Response to U.S. Department of Education's Supplemental Request for Information Regarding ACICS' Petition for Re-recognition

Part II Responses, May 16, 2016

Introduction

The Accreditation Group of the Office of Post-Secondary Education of the U.S. Department of Education (ED) requested ACICS to submit responses to Section II "Questions related to specific standards in Jan. 2016 submission" by May 16, 2016. Additional documentation, as appropriate, related to specific institutions listed by the Department and other general questions are presented in this submission of responses to the second set of questions. Responses to the first set of questions were submitted on April 1, 2016.

As required by the ED, a large portion of this response relates directly to the following institutions and associated compliance issues:

- Corinthian schools: job-placement performance, financial stability, campus closures and teach out provisions
- CEC: job placement performance
- ITT: recruiting practices, title IV compliance
- Michigan Jewish Institute: enrollment and title IV eligibility
- Westwood: job placement performance, recruiting practices related to wages, transferability of credits, closure of campuses.
- Lincoln Tech: job placement performance, recruiting practices
- Globe University: recruiting practices related to job opportunities and transferability of credit
- Le Cordon Bleu: job placement performance, recruiting practices

These issues were also addressed in the Council's Part I response submitted on April 1, 2016.

The Council's response to ED's request for comments regarding the multistate attorneys general investigations, dated April 8, 2016, further addresses specific institutional issues (Exhibit 127: Response to the Secretary of Education Letter dated May 16, 2016 from Mr. Anthony Bieda). In addition, ACICS has attached a comprehensive research report responding to the findings of the ED's Performance Data by Accreditor (November 2015) which ranks performance of accrediting agencies based on metrics applied to student and institutional outcomes. (Exhibit 140: Improving the Department's Performance Data by Accreditor Dataset.)

Support for the institutions accredited by ACICS, and the quality assurance role played by the agency, is recognized by a variety of external stakeholders, including students, graduates, and

employers (Exhibit 150: Letters of Support; Exhibit 151: ITT Employers, Exhibit 152: ITT Students).

a. ***602.13 acceptance of the agency by others – How has the number of major investigations into and actions against so many of ACICS's schools (CEC, Corinthian, ITT, MJI, Westwood, Lincoln Tech) by multiple federal agencies and states, plus the Congressional inquiry, affected ACICS's public acceptance and credibility? What actions have you taken in response?***

ACICS acknowledges that there have been substantial inquiries into the operations of member institutions over the last several years. Among other considerations, those inquiries have increased the frequency and intensity with which ACICS interacts and exchanges information with other oversight partners, including state governments, federal agencies, and Congress. The primary impact of these inquiries has been to expand and strengthen relationships between ACICS and a variety of external stakeholders. Regarding ACICS' public acceptance and credibility, the demand for accreditation and quality review by the agency has remained substantially unchanged during this interval.

Despite scrutiny applied to ACICS institutions, the agency continues to serve as a reliable resource for quality assurance for state licensing authorities, other accrediting agencies, international ministries of education, evaluators, employers, and educational institutions. (Exhibit 13: CHEA ACICS recognition granted Sep. 2012; Exhibit 14: ACICS Recognition by ARRT, January 27, 2015; Exhibit 15: International Ministries of Higher Education, Notification of Accreditation, December 2015).

ACICS receives inquiries from as many as 20 institutions a month that seek initial accreditation with by submitting an Eligibility Self-Assessment Checklist. More than 115 institutional representatives from many regions within the United States and abroad participated in the ACICS Initial Accreditation Workshops during 2015. Inasmuch as ACICS applies rigorous standards in screening initial applicants, only a fraction of the institutions who apply are granted initial accreditation. In a typical year, more institutions are granted initial accreditation than those who withdraw or lose their accreditation (Table A):

Table A:

Year	Number of voluntary withdrawals	Number of Initials
2015	14	30
2014	14	19
2013	18	21

2012	12	19
Total	**58**	**89**

These numbers reflect the continuing interest on the part of institutions in the U.S. and abroad in gaining an ACICS accreditation.

ACICS has voluntarily sought and received independent review of its effectiveness by a variety of accreditation authorities. (Table B). The process of seeking independent review strengthens and contributes value to the substantial investment of time, funds and energy made by thousands of students each year.

