

U.S. DEPARTMENT OF EDUCATION
OFFICE OF POSTSECONDARY EDUCATION

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NATIONAL ADVISORY COMMITTEE ON INSTITUTIONAL
QUALITY AND INTEGRITY (NACIQI)

+ + + + +

MEETING

+ + + + +

WEDNESDAY
JULY 31, 2019

+ + + + +

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

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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 LEFOR, 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 McCAULEY, 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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C-O-N-T-E-N-T-S

Welcome and Introductions	4
Standards Review Procedures	8
Arthur Keiser	
Initial recognition - National League of Nursing Foundation for Nursing Education	8
Compliance Report - Middle States Commission on Secondary Schools	125
Compliance Report - Southern Association of Colleges and Schools, Commission on Colleges	146
Renewal of Recognition - National Association of Schools of Dance, Commission on Accreditation	185
Renewal of Recognition - National Association of Schools of Music, Commission on Accreditation	193
Renewal of Recognition - National Association of Schools of Theater, Commission on Accreditation	197
Adjourn	245

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1 P-R-O-C-E-E-D-I-N-G-S

2 (8:30 a.m.)

3 CHAIR KEISER: If everybody could take
4 their seats please. You're up first, Jennifer.

5

6 MS. HONG: Sure.

7 CHAIR KEISER: Can you welcome
8 everybody?

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

22 Also I want to flag a couple dates for

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

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

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

20 MR. BOEHME: Simon Boehme, student
21 member.

22 MR. WOLFF: Ralph Wolff, President,

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1 Quality Assurance Commons.

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

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

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

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

13 CHAIR KEISER: Arthur Keiser,
14 chancellor at Keiser University.

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

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

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

22 MR. LEBLANC: Paul LeBlanc, president

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1 at Southern New Hampshire University.

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

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

7 MR. MULA: Chuck Mula, department
8 staff.

9 MS. LEFOR: Valerie Lefor, department
10 staff.

11 MS. HELTON: Charity Helton, department
12 staff.

13 MS. DAGGETT: Elizabeth Daggett,
14 department staff.

15 MS. MCKISSIC: Stephanie McKissic,
16 department staff.

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

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

21 MS. HINH: Iris Hinh, intern with the
22 Accreditation Group.

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1 CHAIR KEISER: Well thank you, everyone.

2 And again, thank everybody because yesterday we
3 went through the meeting pretty expeditiously.
4 And it was, I thought, a very valuable experience.

5 My job is to talk to you about the way the
6 procedures for those were new from -- in the
7 audience.

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

21 Finally, we ask for third party
22 comments. Those third party comments are people

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1 who have to either register in advance or register
2 first thing in the morning. And then the agency
3 responds to the third party comments. Then the
4 department staff will respond to the agency and
5 the third party comments. Then we have
6 discussion, and we vote on the approval or
7 disapproval of the petition. Finally, there's a
8 final set of standard questions on improving
9 institutional program quality for the initial and
10 review applications.

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

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

20 MR. LEBLANC: Sorry, I'll start.
21 Before us comes the National League for Nursing
22 Commission for Nursing Education Accreditation,

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1 NLN-CNEA. I'll call it CNEA for the rest of this.

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

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

19 Recognition by CNEA will allow programs
20 to access federal programs through Health and Human
21 Services. And I'm going to ask the
22 representatives from CNEA to give us just an update

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1 on the number of programs currently under their
2 purview. If I read the report correctly, it looks
3 like 69 programs with pre-accreditation and ten
4 in accreditation. Elizabeth, as you said, is the
5 department staff person who is assigned to this
6 particular agency. Elizabeth?

7 MS. DAGGETT: Thank you. Good
8 morning, Mr. Chair and members of the committee.

9 For the record, my name is Elizabeth Daggett.
10 And I am providing a summary of the review of the
11 petition for initial recognition for the agency,
12 CNEA.

13 The staff recommendation to the senior
14 department official is to grant the agency initial
15 recognition for a period of five years. This
16 recommendation is based on our review of the
17 agency's petition and its supporting
18 documentation, as well as the observation of six
19 accreditation activities by the agency: two board
20 meetings, one in June of 2018 and one in June of
21 2019, a program review committee meeting in August
22 of 2018, an initial program application

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1 subcommittee meeting in September of 2018, and two
2 site visits in October of 2018 and April of 2019.

3 The department also received one third party
4 comment that reflected a negative opinion of the
5 agency, and it is addressed by the agency in the
6 petition.

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

13 Thank you.

14 CHAIR KEISER: Susan, Paul?

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

18 DR. HALSTEAD: Good morning, Mr. Chair
19 and members of the committee. We're pleased to
20 have the opportunity to appear before you today
21 and to respond to any questions you may have
22 regarding the NLN Commission for Nursing Education

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1 Accreditation's petition for initial recognition
2 by the U.S. Department of Education.

3 My name is Judith Halstead. I have the
4 pleasure of serving as the executive director of
5 CNEA. And that's a position I have held since
6 2014. I'm also professor emeritus in nursing from
7 Indiana University. I invite my two colleagues
8 who are with me here today to introduce themselves.

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

18 DR. SANTEE: My name is Roseminda
19 Santee. I am the current secretary of the CNEA
20 Board. I am a Dean of the School of Nursing in
21 Elizabeth, New Jersey. Prior to that experience,
22 I also served in nursing service as a director of

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1 nursing in New York City. And I proudly served
2 in the United States Army in the Nurse Corps Reserve
3 component for 13 years in a combat support
4 hospital. Thank you.

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

12
13 Ms. Daggett has provided us with
14 detailed feedback and a very thorough analysis of
15 our petition. And she has always promptly
16 provided answers to our questions. And for that,
17 we're very grateful.

18 And finally, we are privileged to
19 appear before you today representing the
20 considerable efforts of the NLN CNEA Board of
21 Commissioners staff and over 150 volunteers who
22 have served as our site visitors -- who continue

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1 to serve as our site visitors or serve on our review
2 committees who have worked diligently for the past
3 five years to develop and implement our standards,
4 our policies, to conduct our onsite program
5 evaluation visits with due diligence. Their hard
6 work and dedication have resulted in the U.S. DE
7 staff analysis in which there was a positive
8 recommendation that initial recognition be
9 granted. We do thank all of these individuals as
10 well for their contributions to CNEA to date.

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

21 Nursing faculty were seeking options
22 in national nursing accrediting bodies, most

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

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

19
20 We began, as was indicated, our first
21 accreditation activities in 2016 with
22 pre-accreditation. And we granted initial

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1 accreditation to our first programs in 2017. Now
2 I would like to update the numbers since the time
3 the petition was first submitted to you. Since
4 that time, we have pre-accredited a total of 95
5 programs from 32 states. Thirty-eight of those
6 programs have moved forward with achieving initial
7 accreditation, which they must do within three
8 years of being designated with the
9 pre-accreditation status. So those are the
10 numbers as they stand at this point.

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

19 Concerns about nursing shortages in the
20 workforce have driven the development of many new
21 nursing programs or the expansion of them, as has
22 the national call for the academic progression of

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1 nurses to best meet the increasingly complex
2 healthcare needs of our country.

3 Additionally as recently as 2016, the
4 National Council of State Boards of Nursing
5 estimated that approximately 2,000 nursing
6 programs in the United States are not accredited.

7 And that's not because they've lost
8 accreditation. They have never had the need to
9 step forward and seek accreditation.

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

16 Accreditation of course fosters an
17 environment in which continuous quality
18 improvement becomes part of the organizational
19 culture. And so while program accreditation has
20 historically been a voluntary activity on the part
21 of nursing programs, states are increasingly
22 mandating that they move forward and seek

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1 accreditation.

2 There are approximately 24 states that
3 currently require nursing accreditation. And
4 there are other states that are either
5 contemplating making that a mandatory requirement
6 or have already adopted that and have put programs
7 on a timeline of achieving accreditation by a
8 certain year, 2020, 2021, whatever that might be.

9 So to illustrate that point, 70 percent
10 of the programs that we have pre-accredited have
11 never been accredited before. They're entering
12 the accreditation workforce or the journey so to
13 speak for the first time and even though they've
14 been in the practice for many years of producing
15 graduates. They're not necessarily new programs.

16 But they're seeking accreditation for the first
17 time because it's becoming more of an expectation
18 or a mandatory requirement in their state.

19 So we are prepared to conduct
20 accreditation activities that underscore the need
21 for quality of nursing education. I'd just like
22 to take a minute to say what this journey has been

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1 for us is five years of working towards being here
2 before you with a request for the initial
3 recognition. It's been a very informative
4 experience for us. We have many years -- in our
5 board members, many years of experience and nursing
6 education.

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

19 We have used your pilot study from 2016
20 about assessing a risk and identifying at-risk
21 programs. We were able to be able to use those
22 documents as we have been formulating our policies.

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1 So I hope today that you will see some evidence
2 of that because we definitely have been using those
3 tools to help guide us in the development of our
4 policies.

5 And so this concludes our opening
6 remarks -- our introductory remarks. We look
7 forward to answering any questions you might have.

8 We certainly are prepared to answer your
9 questions. And we can go forward, you know, and
10 answer the questions that you have from a standard
11 expectation of accrediting agencies, or we can hold
12 those until you're ready to hear those responses.

