Ms. Jennifer Hong  
Executive Director, National Advisory Committee on Institutional Quality and Integrity  
U.S. Department of Education  
400 Maryland Ave. SW, Room 6W250  
Washington, DC 20202

January 26, 2018

Dear Ms. Hong,

This letter is submitted on behalf of the Center for American Progress’ postsecondary education team. The Center for American Progress (CAP) is an independent, nonpartisan think tank dedicated to improving the lives of all Americans through progressive ideas and action. CAP’s postsecondary education policy program is built on the belief that robust and complete data is a crucial element of improving equity, access to high-quality programs, and completion outcomes in higher education.

We write today regarding the January 3, 2018 Federal Register Notice announcing a panel on a student-level data network (SLDN). We applaud NACIQI’s continued discussion of the availability and accessibility of quality data to inform its review of accrediting agencies and its policy recommendations. As the committee develops its recommendations, and as federal lawmakers consider reauthorization of the Higher Education Act, we urge NACIQI to express support for the creation of a much-needed secure, privacy-protected, federally held student level data network (SLDN). While we fully support the ideas expressed by our colleagues of the Postsecondary Data (PostsecData) Collaborative, we want to draw attention to three key points.

**Despite a continued focus on improving use of data in NACIQI’s accreditation review process, available data still comes up short**

NACIQI has long been an advocate of the importance of data to guide accreditation decisions and taxpayer investments. The committee’s efforts to encourage better data use among accreditors through its pilot project to strengthen accreditation’s focus on...

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outcomes, and the pilot’s adoption as standard practice for accreditor review has significantly enhanced the accreditor review process.² The accreditor data dashboards developed during the pilot program bring data to bear on conversations with accreditors, and they include numerous indicators of institutional health, student success, and diversity drawn from existing federal datasets, such as the Integrated Postsecondary Education Data System (IPEDS), the College Scorecard, and the Federal Student Aid (FSA) Data Center.³

While this effort is welcome and needed, gaps in the available information have often meant that many of the conversations stemming from the pilot questions end with accreditors pointing to holes in the data available.⁴ Most frequently, accreditors point to limitations in the Graduation Rate data from IPEDS which is limited to first-time, full-time students who represent less than half of new undergraduates each fall. Ultimately, NACIQI, policymakers, the public, and accreditors are left with insufficient and incomplete answers to many basic questions about the schools that accreditors review and approve and how well accreditors perform in assuring quality.

Consistent and complete answers to these questions would help students and families across the country choose programs that demonstrate strong outcomes, while helping policymakers and educators—accreditors and NACIQI included—implement policies and practices that help more students succeed. For the higher education system to function effectively, all stakeholders need access to high-quality information that reflects all students and can measure outcomes across state lines. Having quality data would be essential to implementing a risk-informed model of accreditation such as the one recommended by the NACIQI subcommittee draft paper on regulatory relief.⁵ It is also essential to evaluating how well accreditors assure quality at our nation’s colleges.

Better data would strengthen accreditors ability to evaluate student outcomes as a measurement of college quality

While accreditors have come a long way in evaluating data and assessing student outcomes, they’ve also consistently acknowledged that gaps in existing data hinder their ability to effectively measure a college’s performance.

For example, in late 2016, The Council of Regional Accrediting Commissions (C-RAC) announced a new expanded review of institutions with low graduation rates. Under this initiative, regional agencies conducted a detailed review of four-year institution with graduation rates of 25 percent and below and among two-year institutions with rates of 15 percent or below. At the time of the announcement, C-RAC called for better federal data, stating that, “getting data from the Department that accurately measure institutional performance has been an ongoing challenge.” Over a year later, C-RAC members revealing their findings from the review have concluded that in many cases, data showing that colleges have low graduation rates, often simply reflect institutions that have a high part-time student population. Since the IPEDS federal graduation rate does not include part-time students, the rates are incorrectly skewed downward.