Table B:
Inventory of Accountability Reviews of ACICS, 2006 through 2016

HOW:	WHEN:	OUTCOME:
Self-evaluation reviewed by CHEA	2007	Recognition continued through December 2011.
Self-study reviewed by NLNAC Board	2008	Recognition: ACICS schools eligible for NLNAC specialized accreditation.
Self-evaluation reviewed by THECB Board	2009	Recognition: ACICS colleges retain eligibility to offer degree programs in Texas
Self-evaluation; observation of Council; observation of school review; ED staff report, NACIQI review	2011	Compliance report required on 13 issues; recognition extended pending receipt of report.
Self-evaluation; observation of Council; review by CHEA Committee on Recognition (COR)	2011	Compliance report on one issue; recognition extended one year.
Compliance report and CHEA Board review	2012	Recognition granted through 2016.
ED Compliance report	2013	Recognition granted through December 2016
Self-evaluation and review by ARRT Board	2015	Recognition: graduates of ACICS schools w/RT programs eligible for certification, licensure

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HOW:	WHEN:	OUTCOME:
Self-evaluation reviewed by CHEA COR	2015	Eligibility affirmed; process for recognition commences
Self-evaluation; observation of Council; observation of school review; ED staff report, NACIQI review	2016	Pending.
Self-evaluation; observation of Council; review by CHEA Committee on Recognition (COR)	2016	Deferral; report due Fall 2016

ACICS has strengthened its standards and applied stronger requirements on member institutions over the last five years. This is reflected in the number of institutions who have received a negative Council action and the increased number of institutions that are under heightened monitoring by the agency (Table C:)

Table C:

Action	Totals	2015 (Jan-Nov)	2014	2013	2012	2011
Show Cause Directive/Probation	106	11	8	3	11	73
Action to Withdraw	4	0	0	1	3	0
Denials	10	0	3	1	2	4
Revocations	41	10	20	11	0	0
Debarments	6	0	4	2	0	0
Institution Closings	126	37	40	27	19	3
Voluntary Withdrawals	54	15	14	18	5	2
Campuses placed on heightened monitoring for student achievement*	553	120	113	120	182	138
Campuses placed on heightened monitoring for financial stability reasons	254	91	79	34	25	25

**Includes institutions with placement and retention rates below Council Standards*

As indicated in the agency's response to Part I of the Department's inquiry, ACICS has monitored all of the adverse cases listed in the Department's letter, and corresponded with each institution (Exhibit 121: Table A; Exhibits 153-160: Adverse letters, responses). The following institutions continue to be under heightened monitoring by the Council with the institutions under a show-cause directive: ITT Technical Institute, Michigan Jewish Institute, Everest Institutions (currently structured under Zenith Education Group).

ACICS has actively responded to requests for information from Congress, and has actively met with representatives of Congressional offices to keep policy makers fully informed of the developments regarding accreditation of ACICS member institutions, and to keep an active dialogue about improvements that can be made to ensure that students derive value from their education.

ACICS requires institutions to comply with federal, state and local laws; it reviews potential violations of law by member institutions routinely. ACICS cooperates fully in the discovery phase of multiple inquiries and investigations of accredited institutions made by state and federal authorities. Between Sep. 2011 and February 2016 ACICS responded to 28 requests for information from state Attorneys General, spent over 800 hours to collect and provide nearly 500,000 pages of supportive information. In addition, during the same time period, the agency responded to 12 investigative demands for information from federal agencies, including the Federal Trade Commission, the Department of Education, Department of Justice, Securities and Exchange Commission, and the Department of Homeland Security. To fulfill these requests, the agency spent over 450 hours collecting and providing federal agencies with over 440,000 pages of information (Exhibit 138: Inventory of Subpoena Requests, 2010 -2016).

In order to fully assess and verify aggregate institutional performance data by accreditor dataset, ACICS sought the services of expert researchers and observers of higher education trends. This resulted in two white papers by Dr. Bob Cohen and Dr. Nam D. Pham co-researcher Mary Donovan. A synopsis of the white paper is presented by Dr. Thomas H. Wickenden (Exhibit 140: Improving the U.S. Department's Performance Data by Accreditor Dataset: A Synopsis of Two ACICS White Papers). These papers conclude that there are significant shortcomings when the Department presents for comparison aggregate data to assess quality of education. The data presented for accreditors is misleading due to limitations in the underlying data and methodological assumptions.

b. ***602.15(a)(1) staffing/financial resources – Are you confident in the number and expertise of your staff and institutional review teams, and in the level of your financial resources? Any changes you have made or plan to make?***

Staffing and Financial Resources

ACICS is confident that the number and expertise of the regular staff and institutional evaluators are more than adequate for the number of institutions reviewed, and that the financial resources allocated to support the accreditation activity are adequate.

The ACICS Board has responsibility for ensuring that the accreditation activity is adequately funded, staffed and led by professionals with appropriate experience and expertise to consistently and effectively apply the Council's accreditation standards. ACICS staff consists of 39 individuals and more than 1,900 trained, qualified on-site volunteer evaluators. Approximately 50 percent of the staff is dedicated to the recurring review of institutions through site visits and document reviews. Accreditation coordinators must have at least a bachelor's degree; 68 percent of the accreditation coordinators hold graduate degrees, including doctoral degrees. They are all vetted and trained so that they are able to understand and interpret Council standards, to coordinate effectively on-site evaluation teams, and to communicate effectively in writing and verbally.

