

PSC-ED-OPE-PA

Moderator: Jennifer Hong
August 23, 2016
10:23 am CT

Coordinator: Welcome and thank you for standing by. At this time all participants will be on a listen-only mode until the question-answer session of today's conference. All speakers will be on an open line all throughout the duration of today's conference. And if you would like to ask a question, please press *1 on your phone to ask a question and record your name on the prompt. This call is being recorded. If you object you may disconnect at this time. I would now like to turn the call over to Jennifer Hong. You may begin.

Jennifer Hong: Thank you. Good afternoon everybody. It's Jennifer Hong, executive director of NACIQI. I understand that we've been having some issues with the hyperlink to join the meeting. To be sure, if you go to the website -- the NACIQI website -- the link is site, S - I - T - E - S dot E - D dot gov backslash NACIQI.

On the sidebar, there will be a hyperlink announcing the meeting. You click on that and you should be good to join the webinar. Again, please go to the link on the NACIQI website. The URL for the NACIQI website is just Sites.ed.gov\naciqi. Along the sidebar, you'll see a note for the meeting and there'll be a hyperlink to join the meeting, to join the webinar access for the meeting.

Jennifer Hong: Yes. Again, for those that are listening-only, please go to the NACIQI website. It's sites, S - I - T - E - S dot E - D dot gov backslash NACIQI. Along the right you'll see a note for the meeting. It's a webinar access at - and join the meeting. If you click on that hyperlink you should be able to join the meeting.

Simon Boehme: Jennifer?

Jennifer Hong: Yes?

Simon Boehme: This is Simon Boehme and just for the record I want say I'll to be joining by phone and Amtrak Wi-Fi will not be supporting my webinar.

Jennifer Hong: Thank you for letting us know, Simon. Okay, at this point, I'm going to have Patricia Howes cover some basic guidelines for using the technology in the phone -- this is largely for the members -- and then we'll get started shortly after that. So, go ahead, Patricia.

Patricia Howes: Hello everyone. Thank you for joining the NACIQI virtual meeting today. My name is Patricia Howes. I will be assisting you today with this webinar conference call. I would like to remind everyone to mute your phones. Also, during the conference call, if you would see an incoming call, please do not put us on hold. Many phones are set up to play background music and everyone in the meeting will hear the music and not the discussion.

If you must make or receive a call, please disconnect from the conference call, complete your call and you can call back into the conference discussion.

For the ones that are logged in into the WebEx system, on your screen on your right you'll see a participant box. And you can see all the attendees logged in. Underneath the participant box you would see a chat box. You can send a message to anyone, all privately. If you want to send a message to someone privately, just click on the down arrow and select their name.

No one other than that person you selected will be able to see your comments. For the NACIQI board members, there is a “raise your hand” feature. You can click on that. This will let us know that you’re in the queue for a question for an agency. After the discussion is done on the agency and a motion is on the floor, Susan will do a roll call for every vote to ensure that we have a call and a motion will be posted on WebEx.

If for any reason you cannot get on to the WebEx -- like Simon, please e-mail Susan with “speak” in the subject line so she knows to call on you for your vote or question.

Susan, this is all I have. If anyone else has any technical questions on the meeting, please send me a message to the Chatbox. Thank you. Enjoy the WebEx.

Susan Phillips: Thank you, Jen and Pat. Apologies. I’ve got too many screens open here. I appreciate helping us get through the technological processes. I’m sure by the time we’re done we’ll be full experts.

Welcome all as we resume our agenda. At this meeting I wanted to start with just some brief introductions and we’ll do this by roll call since I can’t look around the room. I’m Susan Phillips I’m at the University at Albany. If you can just speak your name and whatever affiliation you’d like to mention. We have Kathleen Sullivan Alioto.

Kathleen Sullivan Alioto: Here.

Susan Phillips: Do you want to say anything else about where you are connected to?

Kathleen Sullivan Alioto: I’m connected to Boston, New York and San Francisco.

Susan Phillips: Wonderful. Thank you. Simon Boehme?

Simon Boehme: Here and any transit to Chicago.

Susan Phillips: All right. Jill Derby.

Jill Derby: Jill Derby in - I'm here and with the Association of Governing Boards of Universities and Colleges.

Susan Phillips: Thank you, Jill. Bobbie Derlin.

Bobbie Derlin: Bobbie Derlin, I'm here. Previously affiliated with New Mexico State University.

Susan Phillips: John Etchemendy.

John Etchemendy: Yes, John Etchemendy I'm here and I'm at Stanford University.

Susan Phillips: Thank you. George French. Okay, he may be joining us eventually. Art Keiser.

Arthur Keiser: I'm here in Fort Lauderdale, Florida. My office at Keiser University.

Susan Phillips: Anne Neal.

Anne Neal: Anne Neal here, American Council of Trustees and Alumni.

Susan Phillips: Rick O'Donnell.

Rick O'Donnell: Rick O'Donnell in Austin with Skills Fund.

Susan Phillips: Art Rothkopf.

Arthur Rothkopf: Yes, I'm here in Annapolis, Maryland.

Susan Phillips: Cam Staples?

Woman: (Unintelligible).

Susan Phillips: I'm really not sure if he's still there. Okay. Ralph Wolff?

Ralph Wolff: Here. Independent Consultant.

Susan Phillips: Frank Wu.

Frank Wu: Yes, hi. I'm in San Francisco, faculty member at University of California Hastings College of Law.

Susan Phillips: I understand that there are three members that we know were not able to join us. I'll just read their names in case there's something changed. That was Hank Brown, Paul LeBlanc, and Federico Zaragoza. I'll just return once more to just double check if George French was able to join us? And Cam Staples?

Bobbie Derlin: I see Cam.

John Etchemendy: Yes, I see...

Susan Phillips: I don't hear him. Okay.

Woman: But I'm emailing Cam right now to make sure that he has the right participant code.

Susan Phillips: Yes, yes. Maybe.

Bobbie Derlin: It takes a while to get into the system.

Susan Phillips: Yes. Okay, so we are complicated. I need to wait until we have Cam on the line to choose one of the readers for the first agenda item that we have. While we are getting our technological docs in an order - in rows, I'll just do a little recap.

As you recall from the last time we met we have three different - we've had three different parts of our agency review for this meeting. We'd completed part one which was the usual consent agenda. However, we did not complete fully the agencies that has compliance reports that were not included in the consent agenda. We did not complete the agencies that are seeking renewal of recognition because each of these have different procedures. I'll be reviewing each set of procedures before we start each one.

So, the first set of procedures that I wanted to mention are those about the compliance reports. This is our first item up. We turn to those agendas - those agencies having submitted compliance reports or other reviews under the regulation. For these which were not in the pellet project, procedures include the primary readers introducing agency application, department staff providing briefing, agency representatives providing comments, any third party comments, agency responds to third party comments, department staff responds and then our discussion and vote.

At this time, to recap we have our first item agency on the agenda is the Northwest Commission on Colleges and Universities. This is a compliance report and to recap we were about half way through this review when we tabled it for this meeting. I know that we have no refusals for this item.

Primary readers Bobbi Derlin and Cam Staples have introduced the agency application noting that this was a compliance report on two issues: changing ownership and branch campus. The department staff -- which is -- provided -- for briefing, recommending that the agency continues recognition for one and a half years that takes to its maximum length. And those who wish to review these presentations that we did in June may review the transcript. It's on the NASIQI web page.

And so this purpose as the third item to the review process of the agency representatives being able to provide comments. I understand that we have available from the agency three individuals perhaps, Sandra Elman, Pamela Goad and Thomas Case. Before I invite you to speak, let me just see if we have both Cam and Bobbi on the line.

Cameron Staples Yes, I'm on the line, Susan.

Susan Phillips: Beautiful.

Bobbi Derlin: I'm on the line too, Susan. Bobbi.

Susan Phillips: Super. Thank you. Cam and Bobbi, anything that you want to add to my brief recap before we move to the agency comments.

Cameron Staples I don't think so. It's all on the - it's all on the record already the, you know, the transcript that was sent to us said that it ended up pretty well. Thank you.

Susan Phillips: Okay.

Bobbi Derlin: Agreed. Bobbi.

Susan Phillips: Okay. Super. So, let me invite the agency representative to take the mic as it were, and any comments that they would like to offer.

Sandra Elman: Commissioner Case. Madam Chair, this is Sandra Elman from the Northwest Commission. My colleague Pamela Goad, Dr. Goad and I are sitting here in our office in Redmond, Washington. Commissioner Case is hopefully online in Fairbank, Alaska. Commissioner Case, can you hear me? Can you be heard - can I be heard, Madam Chair?

Susan Phillips: Yes. Sandra, we can hear you. It's possible that Mr. Case is on the listen only.

Sandra Elman: No, we could give him...

Susan Phillips: Okay.

Sandra Elman: We should - we are checking it at this moment, Madam Chair. He is attending budget meetings in Fairbank, Alaska and needs to be there but he is sitting in a room as far as I know, we spoke about one hour ago to confirm his participation and his readiness to be here. I don't want to hold people up Madam Chair, if you wish for us to begin, we will if you wish.

Susan Phillips: Why don't you go ahead and we'll catch up with him if he's able to join us.

Sandra Elman: Okay, thank you. Good afternoon to you all. This is Sandra Elman speaking from Richland, Washington. We want to begin on behalf of the commission to indicate appreciation for this opportunity to appear “before you.”

Our opening comments are brief. Initially, I wish to thank on behalf of the commission and on behalf of Dr. Goad, Dr. Jennifer Hong and Dr. Herman Bounds as well as (Elizabeth Thackard) and (Nicole Hart) for their assistance during this rather lengthy process in the review of our compliance report.

Commissioner Case -- where he needs to be giving the opening remarks -- would indicate one thing only in addition to thanking you for the opportunity to appear before you and review our compliance report. And in accordance with confirmation from Dr. Hong given that we are a compliance report only, that in preparation for this review, any issues pertaining to the pilot project do not pertain to this particular NWCCU Review.

With that, Madam Chair, Dr. Goad and I are happy to answer any questions that the reviewers or members may have. Thank you very much.

Susan Phillips: Thank you. I understand that we do not have any third party comments for this part of the compliance report. Department staff, any response further?

Woman: No, none at this time. Thank you.

Susan Phillips: Primary readers, any questions or motions from you?

Cameron Staples Well, Madam Chair, I made a motion. I guess I should restate the motion at our last meeting which was that to accept the department’s recommendation for (unintelligible).

Bobbie Derlin: This is Bobbie, Susan. I would second Cam's motion but he sort of went away. So, I'm not - I'm assuming the motion was to accept the staff recommendation for continued recognition for one and a half years. And I would second that motion. This is Bobbie Derlin.

Cameron Staples Thank you, Bobbie. (Unintelligible).

Susan Phillips: Cam, you were (unintelligible).

Frank Wu: Susan, this is Frank Wu speaking. I don't think it's just Cam. You just vanished at least for me. I don't know if it's my phone but people start talking and then it just trails off into silence.

Susan Phillips: I'm getting that. That's what I'm hearing as well.

Frank Wu: Pardon me if...

Susan Phillips: Is the operator on the line?

Tom Case: Hello, if I may also join in. This is Commissioner Case from the Northwest Commission.

Susan Phillips: Greetings, welcome.

Tom Case: Thank you.

Susan Phillips: Let me pause for a moment here and ask if our auditory - are people able to hear?

Bobbie Derlin: Works for me now, Bobbie.

Susan Phillips: Okay, something.

Woman: I can hear now.

Jennifer Hong: Okay, great. Before - we have a motion on the table from the two primary readers. Other discussion at this point? Any committee members who would like to pose a question or make a comment? Please use that little hand tool in the WebEx meeting center or email me if you are only on phone.

Ralph Wolff: This is Ralph. I had my hand up.

Jennifer Hong: Bear with us. I am not seeing your hand up. Ralph, well go with it.

Ralph Wolff: Wait. Just a simple comment, not really a question. As I recall, the conversation the last time it led to the tingling of this matter. It was because representatives of the Northwest Commission were not able to be present and answer either by phone or in person.

So, I just want to thank the representatives from the Northwest Commission for participating even though this was just a very simple compliance report. But I think that was the primary reason for being tabled. I'm done. Thank you.

Susan Phillips: Thank you, Ralph.

Woman: (Unintelligible).

Susan Phillips: I'm not currently seeing other hands.

Anne Neal: Susan, this is Anne. I'm trying to raise my hand.

Susan Phillips: Okay, just a quick comment before you proceed Anne. Pat, the hand-raising is not working. It's not visible to me. You maybe need to make me presenter so I can see this?

Woman: Susan, I can't see it either. But I will give you the control.

Susan Phillips: I think you have to make me a presenter before I can see whose hand is raised.

Woman: If - Susan, there's an option to view the participant in list mode.

Susan Phillips: I have that open.

Woman: You have that open? You still can't see the hand?

Susan Phillips: Yes, it isn't - I can't see hands unless I'm designated as the presenter and I believe there I can.

Woman: (Unintelligible).

Susan Phillips: Okay, so I'm good now. Thank you.

Woman: All right.

Susan Phillips: I have Anne Neal and Arthur Rothkopf.

Arthur Rothkopf: I haven't asked to say anything.

Susan Phillips: Okay, I have Anne Neal. Arthur, if you look at the top right hand of the list of participants, you'll see a hand. If you could click that, it'll lower the hand that has been...

Arthur Rothkopf: So, I go to participants in blue - the blue?

Susan Phillips: Yes. And it will show a little hand. And if you just unraise it, click on at that. It will...

Arthur Rothkopf: Will?

Susan Phillips: All right, it will - or I'll just keep going anyway, that's one too.

Arthur Rothkopf: I don't know how I got - I'm raising my hand because I didn't think I did.

Susan Phillips: That's - technology will get the better of all of us. Anne, thank you for your patience.

Anne Neal: Just a quick question, probably isn't for staff. And the report indicates that the department has one complaint that is under review. I was just curious about the nature of the complaint.

Tom Case: Madam Chair, this is Tom Case. Might I be allowed to - although late getting in to make the statement that I had planned for Northwest?

Susan Phillips: Sandra, I already made that statement so that (unintelligible) perhaps.

Tom Case: Okay, thank you.

Woman: Thank you, Commissioner Case.

Susan Phillips: Thank you very much. Just to go back, I believe that the question was about the complaint. I think Anne has raised this also but - last time. Nicole or Herman, if you could provide any further information on that?

Nicole Harris: At the last meeting we responded to that. In the - well, I'll let Herman go ahead.

Herman Bounds: The - I think the complaint was regarding the issue that some faculty members had. We reviewed the complaint and I don't have all the details but we did find in (unintelligible) favor. We found that they were in compliance with criteria. Yes, I can provide the summary letter for that at a later time. But we didn't find any fault of the agency when we reviewed that complaint.

Nicole Harris: Thank you. I think one of our hopes has been that the NACIQI would be provided with complaints and resolutions thereof.

Herman Bounds: That is correct and we said for the next meeting we would have a draft of our letters back -- our final decision letters regarding the complaint present at the meeting. We did say we would do for the next - when will we next meet?

Nicole Harris: December.

Herman Bounds: December - for the December meeting.

Susan Phillips: Thank you. I don't currently see other hands raised. Any other questions or comments from committee members? That failing, let's move to the votes. Because of the technology we'll need to take a roll call vote. The motion is on your screen. The recommendation is to continue the agency's recognition for

one and a half years. I'm going to through our list of members and if you could just say, "aye" or "nay" beginning with Kathleen.

Kathleen Sullivan Alioto: Aye.

Susan Phillips: Simon? Jill?

Jill Derby: Aye.

Susan Phillips: Bobbie?

Bobbie Derlin: Aye.

Susan Phillips: Simon?

Simon Boehme: Aye.

Susan Phillips: George? Art?

Arthur Keiser: Aye.

Susan Phillips: Anne?

Anne Neal: No for the reasons already articulated in the transcript.

Susan Phillips: Rick? I'm sorry. Rick?

Rick O'Donnell: Aye.

Susan Phillips: Art? Art Rothkopf?

Arthur Rothkopf: Oh, aye.

Susan Phillips: Cam Staples?

Cameron Staples Aye.

Susan Phillips: Ralph Wolff?

Ralph Wolff: Aye.

Susan Phillips: And Frank Wu?

Frank Wu: Aye.

Susan Phillips: Okay, we believe that carries the motion. Thank you very much. The next - we move next to the review procedures for renewal application. This is with the pilot project questions. The procedures here...

Arthur Keiser: Susan.

Susan Phillips: Yes?

Arthur Keiser: I've a question before we go on because we want to make clear. How do we recuse ourselves?

Susan Phillips: What you'll be doing is simply dropping off the line for this period of time. We'll email you when we're done. Will that work? And then we come back on.

Arthur Keiser: Okay. We'll talk for this one but I didn't know the procedure.

Susan Phillips: Yes.

Arthur Keiser: Okay.

Sandra Elman: Madam Chair, this is Dr. Elman. I just want to -- on behalf of Commissioner Case and Dr. Goad -- thank you all and wish you a good meeting. And we will be signing off if that's okay with you, Madam Chair.

Susan Phillips: Thank you very much for joining us.

Sandra Elman: Thank you. Have a good meeting.

Susan Phillips: Okay. The review procedures for renewal applications will, again, have the primary readers introduce the agency application, staff briefing, the primary readers' question of the agencies, any standard questions that they may have as well as the first three sets of questions under the pilot project, and any other questions from NACIQI, third party comments, agency response, staff response, and then our discussion vote followed by, after the discussion vote, that final four set of policy with pilot project questions.

So, I'll be following that process. At this time, our next agency to be reviewed - this is a renewal of recognition petition for the Accrediting Commission of Career Schools and Colleges.

