# Recommendations for the Reauthorization of the Higher Education Act The Accrediting Council for Independent Colleges and Schools Washington, D.C. \* August 2013

#### **BACKGROUND & OVERVIEW**

Nearly a million students each year are enrolled in career and technical education programs at institutions accredited by the Accrediting Council for Independent Colleges and Schools (ACICS), the largest accreditor of degree-granting independent colleges and schools in the U.S. Formed by private business school owners more than 100 years ago, the agency has been providing quality assurance to the sector since 1912, and acting on behalf of the federal government since the passage of the post-World War II GI Bill.

The profile of a typical ACICS – accredited institution in 2013 is substantially different from 1912. More than 40% of the nearly 1,000 colleges and schools subject to ACICS educational quality standards and review are multi-campus systems owned and operated by publically traded corporations. Many others are multi-campus institutions owned and controlled by private equity firms that hold stock in non-education companies as part of a diversified investment portfolio. The remaining smaller institutions are privately-held, single campus colleges or schools like those of the founding members. ACICS is unique in assuring the quality of such a combination of colleges and universities.

Today's provider of accredited career and technical education typically serves students through multiple modalities (on-site and on-line) at multiple locations in multiple jurisdictions, mustering education resources from a variety of sources and locales. Students are typically non-traditional, 24 years in age or older, and financially independent. Many have one or more dependents at home and work at least part time. Many are not attempting post-secondary education for the first time; neither are they attending full time.

Amid the diversity, ACICs colleges and schools share one strong common thread: the published mission or purpose of providing professional, technical or occupational education that leads to employment or advancement in a career or profession. The evaluation of quality by ACICS, including measures of institutional effectiveness and the outcomes of student learning, is carried out with demonstrable fidelity to the intention of successful employment placement.

The reauthorization of the Higher Education Act provides an important opportunity for Congress to consider the extent and significance of the changing needs in the community for quality post-secondary education resources. It is an opportunity as well to revisit the definition of education

1. Fact Sheet, Association of Private Sector Colleges and Universities, February 2013.

quality, and the sufficiency of the current system of quality assurance: a set of private non-profit independent accrediting bodies, governed by member institutions and public members, and subject to intense, formal governmental scrutiny every five years. Most importantly, those considerations should be in the context of the independent career education resource that has grown substantially and widely since the last reauthorization. The recommendations of this report are offered in that spirit.

Recent intense scrutiny of large publically-traded independent colleges and schools has raised the political and organizational stakes for ACICS and other accreditors of for-profit institutions. From within the career education community, expectations are for greater efficiency and relevance of the quality assurance program to large, multi-campus, centrally controlled enterprises, and a quality assurance system that encourages rather than stifles innovation. Expectations from outside the community include quality assurance that increases student success and educational achievement, discloses more information to support better consumer decisions, and reduces disparities between the numerator and denominator of education's cost/value proposition, benefitting students and government funding sources. The nexus between internal and external stakeholders is explicit: accreditation must become more accountable, transparent, innovative and cost-effective. A profound awareness of those expectations shapes the recommendations that follow as well.

As presented, the order of the recommendations does not reflect a hierarchy. Instead, it reflects an aggregation of the most salient issues affecting the ability of the ACICS to effectively assure the quality of the independent career colleges and schools.

### 1. Promote Collection/Analysis of Empirical Data

Policy makers, funding sources and consumers express frustration in attempting to discern the relative quality and value of the education delivered by institution "A" compared with institution "B." Too often, the analysis begins and ends with a review of anecdotes, qualitative information and metrics designed as proxies for institutional quality, such as compliance with 90/10 financial thresholds, cohort default rates, and on-time graduation rates by first-time, full-time students. While all of those indicators are necessary, they are not sufficient to make appropriate and informed decisions about eligibility for financial support. None of them pretend to directly measure whether or not the student received an education commensurate with his or her investment of time, money, emotional and intellectual energy.

Absent a set of highly reliable direct metrics to compare the relative performance of two institutions with each other or against a formal, established benchmark, the 2013 reauthorization is an opportunity to encourage the broader collection and analysis of individual student (unit) record data by accrediting bodies in fulfillment of their quality and institutional integrity assurance role. Unit record data, collected and analyzed with student confidentiality protections, may produce stronger measures and comparisons of institutional effectiveness. The data

elements would augment if not replace the existing system of institutional evaluation that is derived solely from aggregate data at an institutional level. Effectiveness metrics should be less subject to manipulation if the basic unit of measurement is student-level data, rather than an aggregation of student data. Currently, the decisions for how to aggregate these data are driven by the convenience of the institutions or ED.gov's OPEID structure, neither of which aspire to primarily evaluate, on an objective and empirical basis, the comparative effectiveness of institutions, controlling for relevant variances in demographic and economic factors. Data collected and analyzed at the unit of the individual student will give policy makers, quality reviewers and funding sources improved capacity to evaluate "how students fare as they proceed through the educational system and into the workforce."

#### 2. Preserve/Enhance Peer Evaluation

The U.S. system of quality assurance based on peers evaluating peers through a transparent, accountable structure contributes to an infrastructure of colleges and schools that are envied by other nations. Private post-secondary career education provided by institutions accredited by ACICS attract substantial enrollment by foreign students; furthermore, foreign institutions providing professional, technical and occupational education seek accreditation from ACICS and other U.S.-based accreditors.

