



May 16, 2016

The Honorable John King
United States Department of Education
400 Maryland Avenue, SW
Washington, DC 20202

Jennifer Hong
Executive Director/Designated Federal Official
National Advisory Committee on Institutional Quality and Integrity (NACIQI)
U.S. Department of Education
400 Maryland Avenue, SW
Washington, DC 20202

Dear Secretary King and Ms. Hong:

The Accrediting Council for Independent Colleges and Schools (ACICS) appreciates the opportunity to comment on the letter from multistate attorneys general (April 8, 2016) opposing the Department of Education's re-recognition of the agency. Established in 1912, today ACICS accredits nearly 900 postsecondary institutions educating more than 800,000 students each year. ACICS has deep roots in American higher education and the preparation of a well-skilled, job-ready workforce.¹ As such, ACICS shares the commitment of the attorneys general to the delivery of quality postsecondary education, fully in compliance with both federal and state law and regulation, including state consumer protection statutes.

ACICS regrets that in spite of working collaboratively with many state attorneys general on a variety of inquiries during the past five years, the AGs of 13 states chose to articulate opposition to the recognition of ACICS.² This letter is intended to address their concerns and, in so doing, place matters back in appropriate context and proper perspective.

¹ In 2015, over 140,000 students received awards from ACICS accredited schools and 88,574 were placed in jobs in their fields of study. An additional 19,143 were ineligible to be placed for various reasons, including health and continuing education.

² Attorneys general from 35 states plus Puerto Rico, home to more than 80 percent of ACICS accredited institutions--did not sign the April 8 letter.

ACICS and its member institutions respectfully disagree with the AG's basis for the adverse recommendation. In addition, ACICS acknowledges the value of continuous process improvement informed by a variety of empirical evidence, including that which is offered by state consumer protection experts. At its best, ACICS accreditation is a dynamic, multifaceted process, reflecting the myriad current day challenges impacting the nation's colleges and universities. ACICS stands ready and willing to engage in constructive dialogue with any parties committed to advancing the efficacy of accreditation, the interests of students, and the quality and integrity of higher education.

In their letter, the state attorneys general indicate that they have reviewed the Criteria for the Recognition of Accrediting Agencies, including §§ 602.16(a)(1)(i), 602.19(a) & (b), and 602.20(a). While this is no doubt the case, there is nothing to suggest that their review process included any consideration of ACICS' compliance activity itself. Nor have they requested any information regarding ACICS' documented fulfillment of these ED requirements. ACICS accreditation is thorough, complete and richly detailed, meeting Department of Education requirements and incorporating the Department's recognition guidance.

Referencing ED's recognition criteria cited by the attorneys general, ACICS offers the following to explain the agency's actual, verifiable level of recognition worthiness:

602.16(a)(1)(i) requires that the agency has standards sufficiently rigorous to establish itself as a reliable authority regarding the quality of education or training its member institutions provide. The criteria seek to verify standards effectiveness through student achievement outcomes, including program completion, state licensure examinations and job placement rates.

ACICS defines educational quality in terms of student achievement and complies with the Department's 602.16 criterion through an institutional review process that:

- Requires regular and intense reporting, program analysis and oversight;
- Identifies institution and program shortcomings and makes recommendations for improvement;
- Verifies that institutions remediate problems and deficiencies found in accreditation reviews in a timely manner;
- Sets minimum thresholds for acceptable performance regarding retention, placement and licensure pass rates;

- Requires that the thresholds are met or exceeded and imposes sanctions on subpar performance.

Data integrity is integral to the ACICS accreditation process. To assure that the information from institutions is accurate and reliable; ACICS gathers and evaluates input from a variety of sources, including annual campus accountability reports, evaluator site visits, student and faculty complaints and other sources.

Data reported by the institutions are subjected to a series of integrity checks. The ACICS information technology platform, for instance, compiles and calculates preliminary performance rates based on self-reported data whose integrity is tested during the initial submittal process.