The primary readers are Jill Derby and Cam Staples. Department staff is Chuck Mula and agency representative as I understand are Mr. Kramer, Mr. McComis, Mr. Lambert, and Ms. Marcinski.

We do have third party commenters and I understand that we do have a one recusal for this. Is that correct, Art?

Arthur Keiser: Yes, I'm dropping off.

Susan Phillips: Okay. See you later. So, with that let me invite the primary readers Jill or Cam, whichever of you wants to introduce the agency application to please take the mic.

Jill Derby: Susan, this is Jill. And I'm happy to introduce the agency, the Accrediting Commission of Career Schools and Colleges -- ACCSC -- is an institutional accrediting agency that accredits 685 institutions. Located throughout United States, Puerto Rico and the district of Columbia. The agency schools offer certificate academic associate degrees, occupational associate degrees' bachelor degrees' masters, master's degrees in distance education programs. Predominantly, an occupational trade and technical career areas.

I'm going to summarize the recognition history of ACCSC because it's gone through a number of iterations and changed monikers and mergers and so forth. It was previously known as the Accrediting Commission of Career Schools and Colleges of Technology. Prior to that, it had a different moniker and then, again, it came the Accrediting Commission of the National Association of Trade and Technical Schools called NATTS -- N-A-T-T-S -- which was originally recognized in 1967 by the then-Commissioner of Education.

And in 1991, NATTS and the Association of Independent Colleges and Schools became part of the Career College Association. So, there was that merger. And then after that merger NATTS became known as the Accrediting

Commissions for Trade and Technical Schools of Career and Colleges, and so on and so forth. So, there have been mergers and changes

But in terms of the most recent agency actions, the agency was last reviewed in 2004 when it requested an expansion of scope - a recognition to include institutions that offer programs via distance education which the secretary granted. And then the last appearance before NACIQI was in the spring of 2011 when NACIQI recommended to renew the agency's recognition for a period of five years which is now.

And the current petition is for continued recognition. And that's a subject of the report.

Susan Phillips: Thank you very much. Department staff, Mr. Chuck Mula.

Chuck Mula: Good afternoon, Madam Chair and members of the committee. For the record, my name is Chuck Mula. And I will be presenting the department staff recommendation and summary of the petition for continuing recognition submitted by the Accrediting Commission of Career Schools and Colleges, hereafter referred to as ACCSC or the commission.

This recommendation is based on the department staff review of the commission's petition for continue recognition and its supporting documentation and also includes the staff observation of the commission decision reading in Arlington, Virginia in May of 2016.

ACCSC's supporting documentation include extensive documentation related to the commission's monitoring of its accredited Corinthian Schools which were evaluated during this previous cycle. The documentation also demonstrates application of the commission in monitoring and evaluation

approaches that enable it to identify problems with the institutions (unintelligible) and continued compliance with the commission standards.

Department was also available - was able to verify at ACCSC took substantial action in respect to the allegations of falsification and misrepresentation aired in several instances in respect to a large chain of accrediting institutions. The commission's actions included third-party verification and various enforcement actions documented in the petition.

Department also acknowledges ACCSC's timely review of standards and policies in light of the litigation of the institutions.

The department staff recommendation to the senior department official or ACCSC is to continue the commission's recognition as a nationally recognized accrediting agency at this time and require it to come into compliance within 12 months with the criteria cited and also to submit a compliance report due 30 days thereafter that demonstrates the commission's compliance with issues identified in the department staff analysis regarding its policy definition of public representative.

ACCSC had five complaints prior with the department during the period since this last recognition period. In each instance the department found the agency in compliance with all of the standards and procedures.

This concludes my report. I'm available for any questions that the committee may have and representatives of the agency at present today. Thank you.

Susan Phillips: Thank you very much. Agency representatives, if there's any comments that you would like to make at this point?

Michale McComis: Good afternoon. This is Michale McComis. Can the committee, hear us here?

Susan Phillips: We can hear you fine. Thanks.

Michale McComis: Great. I'm going to let Duane Kramer, our chair, to start with a few comments.

Duane Kramer: Good afternoon. My name is Duane Kramer. And I currently serve as the chair of the Accrediting Commission of Career Schools and Colleges also known as the ACCSC.

Joining me here today are members of the ACCSC leadership team: Dr. Michale McComis who's the Executive Director, Christopher Lambert who's the Associate Executive Director, and Karen Marcinski who's the Director of Member Services.

Karen Marcinski: Yes.

Duane Kramer: I'd like to begin by sharing my learnings from the previous meeting held in June. As the chair of the commission, I was reminded how fortunate ACCSC is in having an executive director with such experience, dedication, and commitment to education and the accreditation process.

I was equally reminded by the ACCSC commissioners. They are positive, attentive, informed, and committed as active and responsible stewards of the peer review process. And finally I was appreciative of the relationship ACCSC has cultivated with the state and the Department of Education agencies.

The combination of talented leadership and committed board and staff members working with partner agencies is a model for achievement. I'm proud to say that the entire organization had a role in reviewing the final Department of Education staff analysis and preparing ACCSC petition for recognition. This recognition process has been thorough as expected and represents the important role and responsibility that accreditation accepts to ensure the students receive high quality education.

We take very seriously the role of accreditation to ensure the continued integrity of the title for federal student aid programs. As a commissioner, our philosophy is to ensure that we put the students best interest first and ensure the future successes through their education experience. As an accreditor, we must ensure the institutions meet the quality standards as developed through best practices. I also know that some institutions struggle with the depth and rigor of the accreditation process.

We believe it is our responsibility our institutions improve while holding them accountable. We've said that we believe that institutions must be apt to demonstrate and verify their compliance.

If not, we believe in our process of notice and opportunity to resolve issues. We give this through evidence-based documentation so we can endorse the institution.

We believe that through our rigorous process, you can rely on ACCSC as being trustworthy, rigorous, accountable and leaders in accreditation. I'd like to turn the discussion over to Dr. Michale McComis for some brief comments as the to the actions that ACCSC has taken to come into compliance with the one item as identified in the final's depth analysis.

Michale McComis: Thank you Duane. Good afternoon NACIQI members and department staff. I want to take this opportunity to thank the members of the committee for taking the time to review our petition and to also thank the department staff, Jennifer Hong, Herman Bounds, and Chuck Mula for their exceptional support through this request.

We agree with the staff analysis and appreciate the staff's recognition of ACCSC's efforts to ensure our compliance with federal requirements and strength in the department's confidence in ACCSC as a valid and reliable quality assurance agency. With regard to the one area where the department has identified that ACCSC can better demonstrate its compliance is in exception 602.15A5 and the definition of a representative of the public.

As noted in the staff reports and the petition process ACCSC demonstrated the agency's vetting processes to ensure public members meet the secretary's definition and provide a documentation to demonstrate that its commission and appeals paneled public members are included.

However, the report also notes that ACCSC did not provide its policy publication containing the definition in order for the department staff to ascertain that it comports with secretary's definition.

It had not been clear to ACCSC from reading the draft analysis, however, that the department would necessarily require a changed ACCSC's definition of a public member given that we had provided attestations to that effect. But upon receipt of the final analysis from the department, ACCSC immediately adapted a change to the definition of the public member to align and mirror what the secretary's definition in section 602.158A5.

The new language is promulgated. It's included in ACCSC's standards of accreditation. All occurring public commissioners and appeal panel members had signed an attestation that they meet the definition of a public member as defined by that fed regulation.

We did provide Mr. Mula with the new definition of a public member which is again now published in our standards of accreditation, as well as those signed attestations.

And we fully believe that ACCSC is in full compliance with 602.15A5. Accordingly, we respectfully request that NACIQI take this information into account, find ACCSC in compliance with 15A5, and recommend to the senior department officials at ACCSC should receive re-recognition for a full five-year term with no compliance report necessary. We are happy to provide additional information to the committee as provided for by the ten-day rule and status theory.

Thank you again and we appreciate the opportunity to be before the committee. And we'll - happy to answer any questions that you all might have. Thank you.

Susan Phillips: Thank you very much. Before we go back to the primary reader's questions at the MC, I just wanted to make a note that one of our members was initially unable to join is now with us, Federico Zaragoza. Why don't you give him the opportunity to introduce himself?

Federico, if you are on the line there may be an issue of getting to the phone number that allows you to speak as well as listen. In case that's an issue, please check your email and I'll ask Pat to resend that link to you. But nonetheless, I do see Federico in the WebEx.

Going back to the agency, I'm going to review right now the primary reader's questions of the agency, any standard questions that you may have or questions from the first three sets of questions under the pilot project. Cam or Jill?

Cameron Staples No, I don't have any additional questions.

Jill Derby: Nor do I.

Susan Phillips: Thank you. Any questions from the panel project that you wanted to highlight or shall we move to other questions by NACIQI? I do see hands raised by Anne, if that's correct, and Art.

Ralph Wolff: And Ralph.

Susan Phillips: And Ralph, okay. Sorry there's a lag here. I'll have Anne to start.

Anne Neal: All right, thank you. I appreciate you all appearing before us this morning and just had about three questions for you. I know that in your testimonies some time ago before the senate. You were very clear and that you did not view the role of the accrediting body as a consumer protection agency.

But in light of many of the questions that were raised in June meeting, my first question is; do you have triggers of that prompt investigations of various schools of when there are external bodies investigating them?

Michale McComis: All right. This is Michale. Yes, certainly ACCSC takes its role within the triad quite seriously and does look at a number of different issues,

opportunities and information that it receives from other entities and does look to do investigations as other entities and agencies may be engaged in.

So, for example, ACCSC will take into account third party investigations whether it be the Department of Education, the state AG, complaints that are filed -- all of those things are triggers for ACCSC to engage in its own review and assessment of an institution's compliance with standards.

Anne Neal: And how do you find out about something like an AG investigation?

Michale McComis: Typically, the AG will let us know. However, we also have notification requirements for institutions if material investigation such as an AG investigation, a CID or something along those particular lines is presented to the institution.

Anne Neal: Thank you. And in terms of the schools you oversee and the course of your last period of certification, have you closed down in these schools?

Michale McComis: I don't know if I would characterize the actions as closing down institutions. Do you mean whether or not we've taken adverse actions to withdraw accreditation?

Anne Neal: Yes.

Michale McComis: Yes. The ACCSC has taken significant action. I think, since the last recognition through the petition process, ACCSC has taken approximately 20 adverse actions.

Anne Neal: And were this largely one kind of concern or were they all over the board?

Michale McComis: I would say that because accreditation review and assessment practices really are case-by-case and institution-by-institution, I couldn't really point to a singular theme through those. It really does depend upon much of the issues that are being faced by the individual institution.

In many cases, if there was probably one or two themes that appeared through those actions, one might be financial soundness. But beyond that, I don't know that I could pinpoint a particular standard or range of standards that would be common throughout all of them.

Anne Neal: And my final question really goes to I think some of the broader issues that we have been discussing. In your materials you point out that you rely on independently verified third-party audits of employment data and - which I think is commendable.

And I just wanted to ask you. I mean one of the various options that is being presented if accreditation is being reviewed is the implementation of third-party audited information more broadly across the institutional community, whether it's the bodies that you accredit or whether it's the institutions that regionals accredit, by way of having a verified and accurate information.

Has your experience with this been good? And would you recommend that the independent third-party information be more broadly implemented?

Michale McComis: Thanks, Anne. I would say that our experience has been very good. The analogy that I often use in talking about this is akin to audited financial statements because we rely very heavily upon that kind of information in making assessments about the health and wellbeing of an institution.

And at least for ACCSC, because we rely so heavily on employment as an indicator -- not the indicator or not a single indicator but one indicator but one indicator of the success of an institution in training its students. And because we rely so heavily on that -- again the analog is to audited financial statements -- that we have to be able to really rely upon that and placing a great level of reliance on an independent third party's ability to go through, and for our board provide an extra layer of confidence that the accreditation decision that they are making is based upon numbers that have been independently verified has been really important. And it provides another layer of objective assessment and validation of the metrics and the benchmarks that ACCSC uses in making those accreditation decisions.

So, what I can say is that it works really well for our agency with the kinds of institutions that this agency accredits, again in vocational fields and career-oriented fields where students go to school with a particular goal of obtaining the skill and finding a job in that area. It has worked very well for us.

Anne Neal: Thank you.

Susan Phillips: Thank you, Anne. The hands that I'm seeing right now -- you can tell me if they're correct or not -- are Art, Ralph, Pam, and Simon in that order, beginning with Art.

Arthur Rothkopf: You talking about Rothkopf?

Susan Phillips: Yes.

Arthur Rothkopf: So, it's not right. I haven't figured out how not to be - have my hand raised.

Susan Phillips: Okay. We'll move then to Ralph, Pam, and Simon. Ralph?

Ralph Wolff: Thank you. My first question actually was with Chuck Mula. And then I have some questions for the agency representatives.

So, let me go forward with Chuck. I guess I see the staff recommendation and the request of the agency. And I'm just wondering if the staff had - in the light of their new information and the recommendation and the request is, are they still proceeding with the recommendation or do they feel that the agency's response has been sufficient?

Chuck Mula: Okay. The agencies provided the additional information that we were looking for on June 17. We actually had already sent in the draft analysis to the agency, and by requirements no new information is allowed.

Had that information been received prior to us sending the draft out, we would have included it. And our recommendation would have been different.

Ralph Wolff: Thank you. That's the information that I think is important to have.

I have some questions of the agencies. But first, I wanted to say that you all should be commended in the thoroughness of the documentation and the attention to detail -- quite remarkable. A lot of material to go through, but very impressive.

My question - first, a commendation. I have a question. You do set benchmarks for programs of different length. And if I'm not mistaken I see that for programs that are two years and beyond, the benchmark completion rate is 36%. And I found that at one of the annual reports.

And if I'm not mistaken, I saw a report that the actual graduation rate probably -- as I recall -- is well beyond that. But I'm curious to know about - your completion rates or graduation rates are much higher for shorter-length programs, obviously. But the 36% seems quite low.

And I just wonder, do I have the data correct? And how did you come to that data? And it does seem like two-thirds would not be completing based on that benchmark.

Could you comment on that?

Michale McComis: Sure, Ralph. Thank you again for the commendation and thank you for highlighting with the department staff that we did provide that information about the definition of a public representative and that we do believe that we are now fully in compliance.

You know, with regard to those benchmarks, you are looking at a little bit dated information just because on July 1, the commission repromulgated some of those rates. And so let me take a moment just to talk about why we use the length and month categories and what we've used to base some of the changes that we've now made.

So, we've been collecting these data pretty consistently and pretty much in the same way since about -- 1993 time frame is when the ACCSCT at the time started doing that.

And so we've been collecting the data and doing statistical analysis. And what we can say with relative certainty is that one of the strongest relationships that we find in the data itself to graduation is the length of the program. And so

when we run correlation studies on that data, we find nearly a perfect relationship between length of program and graduation rates.

But as you may imagine, there's also variability in that range. And so we used the standard deviation to give us a sense of how variable those rates are within that category.

Most recently, we did an 11-year longitudinal study for the period of 2004 to 2015. And across that time frame we found pretty consistently stable data through most of the program length categories. The one exception I would say is in those longer programs particularly those of 24 months or longer. And so the standard deviation in that particular grouping was quite high.

And so what we've most recently done is to try to control for that greater deviation. And when we did so, the standard deviation dropped consistently.

It also has a sort of group of institutions with smallest end. And so we're talking about a pretty small group of programs that we have at this particular length.

But once we...

Ralph Wolff: What is the current benchmark of the new - based on your study?

Michale McComis: So, July 1 we raised the benchmark to 40%, so a 4% increase. And that is where the commission is looking to, say, anything below 40% in those longer programs. And again, that's just for programs 24 months and longer and it's, again, the smallest - I think the smallest group of programs that we have.

We also found - you probably maybe look in also older employment rate at benchmarks. We increased that rate from 68% to 70%. We had lowered it due to recession impact and found again within that longitudinal study over 11 years that year-over-year or across the length of the study itself, 7% was the number that we arrived at.

So that's where we are currently.

Ralph Wolff: Thank you. Quite a thorough process. I read through a couple of several - two or three more questions, if I may.

I read through the files I think was on Everest College. It went through multiple - you had multiple stages of documentation about it. And I'm trying to figure out -- you had different levels of heightened monitoring, reporting, the annual reports and analysis of that -- trying to figure out when the two-year rule and how the two-year rule is triggered because you're working both programmatically and institutionally.

And you can put an institution or program, it seems, like on warning, order it to cease enrolment. But I had a hard time figuring out at what point does the two-year rule get triggered given the range of -- I won't call them sanctions but the range of actions that you can take to monitor an institution that either falls below the benchmark or has other problems.

Michale McComis: When you say the two-year rule, I imagine that you're talking about the maximum time frame provisions that are both affirmed within the February regulation. And we have varying regulations and benchmarks within our rules.

Ralph Wolff: Right, I'm sorry. My notes say one- or two-year rule but I just said two. But yes, that's the one I'm referring to.

Michale McComis: Yes, okay. So, you're right. There are a myriad of you know reporting or assessments or ongoing monitoring that the commission does engage in. Typically, the maximum time frame attaches when the commission has made a determination that a school is out of compliance with a particular standard.

So, that could be done in conjunction with a warning. It could be done in conjunction with a probation. It's when the commission has made an affirmative notice to an institution to say, we've moved beyond the fact-finding stage. We've moved beyond the monitoring stage. We are - now have made a determination that you're not in compliance providing notice and an opportunity to correct that deficiency. And we'll provide notice through that action, specifically that the maximum time frame has attached and the clock is ticking at that point going forward.

