The Advisory Committee met in the Grand Ballroom of the Hilton Hotel, 1767 King Street, Alexandria, Virginia 22314 at 8:30 a.m., Arthur Keiser, Chairman, presiding.

PRESENT

ARTHUR KEISER, Chairman
FRANK WU, Vice Chairman
KATHLEEN SULLIVAN ALIOTO, Member
SIMON BOEHME, Member
JILL DERBY, Members
PAUL LeBLANC, Member
ANNE NEAL, Member
SUSAN PHILLIPS, Member
CLAUDE PRESSNELL, JR., Member
RALPH WOLFF, Member
FEDERICO ZARAGOZA, Member
STAFF PRESENT

ROBERT KING, Assistant Secretary for Postsecondary Education
JENNIFER HONG, Designated Federal Official and Executive Director of the Committee
HERMAN BOUNDS, Director of Accreditation Group
ELIZABETH DAGGETT, Department Staff
NICOLE HARRIS, Department Staff
CHARITY HELTON, Department Staff
IRIS HINH, Intern
VALERIE LEFORD, Department Staff
DONNA MANGOLD, Office of General Counsel
CHUCK MULA, Department Staff
STEPHANIE MCKISSIC, Department Staff
MADELINE ONG, Intern
JUSTIN SETTLES, Department Staff
ANGELA SIERRA, Office of General Counsel

ALSO PRESENT

KELLY CHRISTIAN, Director of Operations, MSA-CESS
ROSALIND R. FUSE-HALL, Director, SACSCOC
JUDITH A. HALSTEAD, Executive Director, CNEA
RICHARD F. MANN, Legal Counsel, Keller and Heckman, LLP
LISA MARIE McCUITLEY, President, MSA-CESS
GLEN R. MORT, Accreditation Officer, MSA-CESS
KAREN P. MOYNAHAN, Executive Director, NASD, NASM, NAST
ROSEMINDA SANTEE, Secretary, CNEA
CATHLEEN SHULTZ, Chair, CNEA
CRAIG J. TICE, Commissioner, MSA-CESS
BELLE S. WHEELAN, President, SACSCOC
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CHAIR KEISER: If everybody could take their seats please. You're up first, Jennifer.

MS. HONG: Sure.

CHAIR KEISER: Can you welcome everybody?

MS. HONG: Good morning, everybody. Welcome to this meeting of the National Advisory Committee on Institutional Quality and Integrity or NACIQI. This is Day 2 of the meeting. Just some housekeeping announcements. A quick reminder to the committee members that only the Chair speaks on behalf of the committee. We ask that if you get press inquiries that you refer them to me, so that I can refer them to our press office. We want to make sure that we don't give the impression that individual members are speaking on behalf of the committee. So please follow those protocols.

Also I want to flag a couple dates for
you in February. We are looking to have a one-day meeting and an additional day or half-day of training. So we're looking at February 4th and February 5th. And there will be more details to come on that. February, I guess, 5th being the day of the actual meeting. And maybe half a day on February 4th dedicated to training because we will have six new members. We'll reserve time for policy discussion at the meeting, as well as elections. We need to elect a new chairperson and vice chairperson at that meeting as well. Thank you.

CHAIR KEISER: Good morning. And if we could have -- we start with introductions of the members of the committee and then members of the staff. Susan, I'm left-handed, so it goes to you first.

MS. PHILLIPS: Susan Phillips, University at Albany, State University of New York.

MR. BOEHME: Simon Boehme, student member.

MR. WOLFF: Ralph Wolff, President,
Quality Assurance Commons.

MS. ALIOTO: Kathleen Sullivan Alioto, presently advocate for Zero to Five children.

MS. DERBY: Jill Derby, Senior Consultant with Association of Governing Boards of Universities and Colleges.

MR. BOUNDS: Herman Bounds, director of the Accreditation Group at the Department of Education.

MS. HONG: Jennifer Hong, executive director and designated federal official on the committee.

CHAIR KEISER: Arthur Keiser, chancellor at Keiser University.

MS. MANGOLD: Donna Mangold, Department of Education, Office of General Counsel.

MS. SIERRA: Angela Sierra, Department of Education, Office of the General Counsel.

VICE CHAIR WU: Frank Wu, faculty, University of California-Hastings.

MR. LEBLANC: Paul LeBlanc, president
at Southern New Hampshire University.

MS. NEAL: Anne Neal, senior fellow, American Council of Trustees and Alumni.

MR. PRESSNELL: Claude Pressnell, the president of the Tennessee Independent Colleges and Universities.

MR. MULA: Chuck Mula, department staff.

MS. LEFOR: Valerie Lefor, department staff.

MS. HELTON: Charity Helton, department staff.

MS. DAGGETT: Elizabeth Daggett, department staff.

MS. MCKISSIC: Stephanie McKissic, department staff.

DR. HARRIS: Dr. Nicole S. Harris, department staff.

MS. ONG: Madeline Ong, intern for Office of Postsecondary Education.

MS. HINH: Iris Hinh, intern with the Accreditation Group.
CHAIR KEISER: Well thank you, everyone.
And again, thank everybody because yesterday we
went through the meeting pretty expeditiously.
And it was, I thought, a very valuable experience.
My job is to talk to you about the way the
procedures for those were new from -- in the
audience.

In our standard review procedures, we
begin with the primary readers. We assign two
readers to each agency. And the primary readers
introduce the agency application. Then the
department staff comes before us to provide a
briefing. Then the agency representatives are
invited to the table to provide for comments. Then
the primary readers have the opportunity to
question the agency, including the standard
questions adopted by the NACIQI for its initial
and renewal applications. Questions by the rest
of the committee are followed by a response and
comments from the agency.

Finally, we ask for third party
comments. Those third party comments are people
who have to either register in advance or register first thing in the morning. And then the agency responds to the third party comments. Then the department staff will respond to the agency and the third party comments. Then we have discussion, and we vote on the approval or disapproval of the petition. Finally, there's a final set of standard questions on improving institutional program quality for the initial and review applications.

So we'll go right ahead and start with the beginning, which is an initial recognition, which will be something we rarely see anymore. And that is from the National League of Nursing's Commission for Nursing Education Accreditation.

The primary readers are Paul LeBlanc and Susan Phillips. The department staff is Elizabeth Daggett. Paul, Susan, whoever would like to start. Paul?

MR. LEBLANC: Sorry, I'll start.

Before us comes the National League for Nursing Commission for Nursing Education Accreditation,
NLN-CNEA. I'll call it CNEA for the rest of this.

As you said, this is a petition for initial recognition. It is across all degree levels from certificate to doctoral.

The staff recommendation before us is five years recognition for pre-accreditation and accreditation. This has been a project six years in the making. It started in 2013 by the National League for Nursing, which is the oldest nursing organization in America, over 125 years old. They began drafting standards in 2014. They convened their first Board of Commissioners in 2015. Bylaws were approved in that year. The standards were approved a year later in 2016. If I have this correct -- Elizabeth can correct me -- pre-accreditation was given to the first program in 2016 and accreditation to three programs a year later in 2017.

Recognition by CNEA will allow programs to access federal programs through Health and Human Services. And I'm going to ask the representatives from CNEA to give us just an update
on the number of programs currently under their purview. If I read the report correctly, it looks like 69 programs with pre-accreditation and ten in accreditation. Elizabeth, as you said, is the department staff person who is assigned to this particular agency. Elizabeth?

MS. DAGGETT: Thank you. Good morning, Mr. Chair and members of the committee. For the record, my name is Elizabeth Daggett. And I am providing a summary of the review of the petition for initial recognition for the agency, CNEA.

The staff recommendation to the senior department official is to grant the agency initial recognition for a period of five years. This recommendation is based on our review of the agency's petition and its supporting documentation, as well as the observation of six accreditation activities by the agency: two board meetings, one in June of 2018 and one in June of 2019, a program review committee meeting in August of 2018, an initial program application...
subcommittee meeting in September of 2018, and two site visits in October of 2018 and April of 2019. The department also received one third party comment that reflected a negative opinion of the agency, and it is addressed by the agency in the petition.

Our review of the agency's petition found that the agency's in compliance with the Secretary's criteria for recognition. Therefore, as I stated earlier, the staff is recommending to the senior department official to grant the agency initial recognition for a period of five years. Thank you.

CHAIR KEISER: Susan, Paul?

Well thank you, Elizabeth. I call the representatives, the agency forward. Please introduce yourselves. Good morning.

DR. HALSTEAD: Good morning, Mr. Chair and members of the committee. We're pleased to have the opportunity to appear before you today and to respond to any questions you may have regarding the NLN Commission for Nursing Education
Accreditation's petition for initial recognition
by the U.S. Department of Education.

My name is Judith Halstead. I have the
pleasure of serving as the executive director of
CNEA. And that's a position I have held since
2014. I'm also professor emeritus in nursing from
Indiana University. I invite my two colleagues
who are with me here today to introduce themselves.

DR. SHULTZ: Good morning. I'm
Cathleen Shultz. I'm Chair of the Board of
Commissioners. I'm professor emeritus and
founding Dean of the Harding University College
of Nursing in Arkansas. I have past experience
with the boards of nursing in our state, as well
as the National Council of State Boards of Nursing,
and have worked extensively in nursing education
and particularly with curriculum.

DR. SANTEE: My name is Roseminda
Santee. I am the current secretary of the CNEA
Board. I am a Dean of the School of Nursing in
Elizabeth, New Jersey. Prior to that experience,
I also served in nursing service as a director of
nursing in New York City. And I proudly served in the United States Army in the Nurse Corps Reserve component for 13 years in a combat support hospital. Thank you.

DR. HALSTEAD: Thank you. We also want to extend our sincere thanks and appreciation for the guidance that's been provided to us by the staff of the U.S. DE Accreditation Division, Mr. Herman Bounds and especially Ms. Elizabeth Daggett who has served as our staff analyst and with whom we have worked closely since CNEA was established.

Ms. Daggett has provided us with detailed feedback and a very thorough analysis of our petition. And she has always promptly provided answers to our questions. And for that, we're very grateful.

And finally, we are privileged to appear before you today representing the considerable efforts of the NLN CNEA Board of Commissioners staff and over 150 volunteers who have served as our site visitors -- who continue
to serve as our site visitors or serve on our review committees who have worked diligently for the past five years to develop and implement our standards, our policies, to conduct our onsite program evaluation visits with due diligence. Their hard work and dedication have resulted in the U.S. DE staff analysis in which there was a positive recommendation that initial recognition be granted. We do thank all of these individuals as well for their contributions to CNEA to date.

Now if I may, I wanted to provide just a brief overview of NLN CNEA's activity since its inception in the context of nursing education according to and supporting its development. We were established, as was mentioned, in late 2013 by the vote of the 40,000 members of the National League for Nursing, which approved bylaw changes establishing CNEA as an accreditation division autonomous, one within the National League for Nursing.

Nursing faculty were seeking options in national nursing accrediting bodies, most
specifically seeking a non-Title IV programmatic accrediting body that would accredit nursing programs across the full range of academic continuum, all degree types and from pre-licensure programs to clinical doctorate programs. And this is the unique nature of CNEA among the national nursing accrediting bodies. The petition before you seeks CNEA's scope as an accrediting body to be as a U.S. DE designated Category 2 non-Title IV accreditor.

We do accredit nursing programs starting with the PN for practical nursing, vocational nursing all the way through and up to, as I said, the clinical doctorate. There are very few nursing programs left in the United States that require a Title IV gatekeeping function from their programmatic accreditor. And that need is already met by another national nursing accrediting body.

We began, as was indicated, our first accreditation activities in 2016 with pre-accreditation. And we granted initial
accreditation to our first programs in 2017. Now I would like to update the numbers since the time the petition was first submitted to you. Since that time, we have pre-accredited a total of 95 programs from 32 states. Thirty-eight of those programs have moved forward with achieving initial accreditation, which they must do within three years of being designated with the pre-accreditation status. So those are the numbers as they stand at this point.

According to the U.S. Department of Health and Human Services and its 2017 National Center for Health Workforce Analysis, nursing is the largest profession in the healthcare workforce. There are currently over 4 million registered nurses in the workforce and approximately 970,000 licensed practical or vocational nurses.

Concerns about nursing shortages in the workforce have driven the development of many new nursing programs or the expansion of them, as has the national call for the academic progression of
nurses to best meet the increasingly complex healthcare needs of our country.

Additionally as recently as 2016, the National Council of State Boards of Nursing estimated that approximately 2,000 nursing programs in the United States are not accredited. And that's not because they've lost accreditation. They have never had the need to step forward and seek accreditation.

Okay, those are primarily programs at the Associate Degree or the practical, vocational nursing levels. Quality nursing education programs that engage in continuous quality improvement are critical to preparing a skilled and caring nursing workforce.

Accreditation of course fosters an environment in which continuous quality improvement becomes part of the organizational culture. And so while program accreditation has historically been a voluntary activity on the part of nursing programs, states are increasingly mandating that they move forward and seek
There are approximately 24 states that currently require nursing accreditation. And there are other states that are either contemplating making that a mandatory requirement or have already adopted that and have put programs on a timeline of achieving accreditation by a certain year, 2020, 2021, whatever that might be.

So to illustrate that point, 70 percent of the programs that we have pre-accredited have never been accredited before. They're entering the accreditation workforce or the journey so to speak for the first time and even though they've been in the practice for many years of producing graduates. They're not necessarily new programs. But they're seeking accreditation for the first time because it's becoming more of an expectation or a mandatory requirement in their state.

So we are prepared to conduct accreditation activities that underscore the need for quality of nursing education. I'd just like to take a minute to say what this journey has been
for us is five years of working towards being here
before you with a request for the initial
recognition. It's been a very informative
experience for us. We have many years -- in our
board members, many years of experience and nursing
education.

To sit on this side of the table and
to work in accreditation and develop a program and
to look at it on the other side has been, again,
a very informative experience for us. I think
we've learned a lot, particularly in the monitoring
aspects as we were putting our petition together
and how to be transparent and clear about our
expectations. And we have, over the past few
years, been regular attendees. I know that was
mentioned yesterday about being present at these
meetings. And that's one thing that we have
definitely done.

We have used your pilot study from 2016
about assessing a risk and identifying at-risk
programs. We were able to be able to use those
documents as we have been formulating our policies.
So I hope today that you will see some evidence of that because we definitely have been using those tools to help guide us in the development of our policies.

And so this concludes our opening remarks -- our introductory remarks. We look forward to answering any questions you might have. We certainly are prepared to answer your questions. And we can go forward, you know, and answer the questions that you have from a standard expectation of accrediting agencies, or we can hold those until you're ready to hear those responses.

Thank you.

CHAIR KEISER: Thank you. Susan, Paul?

MR. LEBLANC: Thank you, Dr. Halstead. It's hugely helpful to hear the context and background. While -- and this is not an argument against your request for scope, but while the scope of the request is all the way up through doctoral programs, the focus in certainly the materials and even in your comments is on sort of the front end
of the certification, vocational, practical through Associates Degree.

Could you say a little bit about what you are seeing with schools -- like where are you -- find the most important work is right now in those conversations with these programs that have never been accredited before?

DR. HALSTEAD: The --

MR. LEBLANC: What does their journey look like when they come before you?

DR. HALSTEAD: They come to us with -- well they're nervous, I think, in terms of -- you know, again, they've been supported by the state. They've been approved or operating in their state. They've been successful. But now they're turning their processes open to a peer -- a group of peers in an external process that they've never had to do before.

I would say the greatest challenge that they face is really understanding program evaluation from a systematic and a systems perspective. And if we have to do anything in
working with them, it is really in beginning to help them understand how they can and should be setting benchmarks for quality improvement and measuring those benchmarks, and then using that data and feeding it back into their performance. For many of them, that's probably the newest activity that they're engaged in. I'll ask Dr. Shultz or Dr. Santee if you want to add to that.

DR. SANTEE: I spoke with the Licensed Practical Nursing Association in Pennsylvania for example. And because my program takes LPN to RN -- has an option for that to become RNs, they were very -- they wanted to get accredited, but somehow like Dr. Halstead said, they didn't know what the process is. And as a colleague and a caring person, I would say to them, you know, this is what you need to do first. Maybe you could start with a webinar, attend some conferences. And look at the advantages of what the LPNs get from going to an accredited school. And so that's how they start, and they develop relationships with the accrediting agency.
DR. SHULTZ: I think every program that's come before us who's been new has welcomed an open approach to knowing about this entity that they've heard so much about, but not gone that road before. I find them very responsive to meeting the standards. They want to -- I believe their systems where they're located want them to have that. And the people who come our way do that with a lot of diligence. And there's a continual, during that three year pre-accreditation progress, there is continual interaction with us until they're ready to be where they need to be. I find them very open to that.

MR. LEBLANC: Dr. Halstead, could you outline for my colleagues -- I've read in the materials of course, just remind us of the key outcomes you expect from the programs. And then my question would be to what extent -- do you have a sense of -- give us a sense of those programs that come before you. Typically are they meeting those outcomes before they begin that process? And then you are flushing out the sort of ways of
thinking about what they do?

DR. HALSTEAD: Okay, sure.

MR. LEBLANC: Or are you also helping
them sort of close that gap and exceed the
expectation?

DR. HALSTEAD: Sure. The three
outcomes that are specified in our standards that
I believe you're addressing that are more
quantifiable would be the actual certification or
licensure scores, pass rates, the employment
rates, and the completion rates. And those we
require if they've been in operation for the length
of time -- at least three years of trended data.

And I would say that the majority of
the programs that come before us for
pre-accreditation -- remember pre-accreditation,
we look at them to see if there's a reasonable
conclusion that within three years, they'll be able
to be fully compliant with the standards. So
that's what we're looking for. And in the outcomes
that we are seeing is that by and large, the
majority of them are able to meet those outcomes or be very close to meeting those outcomes. If they are not meeting them at the time, what we look for again is the reasonable conclusion that they will be able to meet those by the time they come forward to us for accreditation. They have three years by which to do that.

In that time period, what we also look for then is a strong evaluation plan or an action plan that they are implementing to help move them in that direction. And that is critical. If they do not have that in place, they are not going to be successful in receiving pre-accreditation from us in the first place.

MR. LEBLANC: So on completion rates -- correct me if I'm wrong about this -- but I believe you allow the program --

DR. HALSTEAD: yes.

MR. LEBLANC: -- to set their completion rate and then monitor that.

DR. HALSTEAD: Yes.

MR. LEBLANC: I can infer the
rationale, but I'd like to hear you walk us through that.

DR. HALSTEAD: Yes --

MR. LEBLANC: The other two are fairly clear standards.

DR. HALSTEAD: Yes. And the completion rate is the piece that I think if our programs have difficulty grappling with and measuring, it's the completion rate. They tend to confuse graduation rates with completion rates or retention rates. So we have to be very clear about those definitions.

Most of the -- we ask them to cite the institutional formula that is used to calculate the completion rate. So it's supposed to be not just any formula, but the one that has been approved by their institution. And to provide us with that formula. And that is what they do. The majority of them will use the 150 percent of the degree length in order to calculate that completion rate. But we do have some that use 100 percent.

MR. LEBLANC: And can you say a little
bit about what drives your comfort level with the number they give back to you? Like what are the variables in that which would make one program's completion rate different from another's? And again this has been -- this is a topic that has a lot of nuance and debate about.

DR. HALSTEAD: It really is.

MR. LEBLANC: But I'm just curious how you think about it as a new accreditor.

DR. HALSTEAD: Yes, and I'm looking at my board members in terms of some of the discussions that the board has. So I don't know, Cathy or Rose, if you'd like to start at that first.

DR. SHULTZ: Well in addition to the data that's presented to us, we look at the context in which that occurs and the population they're working with. We examine a variety of other variables to determine is that reasonable for what their environment and the student population they have? And what efforts are they using to make sure that they are moving toward a goal or achieving a goal?
MR. LEBLANC: So as you know, not completing, especially for poor students is often worse than attending at all given debt. How are you thinking about -- are you looking at or asking them to report on earnings and debt load?

DR. HALSTEAD: We do not as a non-Title IV gatekeeper -- we don't ask for that information. And actually in nursing, I think we're fortunate as a profession that almost any student that graduates is going to be able to be employable pretty quickly if that's what they desire. So we do see high employment rates from all of our programs.

The completion rate, again as Cathy says, can be variable depending on whether we're talking about pre-licensure first time students or in graduate programs and that's a little different population. We do ask programs to be clear about the benchmark they have set for themselves around completion rates. Some of those completion rates are determined for them by their institution. And sometimes they do have some more
latitude, but a lot of times it's institutionally
driven. And then to provide us the rationale with
why and how they have set that particular benchmark
for the completion rate.

MR. LEBLANC: As you know, there's a
lot of pressure on nurses to move from the RN to
the BSN.

DR. HALSTEAD: Yes.