The allocation of resources to meet the demand for accreditation services is accomplished through the annual budgeting process. For the current fiscal year (2016), the accreditation workload of (475 visit projects, 665 program reviews, 870 annual accountability report reviews) is funded by an operating budget of more than $11 million and supported by a reserve fund in excess of $13 million.

The need for additional staff is considered in the budget development process. Revenues that support operations are derived from application fees, sustaining fees, and visit-related fees paid by the institutions. The number of institutions undergoing on-site evaluations each year varies depending upon the expiration of grant length, the number of quality monitoring visits and the number of special or unannounced visits. ACICS is confident of the sufficiency of staffing capacity to handle on-site evaluations as indicated in the Table D below:

Table D:

Sufficiency of Capacity			
Number of visits by staff per cycle from 2013-2016			
Year - Cycle		**Number of Visit Projects**	**Number of Staff**
2013	Winter	197	14
	Spring	183	14
	Fall	177	14
2014	Winter	136	13
	Spring	151	14
	Fall	150	13
2015	Winter	135	13
	Spring	139	13
	Fall	170	14
2016	Winter	135	12

Council is confident of the expertise and capabilities of on-site evaluators. It trusts the value of well-established procedures for the review and assessment of individual performance and activities performed. ACICS removes from the active roster evaluators who are assessed to be incompetent or have demonstrated inappropriate behavior. Procedures include identifying "areas of need" for recruitment of new evaluators. New evaluator recruitment, enhancement of evaluator training, and expanded evaluator performance protocol are ongoing and summarized in Tables E, F and G:

Table E: Inventory of Evaluator Recruitment / Changes in Pool	
To accommodate the changes and additions to the programs offered by current members and initial applicants, the following areas of expertise have been added over the last four years.	
Nuclear Engineering	Agroeconomics
Wind Turbine Technician	Divinity/Bible Studies
Anesthesia Assistant	Gerontology Assistant
Solar/Wind/Renewable Energy Tech	Pet Grooming
Environmental Technology	Food Science
Oriental Medicine	Nuclear Engineering
Machine Tool Technology/Machinist	Applied Linguistics
Animal and Equine Science	International Law
Biotechnology	Midwifery
Agro-Industrial Engineering And Agribusiness	Geological, Cartographic, Estimative And Building Sciences
Modern Languages	Law
Organizational Leadership	Pedagogy
Political Sciences	Psychology
Defense and Security	National Security
Fire Science	MRI
Colon Therapy	Human Services
(Nurse) Midwifery	(Nurse) Anesthesia
Nanomedicine	Medical Physics

Table F: Inventory of Evaluator Training Enhancements

1. *Evaluator Training Materials*
    a. *A packet of information is provided at time of training which includes a presentation, best practices, policies and procedures manual, reimbursement guidelines, etc.*
    b. *Resources listed on web page (http://www.acics.org/evaluators/content.sapx?id=2292)*
    c. *Focused assessment/training of all evaluators; assessment for student relations evaluator (development of manual); development of distance education training; Chair Focus Group; SR Focus Group*
    d. *Team Chair Professional Development (July 2014)*
2. *Frequency of training and total trained*

Frequency of Training	**Total Trained**
March 2016	6
September 2015	18
September 2015	26
July 2015	9
March 2015	10
January 2015	13
December 2014	23
November 2014	23
September 2014	16
July 2014	17
May 2014	38
April 2014	61
February 2014	57
January 2014	7
September 2013 (Everest Hosted)	13
March 2013 (Daymar Hosted)	13
March 2013	30
April 2013	27
TOTAL	**407**

Table G: Review of Criteria for Evaluator Performance

Approximately two-four weeks at the conclusion of each travel cycle, staff members are required to complete Evaluator Evaluations (Excel Spreadsheet) and Chair Evaluations (Survey Monkey).

The Evaluator Evaluations use the following scale for assessment, with comments recommended across any scoring but required for any evaluation below 3 (average).