Ralph Wolff: Does that mean that failure to meet the benchmark in and of itself would not be considered non-compliance? It would just be a basis for additional monitoring. And if I got it right, unless it's uncorrected significant change, it could then lead to a finding of non-compliance?

Michale McComis: That is correct. And so, it can either lead to a finding of non-compliance. It could also lead to one of those programmatic actions, Ralph -- that you referred to -- which could be where the commission directs an institution to cease enrolment in that program or revokes the approval of that particular program. It could also lead to an institutional action again where the commission says the institution itself has not been able to demonstrate the ability to manage and deliver this particular program.

So, yes, there is a range. There's still an opportunity. We have instituted a protocol around student achievement monitoring so that it doesn't have the

opportunity to last over an extended period of time. And so, the protocol only allows for certain number of opportunities before the stakes increase and the commission come to a conclusion that compliance has not been met.

Ralph Wolff: And if I'm not mistaken, part of your range of actions would be to close or order a cessation of enrollment in the program and separate from sanction to the whole institution.

Michale McComis: That is one of several programmatic level actions, again, either a cessation of enrollment, the suspension of the approval of a program or revocation of the approval of a program.

Ralph Wolff: Okay, one other question I have -- thank you -- is -- I'm not quite clear -- what public information do you have about institutional and program performance that you made public and what do you require the institution to make public on these -- particularly on these outcomes data, employment, completion, retention that you collect? What do you provide on your website -- that I couldn't make sure -- and then what do you require the institution to provide?

Michale McComis: Right. So, currently, ACCSC requires the institution to provide, to disclose the students the graduation, employment, state licensure exam pass rates that were last reported to ACCSC. And to make those available to students through the enrollment's process as may be requested. We are working on being able to pull the data from our database and make it directly accessible to the public and the other website.

So, we don't have that up on a website just yet but we are working towards that. If an individual were to call, requested information, we would provide it. But at this time we don't have it on the website but we are working towards it.

Ralph Wolff: And the reports -- which I found very thorough -- your site team reports and the formal actions, are they made public by you all or required to be made public by the institution or not?

Michale McComis: On-site evaluation reports are not. We make all actions that the commission takes available to the public. And we provide copies of probation letters and adverse action letters to the public -- so, not just a summary but the actually letter.

Ralph Wolff: Thank you. Those are my questions, very helpful responses. I appreciate them.

Susan Phillips: Thank you. I have - right now I have Cam and Simon and Bobbie - let me know that her hand was up and now is down. So, Cam is the next step?

Cameron Staples: Thanks, Susan. I have no questions now.

Susan Phillips: Okay. And Simon?

Simon Boehme: My questions were asked as well, thank you.

Susan Phillips: Any further questions from the committee at this point? And (unintelligible).

Jill Derby: This is Jill.

Susan Phillips: Yes?

Jill Derby: And I have a question for Chuck. Is this is an appropriate time to ask it?

Susan Phillips: We will be coming back to be able to ask department staff so...

Jill Derby: Great, thanks.

Susan Phillips: Our third-party commenters - I understand that there are now only two. Is that correct, Jen?

Jennifer Hong: That's correct.

Susan Phillips: Okay. At this point I did invite Juliet Mee, Director of the Professional Massage Training Center, to join us at the microphone.

Jennifer Hong: This is Jennifer again, Susan. We just need to have the operator. Operator, are you on? We need to open the line for Juliet Mee.

Coordinator: That is noted. So, all participants, if you are one of the speakers for today's conference, please press *0.

Jennifer Hong: Juliet, are you on?

Juliet Mee: My name is Juliet Mee. Can you hear me now?

Susan Phillips: Good afternoon, Ms. Mee. We can hear you. Thank you very much for joining us. We have with us a comment opportunity, a chance to hear what you'd like to tell us. We do have a limit of three minutes and I'll give you a heads up if we could get close to that point. Otherwise, welcome and thank you for joining us.

Juliet Mee: Thank you. Good afternoon. My name is Juliet Mee and I'm the founder and CEO of Professional Massage Training Center in Springfield Missouri. I thank you for your time and commitment to education. I believe that the

department's review of ACCSC -- that you must rely upon for the reauthorization -- is not credible.

I have personal knowledge that there is much more to be considered about ACCSC than what is in this report. This report from the department actively shield ACCSC from accountability and in the same breadth, sets them up to be the largest accrediting agency ever through the actions related to ACICS. ACCSC could not possibly pass the test. It's held to the same standards as ACICS.

Why are they receiving this pass? It's (unintelligible) have been propriety on the part of the reviewer. My school is a rare school that lost accreditation. We were successful and had great outcomes. ACCSC chose to revoke our accreditation over dishonest allegation of non-compliance.

We filed suit against their action and won. After ACCSC lost to us in district court, using their power, they influenced 22 other accrediting agencies to join with them to ensure that the strong verdict against them was overturned.

In addition, within the appeal decision, they received the high reward -- freedom from judicial oversight for all decisions from all accrediting organizations housed within the Washington, DC district. I'm not here to relive the details of my case other than to point out that ACCSC was involved in this lawsuit for the majority of this last cycle. It is a multi-million dollar case that involved ACCSC and 22 other accrediting agencies recognized by this panel, a case to put a small well-performing school out of business.

Why is there no mention of this case in the report? The report identified five complaints filed and brushed off. The complaint was a 15-page formal complaint supported not by my opinion but by 3,000 pages of ACCSC's court

and their position testimony that clearly and factually showed ACCSC to be in violation of the department standards. I received this staff letter with well-acquaint language identifying that the department accepted 100% of ACCSC's response.

There was no evidence of internal reviewer evaluation by the department. Mr. Bounds offered to provide their final summary decision letters to you in future report about complaints. In my case that would not be the information you needed.

I've read one of the other four complaints in the violation they point to are also serious and brushed off. At a minimum, these two complaints should be referenced in this review with much more detail.

As you review and evaluate ACCSC today, I implore you to look beyond the department's report and delay your decision until you have the chance to review ACCSC more broadly. Remember, ACCSC also accredited Corinthian Colleges and awarded them schools of excellence. Ask Dr. McComis if they can withstand the same scrutiny ACICS received on the documentation.

Susan Phillips: Ms. Mee? If I may interrupt you for a moment?

Juliet Mee: Yes?

Susan Phillips: If you have just a few more pieces, we can complete that. Otherwise, we'll move on.

Juliet Mee: I have three specific requests to make but it would take me two more minutes with commentary.

Susan Phillips: Yes.

Juliet Mee: May I have two more minutes?

Susan Phillips: We are at the limit of our time, thank you very much. There may be questions that you could answer on the chart of committee members. Committee members, do you have any questions for this commenter?

Frank Wu: Yes. This is Frank Wu, I'm on the phone now.

Susan Phillips: Can you hold just one moment of - just to let some know, I don't always quickly see hands up. I do see Cam's hand up and Frank. So, we'll go with Frank and then Cam?

Frank Wu: Yes, this is Frank. I'm willing to hear the three very specific points. If the speaker could just make them concisely, yes, I would like to know what they are.

Susan Phillips: So, okay, speaker, if you'd like to make your three points?

Juliet Mee: My - first I appreciate this. And my first request is that you ensure schools have due process. Accreditation agencies makes mistakes. They already hold considerable independence in autonomy. You may not be aware that they are quietly fortifying themselves towards total autonomy. I'm willing to make myself available to back this statement at the later time.

An example of this is if the department has said that students cannot be held this final bond - binding arbitration that the department has allowed ACCSC to require that all member school who wish to follow the final negative action

to submit this final binding arbitration, in a process that it's paid for 100% by the school and controlled 100% by ACCSC. This should not be.

Number two, increase appropriate access to the committee NACIQI. Every person who could inform you of wrong doing on the part of an accrediting agency is blocked from addressing you in a timely way. This claim in allocation we are allowed during the reauthorization of an agency after the review has been made is not appropriate if this committee is to truly oversee the agency.

I requested to address you both earlier in the process and was told that I could not at every turn. In addition, I was told by Mr. Down and Mr. Mula that the department could not entertain a complaint against ACCSC until our litigation was complete.

This is not aligned with the rule that states that the department can pick a complaint against an accreditation agency at any time. We should have access to letting you know of breeches and policy by the department itself that would request on your decision making relative to the agency. The legal standard for a court decision and the standard for complaint to the department must be different.

And third, review these agencies barely inconsistent - consistently. Either re-review ACCSC under the same standard as ACICS would review or acknowledge that the review against ACICS was inconsistent with the other agency reviews and allow ACICS more time to create a plan. That is the end and I do thank you for your time.

Susan Phillips: Thank you very much.

Frank Wu: This is Frank. May I comment on that or do you want me to until after Cam?

Susan Phillips: Go ahead.

Frank Wu: Yes. So, just very quick comments. The first for the benefit of this third party commentator and something that I just want to say to have on the record. I imagined this has happened on other NACIQI members. From time to time, third party commentators, after they have finished have reached out to me either by US mail or by email or by calling me or by accosting me when we're physically loose.

I want to discourage that conduct. That is - there is no. I'll elaborate on it later because that's just not appropriate to offer that sort of information to a decision-making body like this that is created under a specific federal statute. And that actually follows rules about sunshine and transparency. So, to do that is to promote greater transparency to prevent that kind of contact.

And I just wanted to say that also for the benefit of other members and perhaps we, later, when we talk about our own processes could think through - how can - I would just like to curb that type of behavior. I'm sure it can't be although it can be prevented. But the more often we signal the people that - at least in my view and perhaps staff could inform me if there is actually a statute or reg or ethical norm that supports this.

My view is third party commentaries should not be reaching out to me before or after or with supplemental material, et cetera -- no matter how compelling it is. So, that's not a comment on how it is.

My other comment though is very supportive of third party commentators. I wanted to be clear. I'm actually very supportive of receiving information,

receiving background, having public participation, having apparently - but just in an orderly manner.

It's more of a question for staff. I am curious what are third party commentators told and are they directed to file written materials because I agree three minutes is really not very long and it's not enough. But there is an entire provision to supply us with these written materials. And I don't think there's a limit on how voluminous those written materials can be.

So, someone could if they wanted to reference a court case. For example, submit in written commentary an opinion of the court or a judgement or something along those lines. So, my - the tenure of my comment is to encourage public participation but in an appropriate way through the processes. So, it contains in there the questions of the staff, what when third party commentators call or email or drop by or say, you know, how can I get this in front of the NACIQI? I just want to make sure they are being told, please put something in writing and send it in and it will be looked at. Thanks.

Susan Phillips: Thank you, Frank. Jennifer, do you want to respond to that?

Jennifer Hong: Yes. Frank, it's Jennifer. You're absolutely right. It is inappropriate for public commenters to be approaching the NACIQI members directly, individually and to try to supplement the record in any way. We are very clear about this in the federal register notice announcing the meeting, where we outline what the parameters are for submitting public comments both written and oral.

So, members of the public are provided with ample time when the meeting is announced should they submit written comments by a certain deadline. And they're also allowed to submit oral comments and to pre-register for the

meeting by a specified deadline. We also allow for oral comments just to sign up to speak during the day of the meeting.

We also specify in the federal register notice that commenters should not be providing written material, we can't accept written materials at the meeting nor should commenters be reaching out to individual NACIQI members. We are governed by the Federal Advisory Committee Acts. So, everything - all the committee's deliberations need to be made in the public domain.

There are also procedures for members of the public to submit a complaint which many avail themselves of outside of the review - outside the recognition review process which I know that this particular public comments has submitted a complaint and Herman can talk more about that.

Susan Phillips: Thank you. I have - I see Cam. Cam stood up and that's all that I see right now before the next speaker.

Cameron Staples Thank you, Susan. Just one question I guess. This is also for the staff and I don't know if this is to Chuck or to Jennifer but the third party commenter mentioned that they were discouraged from filing complaint information while an appeal is pending. And I just want to make sure I understand what exactly that related to and whether as to my understanding is that there's not really a limit on what they can file in any time with us. So, I just want to make sure I understand what that issue was.

Chuck Mula: This is Chuck. Cam, I don't remember ever writing anything like that or saying that. If I said something, it was misunderstood to be that way, I apologize. But we never tell our complaints to not do something like that. So, I'm sorry.

Cameron Staples Okay. Well, I accept that. I didn't expect that you did say that, Chuck because I don't think that's consistent with the way where you usually operate but I was just - I was sort of curious about that and I also just wanted to ask the presenter. She mentioned an appeal and I guess I'd like to understand what the status of that as of this time. It sounded like what she said was that on appeal the agency prevailed. And I just want to make sure I understand that.

Juliet Mee: Yes, are you there? Yes. We received a very strong verdict in our favor through district court. And after we went to district court, the appeal overturned the district court. And I think it's something that NACIQI should look into as 22 agencies joined the one agency.

And I feel that there was information in the district court's review that is applicable to NACIQI's review and that's also identified. But I believe that I have an email that shows that Mr. Bounds and Mr. Mula did tell me that I was not allowed to file a complaint against ACCSC until litigation was complete.

Ralph Wolff: Thank you. No more questions.

Herman Bounds: This is Herman. If you have it, please send it because that would not be the case. I know we reviewed your complaint as soon as we receive one from you. And just so that everybody knows, we didn't even - the court decision didn't play a part on our review. We reviewed the complaint as you supplied it and we investigated each one of the allegations in your complaint.

Again, if there was some misunderstanding, again, I'm like Chuck. I will apologize for that. But we - it's normally in our process. But again, I want to let you know that that court case didn't play a role in our decision regarding your complaint. We looked at ACCSC policies and if they follow their

policies and procedures and we look for violations of the criteria. And that's how we reviewed your complaint.

Sally Morgan: This is Sally Morgan. I just wanted to answer another question that Frank raised which is there is no limit on the lengths of written comments. It can be submitted in the NACIQI proceeding as long as they're timely submitted.

Frank Wu: This is Frank. May I just talk...

Susan Phillips: If I could just hold on for a minute. I've got Anne, Ralph and I'll add Frank to it. I'm also going to add Jill into the mix as we do have the staff participating right now. I understand she had a question for staff as well. But let me go back to Anne. Anne, Ralph, Frank and Jill.

Jill Derby: Okay. I'd be happy to let Frank ask his follow up questions first if you want to.

Frank Wu: Sure. It's super quick and simple. I wonder if we already do this and if not, if we could. Just put a little more on the NACIQI website -- like a click here and just summarize the rules so that people can just click and see it. Everyone goes to the web these days.

Susan Phillips: Absolutely. As you all know, we just rolled out the new interface for the website. So I'm really pleased to be able to, you know, make that ours and update it timely and get the information front-facing for the public as timely as possible.

Anne Neal: Okay, I'll leap in here. First I want to thank Ms. Mee for presenting today to us. And I must confess, I think that the various points that you have made and the recommendations you have made are important ones and the things before

it are troubling -- the due process issue in terms of requiring binding arbitration. Again, I find that quite troubling.

And the issue that you raise about complaint, I think it's interesting that this is not the first time that we talked about complaints. Even in the court of today's proceedings, this has been an ongoing quest and an ongoing conversation with the department that the NACIQI members be apprised of complaint against these bodies and the resolution of those complaints.

And I think people will recall that some time ago, this was raised in the context of a complaint of that was spelled by act of each of these facts regarding its application of the standards. That complaint went all the way up to the secretary. It's concluded that there were certain statutes that could not be reviewed by the department. And notwithstanding those very important determinations, that complaint never saw the light of day, vis-à-vis NACIQI.

So, I want to again thank Ms. Mee for raising this and to just say that I think that we have a serious issue here of providing NACIQI members with the appropriate information that may not come through simply the departmental processes -- looking at the reg line behind -- that may in fact raise much burden and more important constitutional and due processes that we need to worry about.

Susan Phillips: Thank you, Anne. I have Ralph, Jill and I think I also have Cam again? Ralph? There may be a telephone issue for Ralph.

Ralph Wolff: No, I had the mute on. Sorry.

Susan Phillips: Okay.

Ralph Wolff: I just ask if Ms. Mee, the presenter, could send us afterwards the three recommendations not so much with respect to ACCSC but the larger issues. So, I didn't write them down but it would be helpful.

My real question is - obviously, in this case there was a district court opinion and in a telecourt opinion. We were not made aware of that into the extent that it's somewhat similar to the issue about complaints. It would be very important for us to know if during the period of recognition there was litigation against an agency and what the disposition of that litigation was.

So, I feel that the presenter has raised issues regarding the practices of ACCSC. And I would've liked to have known what the, at least the telecourt that seemed to have overturned the district court what its findings were because they would have relevance not only for action with ACCSC but also with respect perhaps to other agencies.

So, my request would be that in the staff reviews that we be provided that they look at whether there's any litigation and we be provided information on the outcome of that litigation and that where our issue's relevant to practice this specific or all accrediting agencies that we be briefed on those. Thank you.

Susan Phillips: Thank you, Ralph. I think, Jennifer, you wanted to add to recommendations, questions.

Jennifer Hong: Yes, just real quickly. Ralph, to your invitation regarding the recommendations, please do not send any recommendations. This is all captured on the transcript. So, as soon as the transcript is provided after this meeting we'll make sure everyone has access to those transcripts via the website. Thank you.

Susan Phillips: I understand.

Ralph Wolff: Thank you. Susan, could I just ask, is it unreasonable to ask that we be provided that information on litigation? And I'm not speaking only for ACCSC but any agency that comes before us. It seems like it's relevant to know if the court has ruled with respect to the practices of that agency.

Susan Phillips: Jennifer or Herman or Sally, are you able to address that issue?

Sally Morgan: One question is simply whether we know the lawsuit exists. But as far as what the staff wants to do as far as incorporating it into your office...