MR. LEBLANC: And we've seen a national
proliferation of RN to BSN and even MSN programs.
Do you imagine -- are you positing in your own
head and I'm thinking about your scope again,
requested scope, that your programs will -- and
have they indicated a desire to move up through
the BSN? Is this a sort of pathway that you expect
given the national pressures?

DR. HALSTEAD: It really depends upon
the nature of the program. Some of those in the
community colleges who are awarding an Associate
Degree -- we've not had any of those yet indicate
they want to move into baccalaureate education in
our particular programs that have come forward.
They're primarily focused on advancing practical vocational nurses into the RN. So we see a lot of that mobility.

We have had, I think, at least ten RN to BSN programs come forward for accreditation. So they are working with an already licensed population. And we expect to continue to see that increase. It has nationally, so we expect that.

The other piece that we're going to see more of -- and we haven't seen that just yet, because we're not yet recognized -- but the movement into advanced practice nursing is another area. That would be the RN to the doctorate or to the MSN, depending on the type of program. That requires certification. And at this point, certification requires they graduate from a program that has been accredited by a recognized agency.

So we do know that once we do achieve -- we're fortunate enough to achieve initial recognition, we will have those programs moving forward. So we will begin to see the academic
progression from the registered nurse credential to the clinical doctorate or the APRN credential.

MR. LEBLANC: A final question and I'll turn it over to my colleague, Susan. One of the complaints I occasionally hear, fair or not -- no way for me to judge -- is that nursing accreditation with class size caps and ratios often impedes some of the innovations that might lead to producing more nurses in a time when we need more. Could you just talk a little bit about how you think about that and how you hope to foster innovation among your members?

DR. HALSTEAD: And I want to thank you for that question because that's something that the Board has discussed in our standards committee, which just met two weeks ago to begin to look at our standards. They've been in existence since 2016. That's approaching four years. We want to see them reviewed and revised by five years out. So that would be about 2021. One of the charges that the Board gave to that Standards Committee is that we examine our standards so that
we are not in any way inadvertently, unintentionally inhibiting innovation. We want to make that -- we don't believe we are. That's not the philosophy of the Board. But we really want to make sure that there's nothing in those standards that would prohibit that. But with that comes the responsibility for programs to measure and evaluate innovation in a responsible manner and accountable manner.

So if you're going to launch into innovative teaching-learning experiences, that's very much supported. But what is your evidence-based plan for what those should like? And what data are you going to gather to measure the outcomes?

And again, you can learn a lot from trying something that maybe doesn't work. But at least you have evaluation practices in place. So that is what we're really hoping to convey to our programs through our standards. We don't have that as overtly written as maybe it should be. But it's a little -- I don't know where the
committee is going to go with that. But that's the charge, to answer your question. We don't want to inhibit it, but we want responsible innovation where we can produce some data and others can learn from it.

MR. LEBLANC: Thank you very much.

Susan?

MS. PHILLIPS: Thank you. Some questions about the scope of your work so far. You've got 38 accredited programs and another 60 or so pre-accredited. Of that array, can you give us a sense of how many are that the practical, the RN, the --

DR. HALSTEAD: Yes, I can actually. Yes.

MS. PHILLIPS: -- each of the degree levels that you offer or --

DR. HALSTEAD: I have some just basic statistics here. To date, about 56 percent of them from the Associate Degree. And again, this kind of parallels the data that I shared with you that these are programs that haven't been accredited
before. So, you know, they're looking to enter accreditation. So 56 percent have been Associate Degree and 31 percent have been practical or vocational nursing programs. About 11 percent is at the baccalaureate, and around 3 percent is at the graduate level at this point.

MS. PHILLIPS: And your prediction about the future is that that will be -- it will shift forward --

DR. HALSTEAD: It will continue to, yeah, shift a little bit.

MS. PHILLIPS: Can you say a little bit about the application of your standards to --- let me take your two extremes, your clinical doctorate and your LPN. What do the differences look like at the different ends of the continuum of training?

DR. HALSTEAD: I'll ask the Board who have been busy making those determinations.

DR. SHULTZ: Yes. We have a -- there's a variety of models for that. And we allow for that in our review of the different programs. There's the mobility model that is LPN to ADN to
BSN to Master's to clinical doctorate. And then there is somebody who will go straight into a Master's program and not do any of the other options. And that's because nursing is a profession that people can have multiple entries into the practice setting.

What we look at -- and we have quite an experience level with the Board and expect that to continue in the future -- of people who have had direct experience with those various types of programs, either operating them, teaching them, or other venues that, say, through boards of nursing or through practice settings that bring that expertise to our Board.

So we are always looking, not only at these outcomes that we've discussed with you, but also the quality of the education that the student is getting hopefully to be -- if they're taking what is called like a ladder concept through the profession, that they're prepared to enter that next level of preparation.

But that I think will continue. I
think at one time, we as a profession thought it
would -- the nursing profession would begin with
an entry at the baccalaureate level. The
workforce, it just does not support that right now.

MS. PHILLIPS: Perhaps a further
clarification question on that. How would you
know as an accreditor that an RN program was a good
RN program? And how is that different from knowing
that a nursing doctorate, a clinical doctorate --

(Simultaneous speaking.)

DR. HALSTEAD: Sure. I think the
other thing in terms of having also a variety of
educational models that we grapple with in nursing,
we're also very fortunate to have many professional
standards and guidelines that have been published
by other nursing -- you know, by nursing
organizations. And have been leveled according
to the expectation of the graduate and their scope
of practice.

So in addition to what Cathy was saying
in looking at all the different models that are
out there, there are -- we expect all of the programs to build their curricula upon professional standards that are appropriate for the type of practitioner they are preparing. There is, for the most part, many standards and guidelines from which they could choose that have been approved by the profession or widely accepted that actually have the leveling of what does it look like in your scope of practice as a practical nurse versus a practice as a baccalaureate nurse versus those that are advanced practice?

And so we expect that they have chosen and implemented the standards and the guidelines appropriate for the scope of practice that they say they are preparing. And that is what we use to help guide our evaluation. Plus our site visitors going in. As Cathy said, we make very -- we've very carefully crafted our Board and our review committees and our teams so that the expertise of whatever programs are being evaluated is represented on that program, not only by those who are educators, but those who are in practice.
And so that is how we really address the various
different scopes.

And there have been a few cases where
we have looked at, you know, some curricula. And
we don't see the leveling that we would expect,
you know, in an initial -- and so that's where we
would focus our attention on. So what is the
difference in the scope of practice for this
particular graduate from this type of program from
this? And we do ask the programs to provide
evidence that they have addressed that.

MS. PHILLIPS: Related question, nursing is both a diverse field in terms of entry
points, as well as a common practice area. And
there are two other accreditors in nursing. How
do your standards and the leveling process compare
to the other two accreditors?

DR. HALSTEAD: I would say the
standards compare very similarly in that the same
kinds of areas are addressed. In the first place,
we follow the rules and regs that are set forth
by the Department of Education. So you're going
to see any set of standards and any evaluation plan is really going to address outcomes. It's going to address mission. It's going to address the resources and the governance associated with that. It's going to address faculty preparation and how faculty are supported and students. And it's also going to then address curriculum evaluation methods used in teaching learning strategies.

Those are fairly common across nursing in general. And so we definitely would compare to -- I don't know the other standards of the other agencies intimately. But I would -- all those categories are going to be there.

Now the leveling piece, I would have to ask for a little further clarification of that part of the question.

MS. PHILLIPS: The question really is -- that part of the question really is what -- well a practical way, would a program -- a clinical doctorate accredited by you, also be accredited by one of the other agencies?

DR. HALSTEAD: They definitely could
because the expectation of the clinical doctorate, particularly if it's an APRN, there are other standards that exist from other nursing organizations outside of the accrediting body that drives what we would be expecting to see from that program. And we would not deviate from that. We have to endorse and support those standards, and so would any other accrediting body. So that kind of falls external to us at that point.

MS. PHILLIPS: Yes, yes.

DR. HALSTEAD: And Rose, I believe, wants to maybe respond if possible.

DR. SANTEE: Yes. All nursing accreditors also look at the state board of nursing rules standard.

MS. PHILLIPS: You have another set of gods you have to pray to. Yes, I understand.

What about student outcomes? It's sort of a two part question of this. One is, so how is the -- how are your programs doing? Are students getting jobs? Are they completing -- how fast are they completing? What's the stakeholder
feedback that you're hearing from that across your population of programs?

And then the Part 2 of that is your sense of whether you're doing that better, worse, or about the same as other accreditors who have those same, similar standards.

DR. HALSTEAD: I would say we're probably about the same. And I would say that because most of the programs we have accredited at this point as I've said with the statistics are pre-licensure which means they also are falling under the purview of their state boards of nursing.

So there's not going to be a whole lot of latitude around the outcomes there. So they have to be performing in terms of the state board scores.

Completion rates, again I don't have data from others, so I can't. But from what we're seeing, we're satisfied with what we're seeing. We do know we need to work more carefully at defining what a completion rate is for programs and being as clear as we can so that -- because if there's anything we go back and ask for more
data on, it's usually the completion rate just for clarity. It's not because we find that they're low. It's just that something does not -- looking at all the data, something there just does not seem like they have interpreted the way we thought they would. And chances are they're either confusing a completion rate with retention or the graduation rates. And there's a difference in the definition. And so that's -- we have to clarify.

I would say that they're still kind of new at this. So the most -- I mean we accredited our first ones in 2017. So we've got a couple years of data. But once we pre-accredit a program, we begin collecting annual report data. And that's how we stay on top of their outcomes is the annual report data.

So at this time, we have about two years' worth of annual report data. It's a little early to look at trends. But we can look to see if a program is staying somewhat consistent, again with a -- it's a limited set of data right now.

But we will continue those practices. And that's
how we intend to monitor those programs.

Not only we begin that relationship in pre-accreditation, but carrying that through to the accreditation so that we can note trends. And if there are trends that are not looking where we want them to be, that we can ask, you know, for additional data or maybe an action plan, and see what the program is doing to actually work to correct those.

MS. PHILLIPS: How about the information that you get from that data about how you're doing as an accreditor? So are the programs that you are accrediting doing well?

DR. HALSTEAD: This is what we're finding out. First of all, they appreciate, as would anybody -- it doesn't surprise -- you know, they want clear communication, transparency, and clear expectations. And our feedback has been that we're delivering on those with our standards, et cetera. So I think the performance there has been satisfactory. Other comments you would -- in terms of our performance?
DR. SHULTZ: Yes, one of the things we're looking at now is what lessons have been learned. The Board has initiated that. We're in the process of collecting that information regarding that. We truly expect to -- whatever findings we have to either reinforce what we're doing or make steps to address changes.

CHAIR KEISER: If you could please speak into the microphone. It's -- it's hard for me to understand what you're saying.

DR. SHULTZ: Sorry.

CHAIR KEISER: Thank you. You have a soft voice.

DR. SHULTZ: We have also just within the past month appointed a new position within our Accrediting Division. And it's the manager of quality assurance. Because of all of what you're, you know, asking about is what's our performance? We're focused on our programs' performance. We also need to focus on what is our performance as an accrediting body. And so the intent of that position, which is brand new, is that that the
individual will help us with our continuous quality improvement.

We do evaluations of the teams. We do get feedback in that manner. We have other ways of evaluating all of our workshops, our webinars, all of that. But again, how are we performing as an agency in tracking what we need to track so that we can continue to improve our performance? It's too soon for me to tell you how that's going to work out. But I do think that's an important step to address for the long-term future, the performance of us as an accrediting body in our own internal CQI efforts.

MS. PHILLIPS: And do you have any data that you can provide to us about how, as an aggregate, the 38 programs that you've accredited or even the 95 total that you've looked at, how they are faring as a group in terms of the metrics that you look at for outcomes -- the completion pass.

DR. HALSTEAD: What we do with the annual reports and we just finished analyzing the
data that we got for 2018 came in at the end of -- like the first part of February. I would say that we have a committee that looks at those indicators. And they give a preliminary review. And we kind of use a dashboard approach of whether they fall within a green, a yellow, or a red area. And I would say 75 percent of them green, that they were performing based on the data we asked for and the indicators -- and we have some at-risk areas that we look at that that I'll share if you would -- at some point of what we're really looking at.

And then there was the smaller subset that was what I would say, we just termed them kind of yellow. In other words, there was something there in the data. It either wasn't clear. We needed to follow up with them or we thought there may have been a change that might put them at risk. And that will require us to reach out and get more data from them. But that's a fairly small subset. And then for those that might fall in the red category of which we have very few, that
would be like critical. And in this case, they happen to be all in pre-accreditation stage and had made the decision that they were with -- they were going to withdrawal anyway from the process. So it seems to be working out in terms of our observations and the decisions that they're coming to.

What we do with the pre-accreditation and what we have found -- and again, we have to emphasize the three years of data that we have -- is programs will indicate to us they want to pursue pre-accreditation. We do three -- they have three times a year to apply. And we do that in April and August and November.

And so, so far this has held true that usually there's about a 10 percent of those who indicate they want to apply get into that period of self-assessment and systematic review and decide, you know what, we're not quite ready for this. And so they withdraw at that point before they ever apply.

And then what we're beginning to find...
out is that of those who enter pre-accreditation, to date, I believe we’ve had eight withdraw, which is a little less than 10 percent. The reasons for withdrawal vary. In some cases, something -- maybe their board scores are not -- they're not improving or not going where they want to. They can see based upon interactions with us, data they're providing, assessments they're doing, that this is not going to work for them. And so they will withdraw at that point. And the rest move through and are being very successful.

So at this point, the process seems to be helping programs discern and also do honest self-assessments with feedback. Because they get the feedback from us about how they're progressing in their preparation. And for a lot of them, they're brand new at this. So this is, you know, a challenge for them.

We're also finding that many, many of our programs have new faculty and new leadership. And those kinds of changes can affect plans they may have had in place and help them make a decision,
this is not the best time for them to continue to pursue accreditation at this point.

MS. PHILLIPS: Thank you. That gets to my -- I've got two more questions. One is about your decision activities. So you have a number of programs that self-select out.

DR. HALSTEAD: Yes, we do.

MS. PHILLIPS: And are there also programs that you point out?

DR. HALSTEAD: We help them, I think, based upon what we're seeing. We have not -- actually the Board has not taken formal action because that would be an adverse decision. And at the pre-accreditation level, I would hope that, again, programs would be able to see this as not going to work so why persist to an adverse decision? Because they've already -- what's happened from a positive perspective is they have walked away knowing what they need to work on and to improve.

And that's an important piece as well.

MS. PHILLIPS: Last question. You mentioned somewhat about risk data that you've been
thinking about. Could you say something about that?

DR. HALSTEAD: Yes. One of the things and this is in a direct response to the questions that come from NACIQI is how do we define at-risk? And, again, that document came out, I believe, around 2016 or so when we were just starting and looking at our policies. In going to the literature and based upon the expertise of our Board and review members, but also going to the literature to again have some evidence behind our decision making. We've noticed that there are certain areas that -- it doesn't mean they are automatically, but they could be at-risk.

So we pay particular attention to the outcomes as we've already addressed, the licensure, certification rates, the completion rates, and employment rates. But of course, history of complaints. If there's excessive faculty turnover and leadership changes. And that is significant for nursing right now. There is an aging number -- we're older. And there is a
lot of faculty -- they're exiting for retirement, not because of dissatisfaction or poor working conditions. It's because of retirement. And there's also new leadership. And that can put a program at-risk, a fair number of novice educators or leaders.

We, of course, pay attention to history of status changes, the state boards of nursing. That's an important piece.

The resource concerns. So, the annual report does require them to address their budget. Any changes in the budget, either negatively or positively. We like to look at the positives as well. But we do keep an eye on the resources.

And the enrollment trends, up or down. What has led to those? Why are there downward trends? But also, if you have increased your enrollment, what are your plans to support those students and those faculty who are taking on additional workload or additional faculty positions? And if there's any new campus additions or program additions that might impact
that program.

So we look at that cluster. There's other pieces, but we have found that those particular pieces can lead a program to potentially be at risk. And so we pay particular attention to those areas.

MS. PHILLIPS: Thank you.

CHAIR KEISER: Questions? Frank, Claude, Ralph, and then I will have the last couple of questions.

VICE CHAIR WU: This is just a question to follow up on something that Susan had asked you. And it's just to get a sense of what is happening out there in terms of nursing schools and programs and their choices. Given that there are multiple accrediting agencies that they can go to, I'm just curious, how many do you think will choose to be accredited by more than one agency? I'm just wondering, is that now normal? Is it anomalous? Do you see a trend? Because I hadn't thought about what would happen. And it might just be useful for NACIQI to be aware when multiple
agencies enter a market, which may well be very
good for lots of reasons. But I wonder if schools
and programs feel they need to be accredited by
all just so that they can say they are accredited
by all.

DR. HALSTEAD: No, that would be a rare
occasion, all, because resources are finite. But
it's not unusual for programs to choose to be
accredited by more than one. That has happened
historically as long as -- you're looking at some
collective experience here of quite a few years.

There's always been that option. And sometimes
program schools do choose to do that.

Sometimes, in that case, they would do
that because they offer an array of programs. And
they may be with an accreditor that only accredits
certain types. So that almost forces them into
a second accreditor. Other times they may choose
to do that for whatever they feel there could be
benefits to their graduates or to their
positioning. And so it's never going to be the
norm, but it does happen. And if they have the
resources to do so, and I know I've been in schools that have done that for extremely good reasons, that's perfectly okay.

VICE CHAIR WU: Just one follow-up question. You don't have a sense that the agencies have conflicting standards, right?

DR. HALSTEAD: No.

VICE CHAIR WU: In other words, complying with one isn't going to put your out of compliance with another.

DR. HALSTEAD: Say that one more time.

Out of compliance with another agency?

VICE CHAIR WU: Right. So sometimes, when you have multiple sets of rules, the rules won't quite be the same. And sometimes you can comply with all the rules. But sometimes when you do what one rulemaker wants you to do, that violates what a different rulemaker wants you to do.

DR. HALSTEAD: I don't know. If you want to answer that, Cathy.

DR. SHULTZ: It's been my experience that the conflict is not there, and that it would
not be a difficulty to have multiples at the same
time or to be seeking even accreditation with two
agencies at one time for various programs within
a program -- in an institution.

DR. HALSTEAD: In the case of the state
boards of nursing, we always have to remember
they're a key player in this as well. And
sometimes the standards of accrediting bodies
might be a little different than the state board
of nursing. Obviously, they must meet those state
boards of nursing for operational, you know,
reasons. And so there's where there might be more
of a difference sometimes than actually in the
accrediting bodies themselves.

MR. PRESSNELL: Sounds good. Yeah,
actually my question was right in line with this
discussion, kind of playing off of Susan and Frank.
So, because I keep hearing you say that the
standards aren't really any different, so, you
know, give me your value proposition. You know,
what are you filling that the other accreditors
are not filling that compelled you to get into this
space? Because it seems a little confusing to me that it seems that you're just replicating what everybody is doing as well.

DR. HALSTEAD: The basic differences between the three agencies, I will say, rest with the scope. One of the nursing accrediting agencies only accredits baccalaureate and higher degrees. So anybody who's in the associate degree or practical vocational nursing, that accrediting agency is automatically not an option. And, again, that's where a lot of the programs that really need to be seeking accreditors exist.

The other accrediting agency is a Title IV gatekeeper, which does require additional reporting, et cetera. Most of the programs, nursing programs, do not actually require a Title IV gatekeeper because they're housed and institutions in which that's taken care of at the regional national accreditor level.

And so when the membership was looking for options, what they were really addressing was that they don't need a Title IV gatekeeper
necessarily at the programmatic level. That need is met. And so they were seeking more of the accreditor who would go across the academic continuum and cover, so if I did have a baccalaureate program and an associate degree program, I wouldn't have to necessarily have to have two accrediting agencies, which is where they're kind of at now if they don't want a Title IV gatekeeper at the programmatic level.

And so we fill the niche of not requesting in our scope to be a Title IV agency. And we are then also going across, again, the continuum. And that's the uniqueness of CNEA.

MR. WOLFF: Thank you. Good morning.

DR. HALSTEAD: Good morning.

MR. WOLFF: I have two questions. So, the first deals with pre-accreditation status. As I recall, you said, I think, 23 states require accreditation for -- or some number and then likely to grow. Do any of them -- I'm trying to address the -- or have you addressed the issue of retroactivity?
DR. HALSTEAD: Yes.

MR. WOLFF: Since pre-accreditation is by definition not accreditation, and there is that three year period and not everyone gets accredited, do some states require that you graduate only from an accredited program? And how do you address the issue of retroactivity prior to the time that the program actually gets accredited?