On-site peer evaluators perform additional reviews of the performance data itself as well as Campus Effectiveness Plans. ACICS independent evaluators made nearly 1,000 site visits between 2011 and 2015. This review process is conducted by seasoned instructors, school administrators and other postsecondary experts, further assuring that institutions are appropriately gathering and analyzing data and using the results of such analyses for steps which advance educational effectiveness and student performance. Site evaluators summarize their findings in written reports, made available to both the institutions and the Council. These reports offer both guidance to the schools and form the basis for subsequent action, if necessary.

With respect to placement, ACICS has added new rigor to its data verification activities with its Placement Verification Program (PVP). Through PVP, ACICS verifies that placement data submitted by institutions is accurate by performing independent outreach to students and employers, on a random sample basis.

The ACICS accreditation process also involves rigorous enforcement. Those institutions producing substandard student achievement results must submit improvement plans. Plan deficiencies or the inability of an institution to take corrective action may result in deferral of an accreditation determination, a finding of non-compliance or a show cause directive.

ACICS has taken strong action to enforce member institution compliance with its student achievement standards. In the five years between 2011 and 2015, we have:

- Placed more than 550 campuses on heightened monitoring for student achievement;
- Taken 905 deferral actions;
- Issued 106 show cause directives or placed campuses on probation;

- Revoked grants of accreditation 41 times;
- Issued 10 denials of accreditation.

The opinion of the 13 attorneys general notwithstanding, the empirical record indicates that ACICS has the processes, enforcement regimes and track record necessary not only to act as a reliable authority but also to vouchsafe member institution compliance with our rigorous performance standards well into the future.

602.19(a) requires that accreditors have and maintain written policies and procedures for re-evaluating institutions and programs for continued accreditation as well as regular timelines for doing so.

ACICS policies and practices for re-evaluating member institutions are clearly stated in the *ACICS Accreditation Criteria* (publicly available at www.acics.org.) As the Criteria make clear, ACICS grants of accreditation may be rendered for periods of one to six years. Numerous circumstances affect the actual award period, however. Initial grants to new applicants are usually limited to three years. Institutions that are the subject of heightened monitoring may be granted an award of no more than four years. Institutions that have lost Title IV funding or are being monitored for cohort default rate compliance are in grave danger of losing accreditation. All grants of accreditation are time-bound, not perpetual, and are extended by ACICS only after a comprehensive review that includes an on-site visit by a full team of peer evaluators and quality assurance experts.

602.19(b) requires that accrediting agencies have and apply a set of monitoring and evaluation practices sufficient to assure compliance with standards as well as institution and program strength and stability.

ACICS accreditation takes place on a recurring basis. This means institutions receiving an initial grant of accreditation have no guarantee that they will receive subsequent grants of accreditation. Rather, they must prove their accreditation worthiness on a regular basis. The process is intentionally rigorous and time-consuming, requiring applicant institutions to engage in both substantial self-evaluation and to submit to detailed third-party questioning, review and oversight.

In addition to this formal process of accreditation evaluation, our accredited member institutions are also monitored between regular review cycles through submission of Annual Campus Accountability Reports, Annual Financial Reports and related sources of reliable information. ACICS reviews tests these submissions for a series of issues, including those related to financial stability, student achievement, student indebtedness, substantive changes, excessive growth, adverse information and complaints.

ACICS enforces interim standards compliance in a variety of ways, including:

- Campus Accountability Report reviews: Institutions failing to meet performance thresholds for retention, placement or licensure pass rates are required to develop program or campus-level improvement plans. ACICS reviews these for their sufficiency and effectiveness; they must be manifest in writing in the institution's Campus Effectiveness Plans, subject to review by on-site visit evaluation teams. ACICS has reviewed more than 4,400 such reports in the last five years. When the reports demonstrate profound non-compliance with standards, or protracted inability to remedy deficiencies, the institutions have been subject to enforcement actions including compliance warnings and show-cause directives.
- Annual Financial Report reviews: Institutions experiencing undue financial risk may be required to submit financial improvement plans and to make quarterly financial reports on their status. Cohort default rates exceeding federal standards are considered an indicator of financial risk, triggering additional monitoring and reporting by the institution. ACICS member institutions have been placed on heightened monitoring for financial stability status more than 250 times between 2011 and 2015;
- Complaint and adverse action reviews: ACICS regularly and routinely reviews complaints and adverse information from reliable parties, including government agencies, students, faculty, administrative staff and the news media. Between 2011 and 2014, ACICS reviewed more than 1,000 complaints. For complaints and adverse information deemed sufficiently serious, ACICS prescribes in writing to the institutions what is required for their written response. Always, the information requested must directly relate to the published ACICS standards and requirements. ACICS has pursued 175 adverse cases in the past five years, with the number of such cases increasing from 11 in 2012 to 66 in 2015. Adverse action reviews and correspondence form an important element of the assessments of the applicant institution's quality and integrity;