13 Thank you.

14 CHAIR KEISER: Thank you. Susan,
15 Paul?

16 MR. LEBLANC: Thank you, Dr. Halstead.

17 It's hugely helpful to hear the context and
18 background. While -- and this is not an argument
19 against your request for scope, but while the scope
20 of the request is all the way up through doctoral
21 programs, the focus in certainly the materials and
22 even in your comments is on sort of the front end

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1 of the certification, vocational, practical
2 through Associates Degree.

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

8 DR. HALSTEAD: The --

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

11 DR. HALSTEAD: They come to us with --
12 well they're nervous, I think, in terms of -- you
13 know, again, they've been supported by the state.

14 They've been approved or operating in their state.

15 They've been successful. But now they're turning
16 their processes open to a peer -- a group of peers
17 in an external process that they've never had to
18 do before.

19 I would say the greatest challenge that
20 they face is really understanding program
21 evaluation from a systematic and a systems
22 perspective. And if we have to do anything in

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1 working with them, it is really in beginning to
2 help them understand how they can and should be
3 setting benchmarks for quality improvement and
4 measuring those benchmarks, and then using that
5 data and feeding it back into their performance.

6 For many of them, that's probably the newest
7 activity that they're engaged in. I'll ask Dr.
8 Shultz or Dr. Santee if you want to add to that.

9 DR. SANTEE: I spoke with the Licensed
10 Practical Nursing Association in Pennsylvania for
11 example. And because my program takes LPN to RN
12 -- has an option for that to become RNs, they were
13 very -- they wanted to get accredited, but somehow
14 like Dr. Halstead said, they didn't know what the
15 process is. And as a colleague and a caring
16 person, I would say to them, you know, this is what
17 you need to do first. Maybe you could start with
18 a webinar, attend some conferences. And look at
19 the advantages of what the LPNs get from going to
20 an accredited school. And so that's how they
21 start, and they develop relationships with the
22 accrediting agency.

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1 DR. SHULTZ: I think every program
2 that's come before us who's been new has welcomed
3 an open approach to knowing about this entity that
4 they've heard so much about, but not gone that road
5 before. I find them very responsive to meeting
6 the standards. They want to -- I believe their
7 systems where they're located want them to have
8 that. And the people who come our way do that with
9 a lot of diligence. And there's a continual,
10 during that three year pre-accreditation progress,
11 there is continual interaction with us until
12 they're ready to be where they need to be. I find
13 them very open to that.

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

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1 thinking about what they do?

2 DR. HALSTEAD: Okay, sure.

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

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

14

15 And I would say that the majority of
16 the programs that come before us for
17 pre-accreditation -- remember pre-accreditation,
18 we look at them to see if there's a reasonable
19 conclusion that within three years, they'll be able
20 to be fully compliant with the standards. So
21 that's what we're looking for. And in the outcomes
22 that we are seeing is that by and large, the

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1 majority of them are able to meet those outcomes
2 or be very close to meeting those outcomes. If
3 they are not meeting them at the time, what we look
4 for again is the reasonable conclusion that they
5 will be able to meet those by the time they come
6 forward to us for accreditation. They have three
7 years by which to do that.

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

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

18 DR. HALSTEAD: yes.

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

21 DR. HALSTEAD: Yes.

22 MR. LEBLANC: I can infer the

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1 rationale, but I'd like to hear you walk us through
2 that.

3 DR. HALSTEAD: Yes --

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

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

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

22 MR. LEBLANC: And can you say a little

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

7 DR. HALSTEAD: It really is.

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

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

14 DR. SHULTZ: Well in addition to the
15 data that's presented to us, we look at the context
16 in which that occurs and the population they're
17 working with. We examine a variety of other
18 variables to determine is that reasonable for what
19 their environment and the student population they
20 have? And what efforts are they using to make sure
21 that they are moving toward a goal or achieving
22 a goal?

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1 MR. LEBLANC: So as you know, not
2 completing, especially for poor students is often
3 worse than attending at all given debt. How are
4 you thinking about -- are you looking at or asking
5 them to report on earnings and debt load?

6 DR. HALSTEAD: We do not as a non-Title
7 IV gatekeeper -- we don't ask for that information.

8 And actually in nursing, I think we're fortunate
9 as a profession that almost any student that
10 graduates is going to be able to be employable
11 pretty quickly if that's what they desire. So we
12 do see high employment rates from all of our
13 programs.

14 The completion rate, again as Cathy
15 says, can be variable depending on whether we're
16 talking about pre-licensure first time students
17 or in graduate programs and that's a little
18 different population. We do ask programs to be
19 clear about the benchmark they have set for
20 themselves around completion rates. Some of those
21 completion rates are determined for them by their
22 institution. And sometimes they do have some more

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1 latitude, but a lot of times it's institutionally
2 driven. And then to provide us the rationale with
3 why and how they have set that particular benchmark
4 for the completion rate.

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

8 DR. HALSTEAD: Yes.

9 MR. LEBLANC: And we've seen a national
10 proliferation of RN to BSN and even MSN programs.

11 Do you imagine -- are you positing in your own
12 head and I'm thinking about your scope again,
13 requested scope, that your programs will -- and
14 have they indicated a desire to move up through
15 the BSN? Is this a sort of pathway that you expect
16 given the national pressures?

17 DR. HALSTEAD: It really depends upon
18 the nature of the program. Some of those in the
19 community colleges who are awarding an Associate
20 Degree -- we've not had any of those yet indicate
21 they want to move into baccalaureate education in
22 our particular programs that have come forward.

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1 They're primarily focused on advancing practical
2 vocational nurses into the RN. So we see a lot
3 of that mobility.

4 We have had, I think, at least ten RN
5 to BSN programs come forward for accreditation.

6 So they are working with an already licensed
7 population. And we expect to continue to see that
8 increase. It has nationally, so we expect that.

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

19 So we do know that once we do achieve
20 -- we're fortunate enough to achieve initial
21 recognition, we will have those programs moving
22 forward. So we will begin to see the academic

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1 progression from the registered nurse credential
2 to the clinical doctorate or the APRN credential.

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

13 DR. HALSTEAD: And I want to thank you
14 for that question because that's something that
15 the Board has discussed in our standards committee,
16 which just met two weeks ago to begin to look at
17 our standards. They've been in existence since
18 2016. That's approaching four years. We want to
19 see them reviewed and revised by five years out.

20 So that would be about 2021. One of the
21 charges that the Board gave to that Standards
22 Committee is that we examine our standards so that

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1 we are not in any way inadvertently,
2 unintentionally inhibiting innovation. We want to
3 make that -- we don't believe we are. That's not
4 the philosophy of the Board. But we really want
5 to make sure that there's nothing in those
6 standards that would prohibit that. But with that
7 comes the responsibility for programs to measure
8 and evaluate innovation in a responsible manner
9 and accountable manner.

10 So if you're going to launch into
11 innovative teaching-learning experiences, that's
12 very much supported. But what is your
13 evidence-based plan for what those should like?

14 And what data are you going to gather to measure
15 the outcomes?

16 And again, you can learn a lot from
17 trying something that maybe doesn't work. But at
18 least you have evaluation practices in place. So
19 that is what we're really hoping to convey to our
20 programs through our standards. We don't have
21 that as overtly written as maybe it should be.
22 But it's a little -- I don't know where the

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1 committee is going to go with that. But that's
2 the charge, to answer your question. We don't want
3 to inhibit it, but we want responsible innovation
4 where we can produce some data and others can learn
5 from it.

6 MR. LEBLANC: Thank you very much.
7 Susan?

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

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

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

18 DR. HALSTEAD: I have some just basic
19 statistics here. To date, about 56 percent of them
20 from the Associate Degree. And again, this kind
21 of parallels the data that I shared with you that
22 these are programs that haven't been accredited

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1 before. So, you know, they're looking to enter
2 accreditation. So 56 percent have been Associate
3 Degree and 31 percent have been practical or
4 vocational nursing programs. About 11 percent is
5 at the baccalaureate, and around 3 percent is at
6 the graduate level at this point.

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

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

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

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

19 DR. SHULTZ: Yes. We have a -- there's
20 a variety of models for that. And we allow for
21 that in our review of the different programs.
22 There's the mobility model that is LPN to ADN to

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1 BSN to Master's to clinical doctorate. And then
2 there is somebody who will go straight into a
3 Master's program and not do any of the other
4 options. And that's because nursing is a
5 profession that people can have multiple entries
6 into the practice setting.

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

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

22 But that I think will continue. I

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1 think at one time, we as a profession thought it
2 would -- the nursing profession would begin with
3 an entry at the baccalaureate level. The
4 workforce, it just does not support that right now.

5
6 MS. PHILLIPS: Perhaps a further
7 clarification question on that. How would you
8 know as an accreditor that an RN program was a good
9 RN program? And how is that different from knowing
10 that a nursing doctorate, a clinical doctorate --
11 (Simultaneous speaking.)

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

21 So in addition to what Cathy was saying
22 in looking at all the different models that are

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1 out there, there are -- we expect all of the
2 programs to build their curricula upon
3 professional standards that are appropriate for
4 the type of practitioner they are preparing.
5 There is, for the most part, many standards and
6 guidelines from which they could choose that have
7 been approved by the profession or widely accepted
8 that actually have the leveling of what does it
9 look like in your scope of practice as a practical
10 nurse versus a practice as a baccalaureate nurse
11 versus those that are advanced practice?