One agency has overcome these limitations by creating its own graduation rate measure and institutional reporting system. While this effort should be applauded, piecemeal solutions create further confusion between multiple measures, increase the data reporting burden on institutions, and eliminate the possibility for institutional comparisons of performance across agencies. Moreover, the small size and limited resources of many agencies make this solution unrealistic for all agencies.

Lastly, numerous regional agencies have gone as far as working with the National Student Clearinghouse to obtain better data. But this service is not free, reporting is

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optional, and the data is not publicly available. As a result, it creates gaps among institutions that do not report to the Clearinghouse. Accrediting agencies wishing to use the service can get aggregated data but must get individual approval from each of their institutions to access institution-level data.

Many accreditors have taken calls for accountability on student outcomes seriously. These efforts are a critical first step and enhance accreditors’ ability to serve as more effective gatekeepers. Ensuring strong outcomes for students and high performance among institutions requires a serious focus on outcomes. These efforts must be continued. However, as the results of these efforts show, even when accreditors make attempts to hold institutions accountable for poor outcomes, incomplete, inaccurate data hinders their ability to do so.

The creation of a SLDN would reduce the reporting burden for accreditors and institutions alike, while producing higher-quality information that could be reported back to them in aggregate for their use. It would bolster their ability to compare performance individually and collectively, help institutions improve, and be more effective gatekeepers to student and taxpayer funds.

A bipartisan solution with wide support already exists

The bipartisan, bicameral College Transparency Act (CTA) would create this type of data network. It would provide the flexibility to calculate metrics that are currently unavailable, including post-college earnings for all students, comprehensive transfer outcomes, and persistence and completion rates disaggregated by multiple key student characteristics such as race/ethnicity and income. The National Center for Education Statistics would leverage the SLDN to generate and report aggregate statistics while the underlying student-level data would remain secure. This network would provide more complete answers to the above questions while at the same time:

- Securing student data by adhering to industry best practices and federal laws;

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- Protecting student privacy by minimizing the data collected and limiting how data can be used;
- Replacing the student data components of the Integrated Postsecondary Education Data System (IPEDS) to reduce reporting burden;
- Uncovering equity gaps so institutions can change policies and practices to better serve underrepresented students;
- Providing states and accreditors with more complete information about student outcomes; and

Students and taxpayers deserve to know what to expect in return for their college investment, and accreditors need high-quality data to safeguard those investments, while institutions need the data to assess their programs and drive improvement. With high-quality data, policymakers, accreditors, and institutions can implement policies and practices that help students—especially students of color, low-income students, and first-generation students—overcome barriers to college success. This success is crucial for meeting our country’s future workforce needs and driving our economy forward. Because of its existing access to data, including employment and earnings data, the federal government is uniquely positioned to compile that information.

We need comprehensive policy changes to equip stakeholders with the decision-making information they require. Congress must overturn the current ban and advance the creation of a secure, privacy-protected, federally held SLDN. Bipartisan, bicameral Congressional support for CTA, together with widespread support for the bill in the field, demonstrates consensus among students, institutions, employers, and policymakers that this is the best way to meet the data needs of education stakeholders, and to provide the information they need to make informed choices about higher education while reducing reporting burden. NACIQI should add its voice to the call for a student-level data network.

We look forward to seeing postsecondary data become more transparent, comprehensive, and efficient with your support.

Sincerely,
Antoinette Flores
Senior Policy Analyst, Center for American Progress
Aflores@americanprogress.org
January 26, 2018

Jennifer Hong, Executive Director
National Advisory Committee on Institutional Quality and Integrity
U.S. Department of Education
400 Maryland Ave., SW
Room 6W250
Washington, D.C. 20202

Written Statement: Panel on Student-Level Data Network

To Whom It May Concern:

Thank you in advance for your review of our comments on a federal student-level data network as it relates to the goals of the National Advisory Committee on Institutional Quality and Integrity (NACIQI). In addition to these comments, we have co-signed comments from the Postsecondary Data Collaborative, through which over 130 organizations have strongly urged Congress to pass legislation supporting a federal student-level data network.