- Extreme risk actions: In certain situations, an institution may be deemed an extreme risk by virtue of financial difficulty or performance shortfall. Special site visits may be used to assess the extent of problems presented and follow-up actions needed. ACICS may require the institution to submit a plan for continuation and completion of students enrolled. Institutions failing to provide for students in this manner face additional sanctions, including the debarment of its executive team. Debarment of school officials has been ordered several times in the past five years; other debarment actions against leaders of large, multi-campus publically traded colleges and schools are pending before the Council.

Clearly, ACICS has established mechanisms to assure that its grants of accreditation are based on substantive reviews of detailed information from multiple sources and remain in force only to the extent that institutions continue to comply with rigorous standards that are designed and applied to colleges and schools offering programs intended to prepare students for employment in professional, technical and occupational fields.

602.20(a) requires that institutions not in compliance with performance standards be brought into compliance, either through immediate adverse action brought by the accrediting agency or through a compliance timetable pegged to program length.

The ACICS accreditation process, based on data gathering and analysis practices previously described, is designed to identify, assess and forcefully respond to deviations from compliance with standards within specified timeframes. A remedial action escalation regime, clearly documented in the ACICS Criteria, spells out the steps that lead to enforcement action.

ACICS review takes into account multiple factors protecting the interests of institutions and students alike, including the severity of the deficiencies, the likelihood that the institution can remedy the deficiency, and the prescribed maximum timeframe for taking corrective action.

Sound judgement is key to effective oversight. ACICS draws on inputs gathered from institutional reporting sources, on-site evaluations, third-party referrals (if any) and the institution's own response to ACICS findings and concerns regarding its perceived subpar performance. Immediate adverse actions may include denial, withdrawal, suspension or revocation of accreditation. Interim action steps include deferral of a decision based on the need

for additional information, heightened monitoring, a compliance warning, or a show cause directive.

While state attorneys general have articulated an alternative perspective, ACICS is fully capable of acting to correct, sanction or prescribe remedies for institutions failing to uphold its performance standards. Over the last five years, it has demonstrated this capability with more than 2,000 individual enforcement actions.

Interpretations of College Scorecard Data

The state attorneys general make other criticisms which merit response. Pointing to an analysis derived from data included in the College Scorecard, the state attorneys general suggest ACICS is not worthy of recognition based on graduation rates at member institutions, the rates at which students from the colleges and schools default on student loans, and the rates at which they pay down principle – not interest – on student loans.

The attorneys general do not acknowledge that statistics may distort the performance of higher education institutions, particularly when looking across all education sectors. This often happens because terms are imprecise and units of comparison vary widely. Using data that only includes “first time, full time” students or fall enrollment rather than year-round enrollments distorts the results. The analysis fails to acknowledge that many career college students return to postsecondary education following an unsuccessful initial attempt at community college or transfer from one school to another as their personal circumstances change. Many are also independent working adults, making it more likely that they will attend year round rather than participate in traditional fall enrollment programs.