12 And so we expect that they have chosen
13 and implemented the standards and the guidelines
14 appropriate for the scope of practice that they
15 say they are preparing. And that is what we use
16 to help guide our evaluation. Plus our site
17 visitors going in. As Cathy said, we make very
18 -- we've very carefully crafted our Board and our
19 review committees and our teams so that the
20 expertise of whatever programs are being evaluated
21 is represented on that program, not only by those
22 who are educators, but those who are in practice.

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1 And so that is how we really address the various
2 different scopes.

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

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

18 DR. HALSTEAD: I would say the
19 standards compare very similarly in that the same
20 kinds of areas are addressed. In the first place,
21 we follow the rules and regs that are set forth
22 by the Department of Education. So you're going

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1 to see any set of standards and any evaluation plan
2 is really going to address outcomes. It's going
3 to address mission. It's going to address the
4 resources and the governance associated with that.

5 It's going to address faculty preparation and how
6 faculty are supported and students. And it's also
7 going to then address curriculum evaluation
8 methods used in teaching learning strategies.

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

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

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

22 DR. HALSTEAD: They definitely could

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1 because the expectation of the clinical doctorate,
2 particularly if it's an APRN, there are other
3 standards that exist from other nursing
4 organizations outside of the accrediting body that
5 drives what we would be expecting to see from that
6 program. And we would not deviate from that. We
7 have to endorse and support those standards, and
8 so would any other accrediting body. So that kind
9 of falls external to us at that point.

10 MS. PHILLIPS: Yes, yes.

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

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

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

18 What about student outcomes? It's
19 sort of a two part question of this. One is, so
20 how is the -- how are your programs doing? Are
21 students getting jobs? Are they completing -- how
22 fast are they completing? What's the stakeholder

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1 feedback that you're hearing from that across your
2 population of programs?

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

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

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

16 Completion rates, again I don't have
17 data from others, so I can't. But from what we're
18 seeing, we're satisfied with what we're seeing.

19 We do know we need to work more carefully at
20 defining what a completion rate is for programs
21 and being as clear as we can so that -- because
22 if there's anything we go back and ask for more

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1 data on, it's usually the completion rate just for
2 clarity. It's not because we find that they're
3 low. It's just that something does not -- looking
4 at all the data, something there just does not seem
5 like they have interpreted the way we thought they
6 would. And chances are they're either confusing
7 a completion rate with retention or the graduation
8 rates. And there's a difference in the
9 definition. And so that's -- we have to clarify.

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

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

22 But we will continue those practices. And that's

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1 how we intend to monitor those programs.

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

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

14 DR. HALSTEAD: This is what we're
15 finding out. First of all, they appreciate, as
16 would anybody -- it doesn't surprise -- you know,
17 they want clear communication, transparency, and
18 clear expectations. And our feedback has been
19 that we're delivering on those with our standards,
20 et cetera. So I think the performance there has
21 been satisfactory. Other comments you would --
22 in terms of our performance?

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1 DR. SHULTZ: Yes, one of the things
2 we're looking at now is what lessons have been
3 learned. The Board has initiated that. We're in
4 the process of collecting that information
5 regarding that. We truly expect to -- whatever
6 findings we have to either reinforce what we're
7 doing or make steps to address changes.

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

11 DR. SHULTZ: Sorry.

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

14 DR. SHULTZ: We have also just within
15 the past month appointed a new position within our
16 Accrediting Division. And it's the manager of
17 quality assurance. Because of all of what you're,
18 you know, asking about is what's our performance?
19 We're focused on our programs' performance. We
20 also need to focus on what is our performance as
21 an accrediting body. And so the intent of that
22 position, which is brand new, is that that the

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1 individual will help us with our continuous quality
2 improvement.

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

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

21 DR. HALSTEAD: What we do with the
22 annual reports and we just finished analyzing the

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1 data that we got for 2018 came in at the end of
2 -- like the first part of February. I would say
3 that we have a committee that looks at those
4 indicators. And they give a preliminary review.

5 And we kind of use a dashboard approach of whether
6 they fall within a green, a yellow, or a red area.

7 And I would say 75 percent of them green, that
8 they were performing based on the data we asked
9 for and the indicators -- and we have some at-risk
10 areas that we look at that that I'll share if you
11 would -- at some point of what we're really looking
12 at.

13 And then there was the smaller subset
14 that was what I would say, we just termed them kind
15 of yellow. In other words, there was something
16 there in the data. It either wasn't clear. We
17 needed to follow up with them or we thought there
18 may have been a change that might put them at risk.

19 And that will require us to reach out and get more
20 data from them. But that's a fairly small subset.

21 And then for those that might fall in
22 the red category of which we have very few, that

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1 would be like critical. And in this case, they
2 happen to be all in pre-accreditation stage and
3 had made the decision that they were with -- they
4 were going to withdrawal anyway from the process.

5 So it seems to be working out in terms of our
6 observations and the decisions that they're coming
7 to.

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

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

22 And then what we're beginning to find

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

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

19 We're also finding that many, many of
20 our programs have new faculty and new leadership.

21 And those kinds of changes can affect plans they
22 may have had in place and help them make a decision,

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1 this is not the best time for them to continue to
2 pursue accreditation at this point.

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

7 DR. HALSTEAD: Yes, we do.

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

10 DR. HALSTEAD: We help them, I think,
11 based upon what we're seeing. We have not --
12 actually the Board has not taken formal action
13 because that would be an adverse decision. And
14 at the pre-accreditation level, I would hope that,
15 again, programs would be able to see this as not
16 going to work so why persist to an adverse decision?

17 Because they've already -- what's happened from
18 a positive perspective is they have walked away
19 knowing what they need to work on and to improve.

20 And that's an important piece as well.

21 MS. PHILLIPS: Last question. You
22 mentioned somewhat about risk data that you've been

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1 thinking about. Could you say something about
2 that?

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

15 So we pay particular attention to the
16 outcomes as we've already addressed, the
17 licensure, certification rates, the completion
18 rates, and employment rates. But of course,
19 history of complaints. If there's excessive
20 faculty turnover and leadership changes. And that
21 is significant for nursing right now. There is
22 an aging number -- we're older. And there is a

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1 lot of faculty -- they're exiting for retirement,
2 not because of dissatisfaction or poor working
3 conditions. It's because of retirement. And
4 there's also new leadership. And that can put a
5 program at-risk, a fair number of novice educators
6 or leaders.

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

10 The resource concerns. So, the annual
11 report does require them to address their budget.

12 Any changes in the budget, either negatively or
13 positively. We like to look at the positives as
14 well. But we do keep an eye on the resources.

15 And the enrollment trends, up or down.

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

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1 that program.

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

7 MS. PHILLIPS: Thank you.

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

11 VICE CHAIR WU: This is just a question
12 to follow up on something that Susan had asked you.

13 And it's just to get a sense of what is happening
14 out there in terms of nursing schools and programs
15 and their choices. Given that there are multiple
16 accrediting agencies that they can go to, I'm just
17 curious, how many do you think will choose to be
18 accredited by more than one agency? I'm just
19 wondering, is that now normal? Is it anomalous?

20 Do you see a trend? Because I hadn't thought
21 about what would happen. And it might just be
22 useful for NACIQI to be aware when multiple

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1 agencies enter a market, which may well be very
2 good for lots of reasons. But I wonder if schools
3 and programs feel they need to be accredited by
4 all just so that they can say they are accredited
5 by all.

6 DR. HALSTEAD: No, that would be a rare
7 occasion, all, because resources are finite. But
8 it's not unusual for programs to choose to be
9 accredited by more than one. That has happened
10 historically as long as -- you're looking at some
11 collective experience here of quite a few years.
12 There's always been that option. And sometimes
13 program schools do choose to do that.

14 Sometimes, in that case, they would do
15 that because they offer an array of programs. And
16 they may be with an accreditor that only accredits
17 certain types. So that almost forces them into
18 a second accreditor. Other times they may choose
19 to do that for whatever they feel there could be
20 benefits to their graduates or to their
21 positioning. And so it's never going to be the
22 norm, but it does happen. And if they have the

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1 resources to do so, and I know I've been in schools
2 that have done that for extremely good reasons,
3 that's perfectly okay.

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

7 DR. HALSTEAD: No.

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

11 DR. HALSTEAD: Say that one more time.
12 Out of compliance with another agency?

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

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

21 DR. SHULTZ: It's been my experience
22 that the conflict is not there, and that it would

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1 not be a difficulty to have multiples at the same
2 time or to be seeking even accreditation with two
3 agencies at one time for various programs within
4 a program -- in an institution.

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

15 MR. PRESSNELL: Sounds good. Yeah,
16 actually my question was right in line with this
17 discussion, kind of playing off of Susan and Frank.

18 So, because I keep hearing you say that the
19 standards aren't really any different, so, you
20 know, give me your value proposition. You know,
21 what are you filling that the other accreditors
22 are not filling that compelled you to get into this

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1 space? Because it seems a little confusing to me
2 that it seems that you're just replicating what
3 everybody is doing as well.