DR. HALSTEAD: Thank you for that question. And first of all, state boards of nursing, it is not a requirement for any nurse to sit for licensure at either the practical vocational level or the registered nurse level, it is not a requirement that they be a graduate of an accredited program. And that's why we have 2,000 programs that have never been accredited, because it's not a requirement. So that won't affect their licensure ability.

What the states are doing is they're seeing that the state boards of nursing are increasingly -- the resources within the states to monitor all of these nursing programs has gotten...
to be a little difficult for the states. And so they're actually seeking a complementary or collaborative relationship, in some respects, with accrediting agencies, so that when we conduct site visits -- for example, this past spring we had four or five that were actually joint visits with state boards of nursing. Meaning we sent the team. We set the agenda. They sent a representative. They basically used our agenda and attended our interviews, et cetera, to help them with their monitoring piece. So that's kind of how that piece is working.

Regarding your question about retroactivity, when we started this process some years ago, the interpretation was that there was not retroactive accreditation. And we know that did change recently. And so, just within the last board meeting, we have put in -- we had to go back and reconsider that. And we did. And we have implemented a retroactive accreditation that goes back to the date of the site visit.

And, again, that's brand new for us.
Our first group was just approved under that policy. But we were, again, paying attention obviously to the changes and trying to stay up-to-date and compliant. We just made that change.

MR. WOLFF: Thank you. My next question is very different. Everyone I talk to says there is a tremendous shortage of nurses. And so while there's an increase in the number of accreditors, what is being done to increase the capacity of these programs to really provide greater nurses? The whole range. But every healthcare provider, in my work, I talk to, that's the key issue. We can't get enough people and they won't stay because they can move and just keep increasing their salaries.

DR. HALSTEAD: I'll start and then I'll ask my colleagues if they'd like to join in. It's true that, when you look at the workforce analysis, that both nursing at the registered nurse and the PN level are scheduled to continue to grow about 13 to 15 percent through 2030. So there's going
to be a continued growth.

The question about the shortage, though, is we've done a great job in nursing of ramping up and expanding programs. And so if you look at recent data, they're showing that nursing shortages are becoming more regional. Again, this is cyclical. We've been cyclical in our profession for a long time. And so it's not such that it is going to be -- there may be a shortage in California, which would be a true statement, I believe. But that may not be the case in, like, Indiana. And so it's becoming more regional.

Where there has been a greater concern in the workforce is that, with the increasing need for advanced practice nurses, that maybe the focus should be now on increasing the number of those. So, looking at the particular specialty of the nurses becoming increasingly important as well.

So I don't know, Cathy, do you want to speak?

DR. SHULTZ: When we look at numbers, the preparation level, the push has been to prepare for entry levels into the profession, because
that's where the need has been the greatest. You know, when you look at the sheer numbers of nurses going into the profession, there is continual increasing need at the upper level with either master's or doctoral preparation. And with that comes a shortage of nursing faculty.

It's just so cyclical. And we're doing, I think, the best we can with it. And I think trying to have innovation, trying to make programs more accessible, increasing the ability to go between programs so a person can progress, enter the workforce early and move on through those programs.

I think that traditional straight-out-of-high-school applicants have been difficult to recruit more recently, for lots of reasons. And there are other variables that sometimes are hard to work with. And that is the changing needs of the student as they enter their profession, either due to the family needs, they may need to drop out for a while, they may need to take part-time positions.
So, even though you may say you have a number of nurses, you've got to still factor in, well, what proportion of them are full-time, what are part-time, what are, you know, in-progress?

So I think there's been a lot to open up the field to enable the workforce to be quickly moved out there, but with quality. And that's what we're attempting to do. Our part of that, the recruitment part of it has still got to be at the institutional level and the state level and the employer level.

MR. WOLFF: Thank you. And just to follow up, in some professions we've seen -- in my own, law; pharmacy; but now audiology, physical therapy -- the entry level's gone up from bachelor's now to doctorate. Do you see pressure in the nursing profession that the entry level positions will require going to a bachelor's, and at some point even a master's, as we've seen in physical therapy and audiology, where the professional degree is now a doctoral degree?
DR. HALSTEAD: Those conversations have been in the nursing profession, I would say, since the mid '60s, is that probably? So we've been having that discussion for a long time. And their evidence does show that. the more education, maybe the outcomes for the patients are better.

But the truth of the matter is that we still have many more -- we have many associate degree programs that serves as an entry into the nursing profession for many, many individuals.

And so what you have seen, instead of requiring and moving up for that bachelor's to be the entry, or a master's to be the entry, has been more okay, if this is the entry into the profession, what can we do to help progress them -- so, we use the term "academic progression" -- move them through to the higher levels of educational qualifications?

And I don't see, in the near future, a movement to baccalaureate entry level across the country. I think we're still a ways from that.

It has equalized a little bit. We still have,
I would think, is about 51 percent or 52 percent are associate degree? It used to be more, but they have now equalized. And we're almost 50/50 for baccalaureate entry and associate. Not quite, it's equalizing. But we're far from stating this is going to be the entry level. The discussions are there and they have been for a long time. But the movement is --

MR. WOLFF: Well, I hope the profession will be able to retain the scaling, rather than keep moving up the degree level.

DR. HALSTEAD: Yes. And that's been part of the discussion, yes, for a very long time.

CHAIR KEISER: I have a couple of questions. The first is a little simpler. The second one gets a little more complicated. Did I hear -- do you have a bright line for pass rates on NCLEX exams? What's the bright line?

DR. HALSTEAD: The bright line that we have for both first time takers of the pre-licensure, which will be licensure pass rates, and the certification, which is for graduate APRNs,
was 80 percent averaged over three years. So we do allow a little bit of fluctuation there. How did we arrive at that? We actually sat down and looked at every one of the 50 states and our territories' rules and regs and how the states legislate the pass rates. There is a great deal of variability, but the 80 percent mark was the one used most frequently by the state boards of nursing. And that's how we arrived at that.

CHAIR KEISER: Okay. The second question is, do you have specific entrance requirements for your programs?

DR. HALSTEAD: Are you talking about criteria for eligibility?

CHAIR KEISER: For students.

DR. HALSTEAD: Oh, for students.

CHAIR KEISER: Because one of the real problems in Florida right now is open enrollment for students who are taking -- we have a real serious problem with Florida with schools not being able to have that 80 percent or 85 percent, depending on whatever your state is, because
they're allowing students to come in who are not suitable, necessarily, for the programs.

DR. HALSTEAD: Yes. We do not set the admission criteria for programs. So, no, you will not find that. What you will --

CHAIR KEISER: Do you evaluate --

DR. HALSTEAD: Yes, we do.

CHAIR KEISER: Do you require that the schools have a standard?

DR. HALSTEAD: Yes, absolutely. And so when you look at the standard around the students as our standard four -- and it actually is integrated throughout. They must be clear about their policies. They must uphold their policies. And if there's any exceptions, there need to be rationale for those exceptions and that needs to be very clear and publically accessible. So, yes, they exist and we expect them to adhere to those.

CHAIR KEISER: Since a lot of the schools you accredit are within an institution -- so they'd be like a college of nursing within Harding, I think was where you went, yet you don't
have provisions because you are not Title IV
gatekeepers for train-out for students for
programs that lose their recognition.

And in Florida we're having a challenge
because schools that are accredited regionally and
nationally are losing their nursing programs, and
consequently the students are left out in the cold
because other schools of nursing won't accept them
because they are -- you know, the reason the school
down was because they couldn't meet the pass
scores. And that holds other schools to the same
standard if we take in the weak students.

What provisions do you have for a
teach-out within a college of nursing which -- you
know, students are there for nursing. They're not
there for the general studies. They're not there
for any other program.

DR. HALSTEAD: And so if the program
closes on them, yes --

CHAIR KEISER: Or you closed the
program, which is --

DR. HALSTEAD: We actually -- we would
withdrawal accreditation. We can't close the program. The state boards close the programs. So the state boards require the teach-outs when they do that. And we would also request and have copies of those teach-outs and agree to those teach-out plans if the program was being closed.

If it was being voluntarily closed because the institution has chosen to do that, it wasn't like a mandatory closure from the state boards of nursing, we would expect the teach-out plan. And that those students -- how are they going to manage that?

CHAIR KEISER: Because nursing is unique in that the students want to be nurses and that's it and it's very focused.

DR. HALSTEAD: Yes. And we actually have had a program that we have accredited who was approached to take in some students in a situation where another program had closed on them. And we, as an accrediting agency, worked closely to see what criteria that program was going to use to extend an offer of admission to those students who
had been displaced and disadvantaged. And we also
not only had the concern for those students, but
the current students and the faculty and the
workloads. We worked very closely to see a plan
for how that was going to be managed.

CHAIR KEISER: Would you waive the 80
percent requirement for the school that took in
those students in a train-out situation?

DR. HALSTEAD: No, we would not. No,
that was part of it. We would not waive that.
Those students, though, who have been displaced
would not yet have that, you see. They wouldn't
have sat for the licensure yet.

CHAIR KEISER: No, I understand but
there's a reason another school probably closed
down. It's because they had probably lower
admission standards --

DR. HALSTEAD: Yes, in this particular
case, we expected the program who was offering
admission not to alter their admission criteria
to assist those students. You know, they needed
to stay with their current set of admission
criteria and treat them no differently than they would any other student that were admitting.

CHAIR KEISER: So the students are left out on the street.

DR. HALSTEAD: Not all of them. No, there were a fair number that were helped. There may have been some that weren't. But, again, I thought it was a responsible way for the program to address what they were going to do without jeopardizing their current situation as well.

CHAIR KEISER: Let me move to a more serious question. The audit you submitted is not a clean audit. It is an audit with a specific -- that does not follow GAAP standards, which makes it hard for us -- at least, certainly, for me, to look at your financial capability, which is a very significant issue.

It also shows that -- and the most recent year we have in the audit is 2017, that from an operational standpoint, the Commission lost -- something just jumped in front of that -- okay, $348,699. And from a continuation of a negative
loss from the beginning of the year of $1,122,000. And from the beginning -- almost a $1,500,000 in net deficits that you are facing. What's happened in '18? Why did we get a qualified audit? And how do we, as an agency, are able to evaluate your capability of continuing the process? Especially when you don't charge dues, I don't think. You're taking money directly from NLN. And I can't see where that money is coming from.

DR. HALSTEAD: Sure. First of all, the audit that was -- what was the term you used?

CHAIR KEISER: Well, I'll read you what the auditor stated.

DR. HALSTEAD: I believe it had something to do with another agency connected with the NLN has nothing to do with CNEA.

CHAIR KEISER: But the audit we got says, "In our opinion, because of the significance of the matter discussed and the basis of adverse opinion paragraph, the financial statements referred to above do not present fairly in all material aspects the financial position of the
National League of Nursing, Inc., as of December 31st, 2017."

DR. HALSTEAD: So, yeah, I believe that is a situation that the parent organization has with another subsidiary that has no relationship to us as an autonomous accreditation division. Where we get our funding, initially, as we were a startup, was from a loan from the parent organization. And that is what reflects that $350,000 deficit is what is being covered by the loan. And that is where that is coming from. It's a non-interest-bearing loan that will be repaid as we begin to increase our numbers.

We actually have ended each year within our budget, given the monies that we have. And we've been able to do that quite well with the board monitoring of this piece. And so that is what you're seeing. The deficit is actually reflecting the loan.

And in terms of annual fees, we do charge annual fees. But we are new in accreditation. We don't charge those annual fees
until the program gets accredited. And so we just 
now have 38 programs accredited. So, for the 
beginning of this next year, you will see -- I 
believe I projected at least $141,000 to $142,000 
coming in in annual fees. And that will continue 
to increase as the number of accredited programs 
increase. So we do charge those fees. It's just 
that we're early enough in our development that 
we haven't had programs accredited to actually pay 
them.

CHAIR KEISER: So how do we know on a 
going-forward basis that the commission will be 
sustainable? And, you know, you basically have 
gone through the entire -- at least by 2017 -- I 
haven't seen '18; we don't have that -- you've 
seemed to have already gone in '17 through your 
entire loan. Because your deficit -- your 
accumulated deficit for that time was 1.12293 
versus your loan of 1.471. So you're pretty much 
through that because your salaries are $304,000. 
So, in '18, you were upside down based on the 
original loan. Now help me understand the
commitment of NLN to ensure that you are a continuing operation.

DR. HALSTEAD: Yes. Again, the loan is to allow us to get established to generate our own revenue. To date, since we began -- we began pre-accreditation in like mid-2016 and accredited our first programs in 2017 -- we have generated a little over, including 2018, a little over $700,000 in revenue in those two years.

I do believe, and we do believe, with our projections in the interest that programs have indicated, that once initial recognition has been granted that those numbers -- our numbers of programs will continue to grow. And from the revenue generated with those programs and the annual fees, that we will be able to be sustained. That is our commitment. That is the parent organization's commitment as well.

And we have, I believe, the signed MOU and the assumptions and the principles were in -- I know they were in the petition, so you've seen the conditions that were laid out.
We will begin loan repayments once we are generating revenue. But it will be important for us to also generate revenue that allows us to continue to grow. So those loan repayments will be balanced with our need to continue to add staff, which we have been doing along the way as we have begun, you know, our operation. We're currently at three, almost four FTEs, plus some additional contract individuals who help us with some of our workshops, et cetera. And so that will be a need that will continue to be balanced as well.

So I do believe given the numbers of individuals who have programs that have indicated their interest, the widespread geographic influence we've already had just in our initial couple of years, that this will continue.

CHAIR KEISER: This is a loaded question. Would you accept a school that was operating at a loss, operating in debt, and operating with the hope that they had future enrollments and future -- that the students would eventually pay in the future?
DR. HALSTEAD: I think we would look at the financial situation that they were in, in general, and their resources and where those were coming from and their plan.

CHAIR KEISER: Thank you.

VICE CHAIR WU: So, I have two questions to follow up on that. And these actually are friendly questions that should be helpful to you.

DR. HALSTEAD: I appreciate that, I do.

And I realize that, yes.

(Laughter.)

VICE CHAIR WU: Here's the first question. Would this be a fair, neutral summary of how this came about? NLN previously had an association with an accrediting agency that came before us. There was litigation. It was resolved. And your new entity is one of the consequences of that. So, NLN and a prior nursing accrediting agency parted ways, for whatever reasons. We don't have to go into it. And some of that came before us years ago. And now NLN has
this new entity issue, which is you.

DR. HALSTEAD: I think you used the word "consequence" and I don't know if I would use that word.

VICE CHAIR WU: Whichever word you'd use --

DR. HALSTEAD: You know, again, as the members came forward to say we really want to see options, that is the driving force. If people aren't saying we want to see options, then there's no need for this, yes.

VICE CHAIR WU: Okay. So here's the second question. You want us to know that you are not that prior entity --

DR. HALSTEAD: No, we're not.

VICE CHAIR WU: -- that was associated with NLN. But that affects your financials because your financials are complicated because of the prior entity. And therefore, the auditors may be understating, you think, your strength.

DR. HALSTEAD: I would say -- I would ask you to say that one more time just to be sure
that I understand exactly what you're saying.

VICE CHAIR WU: Sure. So, what you want us to know is you're in better financial position than perhaps people realize --

DR. HALSTEAD: Yes.

VICE CHAIR WU: -- because of this complication from a few years ago where there was a prior entity, et cetera. So, you're not them.

DR. HALSTEAD: No, we're not them.

VICE CHAIR WU: You're not them. And you are financially stronger than we might think you are because of this complication because of the stuff from a few years ago.

DR. HALSTEAD: Yeah. And I guess where I would probably disagree just a little bit is because of the stuff from the previous -- yes, I do believe that we are in a financially strong position. Again, when schools come forward or faculty come forward and say we want to consider options, and they have been choosing us as an option, again, not -- you know, they're free to choose. And to-date, within the last couple of
years, close to 100 have chosen us.

I have no reason to believe that's going to change. In fact, I think it will increase, because the one question I get all the time is, when are you going to be finished with the recognition process? That comes about all the time. And you understand, of course, they want to be sure, they want to be sure they're going to get onboard.

But we are an autonomous accreditation division within the National League for Nursing, which has been in existence for 125 years and engaged in accreditation for about 52 of those years. We are fortunate that there is the non-bearing loan to help us get launched. But each year our revenue goes up. I am pleased with $700,000 of revenue in the first couple of years of operation. And I think that will only continue to grow, because that's without drawing annual fees from those programs yet.

VICE CHAIR WU: So, here's a question for staff. My understanding is, as far as NACIQI
is concerned, if there are five or ten agencies, as long as they meet our standards, that's fine. We don't delve into multiple choices out there. And this isn't the only example, but it's probably the one where there are the most agencies in related spaces. But there are a few other places where institutions would have choices. "We could be accredited by X or accredited by Y." And that's just not -- we don't care about that institutionally. They can pick X. They can pick Y. That's fine.

MR. BOUNDS: You are correct. The only other thing I wanted to say, and probably the staff analyst, Beth, who conducted the review, may have some more to add, but since this is a programmatic accreditor, they are allowed to receive financial support from their overarching association. So it didn't bother us in the position that they're in now until they're able to acquire the -- you know, increase their funding level, so to speak, as long as those MOUs are in place and they can get support from their
overarching association.

VICE CHAIR WU: Right. May I follow up on that with a question? So this is different than the Title IV gatekeeper situation?

MR. BOUNDS: Right, when they have to be totally separate and independent and they cannot receive support from an association or another organization.

MS. PHILLIPS: So, wait. I was trying to understand this also. The other accreditor that Frank was mentioning is still affiliated with NLN according to its bylaws. And this is the programmatic Title IV accreditor as opposed to the programmatic not Title IV accreditor. According to their bylaws, the other one is a not-for-profit subsidiary of the NLN governed by the board of directors itself. So they're both still affiliated. It's not gone away. This is not a division of. Their language here is the division. The language in the other one, which is ACEN, is that it's a not-for-profit subsidiary of NLN.

So, in some ways, NLN has two
accreditors. One's a gatekeeper and one isn't. They're both programmatic. They both have this identical scope. But one allows for Title IV money and one allows for other federal money.

VICE CHAIR WU: Right. And they had a lawsuit with one. Not a lawsuit with this one. So I think sometimes when you have a lawsuit with people, that makes you less happy with them.

(Laughter.)

MR. BOUNDS: You're absolutely right. Again, I just want to distinguish that the other organization is the Title IV gatekeeper. That was the basis for the issues previously, because they had to maintain their separate and independence from the overarching organization. Again, this accreditor, being a programmatic, doesn't have those restrictions.

CHAIR KEISER: But Herman -- I'm sorry, I was going to ask Herman a question. Do you mind if I ask him a question? How do we accept a qualified audit? Because we don't know the real data. We don't know the affiliates. We don't
know the impact to the affiliates. They could be losing tons of money. And that would have the impact on the parent corp, which is supporting the commission.

MR. BOUNDS: Again, we just look at the overall situation of the agency with the support that they're getting from, again, from their association. And based on where they are now, we just looked at that as a whole and made a determination that we think they meet the financial requirements of our regulations. That's just our opinion and you all can have a different opinion.

I think Beth can talk more about that when she comes back up.

MR. PRESSNELL: Herman, so, I read the MOU, and the MOU is broad in some ways, which could be to your advantage. Clause 9, though, says NLN reserves the sole right to dissolve this organization. And that seems a little problematic. But I guess -- because the members don't have the right -- so they could end up with 90 programs that are accrediting and NLN says,
"You're out. We're shutting you down now." That seems a little -- you're comfortable with that, I guess?

MR. BOUNDS: Right. I mean, that was one of the issues, if we go back to ACEN, that was one of the issues in their lawsuit. Except, again, they were a Title IV gatekeeper and that required total separation, you know, from those organizations. But you know, we can't speak to that. I guess that would -- you know, that's probably an issue for another cohort or another body to, you know, kind of decide.

DR. HALSTEAD: If I may, regarding that particular clause, that was so this board of commissioners could not dissolve the organization. We are a division of the parent organization. And so it's not just to -- you know, the parent has that right. We, as a board, cannot take action to decide we no longer are operating. It would have to be through the parent where that would occur.

And I do believe that that would
definitely need to go to the membership and the bylaws of the parent organization, which indicates that we're an autonomous division. So there would have to be -- it couldn't just be a unilateral decision.

MR. PRESSNELL: Yeah, the only problem I have is with the language when it says, they have -- how did they phrase it? They reserve the sole right to -- so I'm kind of new to this parent organization-type approach, because usually it's the members that have the right to do that. And there's not a parallel document that says, no, the parent has the right, parent organization has the right. Jen?

MS. HONG: I was just going to add that that's not uncommon for programmatic accreditors. You know, it's what we see in a lot of the health professions with the programmatic accreditors that have a parent association. They really retain the right and the control. And we don't require them to be separate and independent.

