

September 13, 2017

ACICS Achieves Significant Progress as Part of Reform Efforts Launched in June 2016

The Accrediting Council for Independent Colleges and Schools (ACICS) has launched reform efforts and made significant progress in five key areas in response to concerns raised by the Secretary of Education in June of 2016, which culminated in the Department's decision to withdraw recognition of ACICS as an accreditor in December of that year. In September 2017, ACICS announced that it will submit to the Department, by October 1, a formal petition for recognition as a national accreditor.

ACICS has adopted and aggressively implemented new Accreditation Criteria to improve the effectiveness of its accreditation process, with particular emphasis on student outcomes.

- ACICS has fundamentally changed its student outcomes assessment criteria and evaluation process.
- A revised definition of placement expressly requires employment that is in the field of study or a credential that directly benefits a graduate's existing employment.
- ACICS has narrowed the scope of its accreditation activities so that resources can be appropriately concentrated on improving the performance of existing accredited institutions through strengthened oversight. ACICS has not accepted any new applications for initial accreditation since June of 2016. Further, it has placed a moratorium on programs above the master's degree level, requiring the 10 currently accredited institutions offering doctoral-level programs to find an alternate accreditor or teach out all current enrollees no later than December 31, 2019.
- ACICS has strengthened its interim monitoring mechanisms, with dedicated staff resources paying careful attention to information that indicates that an institution is not meeting the standards.

ACICS has established and implemented more robust standards, overhauling the architecture for collecting and verifying data, and implementing interim monitoring procedures.

- Established standards and benchmarks for retention, placement, and licensure are being systematically enforced, with a range of actions taken at both the program and campus

levels. Institutions and programs whose rates fall below the standards are subject to sanctions.

- During its December 2016 Council meeting, ACICS took 172 program approval rescission actions as a result of below-standard student achievement rates for retention and placement; 23 institutional show-cause directives at the campus level for below-standard student achievement rates; and 21 compliance warnings. Four institutions had accreditation withdrawn, subject to appeal.
- At its February 2017 meeting, the Council took additional student achievement actions including 49 program-level show-cause and 27 compliance warning actions for below standard licensure exam pass rates.
- At the April 2017 meeting, ACICS took 68 program approval rescission actions, 233 institutional show-cause directives at the program level, and 2 show-cause directives and 13 continued show-cause directives at the campus level. ACICS also issued 264 program-level compliance warning actions.
- Beginning in 2018, all campuses will be required to complete an updated Quarterly Accountability Report in addition to the annual Campus Accountability Report, with data on retention, graduation, placement, and licensure for all programs. The purpose of the quarterly report is to enhance the focus on results essential to continuous improvement for the institutions and the Council in order to allow for the earlier detection of downward trends.

ACICS has overhauled and strengthened its monitoring approaches to identify and report problems with continued compliance.

- ACICS has developed multiple monitoring and evaluation approaches that enable the Council to identify problems with an institution's or a program's continued compliance with its standards. These approaches include the requirement for more timely and informative periodic reports and analysis of data as exemplified by indicators of student achievement.
- Through its At-Risk Institutions' Group (ARIG), complaints and potentially adverse external information from various stakeholders are subject to more detailed investigations, including an onsite visit or a show-cause directive.
- ACICS has strengthened its monitoring of financial stability, which is reviewed periodically and on an *ad hoc* basis throughout the accreditation process. All institutions must submit an Annual Financial Report, including a balance sheet and income statement for each campus, which is verified by ADCC staff and members of the Financial Review Committee in order to assess financial stability and compliance with other requirements, including Title IV compliance audits.

- The Council monitors Cohort Default Rates and applies that information in evaluating financial stability. Institutions with rates higher than federal standards are subject to additional monitoring and reporting.
- ACICS monitors the number of substantive change requests made by an institution in a one-year time frame to determine the scope and its impact on the overall operation. All substantive changes require Council's approval before being included in the institution's scope of accreditation. Additionally, the Executive Committee now reviews substantive changes alongside information concerning the campus's student achievement outcomes, financial position, cohort default rate, enrollment data, complaints/other negative information, and overall compliance track record prior to any decision-making.