Graduation itself must be interpreted in its proper context. Just as inner city students in many major metropolitan areas do not graduate high school at the same rate as their more affluent suburban peers, students attending career colleges do not graduate at the same rates as those attending competitive admissions colleges and universities. While both cohorts are students and have the potential to graduate, the career college student is far more likely to be an at-risk student, an individual with fewer financial resources, greater life challenges, less prior academic preparation and, because life events are more likely to intrude the longer a program lasts, a reduced likelihood of graduating. ACICS accredits a significant percentage of degree-granting

institutions whose enrollment intervals are longer than those of community colleges, for example.³

A rush to judgement on graduation rates misses the important connection between inputs and outputs—a connection that is compelling. The Advisory Committee on Student Financial Assistance, for instance, considered the impact on graduation rates of institutions serving a high percentage of Pell grant recipients. The committee noted in its policy bulletin, “...raw measures of college output, such as rates of graduation and academic progress, must be adjusted to reflect differences in factors that determine those rates – inputs such as college mission, student characteristics, and other constraints. Failing to account for inputs when measuring and evaluating college performance unfairly penalizes colleges that are efficiently serving large numbers of low-income students...”⁴

Numerous outcome measures, including graduation rates, can be used to assess institutional performance. None should be used in isolation. Clearly, graduation rates as a major determinant of performance quality have significant shortcomings. ACICS does not use graduation rates in its own performance standards because the “first-time, full-time” basis for this data does not reflect the multiplicity of experiences faced by non-traditional students. Moreover, graduation rates do not capture the importance of academic progression in the lives of at-risk students. Nor do they reflect the value of education delivered short of achieving the academic award itself. For these reasons, ACICS have long adopted a metric quantifying retention rather than graduation, which is more comprehensive and portrays a truer picture of institutional performance. At the same time, however, ACICS acknowledges the public’s interest in graduation as an outcome measure; ACICS is reconsidering the use of this metric as an element of institutional effectiveness and accountability.

The connection between student population served and default rate is underscored by the FY 2012 Cohort Default rate data. In what must be considered the most relevant “apples to apples” comparison of non-traditional student populations, public school students attending lower cost

³ Roughly one-third of the over 640,000 students at ACICS accredited schools in 2014 were seeking a four-year credential. An analysis of ED performance data indicates other national accrediting agencies accredit few or no four-year schools. ACCET accredits none. COE accredits a single school. Comparing the graduation rates of substantially dissimilar accreditors produces misleading results and conclusions about relative performance not substantiated by facts.

⁴ Measure Twice. The Impact on Graduation Rates of Serving Pell Grant Recipients. A Policy Bulletin for HEA Reauthorization, Advisory Committee on Student Financial Assistance, July 2013.

two- to three-year programs actually exceed the default rates of proprietary school students attending programs of the same length (19.1% vs. 17.7%).⁵

An analysis of ED performance data shows that ACICS accredited school populations default at a rate of 19 percent, 11 percent below the federal government's maximum threshold. ACICS is committed to working with member institutions to better educate students about responsible borrowing, budgeting and debt repayment; likewise, ACICS has incorporated compliance with the federal government's student loan default rates in the institutional performance standards. Institutions approaching the threshold must submit a Default Improvement Plan for ACICS' review and approval.

While we share the attorneys general's concerns that 60 percent of students in default have not repaid a single dollar of principal, we respectfully remind ED that the overwhelming majority of students at ACICS accredited institutions are not in default and are repaying their loans. In doing so, these borrowers support the government's wise decision to make federal student aid the policy lever for expanding college accessibility, growing a competitive workforce, and creating more widely shared income equality.

Reflections on the Demise of Corinthian Colleges, Inc.

The attorneys general found fault in ACICS accreditation of colleges operated by Corinthian Colleges (CCi). ACICS accredited 60 Everest College and Everest Institute-branded schools. CCi schools were also accredited by three other agencies (Heald Colleges were accredited by the Western Association of Schools and Colleges; certain Everest Colleges were accredited by the Higher Learning Commission; still other CCi-branded schools were accredited by the Accrediting Commission of Career Schools and Colleges).

The state attorneys general deemed CCi degrees of "little value," without offering a substantiation. Multiple teams of ACICS evaluators talking directly to CCi students and their employers found otherwise. Moreover, career colleges depend on word of mouth to attract students and grow programs. In the age of social media, it's hard to imagine a circumstance in which a large number of students who received awards of little value did not share their negative opinions and experiences about the school with others.

