

REMARKS BY CHAIR JOHN EULIANO
TO THE ACICS ANNUAL BUSINESS MEETING
MAY 29, 2015 – THE COSMOPOLITAN LAS VEGAS

GOOD MORNING AND WELCOME. MY NAME IS JOHN EULIANO AND IT IS MY HONOR TO SERVE AS THE CHAIR OF THE COUNCIL AND THE ACICS BOARD OF DIRECTORS THIS YEAR. THE LEADERSHIP ROLE IS A SATISFYING PUNCTUATION POINT TO MORE THAN FOUR YEARS ON THE COUNCIL AND MORE THAN 25 YEARS AFFILIATION WITH ACICS AS A MEMBER INSTITUTION.

WHEN I BECAME A COMMISSIONER AT ACICS, I WAS THE PRESIDENT AND FOUNDER OF A SMALL CHAIN OF SCHOOLS IN CENTRAL FLORIDA. THIS INDUSTRY FOR ME IS A FAMILY AFFAIR: MY FATHER, MY UNCLE AND MY COUSIN HAVE OWNED AND OPERATED SCHOOLS IN FLORIDA, PENNSYLVANIA AND OTHER STATES DURING THE LAST FIVE DECADES. I HAVE SEEN THE SECTOR IN GOOD TIMES, BAD TIMES, AND, CHALLENGING TIMES.

CHALLENGING TIMES ... I GUESS THAT'S WHAT WE CALL A PERIOD WHEN ENROLLMENT DEMAND IS DROPPING AND POLICY SCRUTINY IS INCREASING. MAKES ONE WONDER WHY WE DO WHAT WE DO.

WE DO IT BECAUSE OF WHAT IS GOING ON IN OUR COMMUNITIES, OUR ECONOMY, AND OUR WORKPLACES. THERE IS A NEED FOR WHAT WE DO. WHEN WE DO IT WELL, THE VALUE OF THE EDUCATION WE PROVIDE IS SELF-EVIDENT. LET ME OFFER SOME TANGIBLE AND RECENT EVIDENCE:

ANTHONY CARNEVALE, AT GEORGETOWN'S CENTER ON EDUCATION AND THE WORKFORCE, ATTRIBUTES THE NEED FOR OUR INDUSTRY TO "STRUCTURAL CHANGES IN THE U.S. ECONOMY . . . DEMARCATED BY RISING EDUCATIONAL REQUIREMENTS ACROSS THE LABOR MARKET."

HE GOES ON TO SPECIFICS:

1. THERE ARE 29 MILLION "MIDDLE JOBS" IN THE U.S. TODAY. THAT IS, JOBS THAT REQUIRE SOME POST-SECONDARY EDUCATION BUT NOT NECESSARILY A BACHELOR'S DEGREE.
2. NEARLY HALF OF ALL JOBS IN THE U.S. TODAY THAT PAY AT LEAST "MIDDLE-CLASS WAGES" ARE CLASSIFIED AS MIDDLE JOBS.
3. BY 2020 (FIVE YEARS FROM NOW), NEARLY 66% OF ALL JOBS AVAILABLE IN THE U.S. ECONOMY WILL REQUIRE AT LEAST A POST-SECONDARY CREDENTIAL, COMPARED TO 1973, WHEN NEARLY 3 OUT OF 4 JOBS REQUIRED ONLY A HIGH SCHOOL EDUCATION OR LESS.