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

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

20 And so when the membership was looking
21 for options, what they were really addressing was
22 that they don't need a Title IV gatekeeper

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1 necessarily at the programmatic level. That need
2 is met. And so they were seeking more of the
3 accreditor who would go across the academic
4 continuum and cover, so if I did have a
5 baccalaureate program and an associate degree
6 program, I wouldn't have to necessarily have to
7 have two accrediting agencies, which is where
8 they're kind of at now if they don't want a Title
9 IV gatekeeper at the programmatic level.

10 And so we fill the niche of not
11 requesting in our scope to be a Title IV agency.

12 And we are then also going across, again, the
13 continuum. And that's the uniqueness of CNEA.

14 MR. WOLFF: Thank you. Good morning.

15 DR. HALSTEAD: Good morning.

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

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1 DR. HALSTEAD: Yes.

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

9 DR. HALSTEAD: Thank you for that
10 question. And first of all, state boards of
11 nursing, it is not a requirement for any nurse to
12 sit for licensure at either the practical
13 vocational level or the registered nurse level,
14 it is not a requirement that they be a graduate
15 of an accredited program. And that's why we have
16 2,000 programs that have never been accredited,
17 because it's not a requirement. So that won't
18 affect their licensure ability.

19 What the states are doing is they're
20 seeing that the state boards of nursing are
21 increasingly -- the resources within the states
22 to monitor all of these nursing programs has gotten

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1 to be a little difficult for the states. And so
2 they're actually seeking a complementary or
3 collaborative relationship, in some respects, with
4 accrediting agencies, so that when we conduct site
5 visits -- for example, this past spring we had four
6 or five that were actually joint visits with state
7 boards of nursing. Meaning we sent the team. We
8 set the agenda. They sent a representative. They
9 basically used our agenda and attended our
10 interviews, et cetera, to help them with their
11 monitoring piece. So that's kind of how that piece
12 is working.

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

22 And, again, that's brand new for us.

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1 Our first group was just approved under that
2 policy. But we were, again, paying attention
3 obviously to the changes and trying to stay
4 up-to-date and compliant. We just made that
5 change.

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

17 DR. HALSTEAD: I'll start and then I'll
18 ask my colleagues if they'd like to join in. It's
19 true that, when you look at the workforce analysis,
20 that both nursing at the registered nurse and the
21 PN level are scheduled to continue to grow about
22 13 to 15 percent through 2030. So there's going

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1 to be a continued growth.

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

13 Where there has been a greater concern
14 in the workforce is that, with the increasing need
15 for advanced practice nurses, that maybe the focus
16 should be now on increasing the number of those.

17 So, looking at the particular specialty of the
18 nurses becoming increasingly important as well.

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

20 DR. SHULTZ: When we look at numbers,
21 the preparation level, the push has been to prepare
22 for entry levels into the profession, because

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1 that's where the need has been the greatest. You
2 know, when you look at the sheer numbers of nurses
3 going into the profession, there is continual
4 increasing need at the upper level with either
5 master's or doctoral preparation. And with that
6 comes a shortage of nursing faculty.

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

14 I think that traditional
15 straight-out-of-high-school applicants have been
16 difficult to recruit more recently, for lots of
17 reasons. And there are other variables that
18 sometimes are hard to work with. And that is the
19 changing needs of the student as they enter their
20 profession, either due to the family needs, they
21 may need to drop out for a while, they may need
22 to take part-time positions.

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1 So, even though you may say you have
2 a number of nurses, you've got to still factor in,
3 well, what proportion of them are full-time, what
4 are part-time, what are, you know, in-progress?

5
6 So I think there's been a lot to open
7 up the field to enable the workforce to be quickly
8 moved out there, but with quality. And that's what
9 we're attempting to do. Our part of that, the
10 recruitment part of it has still got to be at the
11 institutional level and the state level and the
12 employer level.

13 MR. WOLFF: Thank you. And just to
14 follow up, in some professions we've seen -- in
15 my own, law; pharmacy; but now audiology, physical
16 therapy -- the entry level's gone up from
17 bachelor's now to doctorate. Do you see pressure
18 in the nursing profession that the entry level
19 positions will require going to a bachelor's, and
20 at some point even a master's, as we've seen in
21 physical therapy and audiology, where the
22 professional degree is now a doctoral degree?

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1 DR. HALSTEAD: Those conversations
2 have been in the nursing profession, I would say,
3 since the mid '60s, is that probably? So we've
4 been having that discussion for a long time. And
5 their evidence does show that. the more education,
6 maybe the outcomes for the patients are better.

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

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

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

22 It has equalized a little bit. We still have,

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

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

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

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

19 DR. HALSTEAD: The bright line that we
20 have for both first time takers of the
21 pre-licensure, which will be licensure pass rates,
22 and the certification, which is for graduate APRNs,

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1 was 80 percent averaged over three years. So we
2 do allow a little bit of fluctuation there. How
3 did we arrive at that? We actually sat down and
4 looked at every one of the 50 states and our
5 territories' rules and regs and how the states
6 legislate the pass rates. There is a great deal
7 of variability, but the 80 percent mark was the
8 one used most frequently by the state boards of
9 nursing. And that's how we arrived at that.

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

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

15 CHAIR KEISER: For students.

16 DR. HALSTEAD: Oh, for students.

17 CHAIR KEISER: Because one of the real
18 problems in Florida right now is open enrollment
19 for students who are taking -- we have a real
20 serious problem with Florida with schools not being
21 able to have that 80 percent or 85 percent,
22 depending on whatever your state is, because

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1 they're allowing students to come in who are not
2 suitable, necessarily, for the programs.

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

6 CHAIR KEISER: Do you evaluate --

7 DR. HALSTEAD: Yes, we do.

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

10 DR. HALSTEAD: Yes, absolutely. And
11 so when you look at the standard around the students
12 as our standard four -- and it actually is
13 integrated throughout. They must be clear about
14 their policies. They must uphold their policies.

15 And if there's any exceptions, there need to be
16 rationale for those exceptions and that needs to
17 be very clear and publically accessible. So, yes,
18 they exist and we expect them to adhere to those.

19 CHAIR KEISER: Since a lot of the
20 schools you accredit are within an institution --
21 so they'd be like a college of nursing within
22 Harding, I think was where you went, yet you don't

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1 have provisions because you are not Title IV
2 gatekeepers for train-out for students for
3 programs that lose their recognition.

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

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

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

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

22 DR. HALSTEAD: We actually -- we would

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

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

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

16 DR. HALSTEAD: Yes. And we actually
17 have had a program that we have accredited who was
18 approached to take in some students in a situation
19 where another program had closed on them. And we,
20 as an accrediting agency, worked closely to see
21 what criteria that program was going to use to
22 extend an offer of admission to those students who

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1 had been displaced and disadvantaged. And we also
2 not only had the concern for those students, but
3 the current students and the faculty and the
4 workloads. We worked very closely to see a plan
5 for how that was going to be managed.

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

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

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

18 DR. HALSTEAD: Yes, in this particular
19 case, we expected the program who was offering
20 admission not to alter their admission criteria
21 to assist those students. You know, they needed
22 to stay with their current set of admission

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1 criteria and treat them no differently than they
2 would any other student that were admitting.

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

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

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

18 It also shows that -- and the most
19 recent year we have in the audit is 2017, that from
20 an operational standpoint, the Commission lost --
21 something just jumped in front of that -- okay,
22 \$348,699. And from a continuation of a negative

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1 loss from the beginning of the year of \$1,122,000.

2 And from the beginning -- almost a \$1,500,000 in
3 net deficits that you are facing. What's

4 happened in '18? Why did we get a qualified audit?

5 And how do we, as an agency, are able to evaluate
6 your capability of continuing the process?

7 Especially when you don't charge dues, I don't
8 think. You're taking money directly from NLN.

9 And I can't see where that money is coming from.

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

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

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

17 CHAIR KEISER: But the audit we got
18 says, "In our opinion, because of the significance
19 of the matter discussed and the basis of adverse
20 opinion paragraph, the financial statements
21 referred to above do not present fairly in all
22 material aspects the financial position of the

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1 National League of Nursing, Inc., as of December
2 31st, 2017."

3 DR. HALSTEAD: So, yeah, I believe that
4 is a situation that the parent organization has
5 with another subsidiary that has no relationship
6 to us as an autonomous accreditation division.
7 Where we get our funding, initially, as we were
8 a startup, was from a loan from the parent
9 organization. And that is what reflects that
10 \$350,000 deficit is what is being covered by the
11 loan. And that is where that is coming from. It's
12 a non-interest-bearing loan that will be repaid
13 as we begin to increase our numbers.

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

20 And in terms of annual fees, we do
21 charge annual fees. But we are new in
22 accreditation. We don't charge those annual fees

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1 until the program gets accredited. And so we just
2 now have 38 programs accredited. So, for the
3 beginning of this next year, you will see -- I
4 believe I projected at least \$141,000 to \$142,000
5 coming in in annual fees. And that will continue
6 to increase as the number of accredited programs
7 increase. So we do charge those fees. It's just
8 that we're early enough in our development that
9 we haven't had programs accredited to actually pay
10 them.