New America’s Education Policy Program uses original research and policy analysis to solve the nation’s critical education problems, serving as a trusted source of objective analysis and innovative ideas for policymakers, educators, and the public at large. Through our work, New America has found that consistent, accurate data and analysis on higher education is vital for students, families, and policymakers.

NACIQI has found the same—that comparable and reliable data on student outcomes are critical to its mission of reviewing and making recommendations about accrediting agencies that serve as arbiters of institutional performance and gatekeepers to over $130 billion in federal financial aid dollars. Over the last year, NACIQI has taken significant and important steps to hold accreditors accountable, including working with the Department to develop accradiator dashboards that reflect federal data on student outcomes across a portfolio of institutions and ensuring dedicated meeting time and a standard set of questions to guarantee that accreditors address and are accountable for their institutions’ performance.

However, NACIQI has often run into common complaints from accreditors during these efforts, in which agencies argue that federal data are incomplete or otherwise not representative. For instance, accreditors have argued that federal graduation rates, which include only first-time, full-time students, do not accurately reflect institutions with large populations of nontraditional students; or that post-college earnings data include only federal financial aid-receiving students and therefore may, in some cases, understate those earnings at institutions with large non-Title IV populations.
These challenges can, and should, be addressed by federal policy. Specifically, the ban in the
Higher Education Act on a federal student-level data network prevents the Department of
Education from collecting data that already exist at institutions of higher education and
within federal agencies to produce aggregate-level statistics truly reflective of today’s
population of postsecondary students. Repealing that ban and replacing it with a federal
commitment to building a privacy-protected, secure data system will ensure that better data
are available to students, to institutions of higher education, to accrediting agencies, and to
federal policymakers, including those who serve on NACIQI.

The bipartisan, bicameral College Transparency Act (CTA) would fulfill this promise. The CTA
would give new flexibility to federal policymakers seeking to keep up with today’s students
and hold institutions, accreditors, and other stakeholders accountable. Moreover, it would
reduce burden on institutions that are currently laden down with reporting requirements for
dozens of metrics—all with different definitions—across the Department of Education,
accreditors, states, and other stakeholders. A secure, privacy-protected data system housed
at the National Center for Education Statistics would solve many of the foundational
challenges NACIQI has experienced with respect to data on student outcomes.

We strongly urge NACIQI to join the call from over 130 organizations for Congress to pass
the College Transparency Act. A secure federal student-level data network is a necessary step
to ensure accrediting agencies are meeting the needs of students and policymakers and will
support NACIQI’s promising work in this field.

Please do not hesitate to reach out if you have any questions or would like to discuss these
comments further. We sincerely appreciate your careful consideration of the comments.

Regards,

Amy Laitinen
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January 26, 2018

Jennifer Hong  
Executive Director  
National Advisory Committee on Institutional Quality and Integrity  
400 Maryland Avenue SW, Room 6W250  
Washington, DC 20202

Dear Ms. Hong:

This letter is submitted on behalf of the 22 undersigned members and partners of the Postsecondary Data Collaborative (PostsecData), regarding the February 2018 meeting of the National Advisory Committee on Institutional Quality and Integrity (NACIQI). PostsecData is comprised of organizations committed to the use of high-quality postsecondary data to improve student success and advance educational equity.

As noted in the Federal Register, the NACIQI will continue a discussion next month on the availability and accessibility of data to inform its policy recommendations and review of accreditation agencies.¹ As the committee develops its recommendations, and as federal lawmakers consider reauthorization of the Higher Education Act, we urge the NACIQI to express support for the creation of a much-needed secure, privacy-protected, federally held student-level data network (SLDN). More than 130 organizations representing students, institutions, employers, and veterans already support this commonsense reform that would modernize our nation’s data systems.²

