

Response to the
**“NACIQI Discussion Draft: Higher Education Accreditation Reauthorization Policy
Considerations, October 18, 2011”**

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Introduction

In the accreditation community, agencies that perform quality reviews of post-secondary education institutions with the specific mission of providing career education have a unique perspective and stake in the substance of federal policy embodied in the Higher Education Act. Career education is recognized in statute and regulation as a specific, special enterprise with responsibilities to positively impact economic competitiveness and workforce development. The structure, capacity, operations and governance of career education accreditation are designed to ensure strong career education programs and job placement for students who invest their time, energy and financial resources. Modifications to federal policies that apply to institutional accreditors in general, and to accreditors of career education in specific, merit careful scrutiny and review. This response aspires to offer recommendations to NACIQI, and ultimately the Secretary, in the context of preserving the strength of accreditation of career education, and offering perspective on some of the underlying assumptions articulated in the panel’s discussion draft.

In general, the scope of the draft recommendations represents a broad cross-section of contemporary and chronic issues related to quality assurance and the effectiveness of the regulatory triad. The breadth of the draft is sufficient to establish a respectable point of reference for subsequent discussions with policy makers, institutions and the students they serve. Rather than offering a comprehensive reflection on the draft, this response examines and reflects on those assumptions and options most directly relevant to the quality assurance of career colleges and schools. It is offered in the spirit of collegiality and collaboration, and with full respect for the difficult task confronting the panel in adopting recommendations for the Secretary.

Section I: Assumptions and Policy Options

Underlying Assumption #1: Operative distinctions between quality assurance, continuous improvement and compliance.

In every case, the development and application of accreditation standards for career colleges requires a compliance foundation based on minimal standards. The minimum acceptable levels of institutional performance, particularly regarding student achievement, are clearly and prescriptively defined for member. The specificity and granularity of the standards are by design, and are uniquely characteristic of career education accreditation. To the degree those standards are unambiguous, they establish clear and practical expectations for member institutions. Consistently meeting those expectations, with empirical evidence and data that can be verified, constitutes compliance for career colleges. It is unlikely those standards of compliance for career education can be made substantially more operable or effective through revisions to the Higher Education Act.

Regarding quality assurance, the strength of accreditation in the U.S. is the reliance on peers to establish and apply compliance standards through in-person reviews and structured decision-making forums. Peer review is at the core of decisions regarding the institution's compliance with minimum standards. However, beyond peer determination of compliance, career education accreditation trains and deploys peer evaluators to discern and articulate the factors of educational quality that supplement minimum standards. Much of the value of peer evaluation accrues to those institutions that are in technical compliance with the minimum standards and aspire to be more than compliant. Career education accreditation's quality assurance enterprise, specifically through a quantitative and qualitative emphasis on planning and measuring institutional effectiveness before, during and after the cycle of accreditation, provokes structured interactions with colleges and schools on a recurring basis. Those encounters focus on quality assurance and continuous improvement. Their strength is derived from their reliance on the structured scrutiny and judgment applied by peers. Again, it is unlikely that the system of quality assurance and continuous improvement employed by career education accreditors can be made substantially more effective through revisions to the Higher Education Act.

Underlying Assumption #2: Tensions between gatekeeping for financial student aid versus accreditation for broader quality assurance purposes.

Elements of the accreditation community focused on career colleges and schools pre-date the creation of the G.I. bill post World War II, the establishment of a formal federal recognition program, the creation of Title IV in the Higher Education Act, and the establishment of the U.S. Department of Education. For example ACICS was founded in 1912 by a small group of business colleges determined to set and enforce standards of quality and integrity on a voluntary basis. No federal student financial aid was available at that time, nor was access to such financial incentive likely contemplated by the founders of the agency. For more than 43

years, the agency voluntarily assured quality and integrity through a peer review process before achieving formal recognition by the federal government in 1956. ACICS member institutions subsequently gained access to federal student financial aid in the 70s. In summary and historically, career colleges have found value in the peer review of their institutions regardless of its role in gaining them access to Title IV participation.

As domestic career colleges and schools have broadened their admissions practices to include foreign students, and others have established physical presence overseas, accreditation accrues little or no benefit in terms of access to government-provided student financial aid. Instead, the value of a U.S.-based peer review of quality is measured in terms of legitimacy in the local community, enhanced ability to attract enrollment, and compliance with laws and regulations regarding license to operate.