CHAIR KEISER: Any further questions?
Because I have questions of our staff. So, I see none. Thank you very much.

DR. HALSTEAD: Thank you.

CHAIR KEISER: Are there any third party comments I need to ask other than those that were written? Nobody here to present? Okay, I think we bring our staff back now. Here she comes.

MS. DAGGETT: Hello. Okay, so first let me see if I can answer your question.

So, based on my review of the financial statements is that the reason for the concern that it was considered not in prepared with GAAP, is because the request for these financial statements only reflect the nature of the parent organization only and do not include the ACEN nor the National League of Nursing Foundation for Nursing Education and that that is the sole reason that it would be considered not in confirmatory of the general accounting principles.

And it wasn't a reflection of the income statements or the budget or any of the other financial information included within there.
CHAIR KEISER: Why would they exclude those other entities?

Because, we do require, I assume, a GAAP audit. And first of all, two years old, so we don't know what 18 is.

But beyond that, let's just say ACEN is also in a situation of losing money and they're also loaning money to that organization, which we would then have a problem with because of the separate and equal provisions. But if they didn't, and we don't really know the ultimate strength of the parent company because we don't have their subsidiaries included in the audit.

And the auditors clearly stated they could not make an opinion of the audit. So that concerns me.

MS. DAGGETT: I understand. And I don't disagree with that concern.

In the note it does include the revenue generated for ACEN as well as the National League of Nursing Foundation for Nursing Education, they're just not spelled out and those documents
were not, apparently that information was not included, as within the financial statements.

In addition, as to the age of these statements, your end is December 31, so 2018 would have been this December 31, 2018. And we would not have had an opportunity to request those documents.

I think FSA requires, for their institutions, they give a six month window to provide those audit and financial statements. So, at this point, we're at that six month window of when we would expect to see something like that.

So, this would be the most current information that have. And based on the revenue that had been generated and the fact that they are now collecting sustaining fees and the upward trend in all of those areas, staff did not have, and having the MOU with an NLN, which I understand that this is the reflection NLN itself, but the reason for the, not providing the opinion, it did not appear to be substantially related to whether or not they had the fiscal capacity to be able to
continue in there. To do their accrediting activities.

CHAIR KEISER: And again, if I may before Frank, but the fact that they don't charge dues or charge fees to an agency, does that make them reliable or does that make them easy?

(Laughter.)

CHAIR KEISER: But I could very much just say, oh, that's nice. If I go to ACEN or if I go to CCNE, I have to pay tens of thousands of dollars for an application. I apply to this new one, it's free.

MS. DAGGETT: Only until they get it accredited. And they charge the dues once they're accredited.

CHAIR KEISER: Yes, but the others charge you more before you're accredited because they have initiating fees and things like that.

MS. DAGGETT: Well --

CHAIR KEISER: I'm just curious if, you know --

MS. DAGGETT: I think it's clear we
look at all of those things and it was not a concern for the staff.

CHAIR KEISER: Frank.

VICE CHAIR WU: So, we've just heard, this isn't unusual. There are actually lots of parent entities to non-Title IV gatekeeper accrediting agencies.

So I have a single clarifying question. What type of financials do we get in those other instances, do they do the whole parent, including everything, or do they do it this way?

Because I would propose we just do with this agency what we do with all the others. And where there is a parent because there are other cases like this. Have we ever encountered this before?

MR. BOUNDS: So, I think one of the issues with this one is these folks are new. So we can compare, if you look at some of the existing organizations, and I can talk about one in particular, who usually their budgets will show an influx of cash from their parent organization
at some part of the year.

So they're operating, they're not operating totally in the green based on their accreditation activities. At some point, at some time, they get an influx of money from that parent organization and they are able to maintain.

I don't want to name the accreditor here now, but that's normally how these programmatic accreditors work that are part of an association.

The other thing that we look at, frankly is, I think as Beth said, do we see any evidence that the accreditor is having trouble performing its accreditation activities, are they canceling any visits, have they delayed accreditation reviews.

So we kind of have to, we judge all of those things, especially with some of the programmatic accreditors because that's just how they're funded.

VICE CHAIR WU: So, let me take back what I said. The oddity here is not that National League of Nursing had another agency and got into
a loss, that's not the oddity. The oddity is, this is a new accreditor that doesn't show the revenue flow yet.

Which makes perfect sense because any time a business is going to enter where there are two well established competitors, you're going to price yourself lower or do something to entice people to sign up with you.

So if, for example, Paul and I, next year, after rolling off NACIQI started Frank and Paul's accrediting agency --

(Off microphone comment.)

VICE CHAIR WU: All right. In the first few years, we wouldn't look very good because, unless we were really persuasive sales people to entice people to sign up with us, we'd have to give them something at a lower price, et cetera.

So when we came in front of this body to be recognized, you would look and you'd say, well, you've been losing money for the past couple of years. And the response would be, yes, it's
because we're new. As soon as you recognize us, we're going to start making money because look at whose signed up with us. Right?

I think that's the situation we have here. It's not that there are two agencies. That is weird, but that's a different thing we don't have to get into, that's just their business. The weirdness is it's new.

CHAIR KEISER: The other weirdness, and again, I'm reading the MOUs, and help me understand, it says that they will provide a single loan for startup. It doesn't say loans, it doesn't say they will cover it.

And in the first two years, at least of this audit, they've burned through 90 percent of the loan that was provided. And in '18, they spent more probably in salaries then the remainder of the loan without collecting any dues.

I don't know if there is, I just have some concerns and I have more concerns because we don't know about the parent because we have a qualified audit. So that's my issues, and I will
shut up and let Frank, the Vice Chair --

VICE CHAIR WU: This is just an observation. It's not a disagreement with you, it's actually an agreement.

If we don't recognize them, we're going to doom this whole enterprise of course and a giant amount of money will be lost. So it's certainly true, if we don't recognize, this thing is a total financial disaster.

If we do recognize, there is no guarantee any more than for any other start up.

But what you're pointing out I think is very astute that, they poured a lot of money into the second accrediting agency, thinking people would sign up.

And 100 programs did sign up and they think they will meet our standards.

So they gambled, and that's what, from their perspective, they're investing it thinking it's going to pay off in 18 months or 36 months.

CHAIR KEISER: Again, I don't have any problem with that, I just have a problem with, I really don't know the condition of the parent.
And if the parent can't support it, then we're in a potential, approving an agency with financials that do not suggest that the parent, or that this is a financially stable project, that they're going to run through their loan, which is what the MOU says is a single loan, not multiple loans. And at which point, where are we when they have burned through their money.

VICE CHAIR WU: Right. So, may I suggest, there is a work around for this. We do this all the time.

CHAIR KEISER: Right.

VICE CHAIR WU: We just don't use the standard language. We say, come back in a year. And in particular, come back --

CHAIR KEISER: Come back in February.

VICE CHAIR WU: -- with better financial, yes, come back in six months because our next meeting isn't one full year from now.

Come back in six months and show us the financials and show us either you've got the resources or the revenue or your parent has signed
a new agreement and you're going to last.

Because you make a good point, it will look even worse if we recommend that they be approve and if 18 months from now they go out of business. Because then we're culpable because we participated in authorizing an entity that wasn't financially viable, and boy, we're all going to look pretty bad if this thing goes under.

CHAIR KEISER: Anne, Jennifer, we'll let Anne go first, then Jennifer.

MS. NEAL: This is a question for staff. I mean, as I look at this --

CHAIR KEISER: Speak into the microphone please.

MS. NEAL: -- it's dated August 2017 for Fiscal Years 2015/2014. Has there been a subsequent audit that includes everyone else?

MS. DAGGETT: I'm not sure which one you're talking to. The most recent one that we have is 2017.

MS. NEAL: Yes. And I'm wondering, is there a subsequent audit?
MS. DAGGETT: For 2018?

MS. NEAL: That would address these problems.

MS. DAGGETT: I would have to, you would have to ask the agency that, I wouldn't have that.

CHAIR KEISER: It just came out.

MS. DAGGETT: Can I just say one other thing? Going back to the MOU, it does say one, it does say in the form of an interest-bearing loan over several years. And it does not say how much that loan is.

CHAIR KEISER: But it says one loan. And they've already got $1.4 something --

MS. DAGGETT: Right. But it says over several years.

MR. PRESSNELL: Yes, I think that that was just the terms of the loan not --

MS. DAGGETT: Oh. I took it as --

MR. PRESSNELL: -- for multiple loans.

MS. DAGGETT: Well, I took it as that they may be paid it out over several years. I
MR. PRESSNELL: So, what's the total amount? Or is it a blank check?

Can we have the agency, I mean, do you have a $3 million line of credit, do you have a--

DR. HALSTEAD: Thank you for allowing me to come up. The loan is a series of loans. How this works is, the budget is prepared by the Board of Commissioners every year.

We project the revenue that we will be expecting to make. We look at what the expected budget is and then we make a request for the remainder.

And so, we haven't like burnt through. What we have done is each year increasingly ask for less money from the parent organization as our revenues increases.

And I do need to make it very clear, we are not doing this free. We do charge. Every pre-accreditation application, they have to pay a fee. A little over $3,200 at this point.
Those fees, by the way, are very comparable to the other nursing accrediting bodies. We're not undershooting or undercutting anybody, they're very comparable. We are very conscious of the resources of our programs.

Then when they come forward for actual accreditation, of course there are fees associated to those visits. And some of that of course covers the cost of the site visit, but the remainder is for staff's time and energy and monitoring activities.

And then once they are accredited, they pay, I believe the current fee is around $2,700, $2,800 a year per program. Although, if they have a couple of programs we give a little bit of a discount.

So we are generating revenue and that's how we have accrued $700,000 in revenue the last two years, is through those fees. Those fees will continue to increase, the amount of loan that we request will continue to drop until we no longer need that.
We are financially sustainable given what we believe, our projections, I had projected we be at 100 programs and we are at 95. I think that's pretty good for a startup. Particularly when I made those projections four or five years ago and was looking at it.

And so, I do believe that our projections and the board, my board's financial acuity have really paid off at this point.

And it's my understanding, with the audits, because the CEO of the organization is here in the audience, Dr. Bev Malone, that the, and I don't even understand the terminology but because it's an unqualified or something, that's representing the foundation and it's representing ACEN.

And so, those are the two agencies that for whatever reason, probably because the foundation must be kept separate and whatever with the other, that wasn't there and that's why the audit was considered unqualified.

I had nothing to do with the parent
organization itself but those two subsidiaries.

So does that, I hope, answer some of the questions.

MR. LEBLANC: Just a clarifying question, if I may, Jennifer?

MS. HONG: Go ahead.

MR. LEBLANC: But all said, in your current projections of our membership which drives revenue, in what year will you no longer need to get the subsidy?

DR. HALSTEAD: Yes. I had projected 2021.

MS. HONG: Just to clarify, for assurances around the table, I think what is desired is a better understanding of the financial health of the parent organization. Is that the only outstanding issue?

DR. HALSTEAD: I don't know if it's appropriate to ask someone to come forward, but the CEO is here and would be, I'm pretty sure, willing to address that, if that would be appropriate but I don't know.

VICE CHAIR WU: May I just add, while
the Chair decides whether it's appropriate for the
CEO for the parent to come forward.

So, what we have, just to sum up is,
the parent had a different gatekeeper Title IV
accrediting entity. They got in a spat with them,
there was a lawsuit that took years, that was
resolved. That entity still exists, still has an
affiliation with the parent.

This new entity is not a Title IV
gatekeeper, it's a programmatic agency. And the
financials we have reflect the parent.

They reflect that the new entity is not,
right this moment, generating enough revenue to
break even. But we're assured that based on the
number of members who have signed up in two years,
it will be at a break even point.

The Chairs concern is, what if though
the parent entity goes out of business because it
has to keep subsidizing, and I'm going to state
this as neutrally as possible, there is some
suggestion that what we're looking at is affected
by that second agency, not in front of us, ACEN,
in a way that portrays both the parent and this agency, not quite as strongly.

I'm not saying you're blaming ACEN, I'm just saying that mixed up in there is ACEN's financials and it's not broken out in a way for us to see. I think that sums up the current states of affairs.

So, if there was something that assured us that the parent entity can carry this startup for another two years, we'd all be happy. Or an alternative is, if we can't do it now, just have the parent entity, or somebody, come back in six months and show the financials then, and everybody will be happy.

So, there are multiple ways this can be resolved. Or another way for it to be resolves is we, a majority of us, just say, eh, we're not worried about this.

MS. DAGGETT: Can I add one thing? Staffs interpretation and how things have progressed since the last time NACIQI was reconstituted, is that the current regulations for
an initial recognition require that they must meet all criteria. There is not an option for a compliance report at that time, is that in order to grant recognition they must meet the criteria completely.

And that if in the future they came before us, just like any renewal, they could then have that option for a compliance report. But the interpretation by OGC previously has been that it must be clean.

CHAIR KEISER: But couldn't we defer, until the next meeting, when they bring updated financials and unqualified audit?

I really have no question about the sufficiency of the parent, but I don't have, as the audit says, I don't have audit statements of the whole company and therefore there's a hole missing and can be filled with an audited statement clearly showing that and bringing that information up to date.

That would be available by February. Since there is no Title IV gatekeeping, I'm not
sure there is a real serious impact on the institutions. They still have the pre-accredited status, right?

MS. DAGGETT: Right.

VICE CHAIR WU: Is it okay for the agency to invite the CEO of their parent to join them at the table?

She might not be thrilled about that but --

(Laughter.)

DR. MALONE: I am thrilled.

CHAIR KEISER: Please introduce yourself.

DR. MALONE: My name is Beverly Malone. Dr. Malone. I'm the CEO for the National League for Nursing.

And the question that I've been hearing is about the viability of the, how the audit was performed in previous years and whether or not it's a qualified statement with no concerns. The reason that our auditors were unable to give us that was because our colleagues at ACEN were not
sending in their audit forms. There was no
submission of it.

With the new leadership at ACEN, there
was an agreement that we would start doing that.
And we have.

And so, for the first, last year we got
our first clean audit. Our auditors said very
clearly, you're meeting everything, but we are
unable, unless that other agency, actually, your
subsidiary, sends in their information.

CHAIR KEISER: So, your 2018 audit,
which should have been done hopefully, if you
talked to my auditors, they should have been done
a long time, if you had talked to me it should have
been done a long time ago, but we're also on a 12/31.

So, your audit should have been done
and would be readily available in February, and
it's unqualified?

DR. MALONE: Yes, it's clean. It's a
clean one we've gotten since some of the issues
that occurred between us and a previous leadership
of our subsidiary.
CHAIR KEISER: And, Valerie, what would be the negative impact of us deferring this until the next meeting?

DR. MALONE: It would mean that our organization would not grow. That our colleagues at CNEA would not grow in the way that you would be saying that you want it to grow.

It would be, the entity would not have the opportunity to move forward.

CHAIR KEISER: I understand that, but, Valerie, what would be from the federal standpoint?

DR. MALONE: I'm sorry.

MS. DAGGETT: It would be exactly what she said, is that they would not have access to the non-title IV programs that are available, mostly through HHS. So, at this point, their graduates and programs are not eligible for those.

CHAIR KEISER: Frank --

VICE CHAIR WU: Yes, yes. So, one, just clarification, so we're all using consistent language. With audits qualified at unqualified
are sort of the opposite of what you think they are.

Clean is unqualified, so --

MS. DAGGETT: Yes.

VICE CHAIR WU: -- some people here have gotten that backwards. So I just want to make sure we get that right.

DR. MALONE: Excuse me. I'm totally with you. Clean is clean.

VICE CHAIR WU: Yes, yes. Right. Okay. But I have two questions. The first is, I heard you say something, I just want to repeat it back just to make sure I have it clear.

The reason there was a problem until last year with the audits is, you said, ACEN, prior leadership of ACEN was stubborn and recalcitrant and wouldn't cooperate with you for whatever reason, it might be the lawsuit, but whatever, they weren't playing ball and so that caused a problem for you. Is that right?

DR. MALONE: They would not send us their audit.
VICE CHAIR WU: Yes, okay.

DR. MALONE: Yes.

VICE CHAIR WU: So, that's all in the past. That's unhappiness. And when ACEN comes back before this body, no doubt this will arise. But that's not this entity, that's ACEN. Totally different thing.

DR. MALONE: True.

VICE CHAIR WU: So, now my question is for staff. If we defer this to February, it would mean there wouldn't be growth, but it's just maintaining the status quo.

In other words, the students in these programs already can't access the non-Title IV HHS program so they would continue to be unable, we're not talking away from, we're just not giving them that opportunity.

And there might be a little bit of adverse PRA and it would, this entity would be less competitive out there in the marketplace for six months. It's not the end of the world.

And arguably it's required under the
rules because if this concern is serious enough, so, I see two routes. One is for us, as a group, to say, this is not serious enough. This concern about the financials. We'll go ahead and use standard ones.

The other is, say, just come back in February and show us a clean audit and we'll all go home happy.

As I understand NACIQI rules, if they had an audit in their back pocket, they can't pull it out and hand it to us here, that's just not permitted. We can't receive it here. They would have to submit it properly.

MS. HONG: Yes, I just want to clarify that this Committee is making a recommendation, right?

VICE CHAIR WU: Right.

MS. HONG: So, it's a senior department official that will go forward with a decision, whatever recommendation that this Committee makes. So, I mean, if this Committee chooses to defer, if this Committee chooses to move forward, the
whole record will be teed up to the senior department official who will actually make the decision.

MR. LEBLANC: So, just to clarify, since the audit, which we have seen, you have received an unqualified audit, or I should say clean audit. And does that audit indicate that the National League for Nursing is running a surplus?

DR. MALONE: I missed the last piece?

MR. LEBLANC: Does the most recent audit indicate that you are running a surplus or that you will break even?

DR. MALONE: That we're growing every year and we're doing fine. Yes.

MR. LEBLANC: So, given that fact, I am going put myself in the camp that says I am not worried, and recognizing that we've seemed to have lost our expeditious ways of yesterday.

(Laughter.)

MR. LEBLANC: I'm going to suggest that I make a motion, if I may, that NACIQI recommends
CNEA. I think I can make the motion for the floor, do I not?

(Off microphone comment.)

MR. LEBLANC: With a second, we'll have opportunity for further discussion.

CHAIR KEISER: Well, technically you want to talk to, technically we, historically --

MR. LEBLANC: Sure. I'll defer.

CHAIR KEISER: -- we talk with the staff. If there are any more questions to the staff. If that is the case, I would dismiss the staff, let her go --

MR. LEBLANC: Yes, okay.

CHAIR KEISER: -- be less tense and send everybody back from the table to the audience.

Ralph, you have a question?

MR. WOLFF: I have both a question for the CEO of NLN and staff. So, two questions.

One, do you know what your reserve is? I understand you say clean audit unqualified and you were doing well, but is there a reserve certain and what is the amount of that reserve?
DR. MALONE: In my mind it's about $1,500,000, something like.

MR. WOLFF: Thank you. This is for the staff. If Paul were to make a motion and if that motion were accepted to proceed to recognize, initially, is it possible to, at the same time, given that the senior department official is going to look at the entire record, to request that the senior department official look at the 2018 audit, and that it be submitted and that it become part of the record that the senior department official would look at, so that any issues that might arise, could be determined at that level rather than deferring it, but is that possible to request?

MS. MANGOLD: Senior department officials --

CHAIR KEISER: You're going to get asked questions.

MS. MANGOLD: Finally.

CHAIR KEISER: Yes.

MS. MANGOLD: Yes. Director is confined to what's presented here. The senior
department official cannot take on additional evidence.

MR. WOLFF: Thank you.

MS. HONG: Just to add to that. The senior department official can refer it back to the staff.

MS. MANGOLD: Right.

MS. HONG: So then, but then we would have to go through this whole process.

MS. MANGOLD: It's a whole process.

MS. HONG: It would have to go before the staff for review --

CHAIR KEISER: Right.

MS. HONG: -- then come before this Committee again. So that would be more time.

MR. WOLFF: So that would be like a deferral. And we would come back in February.

Except, given the time frame, let me play the timing out because given the time frame for, even if we were to, whatever action we took as a recommendation, the letter from the senior department official won't come out for 30 days.
Something like that. For some time.

MR. BOUNDS: She, I was going to say, she has to publish the letter within 90 days.

MR. WOLFF: So, within 90 days. I'm just trying to think, if we're thinking this could come back by February, is that even possible in terms of the timing or is it actually then, because of the timing of, that 90 day period of getting new information, having it reviewed by staff, and I don't know, et cetera, are we really talking about, not the February meeting, but the meeting after that?

MR. BOUNDS: Yes, it would be the meeting after that. More than likely it would be July of 2020. Not February.

CHAIR KEISER: Sensing no more questions, thank you very much Elizabeth. Thank you very much.