11 CHAIR KEISER: So how do we know on a
12 going-forward basis that the commission will be
13 sustainable? And, you know, you basically have
14 gone through the entire -- at least by 2017 -- I
15 haven't seen '18; we don't have that -- you've
16 seemed to have already gone in '17 through your
17 entire loan. Because your deficit -- your
18 accumulated deficit for that time was 1.12293
19 versus your loan of 1.471. So you're pretty much
20 through that because your salaries are \$304,000.

21 So, in '18, you were upside down based on the
22 original loan. Now help me understand the

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1 commitment of NLN to ensure that you are a
2 continuing operation.

3 DR. HALSTEAD: Yes. Again, the loan
4 is to allow us to get established to generate our
5 own revenue. To date, since we began -- we began
6 pre-accreditation in like mid-2016 and accredited
7 our first programs in 2017 -- we have generated
8 a little over, including 2018, a little over
9 \$700,000 in revenue in those two years.

10 I do believe, and we do believe, with
11 our projections in the interest that programs have
12 indicated, that once initial recognition has been
13 granted that those numbers -- our numbers of
14 programs will continue to grow. And from the
15 revenue generated with those programs and the
16 annual fees, that we will be able to be sustained.

17 That is our commitment. That is the parent
18 organization's commitment as well.

19 And we have, I believe, the signed MOU
20 and the assumptions and the principles were in --
21 I know they were in the petition, so you've seen
22 the conditions that were laid out.

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1 We will begin loan repayments once we
2 are generating revenue. But it will be important
3 for us to also generate revenue that allows us to
4 continue to grow. So those loan repayments will
5 be balanced with our need to continue to add staff,
6 which we have been doing along the way as we have
7 begun, you know, our operation. We're currently
8 at three, almost four FTEs, plus some additional
9 contract individuals who help us with some of our
10 workshops, et cetera. And so that will be a need
11 that will continue to be balanced as well.

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

17 CHAIR KEISER: This is a loaded
18 question. Would you accept a school that was
19 operating at a loss, operating in debt, and
20 operating with the hope that they had future
21 enrollments and future -- that the students would
22 eventually pay in the future?

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1 DR. HALSTEAD: I think we would look
2 at the financial situation that they were in, in
3 general, and their resources and where those were
4 coming from and their plan.

5 CHAIR KEISER: Thank you.

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

10 DR. HALSTEAD: I appreciate that, I do.
11 And I realize that, yes.

12 (Laughter.)

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

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1 this new entity issue, which is you.

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

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

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

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

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

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

21 DR. HALSTEAD: I would say -- I would
22 ask you to say that one more time just to be sure

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1 that I understand exactly what you're saying.

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

5 DR. HALSTEAD: Yes.

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

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

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

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

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1 years, close to 100 have chosen us.

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

10 But we are an autonomous accreditation
11 division within the National League for Nursing,
12 which has been in existence for 125 years and
13 engaged in accreditation for about 52 of those
14 years. We are fortunate that there is the
15 non-bearing loan to help us get launched. But each
16 year our revenue goes up. I am pleased with
17 \$700,000 of revenue in the first couple of years
18 of operation. And I think that will only continue
19 to grow, because that's without drawing annual fees
20 from those programs yet.

21 VICE CHAIR WU: So, here's a question
22 for staff. My understanding is, as far as NACIQI

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1 is concerned, if there are five or ten agencies,
2 as long as they meet our standards, that's fine.

3 We don't delve into multiple choices out there.

4 And this isn't the only example, but it's probably
5 the one where there are the most agencies in related
6 spaces. But there are a few other places where
7 institutions would have choices. "We could be
8 accredited by X or accredited by Y." And that's
9 just not -- we don't care about that
10 institutionally. They can pick X. They can pick
11 Y. That's fine.

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

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1 overarching association.

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

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

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

22 So, in some ways, NLN has two

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1 accreditors. One's a gatekeeper and one isn't.
2 They're both programmatic. They both have this
3 identical scope. But one allows for Title IV money
4 and one allows for other federal money.

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

9 (Laughter.)

10 MR. BOUNDS: You're absolutely right.

11 Again, I just want to distinguish that the other
12 organization is the Title IV gatekeeper. That was
13 the basis for the issues previously, because they
14 had to maintain their separate and independence
15 from the overarching organization. Again, this
16 accreditor, being a programmatic, doesn't have
17 those restrictions.

18 CHAIR KEISER: But Herman -- I'm sorry,
19 I was going to ask Herman a question. Do you mind
20 if I ask him a question? How do we accept a
21 qualified audit? Because we don't know the real
22 data. We don't know the affiliates. We don't

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1 know the impact to the affiliates. They could be
2 losing tons of money. And that would have the
3 impact on the parent corp, which is supporting the
4 commission.

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

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

15 MR. PRESSNELL: Herman, so, I read the
16 MOU, and the MOU is broad in some ways, which could
17 be to your advantage. Clause 9, though, says NLN
18 reserves the sole right to dissolve this
19 organization. And that seems a little
20 problematic. But I guess -- because the members
21 don't have the right -- so they could end up with
22 90 programs that are accrediting and NLN says,

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1 "You're out. We're shutting you down now." That
2 seems a little -- you're comfortable with that,
3 I guess?

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

13 DR. HALSTEAD: If I may, regarding that
14 particular clause, that was so this board of
15 commissioners could not dissolve the organization.

16 We are a division of the parent organization.
17 And so it's not just to -- you know, the parent
18 has that right. We, as a board, cannot take action
19 to decide we no longer are operating. It would
20 have to be through the parent where that would
21 occur.

22 And I do believe that that would

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1 definitely need to go to the membership and the
2 bylaws of the parent organization, which indicates
3 that we're an autonomous division. So there would
4 have to be -- it couldn't just be a unilateral
5 decision.

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

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

22 CHAIR KEISER: Any further questions?

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1 Because I have questions of our staff. So, I see
2 none. Thank you very much.

3 DR. HALSTEAD: Thank you.

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

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

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

20 And it wasn't a reflection of the income
21 statements or the budget or any of the other
22 financial information included within there.

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1 CHAIR KEISER: Why would they exclude
2 those other entities?

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

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

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

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

19 In the note it does include the revenue
20 generated for ACEN as well as the National League
21 of Nursing Foundation for Nursing Education,
22 they're just not spelled out and those documents

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1 were not, apparently that information was not
2 included, as within the financial statements.

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

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

13 So, this would be the most current
14 information that have. And based on the revenue
15 that had been generated and the fact that they are
16 now collecting sustaining fees and the upward trend
17 in all of those areas, staff did not have, and
18 having the MOU with an NLN, which I understand that
19 this is the reflection NLN itself, but the reason
20 for the, not providing the opinion, it did not
21 appear to be substantially related to whether or
22 not they had the fiscal capacity to be able to

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1 continue in there. To do their accrediting
2 activities.

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

7 (Laughter.)

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

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

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

19 MS. DAGGETT: Well --

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

22 MS. DAGGETT: I think it's clear we

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1 look at all of those things and it was not a concern
2 for the staff.

3 CHAIR KEISER: Frank.

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

8 So I have a single clarifying question.

9 What type of financials do we get in those other
10 instances, do they do the whole parent, including
11 everything, or do they do it this way?

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

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

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1 at some part of the year.

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

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

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

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

20 VICE CHAIR WU: So, let me take back
21 what I said. The oddity here is not that National
22 League of Nursing had another agency and got into

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1 a loss, that's not the oddity. The oddity is, this
2 is a new accreditor that doesn't show the revenue
3 flow yet.

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

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

12 (Off microphone comment.)

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

19 So when we came in front of this body
20 to be recognized, you would look and you'd say,
21 well, you've been losing money for the past couple
22 of years. And the response would be, yes, it's

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1 because we're new. As soon as you recognize us,
2 we're going to start making money because look at
3 whose signed up with us. Right?

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

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

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

19 I don't know if there is, I just have
20 some concerns and I have more concerns because we
21 don't know about the parent because we have a
22 qualified audit. So that's my issues, and I will

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1 shut up and let Frank, the Vice Chair --

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

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

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

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

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

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

20 CHAIR KEISER: Again, I don't have any
21 problem with that, I just have a problem with, I
22 really don't know the condition of the parent.

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1 And if the parent can't support it, then
2 we're in a potential, approving an agency with
3 financials that do not suggest that the parent,
4 or that this is a financially stable project, that
5 they're going to run through their loan, which is
6 what the MOU says is a single loan, not multiple
7 loans. And at which point, where are we when they
8 have burned through their money.

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

12 CHAIR KEISER: Right.

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

16 CHAIR KEISER: Come back in February.

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

20 Come back in six months and show us the
21 financials and show us either you've got the
22 resources or the revenue or your parent has signed

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1 a new agreement and you're going to last.

2 Because you make a good point, it will
3 look even worse if we recommend that they be approve
4 and if 18 months from now they go out of business.

5 Because then we're culpable because we
6 participated in authorizing an entity that wasn't
7 financially viable, and boy, we're all going to
8 look pretty bad if this thing goes under.

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

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

13 CHAIR KEISER: Speak into the
14 microphone please.

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

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

21 MS. NEAL: Yes. And I'm wondering, is
22 there a subsequent audit?

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1 MS. DAGGETT: For 2018?