⁵ <http://www2.ed.gov/offices/OSFAP/defaultmanagement/schooltyperates.pdf>

While CCI may have been the target of numerous state and federal investigations, ACICS is not aware of any investigations which led to civil or criminal trials, convictions, let alone an adverse judicial ruling. Notwithstanding the fact that ACICS continued to accredit several CCI schools up until the time the parent company ceased operations, two factors are offered for consideration:

- CCI failed in part because of its breach of ED regulations regarding performance disclosures for an institution accredited by an agency other than ACICS, a matter which does not fall within the purview of ACICS;
- The claim that ACICS took no action in response to consumer protection issues or to otherwise assure the quality and integrity of education provided at CCI owned schools is not supported by the historical record.

Once the financial capacity of CCI was disclosed, ED took the lead in actively monitoring the company's fiscal position. ED imposed cash flow restrictions that contributed to the decision by CCI's leadership to file for bankruptcy and cease operations. While ACICS had no role in imposing the restrictions on CCI, ACICS cooperated closely with federal and state authorities during the transitional monitoring period, working to assure the company's on-going compliance with ACICS financial and operating standards and measures.⁶

Beginning in June, 2013, ACICS remained closely attuned to the progress of federal and state investigations into CCI's marketing and recruitment practices. With regards to the Securities and Exchange Commission (SEC), ACICS made six separate inquiries to CCI regarding the on-going investigation. ACICS had no access to evidence upon which the SEC based its securities law investigations and, as a result, took no action against Everest schools for alleged violations of security law.

In addition to inquiries involving adverse information, ACICS pursued an active and substantive review of CCI's operational and financial practices to assure on-going compliance with accreditation standards. Between 2012 and 2014, ACICS conducted at least one full site review of 60 ACICS-accredited CCI campuses, a total of 122 visits in all. ACICS evaluators conducted interviews, reviewed documents and made direct observations, posing hundreds of questions to students, teachers and administrators during this process. This effort found 31 deficiencies at 22 campuses, including instructor qualifications, excessive teaching loads, admissions policies, and

⁶ Between July 2014 and February 2015, ACICS required CCI to provide quarterly financial statements for our review and shared this information regularly with our state and federal oversight partners.

the quality and type of instructional material and equipment. Almost all of these citations were remedied to the satisfaction of ACICS peer reviewers in a reasonable timeframe.

The review of Westwood Colleges

The attorneys general argue that ACICS failed to verify job placement data for Westwood Colleges or even commit to formally outline the ACICS verification process in an affidavit. ACICS verifies placement data as part of its new grant review process. This can take place between two- and six-year intervals, depending on the length of the institution's grant of accreditation.

In 2010 and again in 2013, ACICS received a civil investigation demand from the office of the Illinois Attorney General concerning Westwood Colleges operating in that state and Westwood College Online. In addition to fully supporting the attorney general's information demand, ACICS also properly performed its oversight responsibilities concerning the integrity of Westwood College placement data. The record shows that in 2013 ACICS conducted a site visit at the Westwood College Chicago Loop campus. During that visit, evaluators reviewed the school's placement data. As a result, ACICS cited and deferred the institution twice when the agency was unable to verify data Westwood reported in its annual Campus Accountability Report. After substantial scrutiny, the campus was eventually able to satisfy ACICS' concerns, clear the citation and receive a grant of accreditation.⁷

The attorneys general cite the litigation of various states with Education Management Company (EDMC), ITT Tech, Daymar College, National College and Career Education Corporation as examples of the agency's failure to identify compliance problems, apply ACICS enforcement standards, assure data integrity or impose sanctions for misconduct.

⁷ As noted earlier, ACICS has fortified its approach to the integrity of placement data with its Placement Verification Program. Over the course of the next few years, all ACICS member institutions will have gone through this random verification of placement data program.