The NACIQI has previously highlighted the importance of data to guide accreditation decisions and taxpayer investments.³ PostsecData applauds the committee’s efforts to encourage better data use among accreditors through its pilot project to strengthen accreditation’s focus on outcomes, and the pilot’s adoption as standard practice for accreditor review.⁴ The accreditor data dashboards developed during the pilot program bring data to bear on conversations with accreditors, and they include numerous indicators of institutional health, student success, and diversity drawn from existing federal datasets, such as the Integrated Postsecondary Education Data System (IPEDS), the College Scorecard, and the Federal Student Aid (FSA) Data Center.⁵

Unfortunately, significant gaps still exist in the available information, making it more difficult for consumers, policymakers, and accreditors to determine which programs and institutions provide an adequate level of quality for which students. The existing Graduation Rates data from IPEDS are limited to first-time, full-time students who

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represent only 47 percent of new undergraduates each fall,\(^6\) while the earnings data from the College Scorecard exclude approximately 30 percent of postsecondary graduates because they are limited only to students who receive federal student aid.\(^7\) Ultimately, we are left with insufficient and incomplete answers to many basic questions about the schools that accreditors review and approve, such as:

- How many low-income, adult, transfer, and part-time students earn a postsecondary certificate or degree from a particular institution?
- How much do students borrow from federal, state, and private sources, and to what extent do they repay loans?
- How long does it take students to complete a degree or certificate at a specific college, on average?
- How many non-completers from a particular college never re-enroll, and how many transfer and finish at another institution?
- From which programs do students go on to succeed in the workforce?
- How do college access, affordability, and completion vary by race/ethnicity and income?

Consistent and complete answers to these questions would help students and families across the country choose programs that demonstrate strong outcomes, while helping policymakers and educators—accreditors and the NACIQI included—implement policies and practices that help more students succeed. For the higher education marketplace to function effectively, all stakeholders need access to high-quality information that reflects all students and can measure outcomes across state lines. Quality data would be essential to implementing a risk-informed model of accreditation such as the one recommended by the NACIQI subcommittee draft paper on regulatory relief.\(^8\) Some of the accrediting agencies already using data to inform their evaluations collect data directly from programs and institutions in an effort to overcome existing data limitations. But a federal SLDN could reduce the reporting burden for accreditors and institutions alike, while producing higher-quality information that could be reported back to them in aggregate for their use.

The bipartisan, bicameral College Transparency Act (CTA) would create this type of data network. It would provide the flexibility to calculate metrics that are currently unavailable, including post-college earnings for all students, comprehensive transfer outcomes, and persistence and completion rates disaggregated by multiple key student characteristics such as race/ethnicity and income. The National Center for Education Statistics would leverage the SLDN to generate and report aggregate statistics while the underlying student-level data would remain secure. This network would provide more complete answers to the above questions while at the same time:

- Securing student data by adhering to industry best practices and federal laws;
- Protecting student privacy by minimizing the data collected and limiting how data can be used;
- Replacing the student data components of the Integrated Postsecondary Education Data System (IPEDS) to reduce reporting burden;
- Uncovering equity gaps so institutions can change policies and practices to better serve underrepresented students;
- Providing states and accreditors with more complete information about student outcomes; and

\(^6\) Analysis of 2015 IPEDS data by the Institute for Higher Education Policy.


Better aligning education with labor market demand, and helping employers identify programs that are effectively preparing students for the workforce.

Students and taxpayers deserve to know what to expect in return for their college investment, and accreditors need high-quality data to safeguard those investments, while institutions need the data to assess their programs and drive improvement. With high-quality data, policymakers, accreditors, and institutions can implement policies and practices that help students—especially students of color, low-income students, and first-generation students—overcome barriers to college success. This success is crucial for meeting our country’s future workforce needs and driving our economy forward. Because of its existing access to data, including employment and earnings data, the federal government is uniquely positioned to compile that information.