2 MS. NEAL: That would address these
3 problems.

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

7 CHAIR KEISER: It just came out.

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

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

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

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

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

20 MR. PRESSNELL: -- for multiple loans.

21 MS. DAGGETT: Well, I took it as that
22 they may be paid it out over several years. I

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1 don't, I mean, yes, they're shaking their heads
2 yes.

3 MR. PRESSNELL: So, what's the total
4 amount? Or is it a blank check?

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

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

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

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

19 And I do need to make it very clear,
20 we are not doing this free. We do charge. Every
21 pre-accreditation application, they have to pay
22 a fee. A little over \$3,200 at this point.

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1 Those fees, by the way, are very
2 comparable to the other nursing accrediting
3 bodies. We're not undershooting or undercutting
4 anybody, they're very comparable. We are very
5 conscious of the resources of our programs.

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

12 And then once they are accredited, they
13 pay, I believe the current fee is around \$2,700,
14 \$2,800 a year per program. Although, if they have
15 a couple of programs we give a little bit of a
16 discount.

17 So we are generating revenue and that's
18 how we have accrued \$700,000 in revenue the last
19 two years, is through those fees. Those fees will
20 continue to increase, the amount of loan that we
21 request will continue to drop until we no longer
22 need that.

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1 We are financially sustainable given
2 what we believe, our projections, I had projected
3 we be at 100 programs and we are at 95. I think
4 that's pretty good for a startup. Particularly
5 when I made those projections four or five years
6 ago and was looking at it.

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

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

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

22 I had nothing to do with the parent

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1 organization itself but those two subsidiaries.

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

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

5 MS. HONG: Go ahead.

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

10 DR. HALSTEAD: Yes. I had projected
11 2021.

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

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

22 VICE CHAIR WU: May I just add, while

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1 the Chair decides whether it's appropriate for the
2 CEO for the parent to come forward.

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

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

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

17 The Chairs concern is, what if though
18 the parent entity goes out of business because it
19 has to keep subsidizing, and I'm going to state
20 this as neutrally as possible, there is some
21 suggestion that what we're looking at is affected
22 by that second agency, not in front of us, ACEN,

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1 in a way that portrays both the parent and this
2 agency, not quite as strongly.

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

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

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

19 MS. DAGGETT: Can I add one thing?
20 Staffs interpretation and how things have
21 progressed since the last time NACIQI was
22 reconstituted, is that the current regulations for

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1 an initial recognition require that they must meet
2 all criteria. There is not an option for a
3 compliance report at that time, is that in order
4 to grant recognition they must meet the criteria
5 completely.

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

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

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

21 That would be available by February.

22 Since there is no Title IV gatekeeping, I'm not

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1 sure there is a real serious impact on the
2 institutions. They still have the pre-accredited
3 status, right?

4 MS. DAGGETT: Right.

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

8 She might not be thrilled about that
9 but --

10 (Laughter.)

11 DR. MALONE: I am thrilled.

12 CHAIR KEISER: Please introduce
13 yourself.

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

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

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1 sending in their audit forms. There was no
2 submission of it.

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

5 And we have.

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

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

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

19 DR. MALONE: Yes, it's clean. It's a
20 clean one we've gotten since some of the issues
21 that occurred between us and a previous leadership
22 of our subsidiary.

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1 CHAIR KEISER: And, Valerie, what
2 would be the negative impact of us deferring this
3 until the next meeting?

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

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

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

12 DR. MALONE: I'm sorry.

13 MS. DAGGETT: It would be exactly

14 what

15 she said, is that they would not have access to
16 the non-title IV programs that are available,
17 mostly through HHS. So, at this point, their
18 ~~graduates and program staff~~ are not eligible for those.

19 CHAIR KEISER: Frank --

20 VICE CHAIR WU: Yes, yes. So, one,
21 just clarification, so we're all using consistent
22 language. With audits qualified at unqualified

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1 are sort of the opposite of what you think they
2 are.

3 Clean is unqualified, so --

4 MS. DAGGETT: Yes.

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

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

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

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

21 DR. MALONE: They would not send us
22 their audit.

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1 VICE CHAIR WU: Yes, okay.

2 DR. MALONE: Yes.

3 VICE CHAIR WU: So, that's all in the
4 past. That's unhappiness. And when ACEN comes
5 back before this body, no doubt this will arise.

6 But that's not this entity, that's
7 ACEN. Totally different thing.

8 DR. MALONE: True.

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

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

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

22 And arguably it's required under the

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1 rules because if this concern is serious enough,
2 so, I see two routes. One is for us, as a group,
3 to say, this is not serious enough. This concern
4 about the financials. We'll go ahead and use
5 standard ones.

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

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

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

17 VICE CHAIR WU: Right.

18 MS. HONG: So, it's a senior department
19 official that will go forward with a decision,
20 whatever recommendation that this Committee makes.

21 So, I mean, if this Committee chooses to defer,
22 if this Committee chooses to move forward, the

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1 whole record will be teed up to the senior
2 department official who will actually make the
3 decision.

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

10 DR. MALONE: I missed the last piece?

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

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

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

20 (Laughter.)

21 MR. LEBLANC: I'm going to suggest that
22 I make a motion, if I may, that NACIQI recommends

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1 CNEA. I think I can make the motion for the floor,
2 do I not?

3 (Off microphone comment.)

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

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

8 MR. LEBLANC: Sure. I'll defer.

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

13 MR. LEBLANC: Yes, okay.

14 CHAIR KEISER: -- be less tense and
15 send everybody back from the table to the audience.
16 Ralph, you have a question?

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

19 One, do you know what your reserve is?
20 I understand you say clean audit unqualified and
21 you were doing well, but is there a reserve certain
22 and what is the amount of that reserve?

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1 DR. MALONE: In my mind it's about
2 \$1,500,000, something like.

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

15 MS. MANGOLD: Senior department
16 officials --

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

19 MS. MANGOLD: Finally.

20 CHAIR KEISER: Yes.

21 MS. MANGOLD: Yes. Director is
22 confined to what's presented here. The senior

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1 department official cannot take on additional
2 evidence.

3 MR. WOLFF: Thank you.

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

7 MS. MANGOLD: Right.

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

10 MS. MANGOLD: It's a whole process.

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

13 CHAIR KEISER: Right.

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

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

18 Except, given the time frame, let me
19 play the timing out because given the time frame
20 for, even if we were to, whatever action we took
21 as a recommendation, the letter from the senior
22 department official won't come out for 30 days.

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1 Something like that. For some time.

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

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

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

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

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

21 MR. LEBLANC: I would be delighted.

22 CHAIR KEISER: -- appropriately.

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1 MR. LEBLANC: I move that NACIQI
2 recommends CNEA to be granted initial recognition
3 for a period of five years for the
4 pre-accreditation, accreditation or nursing
5 education programs.

6 VICE CHAIR WU: I second.

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

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

12 CHAIR KEISER: Staff?

13 MS. DAGGETT: Yes.

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

19 Frankly, I have no doubt that they're
20 okay. However, we have to make a decision based
21 on the evidence. The evidence does not show that
22 the agency, the parent of the agency, which is

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1 supporting this particular agency, is
2 sufficiently, you know, has the appropriate
3 resources.

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

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

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

20 I have no doubt that they will be
21 successful, but I have serious doubt that we, as
22 an agency, could advise unqualified, it with an

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1 unqualified recommendation to the secretary to
2 recognize this agency at this time. So that's my
3 point.

4 Anybody else for conversation? Anne.

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

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

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

14 (Off microphone comment.)

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

18 MR. LEBLANC: That's correct.

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

21 (Off microphone comment.)

22 CHAIR KEISER: The motion has been

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1 amended based on Anne's recommendation. So the
2 motion now states to approve the agency for a period
3 of two years and have them come back before us.

4 Is there further discussion? Yes,
5 Ralph.

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

9 CHAIR KEISER: That's tough.

10 MR. PRESSNELL: Are you saying versus
11 a compliance?

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

15 MR. PRESSNELL: Okay.

16 CHAIR KEISER: Okay, any further
17 discussion?

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

22 (Chorus of ayes.)

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1 CHAIR KEISER: All opposed? Oh, you
2 raised your hand, I'm sorry, thank you. It look
3 like it was unanimous.

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

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

8 (Laughter.)

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

12 (Whereupon, the above-entitled matter
13 went off the record at 10:35 a.m. and resumed at
14 10:45 a.m.)

15 CHAIR KEISER: If everybody can find
16 their seats.

17 (Off record comments.)

18 CHAIR KEISER: Please take your seats.

19 And if somebody could tell everybody outside to
20 come on in. Especially my members. Because we're
21 behind. And I was the cause of that.

22 One, two, three, four, five six, seven,

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1 eight, nine, ten. We've got a quorum.

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

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

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

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

13 MS. DERBY: I'm the pilot.

14 CHAIR KEISER: Jill, please.

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

20 The agency also accredits
21 postsecondary non-degree granting vocational
22 institutions. These postsecondary educational

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1 institutions provide training and vocational
2 technical careers with certified and licensed
3 professionals such as automotive technology,
4 computer networking, cosmetology, practical
5 nursing.