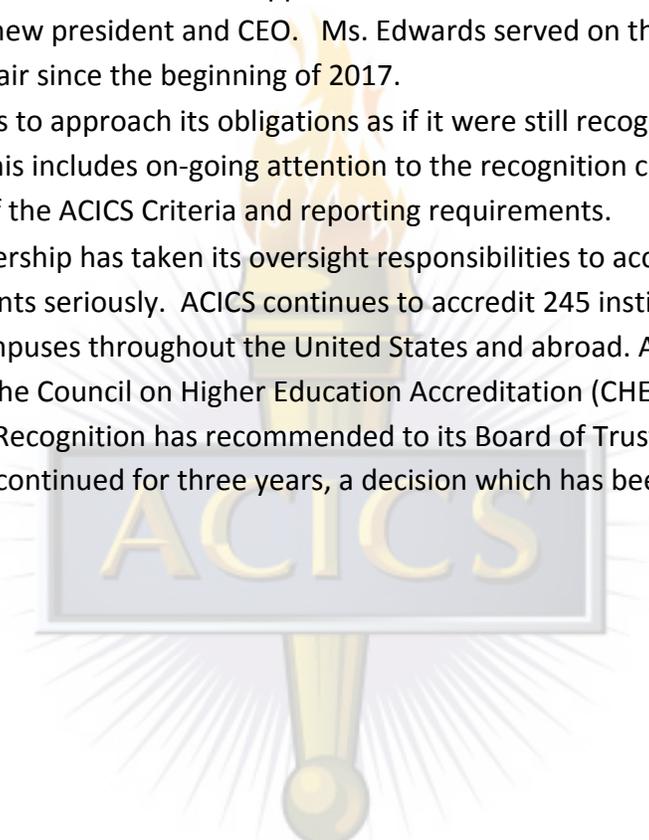
ACICS has strengthened its standards to be clear that institutions must come into compliance with the Council's standards within specified time frames or accreditation will be withdrawn. ACICS has taken prompt action to withdraw accreditation from institutions that have failed to meet its standards.

- If the Council determines that an institution is not in compliance with the Accreditation Criteria, it will take prompt adverse action against the institution, or it will require the institution to take appropriate action to bring itself into compliance within a time frame specified by the Council, which will not exceed and may be less than the following:
 - (a) twelve months, if the longest program is less than one year in length;
 - (b) eighteen months, if the longest program is at least one year, but less than two years in length; and
 - (c) two years, if the longest program is at least two years in length.
- There have been at least three instances in the past year in which the Council has found institutions to be significantly out of compliance with ACICS standards, warranting immediate adverse action. These actions have been reported to the Department and published on the ACICS website. ACICS's record of enforcing its standards by issuing compliance warnings, show cause directives, and withdrawing institutional accreditation and program approvals over the past year demonstrates that it has heightened the rigor of its accreditation process.

ACICS has strengthened its governance practices to support the integrity of accreditation process and decision-making.

- ACICS has made a number of significant changes to strengthen its governance over the past year, starting with the removal of its former president and four of its five vice presidents, along with significant changes to the Council's membership.

- At the August 2016 meeting, the Council's first order of business was to vote to amend Article IV of the bylaws so that voting for commissioners is apportioned by main campus only, rather than combined main and branch campuses under common ownership. Accordingly, the electoral influence of the broader membership that includes small institutions is more fairly distributed.
- At its December 2016 meeting, the Council voted to double the minimum number of public members on the commission from three to six members. Seven of fifteen members of the Council currently represent the public.
- In July 2017, ACICS announced the appointment of Michelle Edwards as the organization's new president and CEO. Ms. Edwards served on the Board/Council since 2015 and as Chair since the beginning of 2017.
- ACICS continues to approach its obligations as if it were still recognized by the Department. This includes on-going attention to the recognition criteria, consistent enforcement of the ACICS Criteria and reporting requirements.
- The ACICS leadership has taken its oversight responsibilities to accredited institutions and their students seriously. ACICS continues to accredit 245 institutions with 570 main and branch campuses throughout the United States and abroad. ACICS continues to be recognized by the Council on Higher Education Accreditation (CHEA). The CHEA Committee on Recognition has recommended to its Board of Trustees that ACICS's recognition be continued for three years, a decision which has been taken under advisement.



ACICS