It is at this time, Paul, that if you want to make a motion you are --

MR. LEBLANC: I would be delighted.

CHAIR KEISER: -- appropriately.
MR. LEBLANC: I move that NACIQI recommends CNEA to be granted initial recognition for a period of five years for the pre-accreditation, accreditation or nursing education programs.

VICE CHAIR WU: I second.

CHAIR KEISER: It was seconded by Frank. Is there discussion? Anne.

MS. NEAL: Would it be possible to recommend for less than five in order to address this?

CHAIR KEISER: Staff?

MS. DAGGETT: Yes.

CHAIR KEISER: I'd like to speak against the motion. First, we do not have an audit that we can rely upon because we do not know the positions of the subsidiaries which may or may not be making money.

Frankly, I have no doubt that they're okay. However, we have to make a decision based on the evidence. The evidence does not show that the agency, the parent of the agency, which is
supporting this particular agency, is sufficiently, you know, has the appropriate resources.

     The second part is, the agency is taking a very interesting approach to gaining membership because this seems to be their primary goal. But not charging dues, as I think every other agency does.

     And at the current moment, and with the current budget, does not look like it will be making money until sometime in the future, at which point these schools, which are now not having to pay very much, except for the expenses, will have to make a decision now. Do I want to continue with this agency that I have to pay a lot of money to or do I not.

     And so, we don't have a real comfort level as to the efficacy of the commitment of the institutions that are part of this CNEA.

     I have no doubt that they will be successful, but I have serious doubt that we, as an agency, could advise unqualified, it with an
unqualified recommendation to the secretary to recognize this agency at this time. So that's my point.

Anybody else for conversation? Anne.

MS. NEAL: I would be prepared to make a friendly motion to extend their, what's the right phrase, for a year or two years, as opposed to the full five year period.

MR. LEBLANC: I'd accept that friendly amendment for a two year period of approval.

CHAIR KEISER: Well, we need to make sure I understand because the year becomes problematic because of the time, doesn't it?

(Off microphone comment.)

CHAIR KEISER: Well, okay, you said one or two but it's hard on a one year approval because of the time structure we have. Is that right?

MR. LEBLANC: That's correct.

CHAIR KEISER: Okay. So would you say two years?

(Off microphone comment.)

CHAIR KEISER: The motion has been
amended based on Anne's recommendation. So the
motion now states to approve the agency for a period
of two years and have them come back before us.

Is there further discussion? Yes, Ralph.

MR. WOLFF: Point of clarification. When they come back in two years, it will be a full
recognition review?

CHAIR KEISER: That's tough.

MR. PRESSNELL: Are you saying versus a compliance?

MR. WOLFF: Well, according to what we understand, there can't be a qualification on the initial recognition decision.

MR. PRESSNELL: Okay.

CHAIR KEISER: Okay, any further discussion?

And I will have to say that I don't vote, so I still, my objection may or may not stand but that's okay. All in favor of the motion signify by saying aye?

(Chorus of ayes.)
CHAIR KEISER: All opposed? Oh, you raised your hand, I'm sorry, thank you. It looks like it was unanimous.

All opposed, raised your hand? Okay, be unanimous.

It is time for a ten minute break. Eleven minutes.

(Laughter.)

CHAIR KEISER: So, at 10:45 please be back here. I don't think we'll get through the next one.

(Whereupon, the above-entitled matter went off the record at 10:35 a.m. and resumed at 10:45 a.m.)

CHAIR KEISER: If everybody can find their seats.

(Off record comments.)

CHAIR KEISER: Please take your seats. And if somebody could tell everybody outside to come on in. Especially my members. Because we're behind. And I was the cause of that.

One, two, three, four, five, six, seven,
eight, nine, ten. We've got a quorum.

Okay. We are now moving to the Compliance Report from the Middle States Commission on Secondary Schools. The primary readers are Jill Derby and Rick O'Donnell. And the Department Staff is Chuck Mula.

And this is a little different in that we don't need to pull --

MS. HONG: Well, we're not subject to the standard questions.

CHAIR KEISER: Okay, we're not subject to the standard questions. So, Rick.

MS. DERBY: I'm the pilot.

CHAIR KEISER: Jill, please.

MS. DERBY: Yes. So, the Middle States got commission on secondary schools is one of three commissions of the Middle State Association of Colleges and Schools, primarily an accreditor of secondary education institutions.

The agency also accredits postsecondary non-degree granting vocational institutions. These postsecondary educational
institutions provide training and vocational technical careers with certified and licensed professionals such as automotive technology, computer networking, cosmetology, practical nursing.

The agency's federal link is the Higher Education Act Title IV federal student's program. And therefore, the agency must meet the secretary's separate and independent requirement.

It currently accredits 15 postsecondary non-degree granting institutions that use its accreditation to establish eligibility for Title IV.

A little bit about the history. First recognized by the Secretary in 1920. Then in 1988 remained a recognized agency until 1999 when it requested non-recognition. Recognition be removed.

Back in 2004, before the NACIQI, and recommended that the agency be recognized for a two year period but required it to submit an interim report fall of 2006. Again, continued recognition
in 2012. And currently is before the NACIQI for compliance.

CHAIR KEISER: Thank you, Jill. Chuck.

MR. MULA: Good morning, Mr. Chair, Members of the Committee. For the record, my name is Chuck Mula and I will be presenting a summary of the compliance report submitted by the middle states commission on secondary schools, herein after, refer to as the commission or the agency.

There are no third-party comments in connection with the report and no active complains by reviewed by the department.

The Commission last appeared by the NACIQI in June 2017 when it submitted its most recent full petition for continued recognition. At which time, the senior department official's decision was to continue the commissions current recognition and require the agency to submit a compliance report, demonstrating compliance with Section 602.15(a)(1) and (a)(2) of the secretary's criteria for recognition, administrative and
fiscal responsibilities.

The agency needed to provide CVs or resumes for each of its senior and administrative staff to evidence their qualification and to provide CVs or resumes for its commissioners, appeal panel members and site team members.

The agency also needed to provide documentation to demonstrate its training for the members of those bodies.

The department's review with the commission compliance report verified that they provided evidence, demonstrated a clearly defiant organizational structure that identifies the relative duties and reporting relationships of each of the staff.

The agency also provided CVs and supporting documentation demonstrating that each staff member and members of the decision-making bodies and site team members are qualified to perform their specific roles. And are trained also in the agency's standards and accrediting procedures, including the evaluation and
accreditation of distance education.

To update information demonstrating its financial status, the commission also provided supporting documentation that included current accounting of the agency's income sources along with its financial statement for fiscal year ending June 30th, 2018 that verify an increase in net assets and unrestricted assets, which ensure the agency's ability to conduct its accrediting responsibilities.

Department staff's recommendation of the senior department official is to renew the commissions recognition for three years. This concludes my report.

The agency representatives are present today and they can answer any questions you may have. Thank you.

CHAIR KEISER: Good. Do you have questions for Chuck? Thank you, Chuck.

Will the agency representatives please come forward? Please introduce yourselves.

DR. TICE: Good morning, Mr. Chair.
My name is Craig Tice, superintendent of schools in upstate New York, member of the commission and past chair of the commission of secondary schools of the Middle States Association of Colleges and Schools.

With me today is Dr. Lisa Marie McCauley, president of MSA-CESS, Ms. Kelly Christian, director of operations and Dr. Glen Mort, one of our accreditation officers who coordinates the accreditation of our postsecondary non-degree granting career institutions.

We appreciate the opportunity to speak with you and the Committee today regarding our success as a Title IV gatekeeper and our required compliance report.

In our brief prepared statement, since the early 1990s, accreditation has had a major impact on the field of American education. Accreditation response to the public's demands for improved quality and greater accountability for institutions serving society's needs.

Accreditation agencies enjoy unique
public trust role in the United States. In other words, accredited schools can be trusted by the public to be what they claim to be and do what they claim to do.

Whatever an accredited school says about itself has both the sanction and confidence of the profession.

Accreditation rests on the dual concepts of self-regulation and quality improvement. A given field, such as education, uses its own experts to define standards of acceptable operation and performance for the institutions and organizations within it. Thus, accreditation refers to a standard setting and review process.

The accreditation of an educational organization is an affirmation that the institution provides the quality of education that the community has the right to expect and the educational world endorses.

Accreditation is the means of showing confidence in the institution's performance.
When the commission accredits an educational institution, it is certifying that the organization has met the prescribed qualitative and quantitative standards of the commission within the terms of the organization's own stated philosophy and objectives.

Accreditation is granted on an institution-wide basis. Not just one program or course offering.

Since our renewal in 2017, the range and volume of our accreditation activities have remained relatively the same. MSA-CESS accredits 38 postsecondary non-degree granting institutions. Thirty-two of which participate in Title IV.

Of these 32 institutions, seven are small private, for profit career schools. We currently have three institutions in candidacy status for accreditation.

No adverse actions have been taken since the renewal of our petition. And overall, we have experiences favorable reports resulting
from the accreditation protocol used by these institutions.

We have also received and acted upon requests for substantive change from our accredited institutions regarding addition, deletion and changes to certificate programs in addition and discontinuation of campus locations.

Regarding the standards and practices used by MSA-CESS to address student achievement, MSA-CESS requires all institutions to be compliance with the indicators of quality identified for career and technology institutions for our standards of institutional quality.

Additionally, MSA has set program level thresholds for completion rates, licensing pass rates and job placement rates at 70 percent. And our context as a regional accreditor for non-degree granting, postsecondary career institutions, this rate, based on the Perkins requirements, has proven reasonable to support consistent expectations for success with respect to student achievement.

Our accredited institutions find these
expectations challenging, but appropriate. Based on suggestions from our accredited institutions, we are in the process of updating the template for our protocol to make these materials more user friendly.

The challenge we most frequently see, regarding student performance, is a lack of supporting documentation provided by institutions to demonstrate compliance at the time of the onsite evaluation. Specifically, for job placement rates.

In our experience, low job placement rates are often a function of the lack of effective strategies at the institution to provide documented evidence on the employment of program completers.

This results in a monitoring issue and MSA-CESS requires institutions to demonstrate compliance with a threshold in their annual reports. Or to submit improvement plans for any program that is out of compliance.

MSA-CESS takes great pride in the fact
that our accreditation protocol and reporting
requirements serve as tools for continuous
improvement.

It has been our practice to work with
institutions to identify gaps in student
performance. And to share our current proven
strategies and activities to help eliminate those
gaps.

Our evaluation process, based on peer
review and our annual reporting requirements,
reviewed by staff, reinforce the continuous
improvement model.

The monitoring process in place, annual
documentation of student performance rates,
assisting the institution with identifying
appropriate strategies and activities to improve
those rates and requiring program specific
improvement plans, has worked well in correcting
any issues related to student achievement that have
been identified through the onsite evaluation or
in the annual data provided by the institutions
for the staff to review.
Currently, MSA-CESS does not identify any of our accredited post-secondary non-degree granting career institutions at risk. MSA-CESS monitors not only student performance rates and loan default rates, but institutional viability and financial stability by requiring accrediting institutions to submit annual enrollment reports and independent audit reports.

MSA-CESS will identify an institution at risk, if aggregate student performance data consistently falls below the established thresholds. Or if the enrollment or financial reports indicate instability.

If such cases were to arise, MSA-CESS would employ the success of our current practice working with the institution to identify appropriate remedies. Requiring improvement plans and monitoring annual progress.

Failure to demonstrate improvement will place an institution on probationary status.

Although MSA-CESS accredits only a small number of postsecondary non-degree granting
institutions in our region for Title IV purposes, our member schools appreciate the rigor of our protocol and find that obtaining and maintaining middle states accreditation is invaluable in supporting their mission and in providing a process for data-driven decision-making that engages all stakeholders in continuous improvement to support the intended outcomes of student achievement.

We appreciate the opportunity to be of service to these institutions and to the U.S. Department of Education. And we hope that you look favorably on the service by approving our continued authorization.

DR. MCCAULEY: Good morning. I am Dr. Lisa Marie McCauley, I am the new president of the Middle States Association of Colleges and Schools, commission on secondary education.

I've assumed this position effective July 1st, 2019. Dr. Henry Cram has retired after 14 years of leadership at this organization.

I previously served as chief operating officer of the Middle States Association of
Colleges and Schools for five years. During the MSA-CESS review, the department staff determined that the agency must demonstrate that it is clearly defined organizational structure and its staff is adequate to support accreditation services.

And that the agency must also demonstrate that its operation are sustained through income generated from fees and services, from the accredited institution and its budget and audited financial statements document, that the financial operations and the agency's ability to conduct all of its accrediting responsibilities.

As noted in our report documentation, we have provided evidence of a clearly defined organizational structure, documentation that defines the relative duties and reporting relationships of each of the staff members.

MSA-CESS also has documented that each staff member and commission member is qualified to perform their specific roles. And that they are trained in the agency's standards and accrediting procedures and protocols. Including
the evaluation and accreditation of distance education.

At the end of June 2019, we have recognized some retirements but have continued consistency with the ongoing members of the staff, most notably who you see sitting before you right now. Dr. Craig Tice, Dr. Glen Mort and also Ms. Kelly Christian, as director of operations.

Previously, in 2017, Mr. Daniel Rufo has been part of the presentation. He has actually been promoted to the position of accreditation officer within the organization.

MSA-CESS has also provided financial statements through the fiscal year ending June 30th, 2018 that documents an increase in net assets and unrestricted assets. And the ability of the agency to conduct all of its accrediting responsibilities.

The current fiscal year end audit was prepared during the first two weeks of July. The auditors have been onsite and have completed their documentation.
We have just received our first draft of the 2019 fiscal year end audit. And this data shows that we continue to have the ability to conduct all accrediting responsibilities.

Previously, I was involved in this activity for the responsibility of the organization. And it is an integrated component of our activities for success.

I appreciate the opportunity to present our compliance report and appreciate the opportunity to be of service to these institutions.

And to the U.S. Department of Education and hope that you look favorably on this service by approving our continued authorization. Thank you.

CHAIR KEISER: Thank you. Questions from our readers?

MR. O'DONNELL: I don't have any either. I just want to thank you for coming and for being in compliance and for your fulsome presentations this morning, it was helpful, thank you.
DR. MCCAULEY: Thank you.

CHAIR KEISER: Any questions from the members of the Commission? Thank you very much. Will Staff please return, Chuck?

MR. MULA: Mr. Chair, I have no further comments.

CHAIR KEISER: Are there any questions for Mr. Mula? Thank you.

Sensing none, I would entertain a motion. Jill, Rick?

MR. O'DONNELL: I would, this is Rick, I would move that we renew the agency's recommendation, renew the agency's recognition for three years.

CHAIR KEISER: Is there a second?

MS. DERBY: Second the motion.

CHAIR KEISER: Second from Jill. Are there any questions, discussion?

Sensing none, all in favor signify by raising your hand? All those opposed? Motion carries. Congratulations.

I do want to take a point of personal
privilege to welcome to us today Robert King. Welcome.

Mr. King was nominated by the President to serve as the Assistant Secretary of Education for Postsecondary Education. While waiting confirmation by the Senate, Mr. King was delegated by the Secretary of Education, Betsy DeVos, to serve in that capacity.

In that role he oversees the Office of Postsecondary Education, which manages an array of programs, grants, policy development, affecting literally every state and every institution of higher education in the nation.

Prior to his service in Washington, Mr. King served as president of the Kentucky Council Postsecondary Education, the state coordinating board and a post which he held for ten years. During that time, he served as a member of SHEEO. And on its executive board and as chair in 2015.

Before working in Kentucky, Mr. King served as president of Arizona Community Foundation, chancellor of the State University of
New York, New York State Budget Director, Monroe County Executive in Rochester, New York. And as a member of the New York State Legislature from 1986 to 1991.

Mr. King was a trial attorney for nearly 20 years before serving in elected office. He graduated from Trinity College in 1968. And colleges of interest to you from Vanderbilt University School of Law in 1971. He is head of the independent colleges in Tennessee.

Now, Mr. King, I have to do this, you have your KU hat on and KU is not Kentucky University but it is Kaiser University from where I come from, so thank you very much for doing that.

Would you like to make a comment or come to the front? And again, welcome.

MR. KING: Mr. Chairman, thank you. I really just came over to observe your work. I have known for a number of years about the existence of this organization but have never had the opportunity to see you in action.

Herman and his staff have been getting
me briefed up on the work that you do and frankly, given the incredible importance of our accrediting organizations around the country and the capacity that they have to make available all of the federal resources that the Congress and the President support for student financial aid, this organization is one of those very quiet but critically important enterprises in the government that without you, all of this wouldn't be possible.

So, thank you all for your service. I know you are paid at a very high rate for your time. And I hope over my time, I know some of you are going off the board because you're term limited, but for those of you that are staying, I hope that we'll have an opportunity to get to know each other in the, at least the year and a half that lie ahead.

So, thank you very much, continue on. I didn't want to interrupt but wanted to watch and learn.

CHAIR KEISER: Well, again, thank you for joining us today. And if we can be of any help
to you in your new position, please do not hesitate to call on any of us. We'd love to be of service.

MR. KING: Well, I am open to being as educatable as possible despite being a proud graduate of Vanderbilt where we were certain we knew everything there was to know.

(Laughter.)

MR. KING: And we'll continue to learn.

Thank you very much.

CHAIR KEISER: Thank you. Our next agency is the Compliance Report of the Southern Association of Colleges and Schools Commission on Colleges.

The readers are Ralph Wolff and Frank Wu. And the Agency Department Staff is Nichole Harris.

And I am an accredited member of the southern association so I will recuse myself and turn the gavel over to Frank, whose able leadership will take over from here.

VICE CHAIR WU: All right. Give us a moment to make this transition here. All right,
I think that's the only recusal, right, so that should be noted in the record.

(Off record comments.)

VICE CHAIR WU: Okay. Since I'm Chairing, I'm not the primary reader for this. We'll turn to Ralph.

MR. WOLFF: Good morning. I'm pleased to introduce SACS and my colleague Belle Wheelan, who will be coming up soon.

SACS is southern, excuse me, SACSCOC, I've been corrected. Southern Association of Colleges and Schools Commission on Colleges is one of the granddaddy of regional accreditors. First recognized 1952, accrediting in a region comprising 11 states, 794 institutions, and 98 percent of which rely on SACSCOC for its Title IV eligibility.

The reason that SACSCOC is before us, it had its last recognition review in 2017. And if I am not mistaken, there was a single signature page that was missing.

There were some issues with some
appeals members, conflict of interest statements
and the like. Nicole can fill us in.

But in addressing the use of forms and
signatures, I can say that the issues have been
resolved, and members of the agency are here to
answer any other questions. But it appears that
the issues have been addressed and resolved.
Thank you.

VICE CHAIR WU: Okay. And before we
turn to Dr. Harris, just for the record, please
note that --

Before we turn to Dr. Harris, please
note for the record that Claude Pressnell also
recused himself. We always note any recusals.

Dr. Harris.

DR. HARRIS: I think it's still
morning. Good morning, Mr. Chair, I'm sorry, Mr.
Vice Chair, and Members of the Committee.

For the record, my name is Dr. Nicole
S. Harris, and I am providing a summary of the
compliance report review for the Southern
Association of Colleges and Schools Commission on
Colleges, also referred to as SACSCOC, or the agency.

This compliance report is in response to the senior department official's decision letter regarding 602.15(a)(6), conflict of interest.

The staff recommendation to the senior department official is to accept the agency's report and renew the agency's recognition for a period of three years.

This recommendation is based upon my review of the agency's compliance report and supporting documentation submitted in response to the agency's petition review in 2017 and the senior department official's letter.

The senior department official's letter acknowledges that SACSCOC outlines clear conflict of interest policies, and requested evidence of the agency's effective application of its conflict of interest policies for the agency's appeals committee members and site evaluators.

The responses and documentation
provided by the agency demonstrate that it is now following its established conflict of interest policy, which is evidenced by the agency's submission of signed conflict of interest forms for the appeal committee members and site evaluators.

As a result, staff accepted the agency's response and requested no additional information. In addition, no third-party written comments and no complaints were submitted to the department regarding the compliance concern since the Spring 2017 meeting.

In conclusion, I would like to reiterate the staff recommendation to the senior department official, to accept the agency's report and continue the agency's recognition for three years.

There are agency representatives present today, and we will be happy to answer any of the Committee's questions. Thank you.

VICE CHAIR WU: Do we have NACIQI questions from staff at this time?
Okay, seeing none, if we might invite the agency representatives to the table.

MS. WHEELAN: Good morning, Mr. Vice Chair, Members of the Committee, Mr. Bounds, members of the staff.

For the record, my name is Belle Wheelan, and for 15 years I have been the President of SACSCOC. And with me is Ms. Rosalind Fuse-Hall, who is our director of legal and governmental affairs and commission support, and works most closely with our board and the policies that we have.