ITT Tech Institutes

In the matter of ITT Tech business practices involving litigation brought by the Consumer Financial Protection Bureau and the states of Massachusetts and New Mexico as well as investigations by several other states, the attorneys general letter offers no specific criticism of ACICS or its accreditation of this multi-campus institution.

To the extent that the letter raises implicit questions, however, the record shows that ACICS has been actively engaged in oversight of ITT and in the collection of information on which to base accreditation determinations. A July 2015 letter requires ITT Tech to provide status information on pending lawsuits, investigations and other matters with the potential to adversely impact its students and schools. The letter raises ACICS' concerns about ITT Tech's lending practices, financial stability and related issues. A similar letter in 2016 from ACICS to ITT Tech inquires about adverse information in the areas of instruction resources, satisfactory academic progress, transfer of credit, counseling and guidance, admissions and recruitment and financial condition.

ACICS financial analysts receive and review, every two weeks, copies of current cash flow information provided by ITT Tech to the U.S. Department of Education. In addition, ACICS has required ITT Tech to provide recurring quarterly financial statements and annual audited financial statements for purposes of accreditation review.

ACICS has required, and ITT Tech has provided, volumes of information regarding alleged deficiencies in education quality and program integrity during the past several years. ACICS has placed this institution on heightened monitoring, and it is now operating under a show cause directive. ITT Tech executives will appear at the August 2016 meeting of ACICS to explain why the institution's grant of accreditation should not be conditioned.

National College

In the matter of National College advertising false job placement rates, ACICS acknowledges the confusion between the school's use of the phrase "employment rates" with the phrase "job placement rates," which are an outcome metric factoring into accreditation determinations. ACICS assumes National College used the employment rate phrase as an attempt to provide students and prospective students with useful information about hiring trends in various

occupations. The accreditation job placement rates for National College are within the ACICS minimum threshold and have not been the basis for corrective action or program sanction.

Career Education Corporation

In the matter of Career Education Corporation's Sanford-Brown schools misrepresenting placement rates in New York and other states, ACICS conducted a lengthy inquiry triggered by concerns regarding the accuracy and reliability of placement rates reported in Career Education Corporation (CEC) campus accountability reports. Based on the concerns, ACICS issued show cause directives to 34 Sanford-Brown campuses (including two in New York) as well as other CEC campuses in December 2011.

A careful review of placement verification data submitted by CEC and its third-party verification company found four campuses reporting adjusted placement rates at or below ACICS minimum standards. The campuses were placed on probation and required to submit teach-out plans by ACICS.

Also, all CEC campuses were required to adhere to placement sanctions and to fulfill additional requirements, including the submission of Placement Improvement Plans, CAR graduate lists, and an update on placement activities associated with those graduates; and attendance at an ACICS placement workshop or placement consultation. Adverse actions included notification to the U.S. Secretary of Education, appropriate state regulatory agencies, other appropriate accrediting bodies, current and prospective students at the four campuses placed on probation, and the public.

ACICS remained actively involved in monitoring CEC and pursuing adverse information. The agency required additional information from the company on open state investigations and the show cause directive issued by the Accrediting Commission of Career Schools and Colleges for 10 CEC campuses.

Contrary to assertions regarding oversight of CEC, ACICS took numerous actions intended to assure institutional understanding of and compliance with our standards and to sanction schools failing to meet minimum thresholds.

Other observations and comments

Several other schools accredited by ACICS and subject to investigations by state attorneys general settled the issues without judicial findings of wrongdoing or violation of law. Those include Westwood Colleges Inc., Daymar Colleges, EDMC and Lincoln Technical Institutes. Financial considerations were included as part of the settlements. ACICS understands that litigants often settle cases to avoid the costs of prolonged litigation, to limit harm to business reputation or for other reasons unrelated to admissions of wrong doing.

Such settlements take place between the school and the state, and the fruits of discovery are not shared with the accreditor. This practice keeps potentially pertinent school performance information from the accrediting body, prevents the imposition of sanctions based on such information, and hinders the ability of the accreditor to evolve its own practices based on the state's investigative findings.