Jennifer Hong: The staff is working on building their capacity to do this kind of work...

Herman Bounds: Yes, there's probably a capacity issue with, you know, with doing that. We're working with - we're working to be made aware of situations when losses exist other than attaching them to the petition. And we really don't consider the lawsuit as part of the review unless it's tied somehow to the criteria.

So, it's, I mean I guess there's something to think about. We could attack that as an exhibit so that maybe we could look at it. But I just want the committee to understand that may not correlate to a compliance issue in the criteria.

Susan Phillips: I'm going to keep moving with our speaker order and it may be that we have some procedural questions we want to pursue as well. Just a quick interjection here. Jill, I had postponed your question of staff. If it is relevant at this time, please take the mic. If not, I will call on you again later.

Jill Derby: Well, I think it's relevant at this time. But I, in preface to that, wanted to say I'm really supportive of the comments that have been made this year for

NACIQI member colleagues around this sense that I think some of us have of being under-informed.

And what I mean by that is when I listen to people who are third party commenters bringing complaints who have sent the complaint in. I find myself listening to it for the first time and wishing I'd heard about it before just as a background to be, you know, fully briefed and informed when I'm listening.

And I would make this thing comment about Ralph's request to as possibly as an exhibit, however it might be presented to the committee. It does provide a broader context I think for our deliberations. And I think this issue of complaint has come up before.

And I as a member of NACIQI do want to be informed of those before we're at the meeting and talking to the agency and considering their recognition. So, I just wanted to underscore those points.

The question I have for staff whether it's relevant now or not has to do with the comment that Chuck made that in fact, the agency had submitted its modification of language around the definition of public member, which was the one consideration around the staff's recommendation to have them - the agency come back in a year. And they're making a request about, "We've submitted that," but made the point "It wasn't submitted in time." They've made the request, "Could we follow the ten-day opportunity for that?"

So, I wanted to just hear from Chuck about - they've receipt that on June 17. And they have had a chance to review it but haven't had the chance to change the recommendation because of course to delay in the hearing that we have today.

- Chuck Mula: This is Chuck. We do not - as practice and as far as our requirement is concerned, the draft goes out to the agency, we have not and are not allowed to send in new information. However, as far as NACIQI's role in accepting new information, I'm happy to yield to Sally on that because I'm not really sure that you're limited to the same kind of restrictions than we are.
- Jill Derby: That's true. I mean, you can take into account information that's submitted during the hearing. Okay. Thank you. That's helpful.
- Susan Phillips: Just for a point verification, Sally, you mean oral information submitted during the hearing, not...
- Sally Morgan: Yes, I do mean that. Thank you for the clarification.
- Susan Phillips: I have - the hands I'm seeing right now are Cam, Bobbie, and Anne. Cam?
- Cameron Staples: Yes. Thank you, Susan. I had the same general question that was raised a minute ago about the status of these particular issues. So, I think when it comes time to make a motion, we can address that. So, I have no other questions.
- Susan Phillips: Thank you. I have Bobbie and Anne. Bobbie?
- Bobbie Derlin: I don't want to divert us too much, but I have a question of clarification. It is my understanding that at the next NACIQI meeting, information about complaints will be provided to us for the first time and that that will be routine practice.

So, I just like to clarify that and also to say that in general I agree with the tenor of the comments in terms of our receiving more information rather than less. I'm finished. Thank you.

Herman Bounds: I need to say two things about the complaint. We will be providing you our final complaint determination letter because in many cases the complaints are extremely large -- many, many, many pages. And I don't think that, you know, that may benefit the members from trying to review all those things. But we will provide our final decision letter and be able to ask them detail - answer -- excuse me -- answer detailed question about the complaint.

The other thing I just want to bring up is that, you know, we have to handle these complaints as they come in -- in many cases come in to the department's controlled mail process and things are time-limited. So, although no one has said - has made the statement, for us to kind of hold the complaint or the committee be a part of review process would be a little will provide - not provide closure to the complaint in a timely manner.

That's why we address the complaints as we get them, we reviewed them. And then we make a determination whether the agency is at fault or whether the individual's complaint is valid.

Bobbie Derlin: Julie, I follow on.

Juliet Mee: Sure.

Susan Phillips: Can I have Anne and Ralph?

Juliet Mee: I just want to say I don't believe I was suggesting that the complaint process be subverted or delayed or deferred as a result of providing information to NACIQI. That was not my intent, I mean just so you know that.

Herman Bounds: Okay. I just wanted to...

Juliet Mee: But I would also comment that the suggestion that the only information me may receive is the decision letter because the volume of material is so great. I don't think that's irrelevant point, Herman, because we already deal with a great deal of information. And if we're willing to deal with the great deal more I think you all should reconsider that decision. And I didn't know because I don't want to divert this too far. Thanks.

Herman Bounds: Okay. No, that - if that's the committee's way then we will get include the entire complaint package for your review. I mean that's not a problem. I just wanted to let you be aware that they are pretty extensive. And there's a lot of back and forth.

Juliet Mee: Thanks very much.

Susan Phillips: I have Anne and Ralph. And then we have an additional commenter yet to come. Anne?

Cameron Staples Did you say Cam or Anne?

Susan Phillips: Anne may be on mute, perhaps. So, we'll come back to you Anne if we can. I'll come over to Ralph.

Ralph Wolff: I'm sorry. I forgot to put my hand down. I'm done. Thank you.

Jennifer Hong: Okay. And any other questions of this speaker?

Thank you Ms. Mee for joining us. Our next speaker is, Dalphna Curtis, President of the PCCenter. Whatever magic has to happen to get that microphone open (Pat) and (Jen), can you make that happen?

Jennifer Hong: Operator, can you please open the line for Dalphna Curtis?

Coordinator: Yes. I would like to ask her to please press * followed by the number 0. Again, the * followed by the number 0.

Susan Phillips: Dalphna Curtis, if you are on the line, press *0.

Okay. I'm going to move on to our - the next piece of our procedure with the opportunity for the agency to respond to third-party comments. Representatives of ACCSC, if there's anything that you would like to respond to the third party comments that you have heard so far?

Michale McComis: Thank you, Dr. Phillips. This is Michale McComis again. So, we don't have much to respond except there were some questions around the status of the appeal.

And this is just to let NACIQI know that the four circuits of Federal Court of Appeals in Richmond, Virginia did hear that case and did overturn the district court on every count that the district court had found. And it had essentially found that ACCSC had granted the plaintiff in the case extraordinary due process, had followed its processes, and that the district court had impermissible de novo review of that process.

With regard to the amicus brief that was filed on behalf of ACCSC, I just want to make the record clear that ACCSC in no way influenced any other accreditor to file that amicus brief on its account and had no contact with those other accrediting agencies.

Lastly, I would just want to reiterate what was already stated which is that an addition to the appellate court decision and finding that ACCSC had not violated any federal law, regulation - or regulation but also that the department and its exhaustive review of that complaint also found ACCSC to be in full compliance with all federal regulations. Thank you.

Susan Phillips: Thank you. And department staff, any response to agency or third party comments?

Chuck Mula: None.

Susan Phillips: Could there be a motion that the primary readers would like to put forward for discussion?

Simon Boehme: I have my hand up to ask. Sorry.

Susan Phillips: Sorry, is that Simon?

Simon Boehme: Yes. Is it okay if I asked a question to the agency?

Susan Phillips: Yes, absolutely.

Simon Boehme: All right. Thank you so much, Chairperson. And I just wanted to say to the agency -- hats off to you for your website which is easy to navigate. But most importantly it has (unintelligible) which I was just looking through. And your

awareness and transparency to some extent in appealing to students using certain language should be congratulated. So, I applaud you on that.

I guess I just had one question. In one of your reports you've mentioned and this was also mentioned in the third party report as well. The commission may at its discretion withdraw a school's accreditation and remove the school from the list of ACCSC-accredited schools without first issuing a warning or probation order. Does this occur often? If so, how many times? It may be put to put in light a little context to the committee. Thank you.

Michale McComis: This is Michale McComis again. And thank you, Simon, for those commendations. We do certainly work hard to give students an outlet and an opportunity to contact us, but not just students, really anybody that would like to use that as a resource.

You're right that our standards do provide for that provision. And I'm speaking anecdotally here. I don't have the exact data or information. I wouldn't say that it has in anyway been a common occurrence. It would have to be an extreme case of looking at that now.

One thing that the commission has also done, however, is for institution that close precipitously without an approved teach-out plan. The commission is retroactively withdrawing those institutions accreditation without a warning or probation because, there is a feeling that, that institution failed to maintain its responsibility to students through that precipitous closure.

So, that would be one example where the commission is taking action to withdraw institution's accreditations. And to why that's important, we believe, is that should that institution or the managers, administrators, owners have any

opportunity to come back and take accreditation again with another institution, that action is going to follow them and follow that institution.

So, we didn't want to lose sight of the fact that there is a, kind of, closure. But other than that, it's not a real common occurrence. But the commission does want that provision to be available to it should the specific circumstances present themselves that would warrant such a direct action.

Simon Boehme: So, has it been triggered in the past?

Michale McComis: We've taken close to 100 adverse actions in just the last 10 years. I can't tell you specifically whether it has or has not -- within those hundred actions. I can't specifically think of one right now. But there's still an important provision that the commission adheres to which is, you know, due process in providing notice and opportunity. I can't tell you specifically whether they jumped directly to that without first issuing a warning or probation, without doing additional research. Thank you.

Frank Wu: Susan, this is Frank.

Susan Phillips: Hold on just a moment. I do have you on the list, Frank. I did see Anne's hand up first. I'm not sure if it's a desire to speak at this point.

Anne Neal: Hi, can (unintelligible) hear me now?

Susan Phillips: Yes.

Anne Neal: Yes. There was (unintelligible). Sorry, I just simply wanted to say for the record that (unintelligible) was part of that amicus brief and I did go to

counsel before this meeting and was advised that I could participate. So, I just simply wanted to put that on the record.

Susan Phillips: Thank you. Go, Frank.

Frank Wu: Yes. Two quick comments. First is on amicus brief. There's nothing improper about it and there wouldn't be in my view, if anything, improper if a party in litigation sought amicus brief. It's an entirely common practice that when others share in interest, you try to drum up some interest in filing a brief.

And I'd just say that not knowing anything about the particulars of this occasion, the substance. It's just a note. An amicus brief is not a bad thing. It's something the court welcomes.

The other comment that was for staff. From time to time we do hear that there's litigation in federal or state court about an accrediting agency. And every time that comes up, I think to myself, you know, I wonder if we NACIQI through staff should be tracking these in some ways and should we be filing amicus briefs because who knows what courts are doing, especially courts, as good as they are, that are not - you know, most courts hearing these would be courts of general jurisdiction but no particular background with NACIQI accreditation or even (unintelligible).

And you never know what will be contained in some decisions that could affect our authority and decision-making.

So, I just wonder not to add to the work of staff. But could we somehow just keep track of some of the big litigation where NACIQI itself might be implicated. You know, because the court could just go off and do something strange even in dicta.

And presumably the Department of Education on behalf of NACIQI might want an occasion where there was some risk that our authority would be impinged upon to enter in appearance. Presumably through an amicus brief or even possibly, you know, the federal government intervenes from time to time on behalf of agencies when there is an issue of that nature.

Sally Morgan: This is Sally. From time to time that issue comes up. And when there's issue that we want to join the litigation and file an amicus, we do that. As a general matter, of course a litigation between an institution and an agency isn't a matter that we would properly involve ourselves there, that's why we have accrediting agencies to make the accreditation decisions.

Frank Wu: Okay, good. So, we do track. If I might ask when the department or when staff does see something, could it be brought the attention of NACIQI members as well? I think that would be useful.

Sally Morgan: Okay, when we learned of law it's - what I take your question to be is you would like to be advised when we learn of lawsuits to which an accrediting agency is a party that has got to do with their accrediting actions.

Frank Wu: Well, not everyone. I don't want to add two or three words. What I would say if it's of concern to staff, it should be a concern to NACIQI members. So, anything that triggers your concern where you're thinking we should file an amicus brief or, you know, monitor those cases.

Sally Morgan: Certainly we can let you know. I think probably in that case we will be talking more about an amicus on the part of the department rather than on the part of NACIQI specifically. But we certainly can keep you apprised.

Frank Wu: Great.

Susan Phillips: Let me ask if there are other member questions or comments before we move to inviting a motion.

Okay. Seeing none, let me invite...

Cameron Staples: Excuse me.

Susan Phillips: Yes?

Cameron Staples: Sorry. I thought Jill and I might have miscommunicated that she's going to do a motion. I'm happy to offer a motion.

Susan Phillips: Okay.

Cameron Staples: In light of Chuck's comments earlier that the agency is now in full compliance if we take into account the recent information that the department's received, I would move that NACIQI recommend that the agency's recognition be renewed for five years.

Jill Derby: And I'll second the motion.

Susan Phillips: Did we discuss it?

Cameron Staples: No, it's not the motion that we just put up on the screen.

Susan Phillips: If you can, whoever is minding that screen adjust the motion to reflect what was spoken?

Jennifer Hong: Trying to make it work right now. Can we repeat the motion, Cam?

Cameron Staples: Yes, that the - I move that NACIQI recommend that the agency - the Accrediting Commission of Career Schools and Colleges' recognition be renewed for five years.

Arthur Rothkopf: Susan, it's Arthur. I don't know what's happening, but I'm prepared to second Cam's motion.

Susan Phillips: Thank you, Arthur. We do have a second. We're waiting for the motion to appear on the screen.

Woman: No, that's not right. These recognitions are five-year.

Cameron Staples: I mean if it's helpful, I was simply quoting from the sample motion language that we've been provided for continuing recognition for agencies that's been provided.

((Crosstalk))

Cameron Staples: ...or agencies that are in full supply of...

Susan Phillips: So, we're just having some technical difficulty regarding the motion that we've made to appear on the screen so that you can all see what you're voting on.

Jennifer Hong: Yes, that's right. It's a bit of a delay and we apologize. Susan, can you see that?

Susan Phillips: Yes.

Susan Phillips: Okay, the three who are on the WebEx can see this screen. The motion is to renew the agency's recognition for a period of five years. Do we have further discussions?

Hearing none, start the roll call of votes. If you all go alphabetically again, if you can say "aye" or "nay" when you hear your name.

Kathleen Sullivan Alioto?

Kathleen Sullivan Alioto: Aye.

Susan Phillips: Simon Boehme?

Simon Boehme: Aye.

Susan Phillips: Jill Derby?

Jill Derby: Aye.

Susan Phillips: Bobbie Derlin?

Bobbie Derlin: Aye.

Susan Phillips: John Etchemendy?

John Etchemendy: Aye.

Susan Phillips: George French? Art Keiser has recused. Anne Neal?

Anne Neal: Nay.

Susan Phillips: Rick O'Donnell?

Rick O'Donnell: Nay.

Susan Phillips: Art Rothkopf?

Arthur Rothkopf: Aye.

Susan Phillips: Cam Staples?

Cameron Staples: Aye.

Susan Phillips: Ralph Wolff?

Ralph Wolff: Aye.

Susan Phillips: Frank Wu?

Frank Wu: Aye.

Susan Phillips: And I believe we do not have Hank Brown, Paul LeBlanc, but we do have Federico Zaragoza on the line. Yes? I don't have Federico audible.

So, at this point the motion passes to renew recognition for five years. I'd like to take this moment to thank you all for the discussion and suggestions on how we can be better informed.

I'd also like to call perhaps for a ten-minute break at this point before we take up the next agency review. I'm going to suggest in this break, which will bring us back at ten minutes after 2:00 -- if you're on Eastern time; translate if you're on other time -- when we come back if you don't leave - leave your phone on and leave your WebEx on so we don't have any re-access issues.

But do put yourself on mute and we'll resume in ten minutes.

Kathleen Sullivan Alioto: Thank you.

Man: Hello?

Frank Wu: Hi, this is Frank. I think we're still on this break.

Kathleen Sullivan Alioto: Hi, Frank. We're still on break.

Man: I didn't know you were on break because I just came back on on the - over the...

Kathleen Sullivan Alioto: Yes, we're on a ten-minute break.

Man: Okay. Thank you. I'll put you on mute.

Kathleen Sullivan Alioto: Okay.

Woman: Shouldn't impact that.

Susan Phillips: We're coming up on the end of our ten-minute break, wanted to call members back to their phones.

Alissa Craft: Good afternoon. This is Alissa Craft from the COCA. Can you hear us in anticipation of our testimony in a few moments?

Susan Phillips: Yes, we can. Thank you.

Okay. We're going to resume our agenda. The next item is renewal of recognition of the American Osteopathic Association's Commission on Osteopathic College Accreditation. Primary readers are Simon Boehme and Rick O'Donnell. Staff is Nicole Harris and agency representatives joining us are Ms. Craft, Mr. Prober, and Mr. Cavalieri.

So, let me invite the primary readers, whoever is going to introduce the agency to do so at this point. We have no recusals for this agency. So, Simon or Rick?

Rick O'Donnell: Thank you, Susan. This is Rick O'Donnell to introduce the agency. The Commission on Osteopathic College Accreditation is a standing committee of the American Osteopathic Association. The COCA currently accredits 23 osteopathic colleges of medicine and provisionally accredits another 6.

Three of these institutions are located in freestanding institutions and therefore for these three institutions, the AOA-COCA accreditation is required in order to enable to establish participation title for eligibility. The agency is first recognized by the department in 1952 and has received periodic renewal since that time.

Susan Phillips: Thank you. And Nicole has a staff briefing.