When we were here in 2017 for our recognition, we had done everything except we were submitting electronic signatures, if you will, from our Committee members and our appeals committee members instead of getting original wet signatures.

The senior department official granted us five years' recognition, but asked if we would come back and show that we had put in wet signatures. We have now done that.
We have only had one appeal since we were here in '17. And we did submit those signatures as well, even though that didn't cover the period for which we were being evaluated. So I'll be glad to answer any other questions you might have.

VICE CHAIR WU: We'll start with our primary reader.

MR. WOLFF: I have no questions. In reviewing the file, it appears though that the agency has fulfilled the requirements that were set by the senior department official's letter.

VICE CHAIR WU: Other members? Jill.

MS. DERBY: I just want to be clear. When it is a compliance report, we don't ask information around pilot questions, is that right?

MS. HONG: That's right. We don't ask the questions, and neither do agencies have to come with a prepared statement.

VICE CHAIR WU: Anne.

MS. NEAL: Welcome. I wanted to look beyond the compliance report because I'm not
prepared at this point to accept it because of activity outside the compliance report that has recently occurred.

And yesterday Simon was referring to Section 602.33, which allows NACIQI and others to request a further review of compliance by accrediting bodies when it appears they may not be adhering to rules and regulations.

And so I wanted, in that context, to raise some concern. This month SACSCOC wrote to the University of South Carolina threatening their accreditation and demanding that the university respond as to whether the Governor had exerted undue influence in a presidential selection process.

I think we all can agree that a selection of the President is the most important thing that a board of trustee does. And in this particular instance, the Governor is an ex-officio member on the board.

The SACS rule, which has been invoked, is that the governing board protects the
institution from undue influence by external persons or bodies. And the rule explanation itself points out that elected officials are not deemed external persons or bodies.

So I raise this because I am concerned that that SACS is not applying its own rules accurately, and that in fact it is intruding into the appropriate trustee governing role of the institution in ways that pits it against other entities within the system and takes it far from its focus on student learning, student achievement and guarantors of academic quality.

So I would like to raise this concern in this context before our consideration of any compliance report.

VICE CHAIR WU: Would the agency like to respond?

MS. WHEELAN: That has nothing to do with this compliance report. I would ask that you vote on it first before I respond.

MS. NEAL: If I may say, the compliance report recommends that they be extended for three
years. So what I would like to do is address this issue before extending their recognition because I think it goes directly to their ability as accreditors. And perhaps we could recommend that staff review their compliance pursuant to Section 602.33.

VICE CHAIR WU: Let me ask staff if they have a view as to whether we should vote on the compliance report and then address the issues raised by Anne, or address the issues raised by Anne and then vote?

MS. HONG: I would recommend keeping them on two separate rails. So the scope of this current review is regarding the compliance report.

If you'd like to make a separate motion regarding the data shown at 602.33, we can do that, but let's focus on the scope of this review for the compliance report first.

VICE CHAIR WU: So I see Jill, Ralph and then Anne. Jill.

MS. DERBY: Well, I think Anne raised a good point. And I really couldn't feel I could
vote in favor of the compliance report without this other issue being addressed.

MS. HONG: Just to be sure though, the issue on the compliance report is unrelated to the issue that you're raising, right?

So we kind of need to close that. And we can certainly entertain your concern, but they're unrelated. In other words, this issue is not on the table for the compliance report.

VICE CHAIR WU: So why don't we let Jill finish, and then Ralph and then Anne. And in my role acting as Chair, I am always inclined to listen to staff and appreciate what staff says, but I would say here that the members of NACIQI may wish to take up all these matters at once. And if that's the view of the body, I would defer to that.

Jill, did you want to finish?

MS. DERBY: No. Only that would be my choice.

VICE CHAIR WU: Ralph.

MR. WOLFF: Yes, I'd prefer a different route. As I understand 602.33, it gives the right
of NACIQI to request a review, but that would be
independent from receipt of the compliance report.

It would need to be triggering a new
review for the staff that the NACIQI would be
requesting the review -- excuse me, requesting the
staff to undertake a review.

So from my standpoint, the agency was
asked to and did respond to a compliance report.

I am prepared to make a motion to accept the
report, and then I would say -- were that to be
acted on one way or the other -- were Anne to under
602.33 request that there be a further, a different
review on other issues, I would consider that to
be the appropriate course.

I believe that a compliance report is
limited to the issues raised in the senior
department letter, and that that has been
addressed.

It doesn't preclude a separate motion,
but I'm prepared to make a motion to accept the
compliance report. It can be voted up or down,
but at least then to proceed with any further issues
and the response of the agency to that.

But I do think the agency has, in good faith, responded to the compliance report.

VICE CHAIR WU: We return to Anne, and then we'll have a little bit of legal guidance.

Anne.

MS. NEAL: I guess to this issue, we I believe can defer decisions on things that are before us. It seems to approve the compliance report in effect approves the continuation of recognition of SACSCOC for three years.

And so it is more than simply accepting a compliance report. It is in fact saying: okay, we are happy, and we will extend you for another three years. My question is: in light of this, would that be appropriate?

And I think that's why I think it would be erroneous to proceed as if this vote on the compliance report were simply saying that they have dotted their i's and crossed their t's on conflict of interest forms, when in effect it has a far more significant impact on their operations. And I'm
questioning whether or not they are applying their own rules and regulations appropriately.

VICE CHAIR WU: Can we have a bit of legal guidance here?

MS. MANGOLD: I think that Ralph puts it in the correct procedural posture -- that there has to be a determination on the compliance report. The agency is entitled to due process. So that a decision on the compliance report and then a recommendation can be made to send it back to the staff on a separate track, under 602.33, for further investigation. Because the agency has not come today to be prepared to talk about these other issues being here on the compliance report.

VICE CHAIR WU: Herman and then Jill.

MR. BOUNDS: Yes, I was just going to -- I think Donna said it perfectly. 602.33, just so everyone knows, would allow us then after the decision on the compliance report, allows us to review an agency, any time during the year.

And under 602.33, if we found something that we thought improper, we would then bring the
agency back before the NACIQI to make a decision
on our recommendation based on a review under
602.33 --

VICE CHAIR WU:  Jill.

MR. BOUNDS:  --- whether that would be
next year or whenever we would complete, whether
we would complete that review.  But that would be
a total separate issue than what is stated in the
compliance report, which is what the senior
department official found them noncompliant for
in the previous review.

VICE CHAIR WU:  Jill.

MS. DERBY:  My question is about the
timing of that, and whether it would likely come
back to us in February.  Certainly a bigger issue
behind this that I think it's important for us to
get back to.

MR. BOUNDS:  Yes.  It would not come
back in February.

VICE CHAIR WU:  And Simon.

MR. BOEHME:  Frank, I have to say that
you being Chair looks so good on you.
(Laughter.)

MR. BOEHME: It's always such an honor --

VICE CHAIR WU: Thank you.

MR. BOEHME: -- when you're the Chair.

I am also inclined with my colleague Anne that I think, similar to the nursing vote that we have, whenever NACIQI makes a vote, it is a signal to the higher educational committee. It's a signaling to the accreditation committee.

And I think this is a issue that should be discussed. And I understand there are different rails and different things, but again, like many accreditors -- and Belle, I will miss you -- is just a general failing of accreditors to be transparent and respond to things.

And I understand that there are certain procedures and questions, but I don't understand why the accreditor just can't answer this question now, and then we can vote.

VICE CHAIR WU: Let's hear from the agency, and then as Chair, I actually have a
suggestion, which is that NACIQI members vote on a procedural matter, which is whether to take up the issue Anne has raised now, or to vote on the compliance report first. So we can resolve this by simply voting on it if someone wished to make a motion of that effect. But let's hear from the agency.

MS. WHEELAN: Thank you, Mr. Vice Chair. I was just going to say that when we were here in 2017, the senior department official granted us five years' recognition. So the three years that's coming now is just the remainder of that five years.

We had had several situations where we had asked institutions to explain governance, or undue influence, even during that period that did not impact that five year recognition. So I'll be glad to answer that question, but that's not what we came for today. That was why I asked for a vote on that first.

I'm not avoiding answering the question. I just don't want to mix apples and
oranges when this was the issue for which we were invited to come today.

VICE CHAIR WU: Okay. Our primary reader, Ralph.

MR. WOLFF: Well, first to comment. At the time of the comprehensive review of SACSCOC for recognition, there was an extensive review, both by staff and extensive questioning.

This is a very small issue, and so I am prepared to make a motion -- either procedurally or substantively -- to move forward with the acceptance of the compliance report.

I feel it would be a breach of due process to deny acceptance of the compliance report on an issue which the agency was not given notice of --- not prepared to respond and provide information that would be reviewed by the staff.

And were the NACIQI, the Committee, to make a recommendation under 602.33, to look into this issue, it would occasion the kind of staff review that would provide appropriate due process.

So I'll ask for guidance.
Do you want to ask for a procedural vote, or a motion for procedure as to which goes first, or just a substantive vote with which you can do up and down to accept the compliance report?

MS. HONG: I just --

VICE CHAIR WU: Had another comment from staff then we'll go to Kathleen --

MS. HONG: Real quick.

VICE CHAIR WU: -- and then I have a suggestion.

MS. HONG: I support a substantive motion on the issue on the table. I just said that this Committee, in my role as executive director to fulfill our agenda and the responsibilities. And also I'm not negating that we can't bring this issue up, but let's -- we want to make legally supportive recommendations as well. So --

VICE CHAIR WU: Kathleen.

MS. ALIOTO: I wanted to ask Anne --

VICE CHAIR WU: Closer to the mic please.
MS. ALIOTO: I wanted to ask Anne what she thinks about this, in light of the fact that they already have another three years to go.

MS. NEAL: I'm prepared to accept a motion on the compliance report.

VICE CHAIR WU: Okay. So let me try to summarize. Nobody is saying, that I've heard, that we shouldn't take up these other issues. The only question is timing.

And I now understand Anne to say she does not object to a vote on the compliance report now, to be followed by further conversation about SACS. Is that correct, Anne?

So Ralph, I think that's the answer to your question, I'm just neutral here as Chair to facilitate this.

(Laughter.)

VICE CHAIR WU: If you care to make a motion, we are prepared to receive a motion.

MR. WOLFF: So I am prepared -- I am moving that we accept the compliance report and the staff recommendation, which would continue the
recognition for the period of three years, period.

VICE CHAIR WU: Is there a second?

MS. NEAL: Second.

VICE CHAIR WU: Okay. Any further discussion at this time on this motion?

Seeing none, all in favor of accepting the compliance report, please signify by raising your hands for the record. One, two, three, four.

I see four.

All opposed, please signify by raising your hands for the record. Three.

So the motion carries, four to three.

That concludes our discussion of the compliance report. However, we all agreed that that wouldn't preclude further conversation about SACS. The floor is now open for that further conversation.

MS. WHEELAN: If I might, Mr. Chairman?

VICE CHAIR WU: Yes, please.

MS. WHEELAN: We have a standard that does hold boards responsible for keeping the institution free from undue political influence.

We do not -- that I'm aware of, Ms. Neal -- have
any place where it says that elected officials are not included that way because that -- we do include that.

       We wrote a letter to the President, current President of the University of South Carolina when the media covered a conversation that was supposedly held by the Governor, and they said it was in his role as Governor -- not in his role as a board member of the University of South Carolina.

       This is pursuant to our policy of undue, I'm sorry, of unsolicited information. We're not accusing anybody of anything. We tell our institutions that this is still America, even though it's the south and that you're still innocent until proven guilty.

       And so we just want their side of what's going on because the media doesn't always get it right. So we sent a letter of inquiry saying: this has come to our attention; could you please tell us what's really going on?

       And we asked for a response by next
Monday. I have subsequently received that response. I have not had a chance to analyze it yet, but I also had a call with the board chair who indicated that he, as board chair, has been in charge of this whole search and that everything they've done has been done irrespective of the Governor's phone call.

So as far as we're concerned, it's not a -- it's a done deal kind of thing. But that is the kind of process that we have when we do that. We did not demand anything; we merely inquired and asked them to please tell us what was going on.

Our members make up our policies and have to approve everything we do. I do not sit in my office and figure out, how can we shaft institutions or elected officials or anybody else. I merely manage the process that we had.

So that's what happened in the incidents of the University of South Carolina, to your question.

VICE CHAIR WU: Anne and then Jill.
MS. NEAL: Thank you for that. And if I may beg to differ, Ralph said that this was a small matter. I quite frankly think this is a very significant matter.

And while you have said that you're not really accusing USC of anything, you're simply inquiring. In fact, as an accreditor, you have the ability to take away federal funds from the institution, so you are actually accusing and threatening them by this request. So I think to suggest otherwise is -- does not recognize your role as a Title IV gatekeeper.

And I guess I raise this because this is not the first time that SACS has undertaken this kind of intervention with the political process, and nor are you the only accrediting body that frequently is inquiring of legislatures as to why they're not spending more money on higher ed.

I think this raises significant questions of the abuse of power by accreditors when it relates to the political activity on higher education in the States. And in this case, to be
inquiring as to whether or not the Governor had inappropriately intervened in the selection of a President, where he was on the board, that casts a shadow.

Whether you intended it or not -- and I suspect you did -- that casts a shadow on the process and pits the accreditors against the board of trustees. And I think that that is -- ignores state law, where trustees have the legal authority to select presidents.

And I think it undermines the accrediting process, which presumably is a peer review process focused on educational quality, and how this kind of inquiry, which ignores state law, how that advances student achievement and academic quality is not clear to me. And in fact, I think it may undermine it because it takes attention away from what students are learning.

VICE CHAIR WU: We'll give the agency a chance to respond to every question raised by a member. The agency need not respond, of course.

MS. WHEELAN: I didn't hear a question.
I hear Ms. Neal's opinion, and she and I have been disagreeing over this for years.

VICE CHAIR WU: It's your prerogative not to respond. That's fine. We have Jill and then Ralph.

MR. WOLFF: Can I? Point of clarification. My reference to a small matter was the compliance report. I'd just like to clarify that.

VICE CHAIR WU: Okay.

MR. WOLFF: Not to this issue, which has to be addressed.

VICE CHAIR WU: Okay. Let's return then to Jill.

MS. DERBY: Well, I just concur with the points that Anne has raised. It's a very serious issue, the undue political influence we're seeing across the country.

And boards individually, and system boards, whatever, who have the governance authority and that legal governance authority don't have the capacity really to push back against
the Governor that interferes or other kinds of political. There are consequences to that, and it just doesn't happen.

As a result of it, the role that accrediting agencies can play in this -- given what governance standards are -- is a very critical one that I don't think they've stepped up to the plate to play. And I think this is a good example of that, and it's why I'm in agreement.

I only voted in compliance because I do see it as a narrow, legal issue, that would not have been appropriate. But on the other hand, I think it's a very important case for NACIQI to take up, for us to follow-up, from today's discussion, and take up the matter.

VICE CHAIR WU: Jill, may I just clarify to make sure I understand?

Do I hear you saying: accrediting agencies actually should do more, not less, on potential interference on governance?

MS. DERBY: Yes. The agencies have standards around governance for very good reason.
And I feel this is an example where they could have taken an important stand, and should have, in terms of undue political influence on the governing process of our universities.

MS. WHEELAN: Mr. Chairman, that's exactly --

VICE CHAIR WU: I see.

MS. WHEELAN: -- what we did, and that's what Ms. Neal is being critical of us for.

VICE CHAIR WU: Okay. Back to Ralph as the primary reader, and then I would invite NACIQI members, if any wish to ask a question or make a motion, to do so. Ralph.

MR. WOLFF: Yes, I just want to make comment that as Anne mentioned, in the press at least there have been other issues with respect to Northwest and the University of Alaska and the Governor's role there.

When I was President of WASC, I occasionally, on a very rare occasion, had to write similar letters when resignations were expected of all board members when there was gubernatorial
election. And there were other issues.

So I just think it's an issue. To the extent that this Committee would want to take it up, it's not just a SACS issues. It is an issue of an environment in which public boards are, in many cases, are appointed by governors, and the governors are members of the board. The Governor of California, Gavin Newsom, is on the University of California Board.

So I'd say it's a broader issue. So to the extent that this might be addressed, I wouldn't want just SACS to be picked out over a single case, but rather there might be a more appropriate way to address: how does this whole issue of political influence and the standard of governance?

I would also say that the accrediting agency have the right under federal law to have standards beyond those that are required for Title IV eligibility. So it's also not clear to me whether -- where this fits within the standards for Title IV eligibility versus other standards.
But it's a larger question, and I do think it's really important around quality and leadership. The quality of leadership is very important to have a role in the quality of the institution.

So I'm not quite sure the best way to address it, but I don't think it would be over-limiting SACS recognition, but I do think to the extent we want to take up this issue, it ought to be addressed more holistically.

VICE CHAIR WU: There's further staff comment.

MR. BOUNDS: So Ralph, thank you. I just wanted to point out one issue. Under 602.33, we would be restricted from evaluating agencies on standards that they have established themselves.

So the first thing, in the Higher Education Act, under Paragraph G, it talks about the limitation on the scope of the criteria. So the Higher Education Act is pretty clear where it says, "Nothing in this Act shall be constructed
to permit the Secretary to establish criteria for
accrediting agencies that are not required by this
Act."

So as you were saying, accrediting agencies have the right to establish standards that are not part of the Higher Education Act, are not part of the criteria for recognition. So they are perfectly -- they're perfectly allowed to set additional standards that they have, and we have no purview into those standards.

VICE CHAIR WU: There's comment from Anne.

MS. NEAL: I guess that would be the broader issue that I would like to raise. Since we have Secretary King here, it perhaps is an appropriate time to do so.

What I hear you saying is that accrediting bodies have the ability to add whatever standards they would like over and beyond what is stated in the Higher Education Act, as they have done in the realm of governance, and that you -- the Department of Ed -- have no purview over those.
If in fact that is the case, how can they be accountable if they apply and adopt these rules and regulations outside the Higher Education Act on regulatory requirements?

MR. BOUNDS: So again, to respond, at that point we require accrediting agencies to follow whatever standards they publish. So our review of those actions would be: number one, do they in fact apply those standards, and do they follow what their published standards say?

I mean, if they say: we disapprove everyone who doesn't have purple notebooks, okay, well, if they follow that policy, that's what we look to see. It's not that we don't have any purview; it's just that whatever standards they establish, we have to make sure that your creditors follow those standards.

Other than that, they are perfectly allowed to set whatever standards that they want to that are over and beyond what the Higher Education Act and current regulations require.

VICE CHAIR WU: Yes, further staff
comment?

    MS. HONG: Yes, just to put a finer point on it, if this is an issue for compliance for SACS and you want a request to review under 602.33, you would need to attach it to a criteria. Otherwise, if you want to pursue Ralph's suggestion for the Committee to look at it in a broader way, we can do that by forming a subcommittee. Appointing a subcommittee and looking at the issue of governance in that regard.

    But if it is a compliance issue with SACS, you must attach it to something within the scope of this Committee.

    VICE CHAIR WU: So seeing no further comment from the NACIQI members, I'll ask at this time, does anyone wish to make any motion related to the preceding discussion? Jill.

    MS. DERBY: I can't think of the particular wording to the motion, but I'd like to see us follow up.

    And Jennifer's suggestion about a subcommittee that looked at this issue and brings
it back before this body I think would be a very healthy thing. It is a very big issue and one of serious concern.

And I think to ignore it, it isn't appropriate to take it up in the context of a compliance issue, obviously in SACS under this circumstance, but on the other hand, to just pass by it doesn't feel right to me.

VICE CHAIR WU: It's not the role of the Chair to make a motion, but I would observe that Claude Pressnell just shared a project that we just did. We could, as staff has suggested, if a motion were made, seconded and approved, create a subcommittee to look at what I understand to be the issue of accrediting agencies' oversight of governing boards and the issue of political interference.

I may not be stating is quite the way, Jill, you intend to, but I hope to inspire a motion if any of you wish to make one. Simon?

MR. BOEHME: I will make a motion that NACIQI creates a subcommittee on oversight --
accrEDITORS' oversight of political influence and governance.

VICE CHAIR WU: Is there a second?

MS. NEAL: I'll second the motion.

VICE CHAIR WU: All right. The motion was made by Simon, seconded by Jill. Further discussion?

Seeing no further discussion, all in favor of the motion, if it carries we would create a subcommittee, if it does not carry we would not. And I understand this not to be directed, just for the record, at SACS in particular, but to be more general.

All in favor, signify by raising your hand please? That's six.

All opposed, signify by raising your hand? All right, that's six and no recorded abstentions.

Let me ask staff, should we populate the subcommittee at this time, or no, actually we should wait for our regular Chair to return because those individuals recused for SACS would be
eligible to serve on the subcommittee and should be allowed to participate in this discussion.