1= Unacceptable 2 = Needs Improvement 3 = Average 4 = Above Average 5 = Exceptional

N/A

Areas of Evaluation	Expectation
Preparedness & Timeliness	Respected visit schedule; reviewed relevant pre-visit materials; discussed areas of non-compliance when discovered; completed report by the end of the visit.
Organizational Skills	Was aware of responsibilities as a team member; prioritized duties; reviewed questions; shared concerns; allotted enough time to deal with concerns.
Interaction with Team	Was easy to work with, independent, not disruptive; discussed areas of non-compliance and concerns with team members; offered assistance to others.
Interaction with Institution	Was pleasant and considerate to faculty, staff, and students; performed required duties in a professional manner; dressed appropriately for business in accordance with ACICS standards.
Writing Skills	Used complete sentences and appropriate format; made minimal grammatical errors; answered questions completely; elaborated on citations.
Knowledge of Criteria	Recognized areas of noncompliance; requested citation numbers and correct verbiage; documented why areas were out of compliance.
Ethics	Adhered to Canons of Ethical Responsibility
Expertise	Demonstrated knowledge of subject matter, including curricula, program objectives, instructional tools and equipment.
Adherence to Travel & Reimbursement. Policies	Responsive to requests from staff; abided by travel policy; demonstrated respect for all individuals involved in the visit process

Summary of Review:

Evaluations across multiple cycles are reviewed to determine if there is a pattern of less than acceptable performance/behavior or if any negative (less than 3 on the scale) feedback can be kept under observation. This review is conducted by a team of travel staff members who serve on rotation to include at least one new coordinator and one seasoned coordinator to provide perspective.

The evaluations are discussed, with emphasis placed on those with less than average assessments overall as well as in each individual area. During completion of the evaluations, comments are encouraged generally, and required in the cases of negative scoring. Evaluators who did not show up or cancelled are

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1= Unacceptable *2 = Needs Improvement* *3 = Average* *4 = Above Average* *5 = Exceptional*

N/A

Areas of Evaluation	Expectation
also reviewed and the reason for the cancellation considered (emergency versus a pattern of not showing up). Following the review, decisions on actions are made, with the area of Ethics violation taken to the leadership. The travel team is briefed on any negative actions either via email or during the regularly scheduled travel meetings and the report saved on the ACICS shared drive for future reference.	
Summary of Outcomes: As a result of evaluation reviews, the following actions have been taken: - Evaluator is placed on monitoring status – still active but performance in subsequent cycles monitored for improvement - Evaluator has been notified that they need to complete additional training - Evaluator has been provided with an edited version of their report so they can see the changes that had to be made - Evaluator has been placed on limited travel - Evaluator has been made inactive In all instances, the individual is contacted via telephone and/or email to let them know of the action and provide an opportunity for response.	

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c. ***602.15(a)(2) competency of representatives -- Are you confident in the process and criteria you use to choose members of your review teams, and the expertise of your representatives? Confident in your conflict of interest policies and practices? Any changes you have made or plan to make?***

Competency of Representatives and Conflict of Interest Policies

ACICS is confident in the process and criteria used to choose members of its evaluation teams, as well as in the expertise of its public and institutional representatives. ACICS is also confident that its policies and practices methodically preclude participation in onsite evaluations, policy formation and decision making by individuals who have a conflict of interest. However, as an agency that believes in continuous enhancements and strengthening of processes, areas for change have been identified and appropriate action taken to ensure that the competency of all representatives are without question.

The onsite evaluation teams who conduct the reviews of institutional processes, programs, and procedures are chosen based on criteria that are applied through the system (Exhibit 25: Sample Evaluator Resumes, Public, Academic, Administrative; Exhibit 26: Resumes of Licensed Evaluators; Exhibit 22: Accreditation Evaluation Training Manual 2015, p. 11). Recognizing that expectations have changed, ACICS has been reviewing the expert pools in different areas and making changes that are consistent with those new expectations. Feedback from institutions and staff members on the performance of evaluators is routinely sought and may result in deactivating evaluators deemed to be deficient in their performance and/or requiring them to undergo additional training. In 2015 all Student Relations evaluators were required to undergo specialized training in order to strengthen their contributions to the review process. Several of the evaluators were removed from the pool of Student Relations specialists because of deficient performance.

ACICS has practiced zero-tolerance in the application of the conflict of interest policy to the on-site evaluation teams. In addition to the signed attestation of the evaluator at the time of application, conflict of interest issues are also discussed in the required Evaluator Training presentation. ACICS staff representatives disclose the campus under review when forming a team in order for them to share if there is a conflict of interest with that institution. Once the campus receives the team memorandum, which includes the team composition information, the institution has an opportunity to notify of any potential conflict with team members, which may include prior employment, consulting engagements, etc. ACICS will consider the information in composing the team in a manner that avoids conflicts of interest and other ethical issues.

The conflict of interest policy applied to the Council has been enhanced recently. The Council has established a Board of Ethics to act upon perceived or actual conflicts of interest involving any commissioner. Another enhancement to the Bylaws mandates that a commissioner will

resign if they are employed by an institution deemed to be under serious scrutiny by ACICS (Exhibit 125: Memorandum to the Field, April 2016, p. 8).