We need comprehensive policy changes to equip stakeholders with the decision-making information they require. Congress must overturn the current ban and advance the creation of a secure, privacy-protected, federally held SLDN. Bipartisan, bicameral Congressional support for CTA—together with widespread support for the bill in the field—demonstrates consensus among students, institutions, employers, and policymakers that this is the best way to meet the data needs of education stakeholders, and to provide the information they need to make informed choices about higher education while reducing reporting burden. The NACIQI should add its voice to the call for a student-level data network.

We look forward to seeing postsecondary data become more transparent, comprehensive, and efficient with your support. If you have any questions about these comments, please contact Mamie Voight, vice president of policy research at the Institute for Higher Education Policy (mvoight@ihep.org or 202-587-4967).

Sincerely,

Advance CTE
Association for Career and Technical Education (ACTE)
Association of Public & Land-grant Universities (APLU)
The Campaign for College Opportunity
Council for Adult and Experiential Learning (CAEL)
Education Commission of the States (ECS)
The Education Trust
Georgetown University Center on Education and the Workforce
Institute for Higher Education Policy (IHEP)
Jobs for the Future (JFF)
Knowledge Alliance
NASPA – Student Affairs Administrators in Higher Education
National Association of Student Financial Aid Administrators (NASFAA)
National Center for Higher Education Management Systems (NCHEMS)
National Skills Coalition
New America Education Policy Program
Student Veterans of America (SVA)
The Institute for College Access & Success (TICAS)
Third Way
Veterans Education Success (VES)
Workforce Data Quality Campaign (WDQC)
Young Invincibles
January 26, 2018

Jennifer Hong
Executive Director
National Advisory Committee on Institutional Quality and Integrity
400 Maryland Avenue, SW, Room 6W250
Washington, DC 20202

RE: Written comment for upcoming National Advisory Committee on Institutional Quality and Integrity (NACIQI) meeting

Dear Ms. Hong:

This letter is in response to the Federal Register notice of January 3, 2018 regarding the National Advisory Committee on Institutional Quality and Integrity (NACIQI) meeting scheduled for February 7-9, 2018, which will include the topic of a student level data network (SLDN). The Workforce Data Quality Campaign (WDQC) urges NACIQI to support the creation of a federal SLDN because it would provide better information on student outcomes than current data systems, including the employment and earnings of more types of students nationwide.

WDQC is a project of National Skills Coalition, a non-profit, non-partisan organization. WDQC advocates for better data systems to ensure our nation’s higher education and workforce policies collectively prepare all Americans for participation in a skilled workforce. Although advancing employment is not the only reason people pursue postsecondary studies, it is the most common reason. Therefore, higher education policy and accreditation decisions should take into account data that addresses employment and earnings outcomes for postsecondary students.

Current nationwide data collections addressing higher education leave gaps in outcomes information. The Integrated Postsecondary Data System (IPEDS) does not include student employment and earnings. Whereas the College Scorecard shows earnings data by institution, it does not include program level information and excludes earnings data from about 30 percent of graduates who do not receive federal financial aid. A SLDN could also include student level data on demographic characteristics such as race/ethnicity and gender, and provide information on how well institutions and programs are achieving equitable labor market and other outcomes for their students.
Although many states have systems that show employment and earnings outcomes, those systems usually lack data on students who move out of state. State systems also do not use consistent outcome metrics, making it impossible to compare institutions and programs in multiple states. The federal government has the potential to create an efficient and comprehensive SLDN that could access employment and wage outcomes of students across the nation. For the federal government to create a SLDN, however, Congress and the President would need to overturn the federal ban on student level data created under the last reauthorization of the Higher Education Act (HEA) in 2008.

Fortunately, bipartisan legislation now exists in both the U.S. Senate and U.S. House of Representatives that would overturn the ban on student-level data and help to fill those information gaps. The College Transparency Act would create a secure, privacy-protected SLDN at the federal level. The legislation would allow the National Center for Education Statistics (NCES) to collect only essential student level data that would enable it to match the information with data from selected administrative records the federal government already collects. The legislation stipulates reporting on outcomes at the program level to provide more detail on outcomes within institutions. The bill would also:

- Require reporting on the outcomes of full-time, part-time, and transfer students, and other important groupings that could reveal equity gaps, so institutions can change policies and practices to improve how they serve underrepresented students.