Nicole Harris: Thank you. Good afternoon, Madam Chair and members of the committee. For the record, my name is Dr. Nicole S. Harris. And I will be presenting the

information regarding the renewal petition submitted by the American Osteopathic Association, also referred to as AOA or the agency.

The staff recommendation to the senior department official is to continue the agency's recognition as a nationally recognized accrediting agency at this time and require the agency to come into compliance within 12 months with the listed criteria and submit a compliance report due 30 days thereafter that demonstrates the agency's compliance.

The staff recommendation is based upon my review of the agency's renewal petition, supporting documentation as well as observation of an AOA site visit in March of 2016. During the current accreditation cycle, the department received no third-party comments regarding the agency's renewal petition and no complaint.

The staff report should also read that the agency was last reviewed in 2011.

Based upon the review of the response to the draft analysis, supporting documentation, site visit and observation, and follow-up communication with the agency, department staff has determined that the agency has not demonstrated compliance with all of the required criteria. Many of the issues are related to the need for additional documentation, which should be obtained within the 12-month time frame.

Five issues pertain to amendments needed to current standards, policies and procedures, specifically the agency must clearly distinguish the differences between its pre-accreditation and provisional accreditation status. The agency must also amend its standards, policies and procedures to ensure that immediate attention is taken when an adverse action is taken against a college

by the commission and the appropriate notification is submitted to the department.

Finally, the agency must also amend its documentation to include an academic and an administrative member in its composition of site review teams. And this individual must serve in one defined role on the site evaluation team.

Therefore, as I stated previously the staff recommendation to the senior department official is to continue to agency's recognition as a nationally recognized accrediting agency at this time and require the agency to come into compliance within 12 months with the criteria listed and submit a compliance report due 30 days thereafter that demonstrates the agency's compliance.

There are (unintelligible) representatives on the call today and we will be happy to answer the committee's questions, thank you.

Susan Phillips: Very much. Agency representatives I heard Ms. Craft earlier before may turn, thank you for joining us and turn over the microphone to you and to introduce your colleagues and to make whatever comments you choose to make.

Alissa Craft: Thank you very much. As stated my name is (Alissa Craft) and I am a osteopathic physician and the vice president for accreditation at the American Osteopathic Association. In that role I also serve as secretary to the Commission on Osteopathic College Accreditation, the AOA COCA. With me today is Mr. Joshua Prober the General Counsel for the AOA and Dr. Kenneth Johnson he is at the Ohio University Heritage College of Osteopathic Medicine and serves as Chair of the COCA. Dr. Johnson?

Kenneth Johnson: Yes I would like to thank you for the opportunity to present today before the (unintelligible). But before we share detailed information about the AOA

COCA with you we want to thank Nicole Harris for her thoughtful review of both our draft submission and our responses. The COCA serves as both an institutional and programmatic accreditor; we accredit 33 schools of osteopathic medicine in 48 locations and serve as the institutional accreditor and title four gatekeeper for five schools.

In the United States both MD's which are graduates from LCME accredited schools and DO's which are graduates from COCA accredited schools are fully licensed physicians who practice in all specialties and field of medicine. 10% of practicing physicians in the US are DO's and one in four students studying to become physicians in training in schools of osteopathic medicine.

The COCA is dedicated to providing a high quality peer reviewed accreditation process for the schools and programs under our agency. I would like now to turn it back over to Dr. Craft.

Alissa Craft: Thank you Dr. Johnson. So I want to begin by addressing the group of criteria found out of compliance relative to documentation and that included 60216A1, 17A and 19B. The COCA does maintain full documentation of both these individual components of our accreditation process such as self-studies, (unintelligible) reports, action letters and we also maintain complete cycles of information through the accreditation process. At the time of our submission we submitted one full cycle of documents and then additional representative documents for each aspect of those recognition criteria.

However it was brought to our attention that the department would like to see three full cycle document specs to determine that the criteria are met. It can and will provide that documentation to the department's (unintelligible) in any manner they deemed most appropriate. And at any time they are prepared to

receive those documents. They do exist and we are as I said prepared to provide them.

Additionally we wish to address in numerical order by criteria the following. Number one takes us to 11 and 30, the pre-accreditation versus provisional accreditation. The COCA has traditionally used the term pre-accreditation to recognize a candidate status prior to a school beginning operations or becoming eligible for title four funding. Provisional accreditation was similar to the current department's definition of pre-accreditation and is currently (unintelligible) to a five year process.

The COCA staff has already submitted for co-exchanges and that terminology to our commission to clarify our status clearly with the US department (unintelligible). And that will be voted on by our commission of (fair) meetings this weekend.

Wide acceptance by educators, practitioners, employers, (unintelligible) 13. The COCA is the only department recognized of (unintelligible) purpose given to the doctor of osteopathic degree. As noted we have 33 schools with over 26,000 students currently enrolled and those are - sites are all accredited by the COCA. In order to sit for any licensing examinations and become a licensed (unintelligible) in the US, a doctor of osteopathic status must (unintelligible) school. Employers include our (unintelligible) or residency (program) recognized schools (unintelligible) and in fact they (unintelligible) 99.6% of graduates (unintelligible) medical schools in (unintelligible) found employment in (unintelligible) residency training program.

We have (unintelligible) agents for this (unintelligible) and due to the widespread of students of (unintelligible). However it was brought to our

attention that we need to provide (external) leverage support and will do against (unintelligible).

Next is the (unintelligible) 602 15AC. It was brought to our attention that our site team member (unintelligible) on (unintelligible) schools on clearly labeled according to the (unintelligible). Our team members do consist of academic (unintelligible) so we have already (unintelligible) for their database and (unintelligible).

Next one is (unintelligible) and that is (unintelligible) A. The (unintelligible) is fully compliant for practitioners from prior schools to come into full compliance with health standards (unintelligible). So our current process is that within 24 hours the single standard being found out of compliance the school is notified, formal (unintelligible) of the school notifying the exact (unintelligible) standards found out of compliance and the (unintelligible) for initial compliance report.

For agency policy and compliance reports it's submitted to (unintelligible) three times a year until all standards for (teams) compliance. So as (unintelligible) two years to bring any and all standards to compliance. The progress towards that compliance monitors using a special second grid that our staff maintain. However during (unintelligible) monitoring, COCA is not necessarily placed the school on accreditation with (warning) our accreditation with probation status. We believe that those decisions should be made when the quality of the educational program and schools is (unintelligible). That may have been based on a single standard being found out (unintelligible) standards to be (unintelligible).

But if the COCA determines at any point in time that the quality of the school is at jeopardy and (unintelligible) decision will be (unintelligible) and school

will end (unintelligible) again. The (unintelligible) monitoring via compliance report may be subject to additional site visits. Again, all standards must come into compliance within the timeframe stated by the rest of the criteria.

The last thing again associated with that (requirement) but we make notification when a school is placed on accreditation with warning status or other non-compliance status. COCA obviously is committed to transparency, our standards, documentation (unintelligible) are also (unintelligible). Our commission meetings are open to the public. However we have had (unintelligible) accreditation status informing it has remained confidential. But after review of the proposed guideline letter, April twenty-sixteen, the COCA does have plans to modify the policies regarding (unintelligible) notifications and we will be proposing the three category notification plans outlined in that letter to our commissioners at their meeting this week for approval.

We're happy to address any questions you all may - might have for us. Or respond to any of the questions at any point in time that you would like us to.

Susan Phillips: Thank you very much. There's a - just a quick comment there are some issues on the telephone line as you speak so we may have to ask you to repeat yourself, forgive us for doing that. But thank you for your comments. Primary readers do you have questions for this agency either general questions or questions from the first three sets of questions out of the project? Simon or Rick?

Simon Boehme: I have - go ahead Rick.

Rick O'Donnell: No go ahead Simon.

Simon Boehme: Alright well thank you for speaking with us today and it was difficult for me to hear part of your presentation and I was unsure if it was just me so I didn't say anything. But could you speak with specifically about the plan, about the notification and what you plan to propose to your Board of Governors later this week or next week?

Alissa Craft: Absolutely, so currently our standards or our notifications include the typical notifications to both our schools and the US Department of Education at the completion of each and every meeting. And we notify the department if a school is found to have an adverse decision made against them such as accreditation with probation or the need to withdraw accreditation. And up until now we have reported accreditation with warning as a confidential status so the agency reporting has just read accreditation.

Moving forward we intend to ask our commission to approve a policy that would have us notify the agency or notify the US Department of Education under the following kind of three categories. Number one is full accreditation, no standards found out of compliance. Number two would be full accreditation with individual standards found out of compliance and the projected monitoring for those standards. And then number three would be accreditation with kind of heightened monitoring or accreditation warning or probation which would include describing exactly what situation the school is in, what standards were found out of compliance and what led to that decision.

And so that would be - all become part of our notification to the department and we would go ahead and make any adverse decisions such as probation or the - a risk such as withdrawal of accreditation. Obviously the public as per requirements.

Simon Boehme: So it would be fair to say that as it currently stands you have a two tier system where you have a warning system - a warning is tier one and then tier two is probation (unintelligible), is that correct?

Alissa Craft: That would be correct.

Simon Boehme: How many institutions in the past and maybe if you have data on this, three years, five years, have been put into that metaphoric or tier one warning?

Alissa Craft: So we do watch all of our institutions exceedingly closely because there are only at this point in time 33 institutions to monitor.

Simon Boehme: Right.

Alissa Craft: We have put one school in the last five years on warning. We had another school that came off of warning just at that five year mark. And when those schools do go on warning they again are subject to the three time a year compliance reporting as well as potential increase by visit that can be required by the commission. The most recent school has undergone annual site visits until they were able to bring themselves into compliance with all standards.

Simon Boehme: Okay and have you ever removed a school's accreditation?

Alissa Craft: No sir we have not.

Simon Boehme: Okay thank you.

Susan Phillips: Any further questions by primary readers?

Simon Boehme: I can go through the pilot questions if that would be appropriate to do?

Susan Phillips: Sure.

Simon Boehme: The first question is (unintelligible) is interested to know about certain metrics, particularly percentage of eligible grants, percent of (unintelligible), graduation rates and how - or when the metrics were established, what process was used to determine the cutoff figure and if there is or has been a (unintelligible) analysis to determine the reliability and (unintelligible) use. And we'd also be interested to learn how agencies might best establish clusters or groups.

Alissa Craft: Yes sir, so in terms of outcome and student achievement we monitor carefully the following. Number one, licensing exam passage rates because that is both a requirement for graduation from our schools but also as well as a requirement for ongoing success in the educational/employment process. And so all of our schools are monitored annually with their licensing exam pass rates they submit those to us directly and then they are verified by the National Board of Osteopathic Medical Examiners for validity. We also monitor graduation rates again as submitted by the schools. We then monitor entry into graduate medical education or residency program which is considered a physician's initial employment.

So in twenty-fifteen we had a 99.4% entry into graduate medical education for our graduates and in twenty-sixteen that number was 99.6%. That is monitored and maintained by both the schools as well as the American Association of College of Osteopathic Medicine and verified for us by the National Matching Service and National Residence matching program. Its two programs that match residents into the graduate medical education program.

We believe overall that provides a very accurate assessment of student's ability to move on to become successful physicians and provide safe and effective care to our public. From a title four perspective and student loans perspective we do monitor student's debt rate but have not done much yet in terms of overall reporting other than to monitor those, work with our individual schools and ensure that the default rates remain at the current low rate of 2% to 4% for the schools that we serve as titles for gatekeepers for.

Simon Boehme: Okay and in terms of student achievement you were found out of compliance for that and I guess into the broader question how does your agency address success with respect to student achievement? Why was this strategy chosen? But also if you could maybe specifically discuss as well some of your out of compliance particularly that your narrative did not mention the presentation in the separate parts of the review of the self-study by the commissioners. And what role that plays in decision making.

Alissa Craft: So the - in terms of student achievement data and how it relates to self-study documentation we collect our student achievement data as described before both as part of the self-study and mid-cycle reports that are submitted by the schools but we also require that schools submit those separately annually. So there's actually an annual review of that data that occurs.

The - when a self-study or mid-cycle report is submitted it goes to the site visit team and is utilized by the site visit team as part of the site visit. Dr. (Harris) (Unintelligible) was on a site visit and was able to witness that. That same self-study and or mid-cycle report also goes to our commissioners where we have two readers such as (unintelligible) here at (unintelligible) and they must read and submit a review of that. And compare the review of that self-study document to the site that's a report as created by the peer evaluators.

And then lastly all commissioners are provided a copy of the self-study and the site visit report to review the findings prior to the commission discussion and deliberation. So that is how all those things feed into accreditation decision.

The decision to use those items that we have used for our outcomes and achievement really are related to the fact that those are considered national metrics by state licensing boards, state medical licensing board, by ongoing board certification requirement and by the public as an estimation of safety and confidence of their physician.

Simon Boehme: Thank you.

Susan Phillips: Any further questions? We can open it to other (unintelligible) member questions of this agency.

Kathleen Sullivan Alioto: Yes, (Kathleen).

Susan Phillips: (Kathleen)?

Kathleen Sullivan Alioto: I'm wondering if in the last five years your agency has been involved in any legal actions that we should know about.

Alissa Craft: No ma'am there's - there've been no formal complaints submitted about our agency and no legal action taken against our agency.

Kathleen Sullivan Alioto: Good to hear, thank you.

Susan Phillips: Thank you. I have a list here of Nicole Harris, Art Keiser, Anne Neal, and John Etchemendy some of those may be (unintelligible) positives but let me go through that list again. Nicole?

Nicole Harris: Yes I just wanted to add to Simon the out of compliance in 602.16 area mainly was documentation related just so I could review the different types of accrediting - accreditation that they do to ensure consistency of application of the rules and regs that they have.

Simon Boehme: Great thank you for the clarification.

Nicole Harris: No problem.

Susan Phillips: Art Keiser is - were you wanting to speak?

Arthur Keiser: No I'm fine thank you.

Susan Phillips: Okay, Anne Neal were you wanting to speak?

Anne Neal: No I don't thank you.

Susan Phillips: Okay, just checking. John Etchemendy?

John Etchemendy: Yes I have a - I just have a small question and I don't know if the agency can answer this. But I noticed that on our data that there's virtually no data on any of the institutions that they accredit and I'm just curious if they know why that is. If the institutions are not providing that data to the national clearing house why are there only - why do we not have data on graduation rates and default rates and so forth?

Susan Phillips: That may be a question for Jennifer.

Jennifer Hong: Yes I'm here, thanks for asking that (John). So if you look at the accreditor dashboard you'll see that there's only data for the two institutions that are participating in the title four program for loan volume. All the other metrics because this is for osteopathic medicine they're not undergraduates, you won't see data for those other institutions. The agency is recognized for title four purposes for only a couple of institutions.

John Etchemendy: Okay thank you. So that's - now I understand why we don't have the data but then as a question to the agency representatives I understand that you do nonetheless monitor the graduation rates and monitor the passage rates and so forth. You collect that data yourself?

Alissa Craft: Yes sir, we do collect that data, we have our school submit that data to us and then we do independent verification of that data from primary sources such as the National Board of Osteopathic Medical Examiners or the American Association of Colleges of Osteopathic Medicine. Or the licensing boards or federation state medical boards.

Kenneth Johnson: And I, Dr. Johnson, I would just add that that's looked at both individually and collectively using a standardized dashboard.

John Etchemendy: That's - that's terrific. And do you have - do you have benchmarks that you use to assess the data against?

Alissa Craft: We do. So in terms of for instance our licensing examination data that - those are national exams that are valid and reliable as per the national (unintelligible) medical examiners. And essentially annually we take the national pass rates and standard deviation and we ensure that our schools are

remaining within a standard deviation or two. And if they are more than two standard deviations below the mean on that data they are asked to come in and present additional information to the commission describing why and may be subject to accreditation action relative to that.

For something like graduate medical education placement we expect them to maintain a 98% placement over the three year rolling average.

John Etchemendy: That's terrific, I commend you on that.

Alissa Craft: Thank you sir.

Susan Phillips: Thank you, any other questions of this agency by members? I don't believe that we have any third party comments for this agency. Any further department staff response?

Woman: Not at this time.

Susan Phillips: Thank you. (Unintelligible) motion and discussion and vote are the two primary readers interested in advancing a motion for our - the consideration of the committee.

Rick O'Donnell: Yes, this is (Rick O'Donnell); I would move the staff recommendation that we continue the agency's recognition as a nationally recognized accrediting agency. And for one year and having it come into compliance with 12 - within 12 months. Not very articulate but the staff recommendation.

Simon Boehme: Full support.

Susan Phillips: Thank you and was that a second I just heard?

Simon Boehme: Yes.

Susan Phillips: That was Simon, yes, alright. Any discussion on this motion which is now on your screen? Seeing no hands let me move to the roll call vote. Again I'll go in alpha order, aye or nay. Kathleen Sullivan Alioto.

Kathleen Sullivan Alioto: Aye.

Susan Phillips: Simon (Unintelligible)?

Simon Boehme: Aye.

Susan Phillips: Jill Derby?

Jill Derby: Aye.

Susan Phillips: Bobbie Derlin?

Bobbie Derlin: Aye.

Susan Phillips: John Etchemendy?

John Etchemendy: Aye.

Susan Phillips: (George French)? Art Keiser?

Arthur Keiser: Aye.

Susan Phillips: Anne Neal? Anne Neal? (Rick O'Donnell)?

Rick O'Donnell: Aye.

Susan Phillips: Art Rothkopf?

Arthur Rothkopf: Aye.

Susan Phillips: (Cameron Staples)?

Cameron Staples: Aye.

Susan Phillips: Ralph Wolff?

Ralph Wolff: Aye.

Susan Phillips: And Frank Wu.

Frank Wu: Yes.