The Board's nominating committee carefully reviews every candidate who expresses interest in serving on the Council and disqualifies any candidate who might have conflicts of interest. During 2012-2016 time period, 159 candidates where reviewed by the nominating committee; 26 were removed from consideration due to perceived conflicts of interest, including if they worked for a school with an open adverse inquiry, or affiliated with an institution under negative action, or are charged with criminal activity. In addition, the Council removed three Commissioners from the Council due to conflicts of interests that appeared during their tenure (Exhibit 141: Commissioner Applicants 2012-2016).

d. ***602.16(a)(1)(i) student achievement – Given what's happened with Corinthian, CEC, ITT, MJI, Westwood, and Lincoln Tech related to inaccurate student achievement data, what were the shortcomings in your process of verifying those data and how are you changing the process to prevent this from happening in the future? How did these issues occur despite ACICS's 2012-2013 move to require independent verification and auditing of student achievement data? Do you define retention as completion of the current academic year, rather than return for a subsequent term, even if a program may typically require over 12 months to complete. Is this different from other agencies' methods of calculating retention for programs over 12 months in length? If so, why do you measure retention this way?***

Student Achievement and Verification of Data

ACICS is aware of deficiencies in the integrity of self-reported data by member institutions particularly related to placement outcomes. That awareness was heightened in 2011 when one major multi-campus system disclosed irregularities in the reporting of placement data to ACICS. At that time, and because of the issues, Council issued a show-cause directive and required the multi-campus system, at its own expense, to submit for Council review independent verification of all of the previous year's placement data.

In addition to the Council requiring independent verification of placement data on a case-by-case basis, ACICS has fortified its system of testing data integrity in the following ways: 1. Placement verification program which tests a minimum of 20 percent of member institutions each year for intensive scrutiny of their placement data; 2. A dedicated student achievement data evaluator assigned to that task on every site visit; 3. A data integrity test that is applied when the campus data is uploaded into the ACICS IT platform annually.

The dedicated student achievement evaluator (Exhibit 125: Memorandum to the Field, April 2016) conducts up to 100% verification of all graduates reported as placed and of all graduates who were classified as not available for placement. Calls are made to graduates and/or employers. Any campus receiving a finding of inaccurate student achievement placement data will be required to submit its CAR data for intensive verification.

Based on these enhancements to ACICS' data testing protocols, the Council has substantially greater confidence today that student achievement data that it receives each year is a reasonable representation of actual performance.

When data reported on the CAR is found to be incorrect, the campus is required to pay a fee and resubmit a revised CAR. The Council reviews that finding during the file review process and verifies that the correction has been made.

To ensure that institutions are fully aware of its expectations, the Council added a Data Integrity standard to its criteria which makes explicit the requirement for truthfulness, reliability, and accuracy of data collected and submitted to ACICS. The standard also expresses Council's discretion to independently review performance data for verification at any time and for any reason.

For several decades, ACICS has required the institutions to track and report retention rates as part of its Campus Effectiveness Plan. This concept is closely tied to the 'Satisfactory Academic Progress' policy required by ED of all accreditors.

ACICS defines retention as completion of a Campus Accountability Report (CAR) year, July 1st-June 30th. The method of calculating retention at the program-level is the same regardless of program length. Other accrediting agencies such as The Accrediting Bureau of Health Education Schools and the Accrediting Commission of Career Schools and Colleges utilize retention as a measurement of student achievement and apply different methodologies of calculating program retention. However, they are both comparable to ACICS' calculation, as neither agency calculates retention differently for programs over 12 months in length.

The Council is currently developing criteria for the reporting and verification of completion or graduation rates. The annual Campus Accountability Report (CAR) calls for the institutions to report the percentage of students completing the credentials within 100 percent of the program length and the percentage of completing the credentials within 150 percent of the program length. These are self-reported figures.

e. ***602.16(a)(1)(vii) recruiting and 602.26 notification of accrediting decisions – Provide Documentation about each instance of an issue with recruiting practices or advertising for Corinthian schools, ITT, MJI, Westwood, Lincoln Tech, and Globe, and Documentation indicating whether or when you notified the Department. For each of these instances, please provide all emails among, and Documents sent or received by, any of ACICS directors, officers, staff members, consultants (including all members of college review teams), and third parties which concern those schools, for the following time periods:***
    - ***Corinthian Schools: from January 1, 2014, to the present.***
    - ***ITT: From November 1, 2013, to the present***
    - ***Westwood: from November 1, 2011, to the present***
    - ***Lincoln Tech: from July 1, 2014 to the present***
    - ***Globe: from July 1, 2014 to the present***
    - ***Le Cordon Bleu: February 1, 2013 to the present***

And: are you changing your policies and practices in any way given these issues?