I believe that, as far as SACS is concerned, we've concluded this portion of the NACIQI meeting. I thank the agency. I thank Dr. Harris of the staff. And I believe then that we have no further business related to SACS, and we should recall the two additional NACIQI members to return.

I will relinquish the Chair role, and either we can discuss this new subcommittee, or we can have our ethics training and discuss the subcommittee momentarily. So let's have a 90 second break so that Art Keiser can return as Chair.

Thank you.

(Off record comments.)

CHAIR KEISER: If I may have the members' attention please? May I have the members attention please?

Because of potentially losing a quorum later this afternoon, we need to kind of compress some stuff. So we will take like a 15 to 17 minute
break to go grab a sandwich, come on back, we will do our ethics training and then go right on to the agenda. If that would be okay with everybody. Yes?

MS. NEAL: Can I request that the ethics training be an open session?

CHAIR KEISER: That's to legal issues, our lawyer is not here. Herman, what do you say?

(Off microphone comment.)

CHAIR KEISER: Are we able to have that ethics training as an open session?

MS. NEAL: The ethics lawyer is coming.

CHAIR KEISER: Ah-ha.

PARTICIPANT: I have to checkout, but I think I have time to do that.

PARTICIPANT: Should we go find lunch?

CHAIR KEISER: Yes. 15 minutes. Come on back, grab a sandwich and bring it back with you.

MS. HONG: Can I respond to Anne?

CHAIR KEISER: Yes.

MS. HONG: Anne, just to respond to
your request. Because this might have to deal with personal, ethical concerns and have an open discussion, we ask that it be a closed session.

MS. NEAL: Well, the reason I raise it, and I've raised it in the past, is that sometimes the accrediting rules have been interpreted so as to have an effect of shutting down discourse.

And so I think in learning the application of the ethics rules for NACIQI, that general discussion could clearly be an open session discussion. And if there are personal questions that need to be addressed, then I can see then closing at that point.

MS. HONG: I'm open to having those open discussions. For this particular training, if we could keep that closed. And if the Chair agrees, we can have those discussions in the future for future agendas?

CHAIR KEISER: Fine. So you're welcome to join us back in 15 minutes everybody. Thank you.

(Whereupon, the above-entitled matter
went off the record at 11:52 a.m. and resumed at 12:59 p.m.)

CHAIR KEISER: I'd like to call the meeting back into session. If everybody would take their seats.

We are going to approach the three agencies that are scheduled after lunch at one time because they have the same administration. What we'll do is I will call out the readers, and you'll each give us the introductions, then I will call the three staffers to come up and talk about the particular agencies. And then we'll call up the -- and we'll be able to ask questions about any one of the three renewals.

The first renewal is the renewal of recognition for the National Association of Schools of Dance, commission on accreditation. George French, who is not here, Anne Neal will be the primary reader; Chuck Mula will be the staff member.

The second is the renewal of recognition of the National Association of Schools
of Music, commission on accreditation. Simon and Susan are the two readers, Simon will report out on that. And then Stephanie is the staff member.

And the renewal of recognition of the National Association of Schools of Theater, the commission on accreditation. And Kathleen will report out on that. And the department staff is Charity.

So if we can start with the first one. And if -- Anne, would you report out, introduce us to this agency?

**MS. NEAL:** All right. The National Association of Schools of Dance, commission on accreditation, is both a programmatic and institutional accreditor. However, the agency is only recognized for the accreditation of freestanding institutions.

The principal purpose of this agency is the accreditation of freestanding institutions that offer degree granting and non-degree granting dance programs, and the accreditation of dance programs within institutions accredited by a
national recognized regional accrediting agency.

They are before us and are seeking a petition for continued recognition.

CHAIR KEISER: Okay, Simon.

MR. BOEHME: The National Association of Schools of Music, commission on accreditation, they are seeking an -- no they're not, just a request. It does not appear the -- no issues.

Both a programmatic and institutional accreditor, however, the agency is only requesting the accreditation of freestanding institutions as within the scope of its recognition.

The principal purpose of this agency is the accreditation of freestanding institutions that offer degree granting and non-degree granting music programs and the accreditation of music programs within institutions. And it's been around since 1952.

CHAIR KEISER: Kathleen.

MS. ALIOTO: The National Association of Schools --

MS. HONG: Mic.
MS. ALIOTO: The National Association of Schools of Theater, commission on accreditation, accredits freestanding institutions of theater and theater related programs, both degree and non-degree granting, including those offered via distance education.

The recognition of the agency's accreditation of freestanding of institutions that offer theater and theater related programs enables those institutions to establish eligibility for Title IV.

The Commission was granted initial recognition in 1982, a renewal in 2014, and is here for renewal once again.

CHAIR KEISER: Thank you. Will the staff members please come forward?

We got four, okay. Chuck, if you'd like to report on the Schools of Dance.

MR. MULA: Thank you, Mr. Chairman.

Good afternoon, Mr. Chairman and members of the Committee.

For the record, my name is Chuck Mula,
and I will be presenting a summary of the petition for continued recognition by the National Association of Schools of Dance, commission on accreditation, hereinafter referred to as the commission or the agency.

As part of this evaluation of the commission's current petition for continued recognition, department staff reviewed its petition and supporting documentation, and observed the site evaluation and visit by the agency in New York City in March 2019.

There are no third-party comments in connection with the petition and no active complaints being reviewed by the department. The commission's petition for continued recognition includes sufficient evidence that its standards, policies, procedures and supporting documentation demonstrate compliance with the Secretary's criteria for recognition, except for one agency process that concerns the department.

This concern regards the application of its deferral policy and its guidelines, and that
even while its current policies indicate that the timelines specified in this section of the criteria will not be exceeded.

The commission's practice of its deferral policy allows a noncompliant issue to exist and exceed the enforcement timelines allowed by the Secretary's enforcement of standards criteria, 602.20.

In accordance with the Secretary's criteria for recognition, an agency is required to take immediate adverse action or give the institution a specific time frame for coming into compliance. The commission must amend its policies to state that the enforcement timelines required by this criteria will not be exceeded.

Its polices must also ensure that when it is determined that an institution is noncompliant, the required timelines are initiated.

The commission cannot defer action when it has determined that an institution is noncompliant with the standards. This must be
clarified in the agency's policies and procedures.

The department has recommended to the senior department official to continue the commission's current recognition and require it to come into compliance within 12 months, and to submit a compliance report 30 days after the 12 month period that demonstrates its compliance with the issues identified in the department staff report.

This concludes my report, and members of the agency are here to answer any questions you might have. Thank you.

CHAIR KEISER: Anne.

MS. NEAL: Just a quick question. It appears the agency has been operating in this fashion for some time, including periods that we have already reviewed, but this has not come up before. Could you address that please?

MR. MULA: Absolutely. There was nothing evident. A lot of times when we reviewed the agency, they had not either had the opportunity to apply this process, or we didn't have any
information available in the petition that this was being done.

    We only notified this because of an application of this policy, and we determined that the timelines were not sufficiently in place, then we cited the agency for it.

    CHAIR KEISER: Any additional questions from the Committee?

    If not, we'll move to the next --- oh, I'm sorry, Kathleen, go ahead.

    MS. ALIOTO: What explanation did they give over the redaction problem? Of the information in the various exhibits.

    MR. MULA: The information that I have reviewed in our petitions, the only redacted information was PPI information. I have not had any issues with their redacted information. Is that sufficient?

    CHAIR KEISER: Thank you, Chuck. Now Stephanie, would you like to make your report on the Schools of Music?

    MS. MCKISSIC: Yes. Thank you. Good
afternoon, Mr. Chairman and members of the Committee.

For the record, my name is Stephanie McKissic, and I will be presenting a summary of the petition for continued recognition by the National Association of Schools of Music, commission on accreditation, hereafter referred to as NASM or the agency.

As part of the evaluation of the agency's petition for continued recognition, department staff has reviewed its petition with supporting documentation and observed a commission on accreditation meeting and visiting evaluators training in Washington, D.C. on November 15th through 17th, 2018.

There were no third-party comments or active complaints submitted during this review period. The agency's petition for continued recognition includes sufficient evidence that its standards, policies, procedures and supporting documentation demonstrate compliance with the Secretary's criteria for recognition in all
sections except for one, regarding 602.20(a), the enforcement timeline.

The department has concerns with the agency's application of its deferral policy, and its notation of the policy and its guidelines. In accordance with 602.20(a), an agency that finds an institution or program not in compliance is required to take immediate adverse action, or require the institutional program to take appropriate action to bring itself into compliance within a time period not to exceed a timeline based on the length of the program or longest period offered by the institution.

To ensure that it does not exceed the time period in 602.20(a), the agency must amend its policy to either initiate an adverse action or initiate the timeline for the program or institution to bring itself into compliance when a determination of noncompliance with an agency standard has been found.

The department is recommending to the senior department official to continue the
agency's current recognition, and require the agency to come into compliance with the Secretary's criteria, 602.20(a), within 12 months by submitting a compliance report within 30 days after the 12 month period, to demonstrate compliance as identified in the department staff's report.

In addition, department staff has found that SDO decision letters and the agency's scope of recognition included and recognized the agency's commission on community college accreditation as a decision-making body, prior to July 2008.

However, this body was no longer included in SDO letters or included in the agency's scope of recognition after July 2008, even though the agency has demonstrated that the commission on community college accreditation has always, and continues to be, an active decision-making body.

Department staff also found that its academic administrators and public members operate within the proper composition and qualifications, and therefore recommends that the agency scope
resumes recognition to be extended to the commission on community college accreditation.

This is a department correction to the agency's scope. This concludes my report for the National Association for Schools of Music, commission on accreditation. Members of the agency are present today to answer any questions you may have at this time. Thank you.

CHAIR KEISER: Simon, do you have questions?

MR. BOEHME: You did a great job, and thank you for your report.

CHAIR KEISER: Questions from the Committee? We'll move to the third, Charity.

MS. HELTON: Good afternoon, Mr. Chairman and members of the Committee. For the record, my name is Charity Helton, and I will be presenting a summary of the petition for continued recognition by the National Association of Schools of Theater, also referred to as the agency or NAST.

As part of this evaluation of the NASTs current petition for continued recognition,
department staff reviewed its petition and supporting documentation and observed part of the agency's yearly commission meeting and training in Minneapolis in March of 2019.

There are no third party comments in connection with the agency's petition, and no active complaints being reviewed by the department.

The agency's petition for continued recognition includes sufficient evidence that its standards, policies, procedures and supporting documentation demonstrate compliance with the Secretary's criteria for recognition, except in one area.

The department has concerns with the agency's deferral policy, which allows the agency the possibility of exceeding the timelines allowed by the Secretary's enforcement of standards criteria, 602.20(a), for an accredited theater institution that is not in compliance with the agency standards.

In accordance with the Secretary's
criteria for recognition, an agency is required to take immediate adverse action or give the institution a specific time frame for coming into compliance when the agency finds an accredited institution not in compliance with the agency standards.

The agency must amend its policy to ensure that the required timelines are initiated when it is determined that an institution is noncompliant, and to ensure that appropriate action is taken if an institution is still noncompliant at the end of the timelines allowed by the section of the Secretary's criteria. This must be clarified in the agency's policy and procedures.

The department is recommending to the senior department official to continue the agency's current recognition, to require the agency to come into compliance within 12 months, and to submit a compliance report 30 days after the 12 month period that demonstrates the agency's compliance with the issue identified in the
department staff report.

This concludes my report, and there are representatives of the agency present today.

CHAIR KEISER: Kathleen, do you have any questions?

MS. ALIOTO: Yes. I'm curious how you came to these, besides your site visit?

I know that that's the present approach the department is taking, but when the documents -- in terms of student achievement, curricula faculty and fiscal administration -- were primarily redacted, how did you come to the conclusion that they were meeting all of our standards?

MS. HELTON: So I'm happy to answer that question. The agency did afford us multiple opportunities to view their documentation in whole, on site. And two of those occasions were when we visited the agency's headquarters. And then also when I did a site visit to Minneapolis, the complete set of documents was available at that time, so we were able to fill in any information
that had been difficult to ascertain.

There were redactions, as noted by my colleague, that were primarily intended to preserve privacy where that was required. And we did request of the agency, and did receive additional identification information about those documents to help us track them and piece them together.

MS. ALIOTO: I think it's a little bit of a challenge for us. I know that we -- I think you've done a very thorough job, but it's a little difficult when some of the documents are completely redacted. And how do you even know at all, or how do we know?

In the future, could you take pictures, so that we -- or scan the information so that we can make a more competent judgment?

CHAIR KEISER: Can I let Herman answer that question?

MR. BOUNDS: So one thing I want to cover is that, so the regulation does allow the agencies to redact certain information. School
MS. ALIOTO: But some of them were full pages.

MR. BOUNDS: Yes, and we'll get to that. I think Charity answered that question by being able to see some of the information onsite.

Our main concern was really that we couldn't -- we wanted to make sure that the documentation was from the same institution and everything was related, meaning that the self-study and the site visit report were about the same institution.

I think the analysts were able to identify the issues within each site visit report as they were relative to -- and you guys can tell me if I'm not right or not -- but as relative to study achievement. They could see those particular things, and not to reiterate, but in combination with what they saw at the site visit report kind of satisfied our review.

And we did speak to the agency quite a bit about the redaction of the information. And
if you guys want to add anything, you can.

MR. MULA: I would just like to add one thing, that most of the documentation that they presented -- at least with the dance schools -- had a lot of private information and confidential information that made it, that were included in those big documents.

And if that would have been left there, that would have been a breach of the confidentiality agreement with the institution. So we did work out with the agency identifying information so we knew, like Herman said, how to tell that they were from the same school, the self-study, the report, the commission letter. And we looked for those things also to verify that information. But a lot of that information contained information about students and their personal stuff.

CHAIR KEISER: Any other questions?

MS. ALIOTO: Yes. Isn't it -- I mean, with all of these schools, it's information about students. So we don't have that kind of redaction
in most of the presentations that are made to us.

MR. MULA: The department only requires the staff to verify that the institution's documentation that we receive for the complete process is from the same institution.

In some agencies, not all agencies, but in some agencies, there are processes for putting identifying information on their staff reports, for instance, and on their self-studies, is -- leads more to more private information than other agencies.

For these commissions, they intend to do that. So unlike a national or a regional doing an institution that covers more than just one specific program, this is a specialized area.

So historically the department has worked with them to give a little and take a little.

(Laughter.)

CHAIR KEISER: Okay --

MS. MCKISSIC: So for -- I wanted to add, for the Schools of Music, one of the ways that the agency evaluated the rigor of student
competencies with the competencies for music, is that the student has to create original bodies of work.

So some of the pages within the music are self-studies, were students' original bodies of work. And so that's why I -- that's how I found whole pages to be redacted.

But I was able to identify information to assess based on the Secretary's criteria.

MS. HELTON: And I would like to follow-up on that as well. As Stephanie has pointed out, a great deal of the redacted information dealt with direct information about the student and the work they were producing.

For many of these standards, we were primarily looking at the agency's actions. We wanted to see the agency's evaluative comments and procedures documented, and that part was not redacted because that was the work of the agency itself.

CHAIR KEISER: Kathleen. Kathleen?

MS. ALIOTO: Yes.
CHAIR KEISER: Kathleen?

MS. ALIOTO: Yes.

CHAIR KEISER: Let me refer you to our legal counsel and the issue of redaction.

MS. MANGOLD: The department gets a lot of FOIA requests -- Freedom of Information Act requests.

MS. ALIOTO: Yes.

MS. MANGOLD: So it is typical that when we send out -- whether it's in this arena or FSA -- when we send out requests to the people we regulate, we give them the opportunity to redact.

The regulations, in regard to this with the accreditation regulations, are at 602.31. And it basically -- and I'll just summarize it for you, so you know what's appropriate and what's not.

They can redact information that identify individuals or institutions that are not essential to the decision-making process. It would also be very typical in submissions, in terms of what is received by the department, that individual students' social security numbers are
definitely redacted.

We can come up with a naming mechanism for students if somehow you need to know it's X student, which is more probably prevalent in the FSA world than it would be in the accreditation world because we need to know -- in the FSA world, you need to know that Suzie Smith has a high school diploma. So they are allowed to redact.

They can designate, in good faith, business information. They're not supposed to -- it's not supposed to be redacted, but it should be designated for redaction.

But they can redact things that are not essential to the accreditation group's review of the criteria. So if things are irrelevant to their review, that can be redacted.

They can also identify anything else if they think in good faith should be protected from public disclosure under FOIA.

The issue that they're trying to protect against, is we get -- the department as a whole gets requests for things that are
submitted, things that are in our files, and we're obligated to release them. But it has to be in conformance with what FOIA requires of us.

Does that help?

CHAIR KEISER: Jen.

MS. HONG: Just really briefly. I think you're seeing more redactions in this agency because of the nature of what they're looking at. They had a lot of examples of student work that were not relevant to the actual review.

So I think that may be why you're seeing, and Staff can correct me, but that may be why you're seeing more redactions than usual.

CHAIR KEISER: Kathleen, in all the years I've been on this committee this is the first time anybody has ever picked this up, so thank you.

MS. ALIOTO: Well, I'm concerned, curriculum is not a personal issue. I'm not sure why that's redacted.

Or, faculty. The names of faculty. Or fiscal administrative work. I mean, that is data that we should know about in terms of how
robust an institution is, or the accreditors should know at least.

Anyway, I kind of have, as we end this meeting, and your excellent leadership, I felt kind of, it was kind of eerie for me, not only that other democrats are leaving, and this is their last meeting and they're wonderful people, but also that on every single accreditation board, we have been asked to rubber stamp approval without third-party statements.

And with a much more perfunctory analysis than I'm used to. So, I guess that that's why this poor agency, this final agency, is getting my scrutiny in the way that it is.

MS. HONG: I want to say on the record that the expectation is not that you rubber stamp these accrediting agencies that come before you, it's to conduct a thorough review and deliberation of the evidence before you, to include the staff analysis. And staff does do a thorough job at doing the research beforehand.

So, that is certainly not the
expectation that you rubber stamp.

And to your, I'm sorry, what was your second point?

MS. ALIOTO: Well, for example --

MS. HONG: Oh, third-party comments.

Third-party comments are solicited by Federal Register notice. First, written comments on each accrediting agency Federal Register notice is solicited.

The ones that you see in each analysis are the ones that we received. Then I do a call for third-party oral comment. And folks can sign up the first day, for the first hour.

So we received one oral comment on one agenda item and that was it. So, nothing has, we've been consistent with our call for oral comment, written comment. Nothing has changed in that regard. We followed our policies.

MS. ALIOTO: Well, certainly in terms of Ms. Helton, she did a very in-depth analysis, but it's very difficult because so much was redacted.
But I would, I guess now we have other people talking?

CHAIR KEISER: Well, we're not through yet so let us talk to the agency. You can ask to the agency your concerns.

I do want to ask, the primary issue right now is still 602.20, I think it is. Which is 602.20. Yes, thank you.

And that's consistent with all three of the agencies. And is it a singular administrative body for all three agencies, is that correct? Okay.

Any other questions? Herman.

MR. BOUNDS: Yes, I just had one, one final comment. Is that, in the course of a review, the analyst look at, and I won't put a number in it, but the thousands of pages of information.

And in each case, in many instances they are able to find specific information. And I'm not trying to discount your concern, because it was a concern for us because if you notice in the draft staff analysis, we noted the extreme amount
of redactions.

But what we then do, which the committee doesn't see, is that we then, based on the information that they give us, we can dig into that information and we can see for curriculum, we're just looking to see, is there an evaluation of the curriculum carried out by the agency at some point.

The site visit report, some of the site visit reports may not have the names of the site visitors, but the regulation requires us to determine whether those folks, that the site team consisted of administrators and academics. And if those are listed on the site visit reports.

And then we ask for a sample of their site visitors. We do get the names of all the commissioners and those folks so we can compare that.

So I just wanted to kind of frame out how we look at those things. And there are places were the analysts are sure that they can identify those specific things, that's where the staff comes to our determination.
But NACIQI makes its own recommendation and your concerns are definitely heard. And that's why we have this process.

CHAIR KEISER: Thank you. Any other concerns, questions? Thank you, staff.

I now call the agency forward and to identify themselves.

MS. MOYNAHAN: Good afternoon. It's a pleasure to be with you and I thank the staff members very much for their assistance.

I'm Karen Moynahan, the executive director of the National Association of Schools of Dance, the National Association of Schools of Music and the National Association of Schools of Theater.

To my right is Richard F. Mann of Keller and Heckman, the association's legal counsel.

The associations appreciate the opportunity to discuss today their attention to aspects of the higher education law and the associated regulations. The associations are grateful for the time of the members of this
committee and the efforts of the Ed staff.