- Reduce the level of survey burden by allowing the NCES to replace the student data components of IPEDS.

- Restrict data use and require adherence to industry best practices to protect student information and maintain their privacy.

- Improve the alignment of education with labor market demand and help employers identify programs that are preparing students for the workforce by reporting on employment and earnings of students at the program level.

Therefore, the College Transparency Act would improve information for accreditors, institutions, and policymakers by providing a more complete picture of how well postsecondary institutions are serving students. Because of its great potential to improve postsecondary outcomes information, over 130 organizations representing students, institutions, and veterans, including WDQC, already back this legislation.1

We hope NACIQI will also support the creation of a federal SLDN, such as that proposed in the College Transparency Act. As we undergo another round of HEA reauthorization, now is the time to support better information on postsecondary outcomes for all students to guide them to the right institutions and programs, and help far more of them go on to succeed in the workforce.
If you have any questions or would like additional information, please contact me at: bryanw@workforcedqc.org, or 202-223-8355, x115.

Thank you for your time and consideration.

Sincerely,

[Signature]

Bryan Wilson
Director
January 26, 2018

Jennifer Hong, Executive Director  
National Advisory Committee on Institutional Quality and Integrity  
U.S. Department of Education  
400 Maryland Ave., SW  
Room 6W250  
Washington, D.C. 20202

Written Statement: Subcommittee on Regulatory Reform

To Whom It May Concern:

Thank you for your consideration of our comments on the draft recommendations of the subcommittee on regulatory reform of the National Advisory Committee on Institutional Quality and Integrity (NACIQI). We agree that NACIQI can provide valuable insights to inform the Department’s regulatory reform work, and in addition to our specific comments below, we urge the members of the committee to think carefully about how its recommendations will both alleviate burden on accrediting agencies and—even more importantly—safeguard taxpayer dollars and support student success in institutions of higher education around the country.

New America’s Education Policy Program uses original research and policy analysis to solve the nation’s critical education problems, serving as a trusted source of objective analysis and innovative ideas for policymakers, educators, and the public at large. Through our work, New America has explored the long history of taxpayer support for higher education, and the equally long history of waste, fraud, and abuse among unaccountable and unscrupulous institutions of higher education. Given that, we believe NACIQI and other policymaking bodies must continually reaffirm their commitment to protecting taxpayer dollars. To that end, we include comments below on the specific recommendations of the subcommittee on regulatory reform.

Comprehensive Implementation of a Risk-Informed Model

In its draft recommendations, the subcommittee calls for legislative change to permit the creation of comprehensive risk-based models under which accrediting agencies could review institutions. We agree that, given the limited resources of accrediting agencies, this is an important opportunity to ensure an outcomes-focused system of accountability. However, we urge the committee to consider the following as key principles for any legislative option to develop risk-informed review systems:
• **Ensure the creation of a federal student-level data network to support outcomes-driven reviews of institutions.** The draft recommendations call for reliance on existing data sets, such as IPEDS and the College Scorecard, to support a risk-based review model. However, such data sources do carry some limitations and will likely give some institutions—particularly those serving nontraditional populations—pause. We have submitted separate comments on the panel on student-level data systems that urge NACIQI to support the creation of such a secure federal data network, because accurate and comprehensive data are a critical underpinning of outcomes-focused accountability. We again reiterate the importance of a federal student-level data network here, to support a risk-informed review process within accrediting agencies. Additionally, while the draft regulatory reform recommendations include references to job placement rates and loan repayment outcomes, we believe it is critical that any such system rely on labor market outcomes such as post-college earnings; the challenges with defining job placement rates and with avoiding gaming of those data mean that other, additional measures of employment success (such as graduates’ ability to earn a living wage) should be used. We encourage the committee to explicitly note this in its recommendations and in any subsequent legislative language.

