20 a compliance format.

21 And I guess I'd just ask you what
22 -- if in terms of the value of the NACIQI
23 process, which many of us here questioned

1 since we were appointed three years ago or
2 since, what do you think about adapting this
3 process to more like the accreditation
4 review process of an institution where the
5 accreditor comes before us, identifies their
6 strengths and weaknesses, how they meet the
7 standards for recognition and is a much more
8 engaged process that is focused on how
9 successful they are at their mission as
10 opposed to whether they modified their
11 appeals policy and filed the right
12 documentation?

13 I mean we are in the weeds as a
14 body here and I think many of us come away
15 from the hearings not really knowing if the
16 accreditor is a good accreditor. We just
17 know whether they filed the right forms and
18 whether they documented their procedures
19 adequately. I know it's a shift of focus.
20 I'm just curious about your thoughts about
21 how we as an organization, as the NACIQI,
22 which might be different than the
23 Department's review, you know, then because

1 we have less control over that -- whether we
2 could adapt our process to be more
3 productive and focusing on the quality of an
4 accreditation agency's work as opposed to
5 its compliance.

6 DR. HARTLE: I think it's a very
7 intriguing model. I think you do what you
8 have to do because the statute is so
9 detailed and specific for what institutions
10 want to do and because the Department has
11 sort of exponentially increased the
12 specificity. And as I said, I think the big
13 issue for any accreditor when they're
14 thinking about doing anything is whether or
15 not it's going to be okay with the U.S.
16 Department of Education.

17 So I think anything that said
18 maybe we should step back and rethink how we
19 do this particular process -- one of the
20 things we've been talking about within the
21 higher education community is whether there
22 is a way to step back and start with a clean
23 sheet of paper on what the accreditation

1 statute itself should look like. And I
2 think that would be a very worthwhile
3 question to ask NACIQI itself.

4 So the general practice and
5 policy making, unless there's an obvious
6 failure of your existing model, is just to
7 take your existing model and to add new
8 stuff onto it. So if I had to guess, I
9 would guess that the next reauthorization we
10 will give accreditors more stuff to do and
11 we will ask NACIQI to do more stuff on top
12 of what it is they're already doing.

13 And I think as you have pointed out,
14 and as certainly the members of this body
15 know, there are enough uncertainties and
16 disconnects with the way we do things
17 certainly within accreditation and in terms
18 of reviewing the accrediting agencies.
19 Maybe we ought to ask ourselves what would a
20 clean sheet of paper look like if we didn't
21 start with the assumption that we do it
22 exactly as we're doing it now?

23 MS. HATTAN: Just quickly,

1 because your question relates I think to a
2 point I made about why do you look at all
3 these things, where is this rule? Because I
4 know in terms of the statute it certainly is
5 not the level of specificity that I've seen
6 reviewed here, therefore it's coming from
7 somewhere else. So perhaps a middle ground
8 in terms of what I think also is an
9 intriguing idea to think about is is there a
10 way to sort of start to figure out some
11 things that maybe aren't as important that
12 would allow then the group to have the time
13 to look at some of the bigger picture?

14 That may be somewhat more
15 realistic than being -- I mean, it's always
16 good to wipe the board and start over, but
17 just in thinking maybe a start would be to
18 figure out what it is you're doing now that
19 you don't need and start there and move on.

20 CHAIR PHILLIPS: Thank you very
21 much. We're drawing to the close of our
22 time today. Wanted the Committee to -- let
23 you know if there's any last question that

1 you have?

2 (No audible response)

3 CHAIR PHILLIPS: Okay. Thank
4 you, panelists, very much for your time and
5 wisdom and encouragement for us to think
6 carefully about what we do. We very much
7 appreciate your time here and appreciate
8 also how hard it is to get into five
9 minutes. So again, thank you for coming.

10 We'll stand adjourned until
11 tomorrow morning at 8:30 when we will pick
12 up with our third panel, which is the
13 perspectives of accreditors. So see you in
14 the morning. Please stay cool in the
15 evening. Thank you very much.

16 (Whereupon, the above-entitled
17 matter went off the record at 4:38 p.m.)

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