Notwithstanding those considerations, in the second decade of the 21st Century it would be difficult to identify a more effective way for the federal government to ensure its investment in student financial aid for post-secondary education than through utilization of recognized accreditors for assuring quality and institutional integrity. The peer review infrastructure has been nurtured and refined over decades of operation, deploying thousands of volunteers to verify, through application of standards and principles of institutional effectiveness, that federal funds are only being used for educational activities that address the underlying goals of economic competitiveness and workforce development.

While the gatekeeper role (focused on compliance with minimum standards) and the quality assurance function may overlap or appear to conflict at times, for U.S.-based career colleges and schools they are largely complimentary and mutually reinforcing. The ability to gain acceptance to the community of quality-assured institutions through peer review, while at the same time providing student access to federal financial aid, is an outcome that is compelling and enduring. It represents an effective marriage of financial and reputational incentives, and delivers the outcome relatively efficiently, consistently and reliably. Severing that relationship because gatekeeping and quality assurance sometimes compete for peer review resources would appear to be precipitous at best, and ill-advised at worst.

Considerations for Option C

In summary, some enhancements and modifications to the relationship between quality assurance and Title IV gatekeeper of course merit discussion and consideration by policy makers. The fundamental profile of the typical career college student – in terms of demographics, educational background, life circumstances and other factors – will have shifted significantly by the time the HEA is deliberated anew in Congress. Likewise, the preferred modes of educational delivery have shifted substantially, and the heavier reliance on technology has profound implications for quality assurance and protection of the federal

investment. Finally, the art and science of pedagogy, as it is developed and applied to career education programs, is a dynamic phenomenon driven by innovation and renewed emphasis on student success. It is inappropriate to substantially revise the relationship between quality assurance and gatekeeping for Title IV until those fundamental changes in the environment are reviewed, evaluated and considered.

Section II: Observations and options if eligibility remains linked

Considerations of the Triad

Complimentary and sometimes competing roles of federal, state and accreditation oversight of higher education create mixed signals for institutions subject to the review and oversight of their quality and integrity, financial stability and protection of consumers. While the areas of overlap may create ambiguity or uncertainty for the institutions, overall the redundancy accrues benefits to students and taxpayers. Triad members share information with each other frequently and with transparency, creating a structure of checks and balances that is more effective than a regulatory scheme based on strictly defined, mutually exclusive roles. Enhancing communications channels between the triad members is a worthy aspiration in any event, and the federal component could play a broader role in convening a dialogue and facilitating the exchange of information between itself, states and the accrediting agencies. Preserving appropriate funding at the state level would ensure that all state regulatory bodies have the resources and capacity to play their role more effectively, but state resources is an issue generally considered outside of the scope of the reauthorization of a federal program.

As for the gaps in oversight between the elements of the triad, from an accreditor's perspective, it would be difficult (and perhaps inappropriate) to generalize the circumstances of all states based on the conditions of one or several states. Instead, an appropriate analysis of the most blatant and recurring gaps would be helpful. The federal component of the triad could provide that analysis, and then convene discussions regarding remedies on a state-specific basis. That would be an appropriate and helpful role of the federal component, and may not require explicit authorization through the HEA.

Federal Interest in Quality Assurance

An ambitious but honorable set of aspirations accompany the federal investment in post-secondary education, including that provided by career colleges and schools, for-profit and not-for-profit. The list of aspirations includes a well-educated citizenry, community well-being and civic participation. It also includes two outcomes that are of high priority for career education: economic competitiveness (individual as well as community) and workforce

development. The structure, content and systems of career education accreditation embody special capacities to verify and ensure that the education activities of career colleges and schools adequately address the workforce and economic goals of the federal investment. Those capacities are achieved and maintained through a cadre of peer evaluators with special knowledge and experience in career education; special standards and compliance thresholds to which career colleges are held; systems of frequent and transparent self-reporting which provide information about institutional effectiveness at least every year; and decision-making protocols of accreditation councils which are focused on institutional effectiveness measured in the context of economic and workforce development outcomes.

The financial stability and fiscal sustainability of a career institution is important to accreditors for several reasons. Firstly, financial stability may be predictive of the college or school's ability to sustain educational quality and integrity. More often than not, when resources are constrained, an early indication is degradation of educational quality and institutional effectiveness. Compromises to the educational enterprise that are made to satisfy financial outcomes endanger the quality of the student's experience, conflict with the institutional mission, and imperil the reputations of all institutions bearing the same imprimatur of accreditation.