The Council has analyzed in-depth the incidence of deficiencies regarding recruitment, admissions, advertising and marketing derived from team reports, complaints, adverse and other sources. ACICS adopted a more prescriptive standard for recruitment and admissions which is effective July 1, 2016. The revised standard requires institutions to ensure that any person or entity engaged in recruitment activities is communicating current and accurate information, among other items of student achievement disclosures. The institution also will be required to present for review during on-site visits written documentation that demonstrates that it is systematically monitoring the recruiting and admissions activities.

ACICS is developing visit templates to be utilized by on-site evaluation teams to test for compliance with this requirement that will be applied during the Fall 2016 review cycle.

Pertinent e-mails (Exhibits 165 – 177) and team reports, institutional responses and Council actions for the institutions specified are appended (Exhibits 147-148: Team Reports, Institutional Responses and Council Actions for Institutions.)

f. ***602.16(a)(1)(x) Title IV responsibilities and 602.19(b) monitoring – Provide Documentation, including all communications and analyses, of when you had reason to believe and when you notified the Department of each instance that a Corinthian school, ITT, CEC, and MJI, had violated its Title IV responsibilities or engaged in fraud or abuse.***

ACICS takes seriously its responsibility as an oversight partner with the Department's FSA division. ACICS has formally established procedures and protocols to test for compliance with the expectations of the Department of Education in connection with federal student aid regulations.

The on-site evaluation review of Title IV-related items includes a review of the last audit by the Program Participation Team to determine if they had any questions or concerns with the institution's practices with the administration of federal financial aid.

In addition, the standard team report template has as many as 84 questions that are directly or indirectly related to Title IV compliance. While a majority of these compliance questions are addressed by the Student Relations evaluator, who has some expertise in the administration of student financial aid, other questions (such as academic credit analysis, distance education regulations, and verification of retention and placement data) are addressed by program specialists, distance education specialists, or the educational activities specialists.

Additionally, the appropriate application of standards of satisfactory academic progress through the qualitative and quantitative measurements is also reviewed to ensure that students' progress is accurately tracked and, if necessary, financial aid funds are not being inappropriately disbursed. Further, ACICS reviews the qualifications and expertise of financial aid administrators to ensure that they are capable of applying the Department's regulations. The institution's conversion of contact hours to credit is evaluated through its class schedules, time cards for externship hours, and interviews with students.

The agency did not find any systemic issues signifying apparent fraud that warranted a notification to the Department in the timeframe specified.

g. 602.17(f) compliance and student achievement – Provide all Documentation of institutions that you continue to believe have issues with verifiable achievement data since the last time you amended either your policies or processes for the submission of such data. When did you last amend those policies or processes, and what Documentation do you have of changed policies or processes?

Please refer to Table G (Exhibit 121: Part 1 response) for an analysis of application of heightened monitoring based on student achievement data. Copies of Compliance Warning letters issued to institutions are provided (Exhibit 148: Copies of Compliance Warning Letters Based on 2014 CAR Data).

Additional changes have since been made to the *Accreditation Criteria* to ensure that institutions are clear on the expectations. Section 3-1-704 Performance Information disclosure standard was recently revised (Exhibit 125: Memorandum to the Field, April 2016, p. 4). The revision was primarily to clarify that the current expectation and interpretation of that the information must be at the campus-level (and not at the institutional-level for multi-campus institutions) and include, at a minimum retention, placement, and licensure where applicable. Based on further discussion, the Council is stipulating that this information must also be at the campus and program levels as reported to ACICS in the most recent Campus Accountability Report. This information will be verified onsite and/or using any of the data integrity tests available to ACICS. The new policy was voted by the Council in May 2016 and will be effective July 1, 2016.

h. ***602.19 monitoring -- For each of the instances listed in Section I, please provide all emails among, and Documents sent or received by, any of ACICS directors, officers, staff members, consultants (including all members of college review teams), and third parties which concern those schools, for the following time periods:***
    - ***Corinthian Schools: from January 1, 2014, to the present.***
    - ***CEC: from February 1, 2013, to the present***
    - ***ITT: From November 1, 2013, to the present***
    - ***MJI: from October 1, 2012, to the present***
    - ***Westwood: from November 1, 2011, to the present***
    - ***Lincoln Tech: from July 1, 2014 to the present***
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    - ***Le Cordon Bleu: February 1, 2013 to the present***

Pertinent e-mails are provided with this submission (Exhibits 165 – 177: E-mails Sent or Received by ACICS Representatives). Please note that Commissioners and team members correspond with schools only through ACICS staff.

i. ***602.20(a) and (b) enforcement timelines and actions – With respect to when you have identified problems in general since January 1, 2013, please provide the total number of institutions or programs you have reviewed off cycle; as well as the number of instances in which you have taken adverse action and the nature of those actions; the number in which you have placed the institution or program on probation or equivalent status; and the number in which you have taken other corrective actions and the nature of those actions.***

   What is the mean time you actually allowed (including all extensions) for a school to come into compliance under each of 602.20(a)(2)(i), (ii), and (iii)? For each such school, provide the time allowed and break out this data for probation and show cause.