6 The agency's federal link is the Higher
7 Education Act Title IV federal student's program.

8 And therefore, the agency must meet the
9 secretary's separate and independent requirement.

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

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

19 Back in 2004, before the NACIQI, and
20 recommended that the agency be recognized for a
21 two year period but required it to submit an interim
22 report fall of 2006. Again, continued recognition

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1 in 2012. And currently is before the NACIQI for
2 compliance.

3 CHAIR KEISER: Thank you, Jill.
4 Chuck.

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

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

14 The Commission last appeared by the
15 NACIQI in June 2017 when it submitted its most
16 recent full petition for continued recognition.

17 At which time, the senior department official's
18 decision was to continue the commissions current
19 recognition and require the agency to submit a
20 compliance report, demonstrating compliance with
21 Section 602.15(a) (1) and (a) (2) of the secretary's
22 criteria for recognition, administrative and

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1 fiscal responsibilities.

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

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

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

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

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1 accreditation of distance education.

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

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

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

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

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

22 DR. TICE: Good morning, Mr. Chair.

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1 My name is Craig Tice, superintendent of schools
2 in upstate New York, member of the commission and
3 past chair of the commission of secondary schools
4 of the Middle States Association of Colleges and
5 Schools.

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

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

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

22 Accreditation agencies enjoy unique

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1 public trust role in the United States. In other
2 words, accredited schools can be trusted by the
3 public to be what they claim to be and do what the
4 claim to do.

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

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

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

21 Accreditation is the means of showing
22 confidence in the institution's performance.

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1 When the commission accredits an educational
2 institution, it is certifying that the
3 organization has met the prescribed qualitative
4 and quantitative standards of the commission
5 within the terms of the organizations own stated
6 philosophy and objectives.

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

10 Since our renewal in 2017, the range
11 and volume of our accreditation activities has
12 remained relatively the same. MSA-CESS accredits
13 38 postsecondary non-degree granting
14 institutions. Thirty-two of which participate in
15 Title IV.

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

20 No adverse actions have been taken
21 since the renewal of our petition. And overall,
22 we have experiences favorable reports resulting

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1 from the accreditation protocol used by these
2 institutions.

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

8 Regarding the standards and practices
9 used by MSA-CESS to address student achievement,
10 MSA-CESS requires all institution to be compliance
11 with the indicators of quality identified for
12 career and technology institutions for our 12
13 standards of institutional quality.

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

22 Our accredited institutions find these

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

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

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

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

22 MSA-CESS takes great pride in the fact

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1 that our accreditation protocol and reporting
2 requirements serve as tools for continuous
3 improvement.

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

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

13 The monitoring process in place, annual
14 documentation of student performance rates,
15 assisting the institution with identifying
16 appropriate strategies and activities to improve
17 those rates and requiring program specific
18 improvement plans, has worked well in correcting
19 any issues related to student achievement that have
20 been identified through the onsite evaluation or
21 in the annual data provided by the institutions
22 for the staff to review.

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1 Currently, MSA-CESS does not identify
2 any of our accredited post-secondary non-degree
3 granting career institutions at risk. MSA-CESS
4 monitors not only student performance rates and
5 loan default rates, but institutional viability
6 and financial stability by requiring accrediting
7 institutions to submit annual enrollment reports
8 and independent audit reports.

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

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

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

21 Although MSA-CESS accredits only a
22 small number of postsecondary non-degree granting

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1 institutions in our region for Title IV purposes,
2 our member schools appreciate the rigor of our
3 protocol and find that obtaining and maintaining
4 middle states accreditation is invaluable in
5 supporting their mission and in providing a process
6 for data-driven decision-making that engages all
7 stakeholders in continuous improvement to support
8 the intended outcomes of student achievement.

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

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

18 I've assumed this position effective
19 July 1st, 2019. Dr. Henry Cram has retired after
20 14 years of leadership at this organization.

21 I previously served as chief operating
22 officer of the Middle States Association of

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1 Colleges and Schools for five years. During the
2 MSA-CESS review, the department staff determined
3 that the agency must demonstrate that it is clearly
4 defined organizational structure and its staff is
5 adequate to support accreditation services.

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

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

18 MSA-CESS also has documented that each
19 staff member and commission member is qualified
20 to perform their specific roles. And that they
21 are trained in the agency's standards and
22 accrediting procedures and protocols. Including

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1 the evaluation and accreditation of distance
2 education.

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

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

13 MSA-CESS has also provided financial
14 statements through the fiscal year ending June
15 30th, 2018 that documents an increase in net assets
16 and unrestricted assets. And the ability of the
17 agency to conduct all of its accrediting
18 responsibilities.

19 The current fiscal year end audit was
20 prepared during the first two weeks of July. The
21 auditors have been onsite and have completed their
22 documentation.

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1 We have just received our first draft
2 of the 2019 fiscal year end audit. And this data
3 shows that we continue to have the ability to
4 conduct all accrediting responsibilities.

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

9 I appreciate the opportunity to present
10 our compliance report and appreciate the
11 opportunity to be of service to these institutions.
12 And to the U.S. Department of Education and hope
13 that you look favorably on this service by
14 approving our continued authorization. Thank
15 you.

16 CHAIR KEISER: Thank you. Questions
17 from our readers?

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

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1 DR. MCCAULEY: Thank you.

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

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

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

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

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

15 CHAIR KEISER: Is there a second?

16 MS. DERBY: Second the motion.

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

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

22 I do want to take a point of personal

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1 privilege to welcome to us today Robert King.
2 Welcome.

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

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

14 Prior to his service in Washington, Mr.
15 King served as president of the Kentucky Council
16 Postsecondary Education, the state coordinating
17 board and a post which he held for ten years.
18 During that time, he served as a member of SHEEO.

19 And on its executive board and as chair in 2015.

20 Before working in Kentucky, Mr. King
21 served as president of Arizona Community
22 Foundation, chancellor of the State University of

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1 New York, New York State Budget Director, Monroe
2 County Executive in Rochester, New York. And as
3 a member of the New York State Legislature from
4 1986 to 1991.

5 Mr. King was a trial attorney for nearly
6 20 years before serving in elected office. He
7 graduated from Trinity College in 1968. And
8 colleges of interest to you from Vanderbilt
9 University School of Law in 1971. He is head of
10 the independent colleges in Tennessee.

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

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

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

22 Herman and his staff have been getting

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

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

18 So, thank you very much, continue on.

19 I didn't want to interrupt but wanted to watch
20 and learn.

21 CHAIR KEISER: Well, again, thank you
22 for joining us today. And if we can be of any help

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1 to you in your new position, please do not hesitate
2 to call on any of us. We'd love to be of service.

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

7 (Laughter.)

8 MR. KING: And we'll continue to learn.
9 Thank you very much.

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

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

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

21 VICE CHAIR WU: All right. Give us a
22 moment to make this transition here. All right,

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1 I think that's the only recusal, right, so that
2 should be noted in the record.

3 (Off record comments.)

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

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

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

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

22 There were some issues with some

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1 appeals members, conflict of interest statements
2 and the like. Nicole can fill us in.

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

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

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

15 Dr. Harris.

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

19 For the record, my name is Dr. Nicole
20 S. Harris, and I am providing a summary of the
21 compliance report review for the Southern
22 Association of Colleges and Schools Commission on

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1 Colleges, also referred to as SACSCOC, or the
2 agency.

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

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

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

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

22 The responses and documentation

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1 provided by the agency demonstrate that it is now
2 following its established conflict of interest
3 policy, which is evidenced by the agency's
4 submission of signed conflict of interest forms
5 for the appeal committee members and site
6 evaluators.

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

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

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

21 VICE CHAIR WU: Do we have NACIQI
22 questions from staff at this time?

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1 Okay, seeing none, if we might invite
2 the agency representatives to the table.

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

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

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

19 The senior department official granted
20 us five years' recognition, but asked if we would
21 come back and show that we had put in wet
22 signatures. We have now done that.

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1 We have only had one appeal since we
2 were here in '17. And we did submit those
3 signatures as well, even though that didn't cover
4 the period for which we were being evaluated. So
5 I'll be glad to answer any other questions you might
6 have.

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

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

13 VICE CHAIR WU: Other members? Jill.

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

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

20 VICE CHAIR WU: Anne.

21 MS. NEAL: Welcome. I wanted to look
22 beyond the compliance report because I'm not

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1 prepared at this point to accept it because of
2 activity outside the compliance report that has
3 recently occurred.

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

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

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

21 The SACS rule, which has been invoked,
22 is that the governing board protects the

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1 institution from undue influence by external
2 persons or bodies. And the rule explanation
3 itself points out that elected officials are not
4 deemed external persons or bodies.

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

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

16 VICE CHAIR WU: Would the agency like
17 to respond?

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

21 MS. NEAL: If I may say, the compliance
22 report recommends that they be extended for three

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1 years. So what I would like to do is address this
2 issue before extending their recognition because
3 I think it goes directly to their ability as
4 accreditors. And perhaps we could recommend that
5 staff review their compliance pursuant to Section
6 602.33.

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

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

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

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

21 MS. DERBY: Well, I think Anne raised
22 a good point. And I really couldn't feel I could

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1 vote in favor of the compliance report without this
2 other issue being addressed.

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

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

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

17 Jill, did you want to finish?

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

20 VICE CHAIR WU: Ralph.

21 MR. WOLFF: Yes, I'd prefer a different
22 route. As I understand 602.33, it gives the right

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1 of NACIQI to request a review, but that would be
2 independent from receipt of the compliance report.