Susan Phillips: (Fredrico Zaragoza)?

Okay, motion carried thank you very much. We'll move to our next item which is the (unintelligible) of recognition of the Council on Occupational Education. For this our primary readers are Arthur Keiser and Cameron Staples. Department staff I understand is Valarie Lefor; I know there are a number of agency representatives including Mr. Puckett, Mr. Johnson, Ms. Sheldon and Mr. (Dickerson). I understand we have no (recusals) for this agency so let me invite the primary readers to introduce the agency's application.

Alissa Craft: On behalf of the COCA we just want to thank you and we're going to sign off the call.

Susan Phillips: Thank you very much.

Cameron Staples: Thank you Susan this is Cam, I'll introduce the agency. The Council and Occupational Education is a national institutional accreditor. Its current scope of recognition is for accreditation and pre-accreditation of post-secondary occupational education institutions offering non-degree and apply to associate degree programs in specific career and technical education fields. It was originally established in 1968 as a committee of SACS, for Southern Association of Colleges and Schools. Ultimately became the Commission and Occupational Education in 1971. They currently accredit 534 institutions and 57 (unintelligible) institutions in 39 states, the District of Columbia and Puerto Rico.

The last full (unintelligible) of the agency was conducted at the June twenty-eleven (unintelligible) meeting and they are before us today on a petition for continued recognition for an additional five years. And I would defer to the staff for more reports.

Susan Phillips: Thank you, let's move to Valerie Lefor for the staff briefing.

(Valerie Lefor): Great thank you. Good afternoon Madam Chair and members of the committee. For the record my name is Valerie Lefor and I will now be presenting a summary of the petition for continued recognition submitted by the Council and Occupational Education referred to as COE or the agency.

The staff recommendation to the senior department official for the agency is to renew the agency's recognition for a period of five years. Based on review

of the information in the agency's petition, supporting documentation and observation of a site visit in May twenty-sixteen departments that found that COE is in compliance with the (unintelligible) criteria for recognition with no issues or concerns. The department has not received any written third party comments and has received three complaints during this review cycle regarding the agency.

However the agency was not placed on the consent agenda for this meeting in order to discuss the information requested under the committee's pilot project. In summary, again the staff recommendation to the senior department officials for the agency is to renew the agency's recognition for a period of five years. Representatives from the agency are on the line and I'm happy to answer any questions that you may have. This concludes my report. Thank you.

Susan Phillips: Thank you very much. So we invite agency representatives to the microphones, thank you for joining us. If you can introduce yourself and make whatever comments you care to make.

Al Salazar: Madam Chair, committee member's thank you for the opportunity to address you regarding our request for renewal of recognition. My name is Al Salazar. I've been a member of the commission on the Council on Education for five years and I currently serve as the Commission Chair. Joining me today is Mr. Charles Johnson. Charles is a current commission member as well as a member of the Commissions Executive Committee. Also Dr. Gary Puckett, he is president and executive director of COE and Dr. Puckett will have some comments for the committee after the introductions.

Also with us is Ms. Cindy Sheldon, she is COE deputy executive director responsible for agency operation and policy compliance. And Mr. (Darin

Dickerson) legal counsel. With that Madam Chair I'll turn it over to Dr. Puckett for his comments for the committee.

Susan Phillips: Thank you very much.

Gary Puckett: Well this is Gary Puckett and I just have three or four brief comments. Of course we were you know on base at the June meeting and I made a few notes when Mr. (Mitchell) was speaking and I just wanted to share my thoughts with you on this. He used in his opening remarks he used four words that I took note of. One was accountability, one was transparency, one was trust and one was flexibility.

And it just happens that back in 2008 COE developed a set of core values and we have actually seven but it made me feel good that he mentioned the importance of four concepts that we dearly care about, accountability, transparency, trust and flexibility. Also wanted to just thank (Valarie) for her great assistance over the period. I'd like to brag on her more but I won't go too far because we had (Herman) before her and Jennifer before her and (Chuck) before that so I don't want to make too big a deal out of that. We might see them again at the next recognition. But I do thank (Valarie) for her great assistance. In fact she was proactive and answered questions that we didn't even ask so that was really great.

And also sounds patronizing but we believe in oversight. We believe that anybody or agency deserves to be reviewed and checked just in the same manner we check our schools. So we're in full support of obviously the staff recommendation and the whole process. And just to let you know for the record we worked really hard. So thank you.

And then both Cindy and I will I guess answering certain questions when and if they come up. So thank you for the opportunity to make the remarks.

Susan Phillips: Thank you very much for joining us. Primary readers, Art and Cam, any questions of the agency? Standard questions as well as questions from the pilot project?

Arthur Keiser: Go ahead Cam.

Cameron Staples: I'll defer to you Art go ahead.

Arthur Keiser: The comment is more that it's a very clean report even after the first initial review process there are only a few concerns that were addressed in the response by the commission so you should be very proud of that. And that's an important compared where we were a couple years ago and I'm really proud of what you've accomplished. Gary talk about the - you're the number of students that are that participate in the (PAL) program and do you feel that that has an impact on other parts of your institutions success rates?

Gary Puckett: We certainly do. If you don't mind on that particular point Cindy and I had sort of divided up the questions and I'll let her respond to that particular one. Or maybe I didn't understand - would you repeat the question?

Arthur Keiser: Considering the percentage of students that you have that are eligible...

Gary Puckett: Oh.

Arthur Keiser: In your institutions, do you feel that they have affected the student's success rates?

Gary Puckett: You know I wouldn't think so if I understand your question on that. You mean has it protected - has being (PAL) eligible affected the student's success rate?

Arthur Keiser: Yes.

Gary Puckett: I'm not - I wouldn't say so. Do you want to comment on that Cindy?

Cindy Sheldon: (Unintelligible) Cindy Sheldon. From the statistics we've gathered over 15 years actually we have to - I have to clarify a little bit. We've used two different methods over the past 15 years for measuring student success. We don't see any measurable differences between pell eligible students and any others. In fact it's remarkable how consistent our institutions reported data - it reported data is with respect to completers, placements and license (unintelligible). So no we don't feel like pell eligibility has any - any really substantial effect on the completion or placement rates for our institutions.

Arthur Keiser: Cam?

Cameron Staples: Yes I have no further questions.

Susan Phillips: Just to toss in the question about decision activities and data gathered by the agency if you could speak a bit to the what kinds of decision activities you've made, if there are any themes that you've noticed and what data you gather.

Gary Puckett: Well as far as the - as far as the particular decisions that we made, I'm flipping through some pages right here. Let me borrow yours. We're - we have a little chart here looking back 2011 through 2016 basically we've accepted over those years 286 candidates in the last five years. And we've accredited 232 and we've reaffirmed 305 over that particular period of time. We also have a record of our subsidy changes that we've made just in the year 2015 we

approved 2024 subsidy changes. That's everything from changes in existing programs through new branches and changes of ownership and changes of location.

We have taken - I've noticed there's been some questions about adverse actions which we're not - don't mean to present these in a proud way but we have really - we have really taken our decision seriously and in 2016 we have done - we have actually denied four institutions for candidacy, denied two for accreditation and dropped two schools just this year. And we had I think 16 adverse actions the year before and we have several institutions that we've put on probation and warning. So we are trying to uphold the quality of the institution and taking decisions seriously.

Susan Phillips: Thank you very much. Primary readers do you want to pose the question about student achievement? Or should we have other members do that? This is a question of how your agency addresses the success with respect to student achievement in the institutions that you accredit.

Gary Puckett: I can share with you how we came to use the particular standards. Back in 2011 - one of the big changes we used to do a (unintelligible) standard deviation for all the programs in the institutions but in our last review we were basically required to have each program stand on its own. And so we went through a pretty rigorous review of other accrediting agencies standards and we relied on the professional judgement of our own commissioners and we did a five year study of the statistics in our own schools.

And so we set a completion rate of 60%, the placement of 70% and the license or pass exam for 70%. So for the last five years we've had a 60%, 70%, 70%. And at first it was really tough on our institutions because they had been able to cover some of the lower performing programs through an average. But

when each one had to stand on its own there's - we've had several non-performing programs close and so I think you know I didn't really like that procedure, I must admit, but looking back it was the right thing to do because now only institutions offer programs where there's a better chance of placement and becoming a productive citizen and a tax payer. I think Cindy might add one or two other finer points to what I just said.

Cindy Sheldon: Yes this is Cindy Sheldon again. Dr. Puckett is correct in that we did change our method. I referred to that in my first remark for measuring student achievement benchmarks from an institutional method to a programmatic method. Since 2011 when we implemented that new method we've had 51% drop in triggered programs. Most institutions choosing to close triggered programs or taking extraordinary steps to improve their performance.

And it also helped tremendously to apply a more finite deadline as required by the secretary's criteria, it motivates institutions to get to work and collect data that as evidence of results very quickly so that the council can do its job in either clearing any monitoring statuses we place institutions on or prompting the institutions to close the programs if they don't offer to do it first. So it has really cleaned up the performance of the programs and it also focuses the institutions resources in the areas where they're most effective for programs that cannot complete, place or prepare students for life insurance exam pass rates at the minimum benchmarks which are 60, 70, 70 respectively.

It really forces an institution to use its resources most effectively and that's really a benefit to our members. So yes while it's changed we feel that these programmatic levels benchmarks are really effective and I think in the end appreciated by our membership.

Susan Phillips: Thank you very much. Other (unintelligible) member questions that you may have of this agency? Seeing none we do not have any third party comments for this agency, department staff have any further response or comment?

Woman: No nothing additional thank you.

Susan Phillips: Thank you.

Ralph Wolff: I just, Susan one small question for me, (Ralph).

Susan Phillips: Yes?

Ralph Wolff: First of all I want to thank you all for your presentation and for the materials you submitted. I'm just curious to know the average size of - or range in sizes of the institutions and the percentage of non-degree versus - or certificate and degree granting students. Just to get a scale I was a little surprised in (ACCSC) the relatively small size of the institutions that they accredit. And I just - just a little more background on the types of institutions you accredit. Thank you.

Gary Puckett: We're I think unique is the proper word for this. We basically accredit four types of institutions. One is public about 40 years ago they called them vocational schools but most states they've evolved into either technical centers or technical colleges. So we accredit some - well about roughly 50% of the schools are - maybe a little less than 50% are public and they would be large schools with campuses that some of them even look like a community college. We also accredit some smaller for profit institutions that might have 50 students. And then we have about 40 federal institutions including the department of army and navy and department of defense.

So we have a wide range of institutions. So you know the smallest, Cindy do you have an idea of what the smallest - he's looking for a range like we might have some you know single small private corporations with just one program in business up to a public school say in the state of Florida with 40 programs. So there's a wide range.

Cindy Sheldon: And Dr. (Ralph) this is Cindy Sheldon. The vast majority of your institutions are in the mid-range with up to 50 students, at least those that complete annual reports and that would exclude our federal membership which our federal institutions, army, navy, department of defense, joint services, they can be rather large excluding those members. Our institutions enroll an average really of about 100 students if you look at the mid-range. The number of programs offered by our institutions on average is in the low 20's - 23, 22 programs per institution but we have some you know on either end of that scale some pretty large ones, institutions - a couple of institutions in the state of Florida, public institutions have several thousand enrolled students and up to 89 programs - different programs offered.

And then on the other end of the scale single private, single program institutions like cosmetology schools that are run by proprietors and (unintelligible) students in any given term. So we've got quite an interesting variety in membership and sizes.

Gary Puckett: I think you also - I think you also asked about associate - or about degree level. I think we have about 15% of our institutions that are degree granting.

Ralph Wolff: Thank you, by the way it's Ralph Wolff that's asking.

Gary Puckett: Yes.

Ralph Wolff: And one further question - of course now I've just forgotten it, it'll come to me in a second. Are any of your institutions dually accredited by (SACS) or regional or by cosmetology (unintelligible) or only by your agency?

Gary Puckett: We have some public - we have a partnership with advanced where we accredit the public schools in Florida and with the western association as well...

((Crosstalk))

Gary Puckett: The nursing.

Cindy Sheldon: ACEN.

Man: ACEN.

Gary Puckett: Oh yes I'm sorry, and then we - well that wouldn't be dually accredited. Some of our nursing - some of our institutions are accredited by ACEN.

Ralph Wolff: Right, great thank you very much.

((Crosstalk))

Susan Phillips: Art? Arthur?

Arthur Keiser: Yes have you've got me Susan?

Susan Phillips: Yes go ahead.

Arthur Keiser: I just double back to the question that (Ralph) just raised and that is when it comes to let's take cosmetology and it may not be the only field in which this is an issue. But to what extent do you check and see the extent to which there are actually positions available for students who enter those say cosmetology programs. Are there positions available to students? And if so do you keep track of the extent to which those positions might be filled? Or are there really positions available? I know it's a question I've asked of other cosmetology groups and I actually hadn't focused on the cosmetology as one of your areas. To what extent are there jobs available in the particular market that would justify these programs?

Gary Puckett: That one is a tough one. The cosmetology is probably the hardest - is one of the programs with one of the hardest placement because a lot of those (grades) which are self-employed and - but you have to - we don't do any preliminary studies before we approve a program but it takes - what we rely on is the outcomes of the program and you know I would say there's you know in a reasonable market for that. But the tough thing is getting a lot of students do that and they don't really want to go to work for a firm, they want to work for themselves. And it's hard to report on that.

So - but we have seen several, well I don't want to use the word several, some cosmetology programs close because they didn't have the student outcome performance. So this focus on individual program performance is a way - really a way to trim back low performing programs.

Arthur Keiser: Yes I hear what you say but I'm a little puzzled as to how you can continually put more students into the programs if you're not confident or reasonably confident that these people can get positions. I just - I guess I have a little trouble understanding that.

Cindy Sheldon: Yes Dr. Ralph Wolff, Cindy Sheldon again. We expect institutions to - by the way when a program is triggered, say it's cosmetology and placement by the way is most frequent trigger of all triggered programs, when programs fail to meet a benchmark it usually is in placement. So we expect institutions to take the right steps and offer workshops and guidance on improvement plans that help programs if they don't already have an improvement plan. And with placement triggers, number one is to be sure that you have the market in your community to absorb your producing.

And like Dr. Puckett was saying, when a program is triggered on placement whether it's cosmetology or any other occupation, naturally that would be the first thing to look at. Are we producing too many graduates to be absorbed by our community, by the market? And if so, some of the steps in institution might take are reducing enrollment to take a more limited number of enrollees each term that they enroll. And that's one way to help a program survive a triggered placement rate. If institutions fail to do that however they are forced to either close the program or risk losing accreditation by the council for the entire institution.

So there is motivation for the institution to take those kinds of steps, limit enrollment, examine their job market more thoroughly and be sure that they're producing the - an adequate number of graduates for the market they're in.

Arthur Keiser: Yes okay I hear it, I'm just not, I'm not convinced between the answers that I get a consistent answer as to whether if there isn't a market then the program doesn't go forward. I guess I'm not convinced but we can move on.

Susan Phillips: Thank you, other committee questions for this agency?

John Etchemendy: I have a follow-up, this is (John).

Susan Phillips: Yes, please.

John Etchemendy: So this is John Etchemendy. This is actually a follow up on Arthur's question or at least something that's inspired by it. I think Mr. Puckett said that a certain number of perhaps many of the graduates in some of these programs are self-employed and that makes me wonder how you distinguish between self-employed and unemployed when you're looking at the placement data. So I assume that the placement data is generated by the institution. And how do you know that the institution is sort of honestly reporting on that when they presumably could count many of their graduates as self-employed and hence having been placed? How do you deal with that issue?

Gary Puckett: Well first of all I didn't mean to imply being self-employed was not a good thing. I guess I couldn't find the right words. Sometimes students don't really - they complete the programs, they work without reporting so to speak but when we - the way we verify that when we send visiting teams to institutions you know we do a sampling of the students and try to call them and follow-up on them and do - and survey them to find out that they are working. And we you know we depend on the institutions to tell the truth. Some - sometimes they do not and - but we are trying to implement measures to help schools tell the truth.

This year for the first time we implemented unannounced visits. So we are - one of the things that we are checking on our unannounced visits is basically an audit of the annual report. Following-up on you know completion, placement and follow-up statistics. And I would you know grant you that there's probably some untruth reported but we're doing all we can do help them stay honest.

John Etchemendy: And when an institution falls below the 70% placement rate what happens? At what point do you express concern, at what point do you put them on notice, at what point do you retract accreditation?

Gary Puckett: Well there are - the regulations basically spell out that a program cannot be out of compliance over a certain period of time. I think there's three levels of compliance depending on the length of the program. So when a program falls below the benchmark we present that to our board, to the commission and we take an action and we place them on warning. And depending on the length of the program they have that - they have that length of time to come into compliance and we expect interim reports on how they're doing in the interim. So they can only be out of compliance by a link specified by the department depending on the length of the program.

Cindy Sheldon: And if I might add to that, as they approach the end of their compliance program the allowable time for improving program performance within three to six - three - actually its three to four months before reaching that compliance deadline we place them on a probation status. Now the council has several violation categories restrictive and non-restrictive. Warning status, a non-restrictive violation which means that institutions can continue to host accreditation teams if they're working on them under warning status, they can submit applications for substantial change approval while they can - while they work on their triggered program issues.

However when probation is implemented that is a restrictive status, it stops all approvals, all team (business) and consideration by the commission of anything other than the issue at hand which is serious enough then within three to four months of the deadline to potentially cause the institution to lose its accredited status. So we've had no institutions to date that have been dropped due to a program trigger. Every institution that's been notified of a

warning or probation status has resolved the situation either through closing triggered programs or improving their performance enough to meet the benchmark.