SO THE OPPORTUNITIES ARE THERE. . . . THOSE AMONG US WHO FIGURE OUT HOW TO ALIGN OUR OPERATIONS, MISSIONS, AND PERFORMANCE SYSTEMS WITH THESE TRENDS WILL CONTINUE TO BE RELEVANT AND SUCCESSFUL. YOU HEARD THIS FROM OUR KEYNOTE SPEAKER YESTERDAY

THE FLIP SIDE TO STAYING RELEVANT AND SUCCESSFUL IS RECOGNIZING THAT THERE ARE THREATS TO OUR INDUSTRY'S SUCCESS AND GROWTH. IT IS NOT "BUSINESS AS USUAL" ANYMORE, AND WE CAN NO LONGER AFFORD TO IGNORE, OR MINIMIZE, THESE RISKS:

1. POLITICAL RISK. TRUST ME THAT ACCREDITATION HAS LITTLE ABILITY TO MITIGATE POLITICAL RISK. IN FACT, SOME SCHOOLS WITH QUALITY PROGRAMS HAVE BEEN SHUTTERED PRIMARILY BECAUSE THEY WERE

SUBJECT TO POLITICAL RISK. THE SOURCES OF THE POLITICAL RISK DO NOT CARE (NOR CAN THEY DISCERN) A GOOD SCHOOL FROM A BAD ONE. THEY LACK THE TOOLS AND EXPERTISE TO DETERMINE WHICH STUDENTS ARE GETTING VALUE FROM THEIR INVESTMENT VERSUS THOSE WHO ARE NOT. IN GENERAL, POLITICAL RISKS MANIFEST AS A MEAT CLEAVER, NOT A SCALPEL. WHAT CAN WE DO TO MITIGATE THIS RISK? MORE ON THAT LATER.

2. QUALITY RISK. QUALITY RISK IS MULTI-FACETED.

- a. ONE RISK OCCURS WHEN FUNDAMENTALS LIKE ETHICS AND THE WELFARE OF THE STUDENTS ARE IGNORED OR MARGINALIZED. IT CAN LEAD TO A LARGER ENROLLMENT THAN THE SCHOOL CAN REASONABLY SERVE. IT CAN ALSO LEAD TO ADMITTING ILL-PREPARED STUDENTS – WITHOUT PROVIDING QUALITY STUDENT SERVICES – AND THESE THINGS PUT THE ENTIRE SCHOOL AT RISK.
- b. ANOTHER QUALITY RISK IS WHEN GRADUATES ARE LARGELY UNABLE TO CONVERT THEIR INVESTMENT INTO ECONOMIC OPPORTUNITY. SOME INDIRECT BUT IMPORTANT MEASURES OF THAT INCLUDE LOAN DEFAULT RATES AND, COMING SOON, COMPLIANCE WITH ‘GAINFUL EMPLOYMENT’ DEBT-TO-EARNINGS RATIOS.
- c. THE HIGHEST PROFILE INDICATOR OF QUALITY RISK, HOWEVER, IS PLACEMENT RATES THAT FAIL MEET MINIMUM STANDARDS. PROGRAMS MAY BE OFFERING SOLID EDUCATION THROUGH WONDERFUL CURRICULUM DELIVERED BY COMPELLING INSTRUCTORS... BUT IF THE PLACEMENT PERFORMANCE FALLS SHORT, THE QUALITY OF THE PROGRAM AND THE INSTITUTION ARE AT RISK.
- d. FINALLY, IN TODAY’S WORLD, DATA IS CRITICAL, AND ANY COMPROMISE TO A SCHOOLS’ DATA IS A HUGE RISK. ACICS MONITORS QUALITY ASSURANCE USING MEASURES WHICH ARE INTENDED

PRIMARILY TO INFORM COUNCIL ABOUT THE QUALITY OF YOUR SCHOOL. HOWEVER, IN TODAY'S CLIMATE OF HEIGHTENED POLITICAL RISK, THIS INFORMATION IS NOW SUBJECT TO SUBSTANTIAL SCRUTINY REGARDING ACCURACY, TRUTHFULNESS AND BALANCE. WHEN THE DATA FAILS ANY OR ALL OF THOSE TESTS, THE INSTITUTION IS PERCEIVED AS LESS EFFECTIVE. TO HELP REDUCE THIS RISK, ACICS HAS BEEN TESTING VARIOUS METHODS TO ENHANCE THE VERIFICATION OF THE PLACEMENT DATA REPORTED BY SCHOOLS. A PILOT IS UNDERWAY AS WE SPEAK. YOU HEARD ABOUT THAT EARLIER DURING THE CONFERENCE.