Collaboration with consumer protection authorities

ACICS has performed at a high level and with the requisite standards to assure education quality and integrity. ACICS requires institutions to be in compliance with federal, state and local laws, and takes claims of potential violations of laws by member institutions seriously. ACICS has cooperated fully in the discovery phase of multiple inquiries and investigations of accredited institutions made by state and federal authorities.

To summarize:

- Between September 2011 and February 2016, ACICS responded to 28 requests for information from State Attorney's General;
- Spent more than 800 hours to collect and provided nearly 500,000 pages in response to AG requests;
- Responded to 12 investigate 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;
- Spent more than 450 hours collecting information to fulfill federal agency requests; and
- Provided federal agencies with more than 440,000 pages of information.

Board ethics, conflicts of interest, recusal and related safeguards

The attorneys general allege that ACICS Board Members and Commissioners (those elected to the ACICS board also serve on the Accreditation Council) served while experiencing conflicts of interest because of adverse information regarding their employers. Before serving as an ACICS Commissioner, the individual is required to participate in training regarding the avoidance of conflicts of interest, and to sign a statement committing to meeting or exceeding ACICS' Standards of Ethical Responsibility, which provide clear requirements to avoid even the appearance of impropriety, partiality, and actual or potential conflict of interest.

ACICS has established risk management protocols to ensure any appearance or actual conflict of interest is disclosed, reviewed and eliminated from the evaluation, policymaking and decision-making processes. If it is determined that a commissioner has violated one of the standards, that individual may be removed by a vote of the full Council. In all instances where a violation is found, the Council is required to take such action as necessary in order to maintain the integrity of ACICS.

Additionally, ACICS Commissioners must indicate at the beginning of each review cycle any schools with which they may have a conflict of interest. Such disclosures are memorialized in the Council meeting minutes.

While executives from ITT Tech, CCI, and National College did serve on the ACICS Board during a time period when their respective schools were the subject of review, the individuals recused themselves from Council deliberations concerning their schools and likewise abstained from voting.

Two other circumstances help prevent conflicts of interest among ACICS Board Members and arising from their activities on the Accrediting Council. ACICS member institutions are marketplace competitors. In many locations across the country, this competition is keen. Board members would be placing themselves at a competitive disadvantage to turn a blind eye to the unethical behavior of a rival institution. The viability of independent, private sector accreditation depends on ethical behavior, and ACICS Commissioners are aware of this basic fact.

The integrity of ACICS Board and Council action is also protected by the participation of public members. According to ACICS by-laws, at least three members of the ACICS 15-member board must be public representatives. Public representatives may not be employed or be formerly employed by, own, or serve an institution or program that is either accredited by ACICS or has applied for ACICS accreditation. Dr. Lawrence Leak, our current Board Chair is one such public member. Dr. Leak is former Interim Provost and Chief Academic Officer of the University of Maryland University College. Other public members serving on the ACICS Board are Dr. Adriene Hobdy, a higher education professional; Dr. Edward G. Thomas, Professor of Marketing, Emeritus, Cleveland State University; Dr. Ruth Shafer, Lindenwood University Adjunct Professor, Master of Education and Administration Programs, and Dr. Rafael Ramirez-Rivera, Chancellor, Inter American University of Puerto Rico.

Seeking Fact-based review

In spite of representations to the contrary, ACICS' program of accreditation contributes value to the lives of hundreds of thousands of students through deliberate and fact-based accreditation review and decisions. The *facts* as determined by surveys of the actual students acquiring this education are worthy of consideration.

ACICS has conducted a survey of 40 relevant campuses, including four of the school systems under critique, and compiled the anonymous responses of 2,242 students. The survey found:

- 95.5% of respondents said admissions representatives accurately described the enrollment process regarding available courses and programs of study;
- 94.8% of respondents said admissions representatives accurately described the tuition and fees associated with their program of study;
- 95.2% of respondents said the information provided during enrollment was sufficient to make their decision;
- 86.1% of respondents said they did not feel pressured into making an enrollment decision;
- 79.9% of respondents said that overall they were satisfied with the quality of the education and 4.7% said they were not satisfied;

- 76.4% of respondents said they would recommend their institution to others and 5.8% said they would not.