John Etchemendy: So the benchmarks are actually bright lined.

Cindy Sheldon: They are.

John Etchemendy: That is if you fall below the benchmark than you are out of compliance.

Cindy Sheldon: That's right.

John Etchemendy: Terrific, great. That's all thank you.

Susan Phillips: Thank you, any other questions for this agency? Seeing none I'll move to invite a motion. I understand Art you're going to make - primary readers have a motion to offer for this...

Arthur Keiser: I'm sorry I was on mute.

Susan Phillips: I'm sorry.

Arthur Keiser: To make a motion to renew the agencies recognition for a period of five years.

Susan Phillips: Okay, any further discussion? Seeing none I'm going to go to the roll call vote, aye or nay, this will be alphabetical. Kathleen Sullivan Alioto?

Kathleen Sullivan Alioto: Aye.

Susan Phillips: Simon (Unintelligible)?

Simon Boehme: Aye.

Susan Phillips: Jill Derby?

Jill Derby: Aye.

Susan Phillips: Bobbie Derlin?

Bobbie Derlin: Aye.

Susan Phillips: John Etchemendy?

John Etchemendy: Aye.

Susan Phillips: (George French)? Art Keiser?

Arthur Keiser: Aye.

Susan Phillips: Anne Neal?

Anne Neal: Yes.

Susan Phillips: (Rick O'Donnell)?

Rick O'Donnell: Aye.

Susan Phillips: Art Rothkopf? Art you may be on - Art Rothkopf? (Cam Staples)?

Cameron Staples: Yes.

Susan Phillips: Ralph Wolff?

Ralph Wolff: Yes.

Susan Phillips: Frank Wu?

Frank Wu: Yes.

Susan Phillips: (Fredrico Zargosa)? Okay motion carried.

Arthur Keiser: Susan it's Arthur, I may not have heard it right or I may not have heard it right or I may not be reporting but I'm a no on this one. I'm just not convinced.

Susan Phillips: Okay, so noted thank you. The motion carries, thank you agency representatives for joining us. Appreciate your time. Committee I think we can move to the next one unless I hear a loud outburst of needing for a break? Okay not hearing that let's move to our next...

Gary Puckett: Madam Chair if it's okay with you then we'll disconnect from the call.

Susan Phillips: Yes it certainly is okay thank you.

Gary Puckett: Thank you bye-bye.

Man: Susan I'll take the - if we're ready, I'll be the one to introduce TRACS which is the Transnational Association of Christian Colleges and Schools.

Susan Phillips: Terrific. That is our next and last agency for consideration, renewal of recognition, the Transnational Association of Christian Colleges and Schools.

We do have no refusals for this. And friendly readers are (unintelligible).

Please proceed.

Man: Okay. I'll give you just a brief introduction to this agency. And I am glad that we are able to deal with it today.

The Transnational Association of Christian Colleges and Schools is an institutional accreditor. Current scope of recognition is the accreditation and pre-accreditation, so-called candidate status, of Christian postsecondary institutions that offer certificates, diplomas and associate baccalaureate and graduate degrees, including institutions that offer distance education.

TRACS accredits or pre-accredits 54 institutions in 25 states. TRACS accredits or pre-accredits 67 institutions in 22 states and 5 foreign countries. Its accreditation provides a link to Title IV funding for 43 of its institutions and a link to Title III funding for four of its historically black colleges and universities or HBCU.

According to the accreditation groups, records department has not received any complaints about the agency during the current recognition cycle. Briefly on the recognition history, TRACS received initial recognition in July '91 and has maintained continued recognition since that time. The agency's last petition for continued recognition was reviewed spring of 2001 in NACIQI. And at that time, the committee considered the agency's petition for continued recognition, continued the agency's current grant of recognition or request that the agency submitted compliance report on several issues. Compliance report was reviewed and accepted by NACIQI at fall 2013. The agency's current submission is next regularly scheduled - the next regularly scheduled petition for continued recognition.

And now I think Rachael is the reader on this one, the (unintelligible).

Susan Phillips: Thank you very much. Rachael Shultz, our department staff briefing.

Rachael Shultz: Good afternoon. My name is Rachael Shultz and I will be providing information regarding the staff recommendation for the Transnational Association of Christian Colleges and Schools or TRACS.

The staff recommendation to the senior department official is to continue the agency's recognition as a nationally recognized accrediting agency at this time and require the agency to come into compliance within 12 months with the criterion cited and submit a compliance report due 30 days thereafter that demonstrates the agency's compliance.

The staff recommendation is based upon its review of the agency's petition and supporting documentation, as well as additional documentation provided by the department's Federal Student Aid office, or FSA, and the staff's observation of a TRACS commission meeting in San Diego, California in April 2016.

The agency has one finding related to the competency of its representatives. This finding was not included in the draft staff analysis but was added to the final staff analysis based upon documentation that was provided to the accreditation group by FSA after the draft staff analysis had been sent and the agency's response had been received.

As background, in 2015, based upon concerns raised by FSA, the agency revised its definition of "distance education" to conform to ed's definition of "distance education."

A recent FSA review of one of the agency's institutions found that as of February 2016, the agency's onsite review teams were still using the prior definition in their onsite review reports.

Therefore, it appears that the agency needs to update its onsite review materials to reflect its revised definition of "distance education" and also to retrain its onsite review team pool members in its implementation.

The agency currently accredits or pre-accredits 67 institutions but has had no complaints lodged against it during the current accreditation cycle. No written third party comments were submitted regarding the agency's petition.

In closing, as I stated previously, the staff recommendation to the senior department official is to continue the agency's recognition as a nationally recognized accrediting agency at this time and require the agency the compliance within 12 months with the criterion cited and submit a compliance report due 30 days thereafter that demonstrates the agency's compliance.

There are agency representatives present on the line today and we will be happy to answer the committee's questions. Thank you.

Susan Phillips: Thank you very much.

Let me invite the agency representatives to join us at the mic. I believe that we have several who are on the line. If I might ask you to make your own introductions and provide whatever commentary you'd like to provide to the committee.

Timothy Eaton: Madam Chair, I'd like to thank you and the advisory committee for this opportunity to speak. And for the record, I am Timothy Eaton, President of Transnational Association of Christian Colleges and Schools.

I'm also asking my colleagues to introduce themselves and their role with TRACS. And we'll begin with our chairman.

James Flanagan: James Flanagan, Chair.

Benson Karanja: Benson Karanja, Vice Chair.

Dr. Ron Cannon: Ron Cannon, Vice President of Operations.

Timothy Eaton: I would like to say we appreciate the assistance of Herman Bounds and his staff in the process of completing our petition and want to extend a special thanks to Dr. Rachael Shultz and her efforts on behalf of Transnational and our students. And we are truly committed to being in compliance with the federal regulations.

Transnational represents over 22,000 students at evangelical faith-based institutions of higher education. If you look at our federal scorecard, the White House College Scorecard, as well as our annual reports, the majority of our students enrolled have a family income of less than \$40,000 and report themselves as members of an ethnic minority. This means that TRACS students are more likely to be nontraditional adults or first-generation college students which actually places them, according to research, in a category that is in jeopardy because of lack of financial support, family pressures or inadequate academic preparation.

In spite of these obstacles, the average graduation rate for our institutions is at the national average as well as the retention rate. They're both equivalent. And our annual cost for our institutions is actually \$1000 less than the national average across America.

In addition to the ministry majors that you might expect, our institutions are training an increased number of graduates in liberal arts business, teacher education, social behavioral sciences, not-for-profit management and health professions.

Of those 67 accredited institutions, we, in addition, the total number of institutions we are working with in developmental way, there are over 110 institutions that have some relationship with TRACS.

As was mentioned by the report, more than 1/3 of our institutions do not participate in Title IV funding. However, we do have the HBCUs participate as well in Title III funding. And the scorecard reports four minority serving institutions. But in actuality, we have - in our annual reports, we have nine unique institutions were Asian, Hispanic, Native American, as well as African American students predominate the study body.

We're in the process of addressing the staff recommendation. And TRACS is intending on coming into compliance. And I'm going to ask my Vice President for Operations, Dr. Ron Cannon, if he would just go through those steps that we've completed and some that are playing in coming into compliance.

Dr. Ron Cannon: Good afternoon. Ron Cannon.

In response to the recommendation of Dr. (Schultz) in her report, we have already begun to take certain steps to address the issue in question.

First, we formalized an in-house checklist of all of the TRACS publications and forms, utilizing that checklist. A thorough review was conducted of all of our forms and publications to ensure that they accurately reflect the current definition of business education. That action has already taken place.

Additionally, there was a complete review conducted of our evaluation team reports and our focus team reports to ensure that the template used to put together those reports accurately reflects the definition as well.

Secondarily, a PowerPoint presentation was - is utilized at all of our evaluation team orientation meetings. We have gone and revised that PowerPoint presentation to make sure that it also not only accurately reflects the definition but that it emphasizes the current definition of business education so that the proper evaluation is conducted.

Also, the presentation that is used at our annual conference each year includes an orientation to the correct definition of "business education." We reviewed that PowerPoint to ensure that it is current and up to date and that updated PowerPoint will be utilized at our 2016 conference in October.

And finally, we conducted updated teleconference training on August the 12th and issued an invitation to all of our current peer evaluator pool members and had a significant percentage of those pool members call in, participate in the training and then to follow up by providing verification that they participated in the training. In preparation for this, a dry run of the presentation was conducted with our staff in-house; therefore, ensuring that the in-house staff is also aware of the updated training.

That concludes our preliminary remarks and we're available for any questions the committee may have.

Susan Phillips: Thank you very much.

Primary readers, questions of this agency, your standard questions as well as the first three sets of questions on the project.

Man: Well, first, maybe let me just ask one question...

Susan Phillips: Sure.

Man: ...to start with. And that is, to what extent are there other religious-based organizations that, in effect, that there are two or more groups that cover the same organizations? If I'm not making this very clear.

Are the people - are the institutions that are members of TRACS, are they - are there others who are members of other religious-based organizations? Or Christian-based organizations.

Man: There are two other organizations that do cover religious institutions. But neither organization has the scope that TRACS has. So in that sense - for instance, The Association of Theological Schools focuses on seminaries. And so they do not have the scope in the undergraduate. And so because of TRACS' scope, we are actually the single accreditor for the Christian-based institutions, you know, who have a graduate program attached to their college.

And so in that sense, our scope is distinctive. There also are some institutions who have accreditation with The Association of Biblical Higher Ed and others who have regional accreditation as well.

Man: Thank you.

Man: Yes. (Unintelligible).

Susan Phillips: Sure. Go ahead.

John Etchemendy: First of all, I have a comment. And that is that I'll bet you - whoever added the word "usually" had no idea how much work that we're going to cause you.

Man: Yes. That was a definition inherited from the days in which correspondence and online education were morphing and it just - yes, it has been eliminated and every staff person has verified that they have the correct template.

Man: Great. Good, good. So I have some questions about your - about the benchmarks on graduation rate and retention rate and placement rate. I, first of all, commend you on having purely defined benchmark and - but I have a question. The benchmarks, they say that if you fall below the benchmarks, so for example, take graduation rate for bachelor's programs, the benchmark is 50% or above. And it says if you're below that, then you're not in compliance and that you have to submit a plan for compliance.

I'm curious, when I look at the data for the actual institutions that you accredit, I noticed that - and we have this big spreadsheet of all of the various institutions. And I noticed that quite a number of them fall well below -- very far below -- the benchmark. So there's one that has a graduation rate of 5%, one that has a graduation rate of 8%. And I'm curious how you deal with that

and what does that - how am I supposed to interpret that? Are those institutions on notice? What's going on there?

Man: Well, the criteria for evaluation are not actually considered the standard. The standard is the - you know, we have 16 standards the criteria make up. So they basically are subdivision. And what we require is that every institution who is falling below those benchmarks that they have a plan for improvement and we expect to see improvement demonstrated.

What would happen is that if that continues, then we would begin to suspect that the - either the student services or the academic - or the, you know, maybe they're admitting, you know, candidates that are not actually appropriate for postsecondary ed.

But given our high - some of our institutions have Pell-eligible recipients who fall on that first generation or nontraditional students as high as 75% and 80%. And so because of our missional approach to raising students, you know, many of our institutions are really a gateway into higher education.

And so what we're looking for is that when the process is finished that the institution is a self-improving and self-perpetuating institution, so that those students, you know, they can improve their systems, improve their student services to bring those students up in those achieving areas.

The other thing that I have noticed is that some of those areas are, for us, are new reports. They haven't - you know, they've just come in to the system, their younger institutions who are less mature because I've looked at those records, too, with some concern. And so those tend to be the more - the newer institutions in the process.

Man: So, you know, it seems to me that with these very low numbers, the 5%, 8%, 10% and so forth, that even if they had a plan, that's a long way to go.

Man: Yes.

Man: I understand the point that you make which is a good point that if you're a Pell-serving - a minority-serving institution and you have very large number of Pell students, then you have - those students are at risk and it's much more difficult to provide them with the support that they need to complete.

But if an institution is only graduating 8% of its students, even if they are disadvantaged students, it seems to me those students are not being well served. And so, you know, I would be interested in knowing just how serious you are about applying those benchmarks and whether, for example, have you withdrawn accreditation based on a failure of graduation rate or placement rate or completion rate. Or has that not happened yet?

Man: The benchmarks are relatively new in our system. And so to-date, we have not dismissed an institution from accreditation. We have - we do have institutions that are in a monitoring process with the implementation of their plan.

Man: Okay. That's - I think that's fair enough and that's a fine answer. And I think that probably all accreditation agencies are kind of in the same boat because of this focus on completion rate is relatively new.

But I do encourage you to take this seriously and moving forward, as you get more and more data, to scrutinize the data and to be harsh with institutions that are not living up to your benchmarks.

Man: Yes. Now I would note, as an agency, our graduation rate is over 40% which is, you know, we're right after national average. And given the fact that we are working with a high-risk population, it is, you know, it is not - I don't think that that is endemic to the agency to have, you know, even though we're trying to help those institutions come along.

Man: I understand that. But the agency is not the institution of higher education. It's the - you accredit many, many institutions. Some of them are failing, it looks like. At least they're failing on this measure. And so the fact that you as an agency, if you look at the average overall, you're 40%. That's fine. But I think that's a misleading statistic. I think that you need to look at the institutions that are not doing well and solve that problem or remove accreditation from that institution.

Man: Yes.

Man: I mean, we understand. I mean, the point is well taken. I - okay. That's fair enough. I think your answer is fine.

Susan Phillips: Other primary reader questions from the pilot or otherwise?

Man: Well, I do. Let me raise my hand.

Man: I'm also raising my hand.

Susan Phillips: Okay. We're moving to other questions by NACIQI members. I have Ralph and Simon. I may have others. Let me check my hand count here.

Ralph, go ahead.

Ralph Wolff: Yes, hi. Thanks for your dialog. I think it's very important. And as everyone is trying to address benchmarks with some are farther along than others, just a couple of questions. One, do they independently - do all independently verify job placement, which I see is one of your benchmarks, or other data that is provided by the institution or rely on the institution to provide some verification process?

Man: We do not independently verify employment. You know, we - our stance is we're an institutional accreditor. That's not actually a regulation requirement but we do require it of our institutions and we do ask them to report that if - and if that - to be misleading or inaccurate for some reason, we would investigate the institution on the basis of an ethical violation which is one of our foundation standards.

Ralph Wolff: And the other question is, with your benchmarks, we have a good forum. And I should know this but is it - are you asking the institution to correct it programmatically or just to the whole institution?

Man: Currently, those are institutional collections. And most of our institutions are single purpose institutions and have limited programs. And so their programs would tend to follow, maybe fall under a single subject area or, you know, a very specific training area.

Ralph Wolff: I see. Thank you very much.

Susan Phillips: Thank you, Ralph. I have Simon and then Art Keiser.

Man: Thank you, Chairwoman. And I appreciate you guys being with us over the phone. I found your testimony interesting but mostly disappointing. And I

appreciate my colleague's John's questioning and pointing out such low graduation rate among some of your institutions.

A few NACIQI meetings ago through the Higher Learning Commission, someone similar to you, when we were discussing Chicago State University, seemed as though or alluded to the fact that it's not the university's fault for the low performance and the low graduation but rather it was Chicago public schools.

And when I hear you say that you're dealing - and I believe you used the word "immature" but high-risk populations, such as first-generation students, while understandably educating and ensuring first-generation college student success requires more resources, what responsibility then, therefore, lies with the accreditor should be more support and, as John said, ensuring that your standards are being met.

And if it is true that these standards are fairly recent which, I mean, I'd like to hear more about and hear specific years, you know, dates when these policies were implemented, then I need to hear, when you are going to come back in front of this committee, what specific steps you are taking to ensure that these students are graduating because right now, your answer is unacceptable because an agency can only see things and examine from its strongest institution to its lowest performing institution.

And what I hear is just - and I appreciate you saying that that John's point was taken but I also just hear this flipping attitude that, you know, things will eventually work themselves out. It sounds as though that there are some really serious institutions and I think we should be hearing a lot more from you and how you're going to deal with those institutions.

Man: I understand. And if it was perceived as flipping, I certainly would apologize to the committee. I wanted to make sure that the committee member understood that I took his point very seriously.

Man: So in terms of these institutions, can you start talking me through specifically when you implemented these standards and are these - some of these institutions that John has referenced? Are they going to come up for review soon or are they five years down the pipeline?

Man: The actual standards have been implemented. This was our first full year with the standards implemented. The previous year they were instituted that they would not have appeared on the annual reports. I do not believe. And so we are actually in the second year of implementation and we will take this to heart and we will go back and examine which - where those institutions are in the process.