THE GOOD NEWS IS, ACICS IS HERE TO HELP: AT LEAST FOUR SECTIONS OF OUR CRITERIA OFFER CONSIDERABLE GUIDANCE ON THIS CRUCIAL TOPIC OF QUALITY. QUALITY BEGINS WITH A STRONG KNOWLEDGE AND UNDERSTANDING OF YOUR STUDENTS, AND HOW YOUR EDUCATION MUST BE CUSTOM-TAILORED TO BEST FIT THEIR NEEDS. IN ADDITION, IT'S IMPORTANT TO KNOW THE CURRENT WORKFORCE CONDITIONS YOUR GRADUATES ARE FACING. KNOW HOW THEY CAN BE COMPETITIVE WITH OTHER JOB-SEEKERS IN THEIR CHOSEN FIELDS. AND KNOW WHERE YOUR INSTITUTION STANDS IN THOSE AREAS AT ALL TIMES. THOSE SECTIONS OF THE CRITERIA SHOULD NOT BE TREATED AS A CHECKBOX IN YOUR COMPLIANCE DEPARTMENT. THEY SHOULD LIVE AND BREATHE IN YOUR INSTITUTION.

NOW I WOULD LIKE TO SHARE SOME OF MY EXPERIENCES DURING MY TENURE AS CHAIR. AS I MENTIONED TUESDAY AFTERNOON, OVER THE LAST FEW YEARS WE HAVE UNDERTAKEN IN EARNEST THE IMPLEMENTATION OF A NEW STRATEGIC PLAN, ADOPTED LAST YEAR, THAT PUTS GREATER EMPHASIS AND FOCUS ON SERVING THE NEEDS OF STUDENTS WHO ARE CURRENTLY ENROLLED. AS WE

PROPOSE, REVIEW AND ADOPT NEW STANDARDS THIS YEAR, THE FIRST QUESTION OF COUNCIL WILL BE, “HOW DOES THIS CHANGE IMPROVE THE EXPERIENCE OF STUDENTS?”

I HAVE ALSO WITNESSED UNRELENTING DEMAND FOR U.S. – BASED ACCREDITATION BY INTERNATIONAL INSTITUTIONS DURING MY TENURE ON COUNCIL. ACICS HAS DEMONSTRATED THE CAPACITY AND FLEXIBILITY IN STANDARDS, POLICIES AND EXPERTISE TO EXPORT OUR BRAND OF QUALITY ASSURANCE TO POST-SECONDARY INSTITUTIONS FAR AND ABROAD. THIS, TOO, IS A HEALTHY TREND FOR ACICS, ONE THAT HAS BEEN EXCITING TO SUPPORT AND ENCOURAGE THROUGH LEADERSHIP.

TO SUM UP, THERE IS A VERY BIG NEED FOR WHAT WE DO AND THERE IS A ROLE FOR OUR INSTITUTIONS TO FILL THAT NEED. THAT DOES NOT COME FOR FREE. ALTHOUGH THE OPPORTUNITY IS THERE, WE MUST MANAGE AND MITIGATE THE RISKS AS MUCH AS POSSIBLE. ACICS IS MORE THAN JUST ANOTHER REGULATORY AGENCY. WE ARE HERE TO HELP. LET’S WORK TOGETHER.

THANK YOU FOR LISTENING AND THANK YOU FOR ATTENDING OUR PROFESSIONAL DEVELOPMENT CONFERENCE THIS YEAR. WE HOPE TO SEE YOU ALL NEXT YEAR IN FORT WORTH, TEXAS. NOW, FOR OUR TREASURERS REPORT, I WOULD LIKE TO INTRODUCE DR. ED THOMAS.