Reviews of institutions off regular cycle are directed by the Council as a result of complaints, adverse information, potential financial instability, student achievement issues or apparent non-compliance with specific standards. Examples are as follows:

Lebanon College – April 2013 (Financial as well as academic reasons)

California International Business University – March 2013 (Financial as well as academic reasons)

New York Institute of English and Business – March 2013 (Financial)

Mattia College – June 2015 – FACT review focused on institutional operations, student relations, and overall educational activities

Brown Mackie College Phoenix and Tucson – October 2015 – review of nursing program as a result of adverse action taken by the AZ Board of Nursing

Unannounced Visits:

Herguan University – November 2014 (Complaints and adverse information)

Laurus College – February 2014 and 2016d (Complaints and adverse information)

The Council has strengthened its process for conducting interim on-site evaluation visits between renewal of accreditation periods. Any time ACICS conducts an on-site visit, the evaluation team will review an institution's overall effectiveness in key areas such as administrative capability, effectiveness planning, admissions and recruitment practices, recordkeeping, faculty qualifications, etc. Interim on-site evaluations will be included as part of the quality assurance monitoring process of the Council.

Table E in the Part I response to Supplemental Request for Information (EXHIBIT 121: ACICS Response to U. S. Department of Education Supplemental Request for Information 03 03 16)

presents an analysis of intervals required to resolve accreditation findings. This summary is representative of all institutions.

The time allotted for institutions to come into compliance is based on the length of the longest program, as stipulated by the regulation and stated in the Accreditation Criteria, Title II, Chapter 3, Introduction (Exhibit 1: *Accreditation Criteria,* p. 27.) Even for 'good cause,' the Council has not allowed any institution to remain accredited beyond the expiration of the maximum time frame. In extreme findings of non-compliance, the Council may revoke an institution's accreditation even when the institution's maximum time frame has not expired. The institution is granted appropriate due process rights.

ACICS recently denied accreditation of an institution. Upon appeal, however, the Court restrained ACICS from suspending or withdrawing the institution's accreditation due, in part, to ACICS not providing the institution with the maximum time to come into compliance. The institution had numerous significant findings which warranted revocation following a deferral and a special visit, with opportunities given to the school for responses.

j. 602.21(a)(b) systemic review of standards and 602.21(c) revision of standards – Has any review or change been prompted by the multiple issues and investigations over the past few years? If so, what? If not, why not?

Systematic Review and Revision of Policies:

Over the past three years, as part of the routine systematic review of standards, ACICS has implemented revisions to several policies and procedures that are designed to strengthen the quality assurance and quality monitoring processes. These include: (1) enhanced training and development of ACICS accreditation coordinators and on-site evaluation team chairs, student relations specialists, and other evaluators; (2) aggressive monitoring of institutions that have been subject to ACICS' investigation of complaints and adverse information; (3) monitoring of institutions that show signs of stress that may impact on their financial stability; and (4) introduction and implementation of additional policies and procedures that affect student outcomes (such as placement rates, retention and student persistence rates, licensure pass rates, student satisfaction, graduate satisfaction, and employer satisfaction).

In August 2014 the Council defined Student Learning Outcomes and included 'direct' as well as 'indirect' assessments of learning especially as they apply to Competency-based Education. In December 2014 the Council published extensive standards for Competency-based Programs. In December 2014 the Council published and included in the Accreditation Criteria a new appendix on Principles and Guidelines for Program Enhancement Education or Study Abroad Activities. These are examples of standards that were either revised or newly introduced as a result of systematic reviews of Council policies and standards.

In addition, the agency has strengthened its procedures for monitoring institutional disclosures of student achievement information, verification of graduate placement data submitted by institutions, timely notification of Council actions to the Department and other agencies, and pre-emptively requiring teach-out plans from institutions that show evidence of financial instability or that show evidence of significant non-compliance of Council standards.

The Council has also taken action on the following items that will go into effect in July 1, 2016 with prior notification to member institutions, with input from the public: clear definition of 'Academic Quality'; data integrity standard; recruitment activities review; institutional performance disclosures; and revised definition of 'placement'.

k. 602.24(c)(1), (c)(4), (c)(5) teach out plan triggers, requirements, application – Provide all Documentation regarding teach out policies and processes in general or the application of such policies and processes to any institution in the last three years.

Provide all Documentation on specific teach out plans adopted to date for ITT, MJI, or any other schools for whom you are contemplating adverse action.