The collective efforts of these three organizations represent over 180 years of dedicated service to the disciplines of dance, music, and theater, postsecondary institutions offering these programs in these areas, and over 133,000 students currently enrolled at institutions accredited by these agencies, and to the fields of higher education.

Although NASD, NASM and NAST, along with the National Association of Schools of Art and Design share office space just miles from here in Reston, Virginia, each agency operates independently and autonomously. Each is guided clearly by its own constitution, vision, and mission.

Each has developed its own discipline specific national standards and procedures, each serves its own specific constituency, thus the reason three separate applications are before you today.

However, the agencies are built on
similar structures and do employ similar operational approaches and share understandings. With this in mind, I offer opening remarks, which pertain in general to all three of the agencies. And which I hope will offer helpful information and shed further light on the materials before you.

The three Ed staff reports describe a singular concern. Albeit with some variation in description and expectation.

Specifically, a question as to whether each agency meets section 602.20(a) of the secretary’s criteria for recognition. The feedback provided by the Ed staff members indicates to the agencies that there is a need to study the clarity of information which explains and presents the procedural aspects of the agencies respective continuous deferral policies, particularly as they related to 602.20(a).

For this reason, and in light of the draft regulations proposed by the Office of Postsecondary Education of the Department of Education, which were released in the Federal
Register on June 12th, 2019 and would substantially amend 602.20, the agencies will devote concerted time and attention during the coming year to study their written protocols and procedures, focusing on the language currently promulgated and how it might be amended to more clearly explain agency activities in this regard. And in doing so, their attention to the requirement outlined in 602.20(a).

It has become clear from the efforts of this committee that aspects of its pilot project specifically focused on performance data, decision activities and student achievement have become an additional part of this review process.

Our desire would be to conduct such conversations apart from the recognition process. With this said, the impetus which drive the conversation pertaining to student's achievement is understandable.

Given that $150 billion of federal financial aid is being expended annually. Loan debt is approximately $1.56 trillion. 44.7
million Americans now carry some level of loan debt. And the delinquency and default rates hover just above and below ten percent respectfully.

It is not difficult to understand much less imagine the level of collective concern and therefore the pressure current realities bring to bear upon the higher education system in this country to ensure that students are developing competence, acquiring skills and becoming masters of intellectual thought, deed, and contribution.

In short, to ensure that students are becoming experts in their chosen fields of study.

Noting that the agencies have been found to comply with 602.16, but as well, being cognizant of the important role student achievement plays in the education of the students enrolled in programs accredited by NASD, NASM and NAST.

I would like to take this opportunity to speak just a moment about the agency's efforts in this regard.

These numbers cited above are of note.
And are compelling. They inform the work of the agencies.

However, they are not the driving forces behind the agency's longstanding, concerted efforts to ensure that the education and training of students in the arts leads students to develop as successful artist citizens, acquire expertise, and utilize expertise in their chosen pursuits.

Study in the arts at the collegiate level is based upon the pursuit of achievement of the highest possible level at all times. It is important to know that most students interested in dance, music and theater study at the collegiate level arrive at the academy holding advanced levels of expertise.

Admission to art study at the collegiate level is predicted and predicated typically upon the demonstration of a student, by a student, of an expected level of achievement. Which in many cases is the result of years of prior study and accomplishments.

Students accepted into the academy
rarely begin their study in dance, music or theater upon entry. Rather, they see collegiate study as a way to build upon the expertise in hand. And in doing so, unlock the realm of possibilities that will enable them to deepen their capacities to learn, master, and achieve.

This is antithetical to many fields where students begin their pursuits of specific subject matter knowledge upon commencement of undergraduate study, or in some cases, graduate study.

By the time art students enter the academy, they are well versed in the time honored traditions which are hallmarks of art study, regardless of age or stage. As examples, the ubiquitous sequence or practice, critique, rehearse, critique, perform, critique, reflect, critique, and repeat.

And the critical and essential role of the contribution of the individual artist plays in the artistic work as a whole.

Many of us experience the visible
results of art study, the orchestral performance, the play, the ballet. What most do not have the opportunity to observe or experience, is the depth of training undertaken by the artist involved in the performances observed.

The choreographers, the composers, the playwrights, the dancers, the musicians, the actors, the costumers, the conductors, the stage managers and the like.

A glimpse into collegiate study practices in the fields of dance, music and theater, offer such a perspective.

With regard to study at the collegiate level, there are multiple factors that must be in play if we are to ensure that students acquire the knowledge and skills necessary, not only to become successful artists, but as well, to contribute as artist citizens.

These factors include, but are not limited to, a set of rigorous national standards embraced by the fields of dance, music and theater. A willingness on the part of applicant
institutions to not only demonstrate compliance with, but also to aspire to reach beyond the standards, to exceed.

And in doing so, to promote deeper levels of excellence, inspire teaching, innovation and creative thought as they relate to each respective discipline.

A mechanism which enables and ensures a thorough review of an institution's activities against national standards. An institution's compliance with standards.

And a feedback loop which enables an institution to be informed by the process of peer review and its outcome. As it charts and checks and re-calibrates its forward progression.

I'd like to speak briefly about the mechanism employed by the agencies to ascertain student achievement.

Each agency has in place national standards which have been vetted and accepted broadly, and speak specifically to what every student enrolled in collegiate study in dance and
music and theater, must be able to do and accomplish by degree, year of study, chosen major and any sub-areas of study if chosen.

These expectations are offered in thorough and descriptive detail and located in each agency's handbook. These standards are clearly indicated by language such as, students must acquire and students shall be required to study, students shall be required to participate.

A degree program must demonstrate that students are achieving. Students must develop and students must gain competency.

Each statement, as exampled above, is followed by language which outlines specific and required expectations.

To ascertain student learning outcomes with regard to agency standards, the agency seek information which is provided by various indicators.

Examples include the collection and review of course requirements and associated time on task expectations, sequences of courses and
defined levels of competence, the attainment of which is required if the students are to advance through and complete curricular programs, course descriptions that speak to and document how required standards are met, transcripts of students in progress and those from students who have successfully completed stated curricular requirements, alumni surveys, which speak to the achievement of graduates, degree program enrollment levels and graduate rates.

They include, as well, the observation and review of classes and private lessons where one-on-one training takes place. Student teaching, performances, including solo, small chamber and large in nature.

Master classes, auditions, juries and critiques, which are conducted regularly throughout a student's course of study. Dissertations, final projects and student files.

To evaluate student achievement indicators and ensure their consistency with the institution's mission, the process of peer review
considers questions such as the following. What does student work reveal about the competence students are developing in the craft of their professional disciplines; are students gaining or have they gained technical and conceptual proficiencies consistent with their program levels and majors, applicable standards, and the published purposes of the institution, with regard to the specific program in which they are enrolled.

To what extent does student work appear to be consistent with, provide evidence of, show relevance to, and be supportive of the work seen in classes and experiences that constitute the required curriculum.

If aspects of student work are judged to be problematic, do the works presented reveal generic pedagogical or other problems that could impact the specific or overall education of the students.

Consideration of these questions, and formed by the indicators noted above, offers a comprehensive picture of an institution's capacity
and ability to educate and train students. And its success in doing so.

As well, it leads not only to an understanding of the level of expertise of the student body as a whole, but the level of expertise of each student enrolled in a curricular program. And student's success in progressing through chosen courses of study.

Art's study provides the rare but valuable opportunity to assess students in ways that align with the art forms themselves. Reminded of the time-honored tradition discussed above, the ubiquitous sequence of practice, critique, rehearse, critique, perform, critique, reflect, critique and repeat.

Assessment of the artist is, and has always been, embedded in the daily fiber of art study. It should be noted that these assessment mechanism, tailor made for the art's disciplines, represent a concerted effort on the part of institutions to invest in all and each and every student enrolled.
I'd be pleased to address questions if you have them. Thank you.

CHAIR KEISER: Any of the three primary readers? Any of the three primary readers like to address our guest?

Any other members of the staff would like to address the staff?

(Off microphone comment.)

CHAIR KEISER: I asked the primary readers if they would like to ask questions of the speaker. Simon, Ralph, you're not one of the primary readers, so --

(Off microphone comment.)

CHAIR KEISER: Kathleen, do you have a question?

MS. ALIOTO: Do you think in your next submission you could have less redaction?

MS. MOYNAHAN: We'll do our best. But if I might just offer a thought about that. Thank you for your feedback on that point.

I think one of the questions is, is there enough information to tell. Have the
agencies provided sufficient information to tell. And that's important because you have to be able to tell. And what we try to do is we try to put that together with our duty and our promise to our institutions to maintain confidentiality so that the students are protected and the faculty members are protected and the institution is protected. So, somewhere in there we find a good balance.

In addition to the original set of documentation we provided, which was redacted in many ways, the staff members offered us an opportunity to provide additional information, which we did.

As Herman had described, aligning the self-study with the visitor's report and the optional response, and commission action reports and responses and progress reports and so forth.

So we are pleased to have that opportunity.

I think that helped. I'd have to ask the members.

I think that there, no, I think, there
were three other opportunities. For the first time in a very long time we were able to invite the three staff readers to the national office in Reston. And they came. And we had a very good discussion.

And during that time, all of our materials are still hard copy. We have a floor of self-studies. They're all still in hard copy, can be pulled from the shelf.

During that time, we offered to each of the three readers the opportunity to review any information that they would like. So all of our self-studies, even those of institutions who don't use us as the gatekeeper, were available for review.

The self-studies of the institutions that conducted onsite reviews that were reviewed by the staff members were also made available to the staff members. The Ed staff members.

And as well, particularly with regard to music and theater, we provided to the two staff members onsite, a small somewhat off, off the side
reading area where we took every piece of accreditation material that had been submitted by an institution and created for them a reading space so that they had access to all of the materials submitted by gatekeeper institutions. So, there were multiple opportunities.

Our concern, as Counsel has said, is releasing confidential information into the public domain. So we are delighted to provide information, but we are also very cognizant of our responsibility and promise to our member institutions. Thank you.

CHAIR KEISER: Anne, do you have any questions.

MR. BOEHME: And I'm just curious, and every single time you've come in front of NACIQI you've always brought outside counsel and I don't think you've ever brought one of your commissioners. At least when I've been around. I'm just curious why?

MS. MOYNAHAN: Well, that was something you and Ralph brought up last time and
offered your thoughts about that we probably shouldn't do that. Rick has knowledge of our practices and our policies and our standards and the steps we've taken to get there. He has probably a longer view than any other.

And when we're talking about the agency's ability to show that their procedures and their protocols are attending to the details of regulation, it is Rick's counsel that I value. I value very much.

A brand new president may not know the history of how or why the community junior college commission left and came back. So it's the perspective. It's a helpful perspective.

MR. BOEHME: How would you describe your relationship with your board?

MS. MOYNAHAN: Excellent. Let's go further than that. I believe that two of the staff members were in place and observed that. They have certainly observed the work between the staff and the commissioner, Members of the Commission on Accreditation.
I would, you'd have to ask them, but my answer to you is, the rapport between the executive director and the boards and the executive committees is open, transparent, honest, thoughtful, cordial, intellectual, serious, and effective.

MR. BOEHME: Well, I would like to say, you know, I don't think, we agree on some things and we disagree on other things, but in your remarks, though you were hesitant to use the pilot, I do want to say I am grateful for you embracing it even though you may not necessarily agree with all of it.

And I think certainly, finding learning outcomes in music and theater and things that maybe as you've mentioned are not traditionally being assessed in that kind of way I think is important.

And your leadership, in terms of figuring out those learning outcomes are critical to maintain, I think, to be in the good graces of NACIQI, at least for now. But who knows what will happen in the future.
MS. MOYNAHAN: Thank you. We believe in this process.

MR. MANN: Can I just say one thing?

MS. MOYNAHAN: Yes, indeed.

MR. MANN: Just, in terms of clarifying my presence here, it's really primarily to observe this particular proceeding so if particular questions come up that need some kind of follow-up response, I've been here to hear it firsthand and I can work out with Karen the appropriate response.

It's really not to instruct her on how to respond or anything like that, it's really observational on my part to understand what the concerns are here and what follow-up is necessary.

CHAIR KEISER: Ralph.

MR. WOLFF: Thank you. There's a few comments I'd like make and they relate both to this process. But I think they relate to the role of NACIQI in the future under the new handbook.

Because this may presage that we will not receive information that enables us to do our job. It's not takeaway anything from the staff.
So there are two dimensions here I'd like to raise. One is, and, Karen, I'd like to raise with you, and Rick, around the issue of confidentiality. Just to understand that a little better.

And then there are comments that I want to make that are more general about the potential that this portends for the future.

All accrediting agencies hold the, have confidentiality agreements with their agent, with their institutions. Yet all of them provide, except in your case, it's the only that I'm aware of, in which we do not have access to team reports, self-studies, faculty resumes.

So it puts us in a position where we receive your policies and statements but not any of the applications. And I would just say that looking at even the redacted materials where there are actions taken by the Commission where we don't even see the name of the institution or the program that's involved, it could be anyone.

So it's, how do we validate that what
we're receiving, it's real, but we don't know to whom it applies. And so, what I don't understand is, how your confidentiality is any different from any other accrediting agencies and how this becomes the names of the evaluators, student evaluators, not student names, but some of the redacted information is the resume of people conducting evaluators without their names?

So, every other application I've ever seen in five years has been, I've been able to actually double check retail studies, read team reports, look at the standards and look at the actual application.

So it's not to take away from the thoroughness of the Staff review, but I feel like it creates a very difficult situation in which we are not able to evaluate the agencies, we're only able to accept the site visits of the team report because all we have are your policies and procedures.

And I would just make an observation that one of the values of having commissioners
present is just for them to hear some of these concerns and not just a report back.

But that being said, I would be really helped in understand, why is not possible to share given, I mean, what's different about the confidentiality arrangement that you have that's different from any other agencies, with respect to providing us, even for you to credit programs at public institutions where this information is FOIA-able.

And at private institutions, independent ones. For proprietary information around finances or personnel actions or student work, I could see you redacting.

But I have a hard time understanding why we would not see the name of an institution and the actual action, letters, self-studies. So, perhaps you could give a little more depth on the confidentiality concern that you have.

MS. MOYNAHAN: I'm happy to. To begin, we appreciate your point of view. And I think it is that, it's your point of view.
I think, I'll go back to the question that I asked at the beginning and that is, is there sufficient information in this process provided by the agency, for the staff members to ascertain the agency's attention to the secretary's right to criteria.

And if there is, and if we're able to find the balance between providing that information and maintaining the confidentiality, which we provided to the institutions, that's our goal.

I'm not sure that the name of an individual is going to change that. I'm not sure that I would suggest that the redaction was at such a level that evaluation could not take place, given all of the checks and balances that had been built into this system.

I assure you all though that would require a level of trust that everything before you is real and true and submitted by the institutions. It's not our intention to not provide information as discussed when we brought
this up a moment ago.

CHAIR KEISER: Ralph, to remind you, from a legal perspective, they are in compliance with our regulations and what we do. So, I mean, I appreciate the fact that it makes it harder for us, but they are within the guidelines established by the Federal Register.

MR. WOLFF: I understand. I just want to say, I fully appreciate how much you've opened up to the Staff. I think the real issue is our capacity to do our review and to verify, with sufficient documentation, that we are making judgments on your role as a reliable evaluator of quality.

And personally, I know the work that you all do, so I know the quality of the work. So it's more, it's not about the specific agencies and the quality of the work, it's about our role and the capacity to it.

And my more broad comment for us all in the future is, under the new handbook, we may get even less than we have here because we will
only have access to the staff report and what they may report. And we may have a list of what the staff saw. Here at least we have redacted actions and the like.

I don't know what we'll end up seeing, but I would just make a plea that I feel very limited in discharging my personal responsibility in validating the work, not second guessing it, but validating the work.

And I appreciate how much you've opened up and the additional work the staff has done. And I just say that, for the future, I think this will be an even larger problem for our role to be effective discharged.

MS. MOYNAHAN: Thank you.

CHAIR KEISER: Any other questions to the agency? Thank you very much.

MS. MOYNAHAN: Thank you.

CHAIR KEISER: Appreciate your being before us. Could I have the staff return. Comments, questions?

MR. MULA: I have no additional
comments, Mr. Chair.

MS. MCKISSIC: I have no additional comments, thank you.

MS. HELTON: No additional comments at this time.

CHAIR KEISER: Mr. Bounds has a comment.

MR. BOUNDS: Yes. I just wanted to add one thing. To identify the institution, we did require the agency to provide the OPEID number and those things so we could actually go back in and see that the information was from a real institution and all that documentation was related together.

I think we discussed the other issues and I just wanted to make that point clear.

DR. HARRIS: And also, just to let you know, this is Nicole Harris, I'm sitting here with the group because I assisted in the music review. So, I didn't want you to think I was just up here to be up here.

CHAIR KEISER: Oh.
(Laughter.)

CHAIR KEISER: We just thought it was a better party that way. Okay, we're now at a point, this is interesting, I think we will need three motions and three seconds.

So, we will start with the first one, which is the Commission on Dance. Is there a motion, Anne?

MS. NEAL: Sure. I move that we adopt the staff recommendation to continue the agency's recognition and require the agency to come into compliance within 12 months to the criteria outlined and submitted in compliance --

MS. HONG: Oh, mic.

MS. NEAL: Oh, so sorry. Do I need to do it again?

(Laughter.)

MS. NEAL: All right.

CHAIR KEISER: It wouldn't have mattered yesterday, so.

MS. NEAL: I move the acceptance of the staff recommendation to continue the agency's
recognition as a nationally recognized accrediting agency and to require the agency to come into compliance within 12 months, with a criteria relating to Section 602.20 and submit a compliance report due 30 days thereafter demonstrating the agency's compliance.

CHAIR KEISER: Is there a second?

MS. DERBY: I'll second.

CHAIR KEISER: Seconded by Jill.

Discussion on the motion?

Sensing none, all in favor of the motion signify by raising your hand? All those opposed?

Okay, number two. We are moving towards the music. School of music.

MR. BOEHME: I make a motion to accept the staff recommendation, recommending the inclusion of the commission on community college accreditation and the agency's scope of recognition, 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 criteria listed below.
and submit a compliance report due 30 days thereafter that demonstrates the agency's compliance.

CHAIR KEISER:  Is there a second?

MR. WOLFF:  Second.

CHAIR KEISER:  Second, Ralph Wolff.

Is there discussion?

Sensing none, all in favor, please raise your hands?  Claude, are you not raising your hand?  Okay.  And, Kathleen?

MS. HONG:  Kathleen is abstaining.

CHAIR KEISER:  Abstaining, okay.  All opposed raise your hands?  The motion carries.

Number three, the recognition of the National School of Theater, commission on accreditation.  Is there a motion, Kathleen?

MS. ALIOTO:  Can someone else make the motion?

CHAIR KEISER:  Someone else could make the motion.  Is there someone else who would like to make the motion?

(Off microphone comment)
MS. HONG: Theater.

CHAIR KEISER: Theater. Dr. Wolff, would you like to --

MR. WOLFF: I'll stand in for Kathleen and just say that, yes, I move the staff recommendation. Can we just do that?

PARTICIPANT: Yes.

(Laughter.)

CHAIR KEISER: Yes. Is there a second?

MR. BOEHME: Second.

CHAIR KEISER: Simon seconds it. Any further discussion?

Sensing none, all in favor of the motion raise your hands? All those opposed?

Motion carries, congratulation.

Congratulation, congratulation.

Can I have that list? Okay. I can read it. Again, I assume these people have agreed to serve, which I will also serve as the Chair. Paul, Jill, Ralph, Anne and Kathleen, would agree to serve on that Committee on oversight of
governance. Jennifer got the exact title, and we will schedule a meeting sometime this fall.

I think we have concluded our business.

Jennifer, anything you'd like to add?

MS. HONG: No. Just thank you for all being here till the end.

CHAIR KEISER: I want to thank those for who are going off. I think we, as a group, came together over the last couple of years. We may have political differences, but we have not had differences on accreditation and serving.

I thank our role as the Advisory Committee and I've been proud to serve as your Chair. We'll elect a new chair next time, so it's been an absolute pleasure.

And, Frank, thank you for being an able Vice Chair.

VICE CHAIR WU: Thank you.

CHAIR KEISER: And I look forward to seeing those folks who will be returning in February on the 5th, 4th and 5th. And have a very safe God speed home.
MR. WOLFF: Thank you.

MS. ALIOTO: Thank you.

CHAIR KEISER: Can I have a motion to adjourn, Kathleen?

MS. ALIOTO: Thank you for your great leadership.

CHAIR KEISER: Oh, you flatter me. It's not true, but I'll take that as a motion to adjourn.

(Laughter.)

CHAIR KEISER: Thank you very much everyone.

(Whereupon, the above-entitled matter went off the record at 2:05 p.m.)