The Congress has an important opportunity to reiterate peers reviewing peers as the foundation of effective quality assurance for federal student financial aid eligibility purposes. The peer review model creates periodic and recurring encounters between professionals with current experience and expertise in the chosen career field and those who are developing and delivering education regarding that field. The encounters are robust, comprehensive and produce a written record of findings, interpretations and disclosed decisions by the accrediting body that substantially informs the educational enterprise. It produces information about the degree of compliance with minimum standards, but more importantly transfers knowledge of best practices that foment educational quality and excellence. If peer-based, self-governed quality assurance is not mandatory for Title IV eligibility, it is reasonable to assume many institutions will altogether forego the process, which is, even with flaws, deemed by many to be the best in the world.

### 3. Preserve/Enhance Self-governance Through Accreditation.

The development of policies and standards and their application through a standardized program of accreditation requires disciplined self-governance that actively and regularly solicits feedback from various constituencies and stakeholders. The feedback is considered in strengthening standards, modifying the process by which standards are applied, and in enhancing the deliberative process that produces accreditation decisions. In theory, all of those aspects of the accreditation discipline are strengthened by self-governance and accountability among peers, as well as accountability and transparency to a broader community of stakeholders.

Furthermore, the efficacy of self-governance is accountable through the formal, recurring reviews by recognition authorities (ED.gov and CHEA).

In practice, the accreditation community anticipates and remedies deficiencies in quality assurance proactively. For example, when accreditors learned of weakness in the veracity of self-reported placement data, they developed and implemented higher placement standards and new, independent means for verifying the rates of placement. The independent verification protocols were developed to supplement, not replace, the peer-driven review of placement records during periodic site visits. Identifying the deficiencies and developing and implementing reforms to the peer-review process occur because of a commitment to self-governance, not in spite of it. It is unlikely that externally-imposed governance that excludes participation in decision making by member institutions could have produced comparable reform actions as quickly or efficiently.

## 4. Maintain Impetus for Credit Transferability

Duplicative academic activity created by a wholesale refusal to review student transcripts solely based on source of accreditation continues to waste public resources and student investments of funds, time and energy. All institutions receiving student financial aid and the accrediting bodies that review their quality and integrity must have stronger incentives to facilitate, rather than inhibit, the successful transfer of academic credit, particularly at the undergraduate level. The Congress must reiterate its stewardship interest in the efficient expenditure of public resources by requiring the Department to fully inventory and evaluate the obstacles to academic credit transfer, including those that may be remedied by greater articulation of accreditation standards and practices, and those which defy formal quality assurance scrutiny. The impetus for credit transfer as part of reauthorization reflects prior memorialization in statute by the Congress and written guidance by accreditors that all students from institutions accredited by recognized agencies should have consideration of their academic credits on the basis of merit, not solely on the basis of source of accreditation.

### 5. Insist on Single-Tier System of Accreditation

It is important that the single-tier system of accreditation in the U.S. remain manifest in the reauthorized higher education act. Acknowledging an interest by some institutions to enhance their elite status through source of accreditation, the current system ensures that all institutions – including those that serve the most at-risk and underprepared segments of the population – are held to the same types of standards as elite institutions that serve primarily those from privileged and advantaged backgrounds. Creating two or more tiers will only serve to institutionalize social schisms and inhibit participation in quality post-secondary education by those with the greatest need for economic opportunity through education attainment. Intended or by design, the single-tier system of accreditation reflects an egalitarian orientation toward educational opportunity that is honorable and deserving of preservation. Elitism should be a function of demonstrable

institutional effectiveness and performance, not a branding designation derived from federal statute or regulation.

# 6. Require Benchmarks of Performance Across Higher Education

When one set of institutions, by design of statute and regulation, confront accreditation and institutional performance benchmarks that do not apply to other segments of the higher education community, the temptation to derive elite status from government prerogative rather than objective evaluation is great. Therefore, the impetus to further stratify the system of post-secondary education in the U.S., all of which relies heavily on direct federal support and federal student financial aid revenue, is predictable. To reiterate the rationale applied to maintaining a single tier system, any new or revised prescriptive indicators of institutional performance applied to independent colleges and schools should be applied across the board. As a starting point, Congress should formally encourage the Department on the occasion of reauthorization to applying standards of retention, placement and licensure exam pass rates by program to all of higher education through the accreditation process. ACICS's program of institutional effectiveness is grounded solidly in these metrics. Their recurring application strengthens the quality and integrity of independent career colleges. It could only fortify the effectiveness of all colleges and schools, not just those primarily focused on developing a competitive domestic workforce.

## 7. Reinforce State Independence on Regulating Education

Congress has the opportunity to remove some of the ambiguities in authority that manifest from a system that relies on interconnecting sources of regulation: the federal government (The Department), the state departments of education and accrediting entities. The ambiguity creates voids in policy, and absent definitive guidance from Congress, regulations manifest that interpret statutory intent from the perspective of policy implementers. Congress has an opportunity to reduce some of the ambiguity that erodes a state's authority to govern education enterprises serving residents of that state. Congress should encourage collaboration between the Department, accreditors and state authorities in developing stronger accreditation-based models for state authorization through statute and regulation. For example, deference should be paid to provisions that encourage state licensure by means of accreditation, as long as the accrediting body is duly recognized by the Department and is in good standing. This policy direction will enable states with minimal licensing capacity to focus their resources and expertise on consumer protection and information, while accreditors provide assurance regarding instructional quality and program integrity, and the Department focuses on certifying programs for student financial aid purposes.