Every institution that falls below the benchmarks is required to submit a plan. The staff reviews the plan to make sure that it does appear to be reasonable, that they are focusing the institutional research sources on helping the students and that there is - there are benchmarks so that we can identify progress within the institution.

Man: Okay. I appreciate that. I just think it's very important that, you know, hard work is hard. And how our education - and why our education system is number one is because we strive to educate everybody and try to provide opportunities and accreditors have a certain responsibility with that. And we cannot say and continue to create excuses. And I'm not suggesting that you are the only one or that you're doing - but just because there are at-risk students at an institution that is permissible for the institution to not reach the

standards. We have to help them. If accreditation is supposed to work in its current model, then there has to be that peer review and support.

Man: Thank you. We will do our best - as I stated in my opening remarks, we will do our best to comply with the expectations...

((Crosstalk))

Man: ...we will continue.

Man: Thank you.

Susan Phillips: Thank you. I have Art Keiser.

Arthur Keiser: I have a question. I'm not sure - I might have missed it at the beginning in Rachael's presentation. But when I read the report, I looked at the initial submission. There are almost 75 non-defined areas. Is there a technicality there that I missed?

Woman: That was due to the - we expect a certain type of wording for the agency to attest to the fact that there have been no changes since the last review and that was lacking in the draft submission. So we just asked them to go back and restate that the attestation that there have been no changes since the last review. So that was more of a housekeeping item than a compliance issue.

Arthur Keiser: Okay, thank you.

Susan Phillips: Any other questions for this agency?

Anne Neal: I do.

Susan Phillips: Anne Neal, yes.

Anne Neal: Yes, I want to follow up a bit more on my colleague's previous questions about my concern as well with what appears to be a very high gap level on the (unintelligible) students and a very difficult and often very low graduation rate. I understand that you have a very high retention rate and so that will implicate - is implicated in the ultimate outcome. But I do hear a concern that the first generation, nontraditional students that you are serving -- and thank you for doing so -- are nevertheless the ones who are most confused of when they attend an accredited school and assume that that means that they will succeed. I'd like addressed that for me.

Man: Well, you are speaking to first-generation college student who entered higher ed in one of those invisible college and, you know, graduated institution very much like the institutions I serve now. I do have two graduate degrees from regionally accredited institutions, plus a PhD from a regionally accredited institution. So I am very aware of the path that is required for a first-generation college student to follow in order to succeed.

Our institutions are highly missional. They are very focused on the success of those students. And so I continue - we will continue to help our institutions focus on following that path.

And I - as I look at our debt, our debt appears to be below the national average. It looks like \$10,000 to \$12,000 below the national average of default rate, many years as a single digit. I think now it's at 11. So it's around there. So I would - our numbers show that our debt is about \$22,000 for the average student, national averages mainly, you know, in the 30s somewhere.

Susan Phillips: Further questions for this agency?

John Etchemendy: Susan, this is John.

Susan Phillips: Yes?

John Etchemendy: I just want to add one - make one point that I actually made before but as a follow-up to Anne's question. And that is I think it's really a mistake to focus on the agency's data, the agency's medium debt or the agency's default rate because that - what we're doing is we're providing an assurance that the quality of institutions of higher education. And so if you look at the agency level, the students aren't enrolling in TRACS. They're enrolling in the individual institutions.

And so justifying something by saying "Well, our average numbers over the entire gamut of our institutions look okay," I don't think that's the way we should be thinking about this. We need to think about it as what are the worst - the problematic institutions and are they serving their students because, as I say, you don't have students. Your institutions that you accredit have students.

So that's just a repeat of something I said before. But I heard you kind of re-expressed this idea that our - that we're doing as well as other agencies. I don't think that's an adequate answer.

Woman: Yes.

Man: No, I was just making a statement about according to the White House scorecards, typical debt is \$22,000. I mean, that's what was reported not by us. That's not our data. I would just like to make that clear that that's not our data. That's what we brought from the White House scorecards.

John Etchemendy: Let me just make the point that if you - looking at your data, averaging your data as an agency is not the way to look at it. Suppose I were an accreditation agency and I accredited two institutions. And one of them had a graduation rate of zero consistently and the other one had a graduation rate of 100% consistently. Then your agency graduation rate on average is 50% but that shouldn't make me feel good about what you're doing because you're accrediting this institution that is not serving its students. And so the - looking at the agency average is not the right thing to look at.

But, look, I won't let you off the hook. I think that, you know, I'm going to support the motion of the staff. And I think that you're not in any worse shape than most accreditation agencies. So I'm sorry I've been a little harsh.

Man: I would just like to share with you that we will continue to improve our processes. You know, I've been with the agency over 20 years and we have made vast improvements in my experience. We will continue to do a better job on behalf of our institution and students. We take that very seriously.

James Flanagan: John, this is Jim Flanagan, the chair. We do appreciate the comments today and please don't think that we're not writing copious notes right now and making sure that we take every word that's being said back to the commission and work on these issues. We're taking this as instructive and helpful and thank you very much.

Man: Jim, let me just comment. It's troublesome because I think, in part, we're very supportive of what you all are doing. And the problem is that we're having trouble rationalizing that support to some of the things we've been saying to other agencies. It's - this is not easy. And particularly as the standards that are being applied to accreditors are being ratcheted up to a very substantial

degree. So I think - and I think you appreciate how difficult some of this is.
But I will take this step of moving the motion...

((Crosstalk))

Susan Phillips: ...hold on just one moment. Arthur just...

((Crosstalk))

Man: ...do that.

Susan Phillips: Just hold on one moment if there are any other questions. I did see Art Keiser's hand up. I'm not sure if that was an old hand or a current hand. And I also see Jill Derby's hands.

Art?

Arthur Keiser: Mine is down now.

Susan Phillips: Okay. And, Jill?

Yours is down also.

Jill Derby: Actually I just wanted to add a quick comment that I just wanted to add my voice to those who've expressed his concern over the - some of the numbers we've heard in terms of graduation rates. And I don't have anything to add because others have been articulate but it does leave me very - about some of these institutions. Thank you.

Susan Phillips: Thank you. Any other comments by committee members before we move on?

We do not have any third party commenters for this department staff. Any response to agency or comments so far?

Woman: No, thank you.

Susan Phillips: Before moving to Arthur for the motion, I just want to add a comment for our own reference as we have explored the pilot data that we have available and the information that comes from a scorecard.

Clearly, some of the concern that John Etchemendy was mentioning is one of the things that we ought to sort of put in our copper about what is the data that we want and the agency average data is sounding less compelling in this conversation than something like what's happening with ten lowest or the lowest 10%, something like that. It's a different metric than the ones that we have asked for today. But that's not an agency issue. It's an issue for consideration in our data gathering.

So with that, let me now go back to Arthur Rothkopf and invite a motion if he has one.

Arthur Rothkopf: Yes, I have a motion to endorse the staff recommendation. Can I make that motion?

Susan Phillips: Okay. Do we have a second?

Man: I second it.

Susan Phillips: We have a second. Any further discussion?

Simon Boehme: I have a discussion but I'm in line at the TSA right now. I just like to draw permission.

Susan Phillips: This is Simon, yes?

Simon Boehme: Yes. I just want to reiterate and just so my colleague, John and I think others and this is obviously something that I've been reiterating. I don't think we are being too harsh on an agency. I think this is one of the great things about this pilot program and by asking these questions is that we're further able to explore these deeper complex issues and I completely agree with John that there has to be a different way of re-examining this and continue to find better ways of getting better data and responding. So the agencies in NACIQI and institutions and students can have a better conversation about how to best use that data.

I, unfortunately, will not be supporting the motion. I think we need to have a motion that, A, it limits their ability to grant accreditation to future institutions, and B, I think we should have them come back if it were to be possible for the December meeting. Thank you.

Susan Phillips: Thanks. Further discussion?

Frank Wu: Yes, this is Frank. Just one comment.

This is a general observation. This has arisen repeatedly where NACIQI members have said "We really want to see agencies doing more to enforce with respect to low-performing institutions." I just have an observation and maybe in one of our policy discussions we could take this up. I worry that we're putting agencies into a very difficult position. I certainly agree we do want them to be tough, to be substantive with the low-performing institutions.

But from what we've been told, many institutions being smart and just go to court and because the accrediting authorities, I'm guessing, are typically smaller than or comparable in size, in financial terms, to the institutions they credit, you know, it's a pretty tough fight for them. So the observation is just if we're going to ask them to perform these tasks, the law has to be set up such that it backs them up because, otherwise, we're just dooming them to litigate until they go bankrupt or, you know, they have to back down when faced with - really fight the institution that wants to take them out.

So I'm not sure how to do that. But we can't ask them to undertake a task that we're not prepared to back them up on.

Susan Phillips: Thank you. Other comments before we move to vote?

Benson Karanja: Madam Chair, this is the vice president - vice chair. Is it okay if I make a comment?

Susan Phillips: Yes. Go ahead.

Benson Karanja: I just want to say that we, as an agency, we are very appreciative and we take serious all the comments that have been made here today. And what we look forward is to be a better agency and helping more schools to succeed. And we don't take it as a negative thing. We just want to do the right thing as required or to make our schools succeed. And that's what we look forward to. So we do appreciate it.

Susan Phillips: Thank you. Any further questions or discussions...

Man: Ralph.

Susan Phillips: ...members? Ralph?

Man: Ralph does have a comment.

Susan Phillips: Ralph, go ahead.

Ralph Wolff: Yes, I would just comment that I appreciate the conversation. I think we're seeing that there's a range of performance of accreditors, some of which are just new to the benchmark process, others have longer standing review that we've reviewed today. We are also very new in supporting and applying the data provided by the Department of Education which we know is, by its very nature, incomplete - partially complete, I should say.

So I worry about acting with respect to one agency during our pilot and as we get used to the department's data and, in a sense, work with all agencies. None of the regionals, for example, as institutional bodies have benchmarks. And therefore, I don't want to pick on the smaller ones that actually are starting without making this implacable across the board or determining how best to apply these data and these benchmarks to all agencies. I don't think it's fair to pick on the small ones.

But I do think we need to raise our expectations that these datasets are used and all of us, including we learn how to use the data appropriately without punishing one of the agencies because of certain data.

So in any event, I'm prepared to vote and support the motion but not let the issues go. I think we need to continue to address them.

Woman: Susan?

Susan Phillips: Thank you. I see that Herman would like to add a comment.

Herman Bounds: I think Ralph just mentioned it. I just want to reiterate that (unintelligible), you know, just to establish the benchmark within the last years, spent the last years. But I think Ralph brought that point out.

Susan Phillips: Thank you. Any other committee discussions?

Man: I have my hand raised.

Susan Phillips: Thank you. (Unintelligible) from here, so go ahead.

Man: Yes. I think Ralph is very correct and that it is new for some agencies but there are different types of agencies and that's the beauty of this process and that these different agencies are going to have different benchmarks.

And, Simon, it may be appropriate for someone to have a low benchmark and other agency to have a very high one.

One of the challenges is the one-size-fits-all is exactly what I don't think we want then that's really basically a centralized process and you get a homogenized educational process. I think we need to very seriously understand what this means and how an agency that has a diversity of institutions that served a diverse student groups are going to have a differential result and for us to look at it as a one-size-fits-all I think is a serious mistake. I will support the motion to approve these agencies, approve their recommendation.

Susan Phillips: Thank you. Any other committee member discussions? Okay. Seeing none, I'm going to move to the roll call vote. Again, aye or nay. Alphabetical order. Kathleen Sullivan Alioto? Simon Boehme?

Kathleen Sullivan Alioto: Aye.

Susan Phillips: Okay. Simon Boehme?

Jill Derby?

Jill Derby: Aye.

Susan Phillips: Bobbie Derlin?

Roberta Derlin: Aye.

Susan Phillips: John Etchemendy?

John Etchemendy: Aye.

Susan Phillips: George French? Art Keiser?

Arthur Keiser: Aye.

Susan Phillips: Anne Neal?

Anne Neal: Nay.

Susan Phillips: Rick O'Donnell?

Richard O'Donnell: Nay.

Susan Phillips: Art Rothkopf?

Arthur Rothkopf: Aye.

Susan Phillips: Cam Staples?

Cameron Staples: Yes.

Susan Phillips: Ralph Wolff?

Ralph Wolff: Aye.

Susan Phillips: Frank Wu?

Frank Wu: Yes.

Susan Phillips: Federico Zaragoza? Okay. That motion carries.

In light of these conversations, I wonder if the primary readers want to pose anything further on the last set of pilot questions, the agency activities and improving program and institutional quality or have you got enough feel for them?

Man: I would say -- and John, obviously, will have a say on it as well -- I think it's enough for now. I think we've got an awful lot to think about and I sort of go back to the point that was made that, you know, that we ought to have a discussion of it of policy conversation perhaps at the next meeting or the

meeting between, you know, between now and then. I just - I think we all need to think some more about this. That's my, you know, judgment.

Susan Phillips: Thank you. I also see Bobbie Derlin's hand raised. Bobbie, were...

Roberta Derlin: Yes. I just want to speak on behalf of comments that Arthur just made. I would really strongly support perhaps having another conversation meeting where we now visit some of the pilot questions.

We really do want to, it appears, focus on low-performing schools. I support that. I think we don't really know quite how to get at it and what our consistent questions might be.

So I just like to say I would support having a further conversation about revisiting our pilot scenario. And I'm done. Thanks.

Susan Phillips: Thank you, Bobbie. That's actually segued into closing out our conversation for today's telephone meeting.

We did include the - a continuation - we voted to continue our pilot through the December meeting, given that our July meeting was unusual in nature. And so our plan is to continue that through December and in December, decide - have a discussion about what we want to do with it next now that we've listened and thought about it some and heard reactions and it may be that we find it that we distill to a particular set of issues that we want to focus on or we want different kinds of data. I can't anticipate what the outcome of that discussion is. But it is definitely on the table for the December meeting.

Certainly, the conversations that we've had today will figure prominently in that discussion, I'm sure.

We also - I just want to comment - come out of this meeting with a note that there've been some interests on credit committee to make sure that we are more impinged. We'll have information about complaints at the December meeting and we're hoping that there will also be information about any losses that the department may become aware of as well as perhaps creating a link on our Web site that allows people to be very clear about how to communicate with us at our meeting.

So all of those things are in motion. I think that we are coming to the end of our agenda for today. Appreciate your indulgence for the last 4-1/2 hours.

Any final member comment before we close for the day?

Frank Wu: Yes. This is Frank. I just have a logistical question because it's crazy as it seems. I'm already scheduling stuff in December. Could I just confirm that we are definitely on for Thursday and Friday, December 8th and 9th but we're not on, on the 7th? Is that correct?

Jennifer Hong: It's Jennifer. I can't say definitely yet. We do - we are saving the date for the 8th and the 9th. Your question about it potentially starting on the 7th, I don't think that will happen.

Frank Wu: Okay.

Jennifer Hong: But at this point, we have to fill the appointments that will be expiring at the end of the fiscal year, the congressional appointments. And we want to be sure we are able to do that prior to the December meeting. So please continue to hold December 8th and 9th. We'll do everything we can to make sure that we have a meeting and a full committee by then.

Frank Wu: Just so I understand and for everyone's benefit, I hear you were saying the issue is getting people appointed. It is not that you're looking at some other dates. In other words, if for some reason we can't make a quorum, we won't meet at all but you're not going to switch it to some other date.

Jennifer Hong: Correct.

Frank Wu: Got it. Okay.

Susan Phillips: And you are definitely not going to include December 7th?

Jennifer Hong: Again, right, we're focused on the 8th and the 9th for the five agencies that will be on the agenda along with the committee discussion regarding the pilot project.

Susan Phillips: So if we have a hold on the 7th, we can remove that?

Jennifer Hong: Yes.

Susan Phillips: Okay. Any other logistical or other...

((Crosstalk))

Simon Boehme: Susan, this is Simon.

Susan Phillips: Simon, and then I saw Anne Neal's hand. But if you go on, Simon?

Simon Boehme: Sorry, I was disconnected. But I just wanted to confirm that my vote was a no for the previous agency. I apologize for the phone connection here.

Susan Phillips: Thank you.

Man: Say that one again, Simon.

Simon Boehme: I voted no for the other - for the last agency.

Man: Okay. Thank you.

Susan Phillips: I see Anne Neal's hand and Jim's hand up. Are those - are you looking to speak or is that a...

((Crosstalk))

Susan Phillips: Yes?

Anne Neal: Just thank you to Susan for steering us through this long day and a thank you to the department. I do think if we had these meetings over the last few months that being able to look at these dashboards admittedly we know that they're incomplete and sometimes even inaccurate. But they certainly have been helpful in allowing us to look at various critical considerations when it comes to accreditation. So thank you.

Jennifer: Thank you, Anne. Thank you for the feedback. I'm very eager to get more feedback regarding the dashboards come December. Like I said, this is an iterative process with us rolling out the dashboards and seeing what works for the committee members in terms of the data and evaluating agencies.

Thank you, Susan, for steering us through this meeting. Thank you, everyone, for your patience with the technology. And thanks again for your hard work.

((Crosstalk))

Susan Phillips: ...with the technology, I tell you. Any last words for the order?

Woman: Thank you, Susan.

Susan Phillips: You're very welcome.

Woman: You do a great job for us.

Susan Phillips: You have - you now have 40 extra minutes on schedule to do with what you will. Thank you very much and we will see you both online and in December.

Man: Thank you. Bye now.

Woman: Thank you. Bye.

Man: Bye-bye.

((Crosstalk))

Man: Thank you.

Coordinator: That concludes today's conference. Thank you for your participation. You may now disconnect.

END