Institutional Closures and Teach-Outs

When an institution voluntarily or involuntarily closes, it is required to comply with the agency's teach-out policies and procedures (ACICS Petition to the Department, January 7, 2016: Response to Section 602.24(c)(1) Teach-out Plan Triggers, p. 69). All email correspondence in connection with teach-outs is included in the ACICS email submission. Evidence of teach-out plans submitted as part of a response to adverse information is included in Exhibits 153-160: Adverse Correspondence.

If an institution closes without processing an acceptable teach-out plan, such as was the case with CCi's schools in California and New York, the agency has applied its policy regarding debarment actions against the chief administrator or other decision-makers (Exhibit 126: Debarment Correspondence and Council Actions).

Table K of the Part I response (Exhibit 121: ACICS Response to U.S. Department of Education Supplemental Request for Information) presents a summary of campus closings and withdrawals, including approved teach-out/closure plans for institutions under consideration. Documents pertaining to teach-out plans and approval letters for selected institutions are also attached (Exhibit 145: Teach-out Plans and Approval Letters).

l. ***602.27(1)(6-7),(b) fraud and abuse and 602.21 review of standards – Given what's happened with problem schools, are there any changes to policies and procedures you've made or plan to make? For each of the instances listed in Section I, please provide all emails among, and Documents sent or received by, any of ACICS directors, officers, staff members, consultants (including all members of college review teams), and third parties which concern those schools, for the periods specified in item h above***.

Through its systematic process of policy and procedure reviews, which relies on contribution and assessment of all stakeholders and interested parties, ACICS has been making and will continue to make changes that demonstrate its commitment to quality and the integrity of its membership.

In order to address fraudulent job-placement disclosures, ACICS has adopted a new Data Integrity Standard which will be effective July 1, 2016. This standard requires that all data reported to ACICS is expected to reflect an accurate and verifiable portrayal of institutional performance and is subject to review by ACICS. The technology system is designed to calculate and test the integrity of certain student achievement data.

In order to strengthen the data verification function, ACICS added a dedicated Data Integrity Reviewer to each on-site evaluation team.

To strengthen the recruitment activities review, on-site evaluation teams will not only interview recruitment and admissions personnel but also assess that the institution has a written documentation to show that it systematically monitors its recruitment and admissions activities. The team will also continue to have access to student surveys which include specific questions on recruitment and admissions practices of the institution that the students were exposed to.

The institutional performance disclosure requirements have been clarified and strengthened. The data must match those reported to ACICS in the most recent Campus Accountability Report and must be reliable.

Pertinent e-mails are submitted with this response.

m. 602.28(e) information sharing with other accrediting/approval bodies and 602.19(b) monitoring -- Given what's happened with problem schools, are there any changes to policies and procedures you've made or plan to make?

What materials do you request from the institution and what additional materials do you systematically gather prior to your review? Provide all pre-review materials for each Corinthian, CEC, and ITT campus that you had gathered.

Per sections 602.14 and 602.15, provide all instances in which you have changed your reviewers or provided your reviewers with information to focus their review based upon this information.

Per 602.17 and 602.18, how do you verify information provided by a school?

The agency has appropriate policies and procedures for sharing information with the Department, state licensing agencies, other accrediting agencies and the public. All Council actions are communicated to these stakeholders within 30 days following each Council session. Such notifications are also sent to all states where the institutions are located (not just to the states which have required notifications) and also to Title IV regional offices.

When two major systems of institutions were under scrutiny from the Department of Education and Title IV regional offices, ACICS participated in conference calls on a weekly basis and provided information called for by the various regulators and state licensing agencies. The agency also works closely with such states as California, Texas and Florida in providing specific information regarding various substantive change approvals, including initial and renewal grants of accreditation.

ACICS' policies and procedures call for verification of an institution's compliance with approved program offerings, credit hour analysis, out-of-class educational activity, standards of satisfactory academic progress, enrollment agreements, institutional disclosures, institutional publications, etc.

The following materials are required from the institutions prior to a review:

- An application for renewal of accreditation or substantive change
- Institutional self-study
- School catalog
- Copy of the Campus Effectiveness Plan
- State authorization
- Academic credit analysis
- Syllabi for new programs
- Campus Accountability Report
- Annual Financial Report

On-site evaluation teams will have access to the following documents at least two weeks prior to a visit:

- An update on self-study
- Faculty and staff rosters, including qualifications
- List of approved programs
- Syllabi (on-site and electronic access in some cases)
- Access to distance education courses (where applicable)
- Academic Credit Analysis

Self-studies and required attachments are presented for specific institutions (Exhibits 146 (a) and 146 (b): Self-Studies and Pre-visit Materials.)