Secondly, financial ratios help measure the degree of risk confronting enrolled students who may be unable to complete their chosen field of study if the institution closes its doors. Accreditation vigilance of financial operating ratios is information that enables early and effective intervention on behalf of student interests. Not every college or school can be saved from financial deficiencies, but every enrolled student can and must be afforded an appropriate opportunity to continue their studies regardless of the ultimate fate of the institution.

Thirdly, accreditors are partners with the federal component and state regulatory authorities in protecting the integrity of the federal investment. Peer evaluators are familiar, and in some cases have great expertise, regarding the financial regulations and standards for Title IV institutional participation. Those standards are applied routinely during accreditation site reviews and other aspects of the quality assurance process, creating another important source of information for those with primary responsibility to protect public financial resources.

The organic connections between financial stability and institutional quality are not necessarily clear or explicit. However, standards and expectations of institutional quality and integrity have been formed and refined by state policy makers, the post-secondary education community and the accreditation system of self-governance for decades before the emergence of contemporary Title IV programs. Policy that alters the relationship between financial standards (primarily federal government) and quality education standards (primarily all other stakeholders in the post-secondary education community) should be formed with an appreciation that enduring standards of quality necessarily transcend the priorities and preferences of any single funding source, even one with enormous financial capacity. While

greater attention to educational quality by the institutions and their accreditors will contribute to greater educational attainment rates and more student success, it is unlikely that broader participation by the federal funding source in prescribing factors and thresholds of quality will contribute to a comparable outcome. Guidance in that regard to the authors of a reauthorized HEA will be salient and helpful.

The Role of the States

The congruency and consistency of state regulations regarding career colleges and schools is an issue of merit. All three components of the regulatory triad would benefit from a structured, recurring conversation about definitions and nomenclature applied to the technical, esoteric enterprise of student achievement outcomes and educational program quality. The federal component has the breadth of resources and geographic to convene such a discussion, or participate more fully in similar discussions convened by others, such as educational associations, accreditation councils and leadership forums.

Furthermore, the need to fortify the state role as reliable and authoritative source of consumer information regarding institutions operating within its boundaries has merit. An appropriate role for the federal component would be to collect, analyze, and share best practices regarding the effective dissemination of consumer information about post-secondary education at a state level.

Data as an Essential Tool

Of all the aspirational expressions directed at reauthorization of the Higher Education Act, none is more crucial to the fortification and enhancement of public credibility for higher education than the establishment of a uniform system of data collection and analysis that will help illuminate the differences between non-compliant and sufficient, and between mediocre and extraordinary. The federal component of the triad exerts great influence over the types of data collected and processed by all colleges and schools. Yet it is unclear whether the expanding body of required data sets has incrementally increased transparency, accountability or credibility. More importantly, the ability of consumers to apply the information derived from federally-required reports and submissions to make informed decisions about enrollment and attendance is dubious at best.

If no other substantive outcome manifests during the reauthorization of HEA, a renewed commitment toward a quantum leap forward in terms of data quality, integrity and verifiability is paramount. Too many questions regarding institutional and program-level performance produce opacity instead of transparency because record unit data is not collected, or not available, or not required. Until and unless a standard for record unit data is established,

including the requisite protections of confidentiality, data produced in response to federal mandate will be distorted in an attempt to compare institutional performance and program level performance between entities that defy comparability. Accreditation could benefit from a more standardized and granular level of data collection and analysis, not only to accomplish a more rigorous scrutiny of compliance, but to discover and illuminate the threads of innovation that yield excellence in educational programming.

Summary and Conclusions

On the eve of consideration by Congress of the size, scope and content of the Higher Education Act, it is appropriate to reflect on the relationship between self-governed quality assurance for career colleges and schools and the role of the federal government as a primary funding source for student financial aid. The demands for greater transparency, accountability and better measurements of student learning outcomes will undoubtedly frame and influence the decisions reflected in the reauthorized act. Those forces are strong and compelling, but they do not necessarily justify broad revisions to the structure and lines of authority of the regulatory triad. Instead, the emphasis should be on empowering all three components to engage in more data-driven, transparent encounters that strengthen the linkages between institutional accountability and expectations of the community. The accreditors of career education have built their quality assurance enterprises around the expectation that the educational programs lead directly to economic competitiveness and workforce development. The substance of the review of student learning outcomes is derived from the direct application of those standards. The way these standards have been developed, refined and embedded in the infrastructure of career colleges and schools provides an important point of reference for the quality assurance of all post-secondary education. Proposals to refine or modify the regulatory triad through the reauthorization of the Higher Education Act should demonstrate an awareness and appreciation of that point of reference.