• **Require objective thresholds for student outcomes data.** Through NACIQI’s pilot project to explore how accreditors do and should consider student outcomes data, it has become clear that certain accreditors’ portfolios show markedly lower performance than other accreditors’. Among lower-performing portfolios, certain institutions may appear to be achieving good student outcomes; yet when compared against other accreditors’ portfolios, it becomes clear that virtually all institutions actually fare worse on student outcome measures. Any risk-informed model should ensure that accreditors base their outcomes on absolute, and not simply relative, performance. This will ensure that the system does not privilege accreditors with lower standards for performance and help to avoid accreditor-shopping in which poor-quality institutions seek low-standard accreditors to avoid having to complete more rigorous accreditor reviews.

• **Establish Department and NACIQI reviews of accreditors’ risk-based review models as part of the recognition process.** To avoid the weakening of quality metrics and ensure that accreditors are not ceding their responsibility to assure the quality of the institutions they approve, accrediting agencies must be held accountable for the risk-informed systems they develop. The Department of Education’s accreditation staff, the NACIQI

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members who review and evaluate accrediting agencies’ performance, and the Senior Department Official responsible for making the final decision on an accrediting agency (as well as the Secretary, in the event of an appeal), should be required to analyze accreditors’ models as part of the regular recognition proceedings, and to identify deficiencies and require corrections among models that do not adequately ensure the review of institutions. A system of checks and balances can help to protect students and taxpayers and to preserve the integrity of the accreditation system.

A risk-based review of institutions can offer a promising solution to the current problems of constrained resources and limited looks at the highest-risk institutions. However, it must be carefully implemented to encourage high standards for quality, provide minimal reviews for even high-performing institutions, and ensure responsiveness to the problems that may crop up among institutions between reviews. We urge NACIQI to incorporate the above elements into its proposal for statutory reform.

**Strike the Definition of “Credit Hour”**

The draft subcommittee recommendations propose to eliminate the federal credit hour rule. However, we strongly urge the committee to reconsider this suggestion. In the absence of a meaningful, validated alternative, the federal credit hour rule helps create a common currency according to which the Department can disburse federal student aid dollars.

As we explained in our comments on regulatory relief last year\(^2\) to the Department of Education and now reiterate here, the credit hour has become the bedrock of virtually all calculations of students’ enrollment intensity -- a critical measure that affects the amount of aid for which they are eligible. Traditionally, how credit hours are defined rested solely in the hands of colleges and their accreditors. But reports in 2009 and 2010 by the Inspector General of the Department of Education found insufficient oversight by the three regional accrediting agencies—in fact, none of them had established a definition for a credit hour.\(^3\)

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Those three accreditors, which accounted for one-third of all Title IV-participating institutions, exercised inadequate oversight on credit hour assignment processes for their institutions, according to the reports. The IG documented several egregious abuses that grew out of the accreditors’ failures to establish minimum standards. For instance, one accreditor approved an institution that granted nine credits for a 10-week course — far inflated beyond traditional colleges’ usual three credits for 15-week courses. The accreditor raised concerns about the excessive granting of credits for the course; but approved the institution’s subsequent proposal of breaking the course into two four-and-a-half-credit, 5-week courses without further question. This and other cases elevated concerns that colleges were abusing taxpayer dollars and students were wasting their limited federal financial aid dollars in poor-quality or wasteful courses.