ACICS remains attuned to student complaints and, through continuous refinement of standards and distribution of best practice information, strives to raise the postsecondary education quality and value of its member institutions.

That said, a substantial majority of student attitudes at institutions now under heightened monitoring remain overwhelmingly positive. Such attitudes suggest that a large majority of students at these institutions have received honest and fair treatment and a quality education.

Summary

In voicing concerns about ACICS, the critics have supposed the worst. However, ACICS knows of no episode, event or circumstance where officials or their representatives visited an ACICS accredited school, talked to a typical student at these schools, or witnessed the conduct of ACICS evaluators and staff as the agency undertakes oversight responsibilities.

While some contend that ACICS has been derelict in these responsibilities, the volume of work described in this correspondence demonstrates the opposite. ACICS operates with a comprehensive, publicly available standard and a well-established process for assuring compliance with that standard.

ACICS understands, moreover, that higher education is in a state of great flux, changing to meet the pressures of a new economy. ACICS believes in the ability of career education to improve lives; we also understand that accreditation processes and methods must be willing to change in order to remain effective. ACICS stands ready to work with ED and other stakeholders to assure the on-going effectiveness of our approach. Unsealing lawsuit settlements and sharing the fruits of discovery with accrediting agencies would be a positive step. Doing so would add to the rigor of accreditation oversight, pre-empt school practices of an even faintly ambiguous nature, and decrease complaints, whistle-blower claims, and the need for costly and time-consuming investigations.

ACICS understands that it is the role of officials to protect the public and to pursue claims where a lack of ethical conduct may be at issue. ACICS, however, operates with a strong code of ethical conduct. The agency's bylaws clearly define a process for the avoidance of conflicts of

interest. Critics of accreditation often point to peer review as the point of ethical departure. Peer review is, of course, the standard for oversight in multiple professions, including the legal and medical professions. ACICS knows of no reason why seasoned educators, free of ethical, business and competitive conflicts, are not in the best position to judge the performance of other educators.

ACICS stands by the facts presented here that strongly contradict negative assertions that may be material to ED's re-recognition. Such a decision should be based on facts, not suppositions. Denying re-recognition for unfounded suppositions will harm the tens of thousands of students who attend or who have graduated from ACICS accredited schools, raising unfair and unsubstantiated questions about the value of their education.

ACICS looks forward to working with state governments, the Department of Education and other federal agencies to protect consumers, strengthen postsecondary oversight, and to bridge gaps in the triad that have fomented the public's concern and doubt. While ACICS regrets the negative views expressed by the state attorneys general and wishes they were based on a more complete, objective assessment of the agency's capacity and effectiveness, ACICS commends their commitment to consumers and upholding state statutes. ACICS respects the informed opinions of state attorneys general on matters of consumer protection, and would like to meet with the AG community to directly solicit their policy and process contributions. All previous encounters have been with regard to document production. (See Table I, attached)

ACICS urges ED to consider the fact-based record and consider recognition of ACICS as a reliable authority for assessing the quality of education offered by member institutions and their worthiness to participate in Title IV student financial aid programs.

If you need additional information on any matters raised herein, please contact me at 202.336.6781.

Sincerely,

(b)(6)

Anthony S. Bieda
Executive in Charge

Attachment: Table 1

Table 1:

State AGs Signing Letter to Secretary King and those who have requested documents or other information from ACICS, 2010 to present:

State:	Documents Requested?	Signed letter to John King (April 8, 2016)?
Connecticut	Yes	No
District of Columbia	No	Yes
Florida	Yes	No
Hawaii	No	Yes
Iowa	Yes	Yes
Illinois	Yes	Yes
Kentucky	Yes	Yes
Massachusetts	Yes	Yes
Maine	No	Yes
Maryland	No	Yes
Minnesota	No	Yes
Nebraska	Yes	No
New Jersey	Yes	No
New Mexico	No	Yes
New York	Yes	Yes
North Carolina	Yes	No
Oregon	No	Yes
Washington	No	Yes
West Virginia	Yes	No