In response to the IG’s reports and recognizing the potential scope of the problem, the Department of Education developed a regulatory definition of a credit hour that would both protect the integrity of the federal financial aid programs and allow for emerging non-time based innovations in higher education. It does this by allowing for three distinct ways of defining a credit hour. The first effectively restates historic practice: Credits are awarded based on time—time spent in class and time spent on work. The second is “evidence of student achievement,” which can mean many things, but should be the foundation of any process for awarding grades and credits. The third method is estimating the “amount of work represented” in achieving learning outcomes. This method nods toward the logic of asynchronous courses offered at a distance; colleges can’t very well base credits on the length of time students spend in class if students are not meeting in a classroom to learn. In the last part of the definition, the Department acknowledges that the amount of work spent learning and the time spent attending class aren’t the same thing, suggesting that traditional 15-week semesters can be translated into “the equivalent amount of work over a different amount of time.” Work turned out to be the Department’s middle ground between time, an easily measured but poor proxy for quality, and learning, difficult to measure but a true indicator of quality. Moreover, it carefully considers the important role accreditors can play in defining innovative programs and ensuring they meet a baseline definition.

That definition, with its consideration both for time-based and learning-based measures, has proved workable for many institutions that have launched competency-based education (CBE) programs in recent years. And while there are other laws that may present some


barriers to the efficient disbursement of federal aid in competency-based programs that the Administration may want to work with Congress to address, the elimination of the credit hour rule would do little to accommodate new programs that seek to innovate responsibly. In 2012, there were about 20 competency-based programs in the U.S.; today, there are more than 500. The credit hour rule, which took effect in July 2011, has not restrained the development of innovative programs; in fact, it has been in effect during an explosive period of growth for such programs.

Moreover, until the Department of Education established a floor for the definition of the credit hour, the Department had effectively no ability to stop unscrupulous institutions from abusing the way federal aid is prorated by enrollment intensity. The rule has established a minimum standard for the amount of time or learning expected to represent a credit hour. Its presence dramatically reduces the risk that taxpayer dollars are wasted in programs that charge more for less learning, and protects students from enrolling in programs that quickly run through their lifetime Pell Grant and federal student loan eligibility without providing them a quality education.

New America has long led the charge to “crack the credit hour,” pushing the federal government to allow federal dollars to go to high-quality, non-time-based programs through direct assessments and experimental sites. However, we do not believe the credit hour regulation should be repealed. In an outcomes-based, accountability-heavy system of federal financial aid, time and delivery model wouldn’t necessarily matter. Unfortunately, in today’s environment, which is not outcomes-based and has virtually no accountability, the credit hour serves as an important (yet insufficient) buffer against fraud and abuse. And while we continue to push policy solutions for both the Administration and Congress to encourage high-quality, outcomes-based CBE programs--this is not the answer. Eliminating the credit hour rule in this environment would present a clear and unacceptable risk to students and taxpayers.

**Limit the Kinds of “Substantive Changes” that Would Require Approval by Accreditors; and Limit “Additional Procedures” Requirements Regarding Branch Campuses**

The draft subcommittee recommendations suggest limiting substantive change and additional procedures requirements by accreditors. However, neither the task force report published by the American Council on Education from which the subcommittee borrows these recommendations, nor the draft recommendations themselves, clarify how the

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substantive changes and additional procedures requirements should be narrowed. These
regulations are currently in place to ensure that institutions are not given free reign to alter
their educational experiences in ways that might have academic consequences for their
students or other potential risks. Any changes that would weaken either the substantive
change or additional procedures requirements must clearly explain how accreditors would
continue to know about and assure the quality of its institutions. In particular, reducing
burden on elite colleges is not a sufficient justification to weaken the regulations for all
institutions. We urge the committee to more deeply evaluate the ACE Task Force
recommendations, to clarify the circumstances in which it believes these regulations should
be narrowed, and to permit another opportunity for public comment prior to finalizing the
recommendations once that more detailed information has been made available.

NACIQI can play an invaluable role in advising the Secretary and Congress about how best to
improve the regulatory landscape. However, that role must not be mistaken for a license to
simply eliminate existing rules without considering or protecting the interests of students
and taxpayers. Accrediting agencies and the body that oversees them all play a critical role in
assuring the academic quality of institutions, and that responsibility cannot simply be ceded
without addressing the ramifications of doing so.

Please do not hesitate to reach out if you have any questions or would like to discuss these
comments further. We sincerely appreciate your careful consideration of the comments.

Regards,

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