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

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

9 I am prepared to make a motion to accept the
10 report, and then I would say -- were that to be
11 acted on one way or the other -- were Anne to under
12 602.33 request that there be a further, a different
13 review on other issues, I would consider that to
14 be the appropriate course.

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

19 It doesn't preclude a separate motion,
20 but I'm prepared to make a motion to accept the
21 compliance report. It can be voted up or down,
22 but at least then to proceed with any further issues

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1 and the response of the agency to that.

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

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

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

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

17 And I think that's why I think it would
18 be erroneous to proceed as if this vote on the
19 compliance report were simply saying that they have
20 dotted their i's and crossed their t's on conflict
21 of interest forms, when in effect it has a far more
22 significant impact on their operations. And I'm

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1 questioning whether or not they are applying their
2 own rules and regulations appropriately.

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

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

15 VICE CHAIR WU: Herman and then Jill.

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

21 And under 602.33, if we found something
22 that we thought improper, we would then bring the

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1 agency back before the NACIQI to make a decision
2 on our recommendation based on a review under
3 602.33 --

4 VICE CHAIR WU: Jill.

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

12 VICE CHAIR WU: Jill.

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

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

20 VICE CHAIR WU: And Simon.

21 MR. BOEHME: Frank, I have to say that
22 you being Chair looks so good on you.

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1 (Laughter.)

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

3 --

4 VICE CHAIR WU: Thank you.

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

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

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

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

21 VICE CHAIR WU: Let's hear from the
22 agency, and then as Chair, I actually have a

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1 suggestion, which is that NACIQI members vote on
2 a procedural matter, which is whether to take up
3 the issue Anne has raised now, or to vote on the
4 compliance report first. So we can resolve this
5 by simply voting on it if someone wished to make
6 a motion of that effect. But let's hear from the
7 agency.

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

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

21 I'm not avoiding answering the
22 question. I just don't want to mix apples and

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1 oranges when this was the issue for which we were
2 invited to come today.

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

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

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

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

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

22 So I'll ask for guidance.

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1 Do you want to ask for a procedural
2 vote, or a motion for procedure as to which goes
3 first, or just a substantive vote with which you
4 can do up and down to accept the compliance report?

5 MS. HONG: I just --

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

8 MS. HONG: Real quick.

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

11 MS. HONG: I support a substantive
12 motion on the issue on the table. I just said that
13 this Committee, in my role as executive director
14 to fulfill our agenda and the responsibilities.

15 And also I'm not negating that we can't
16 bring this issue up, but let's -- we want to make
17 legally supportive recommendations as well. So
18 --

19 VICE CHAIR WU: Kathleen.

20 MS. ALIOTO: I wanted to ask Anne --

21 VICE CHAIR WU: Closer to the mic
22 please.

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1 MS. ALIOTO: I wanted to ask Anne what
2 she thinks about this, in light of the fact that
3 they already have another three years to go.

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

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

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

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

17 (Laughter.)

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

20 MR. WOLFF: So I am prepared -- I am
21 moving that we accept the compliance report and
22 the staff recommendation, which would continue the

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1 recognition for the period of three years, period.

2 VICE CHAIR WU: Is there a second?

3 MS. NEAL: Second.

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

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

9 I see four.

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

12 So the motion carries, four to three.

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

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

18 VICE CHAIR WU: Yes, please.

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

22 We do not -- that I'm aware of, Ms. Neal -- have

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1 any place where it says that elected officials are
2 not included that way because that -- we do include
3 that.

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

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

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

22 And we asked for a response by next

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1 Monday. I have subsequently received that
2 response. I have not had a chance to analyze it
3 yet, but I also had a call with the board chair
4 who indicated that he, as board chair, has been
5 in charge of this whole search and that everything
6 they've done has been done irrespective of the
7 Governor's phone call.

8 So as far as we're concerned, it's not
9 a -- it's a done deal kind of thing. But that is
10 the kind of process that we have when we do that.

11 We did not demand anything; we merely
12 inquired and asked them to please tell us what was
13 going on.

14 Our members make up our policies and
15 have to approve everything we do. I do not sit
16 in my office and figure out, how can we shaft
17 institutions or elected officials or anybody else.

18 I merely manage the process that we had.

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

22 VICE CHAIR WU: Anne and then Jill.

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1 MS. NEAL: Thank you for that. And if
2 I may beg to differ, Ralph said that this was a
3 small matter. I quite frankly think this is a very
4 significant matter.

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

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

19 I think this raises significant
20 questions of the abuse of power by accreditors when
21 it relates to the political activity on higher
22 education in the States. And in this case, to be

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1 inquiring as to whether or not the Governor had
2 inappropriately intervened in the selection of a
3 President, where he was on the board, that casts
4 a shadow.

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

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

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

22 MS. WHEELAN: I didn't hear a question.

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1 I hear Ms. Neal's opinion, and she and I have been
2 disagreeing over this for years.

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

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

10 VICE CHAIR WU: Okay.

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

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

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

19 And boards individually, and system
20 boards, whatever, who have the governance
21 authority and that legal governance authority
22 don't have the capacity really to push back against

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1 the Governor that interferes or other kinds of
2 political. There are consequences to that, and
3 it just doesn't happen.

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

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

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

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

21 MS. DERBY: Yes. The agencies have
22 standards around governance for very good reason.

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1 And I feel this is an example where they could
2 have taken an important stand, and should have,
3 in terms of undue political influence on the
4 governing process of our universities.

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

7 VICE CHAIR WU: I see.

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

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

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

19 When I was President of WASC, I
20 occasionally, on a very rare occasion, had to write
21 similar letters when resignations were expected
22 of all board members when there was gubernatorial

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1 election. And there were other issues.

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

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

17 I would also say that the accrediting
18 agency have the right under federal law to have
19 standards beyond those that are required for Title
20 IV eligibility. So it's also not clear to me
21 whether -- where this fits within the standards
22 for Title IV eligibility versus other standards.

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1 But it's a larger question, and I do
2 think it's really important around quality and
3 leadership. The quality of leadership is very
4 important to have a role in the quality of the
5 institution.

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

11 VICE CHAIR WU: There's further staff
12 comment.

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

18 So the first thing, in the Higher
19 Education Act, under Paragraph G, it talks about
20 the limitation on the scope of the criteria. So
21 the Higher Education Act is pretty clear where it
22 says, "Nothing in this Act shall be constructed

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1 to permit the Secretary to establish criteria for
2 accrediting agencies that are not required by this
3 Act."

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

11 VICE CHAIR WU: There's comment from
12 Anne.

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

17 What I hear you saying is that
18 accrediting bodies have the ability to add whatever
19 standards they would like over and beyond what is
20 stated in the Higher Education Act, as they have
21 done in the realm of governance, and that you --
22 the Department of Ed -- have no purview over those.

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1 If in fact that is the case, how can
2 they be accountable if they apply and adopt these
3 rules and regulations outside the Higher Education
4 Act on regulatory requirements?

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

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

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

22 VICE CHAIR WU: Yes, further staff

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1 comment?

2 MS. HONG: Yes, just to put a finer
3 point on it, if this is an issue for compliance
4 for SACS and you want a request to review under
5 602.33, you would need to attach it to a criteria.

6 Otherwise, if you want to pursue
7 Ralph's suggestion for the Committee to look at
8 it in a broader way, we can do that by forming a
9 subcommittee. Appointing a subcommittee and
10 looking at the issue of governance in that regard.

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

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

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

21 And Jennifer's suggestion about a
22 subcommittee that looked at this issue and brings

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1 it back before this body I think would be a very
2 healthy thing. It is a very big issue and one of
3 serious concern.

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

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

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

21 MR. BOEHME: I will make a motion that
22 NACIQI creates a subcommittee on oversight --

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1 accreditors' oversight of political influence and
2 governance.

3 VICE CHAIR WU: Is there a second?

4 MS. NEAL: I'll second the motion.

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

8 Seeing no further discussion, all in
9 favor of the motion, if it carries we would create
10 a subcommittee, if it does not carry we would not.

11 And I understand this not to be directed, just
12 for the record, at SACS in particular, but to be
13 more general.

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

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

19 Let me ask staff, should we populate
20 the subcommittee at this time, or no, actually we
21 should wait for our regular Chair to return because
22 those individuals recused for SACS would be

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1 eligible to serve on the subcommittee and should
2 be allowed to participate in this discussion.

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

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

15 Thank you.

16 (Off record comments.)

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

20 Because of potentially losing a quorum
21 later this afternoon, we need to kind of compress
22 some stuff. So we will take like a 15 to 17 minute

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1 break to go grab a sandwich, come on back, we will
2 do our ethics training and then go right on to the
3 agenda. If that would be okay with everybody.
4 Yes?

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

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

9 (Off microphone comment.)

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

12 MS. NEAL: The ethics lawyer is coming.

13 CHAIR KEISER: Ah-ha.

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

16 PARTICIPANT: Should we go find lunch?

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

20 MS. HONG: Can I respond to Anne?

21 CHAIR KEISER: Yes.

22 MS. HONG: Anne, just to respond to

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1 your request. Because this might have to deal with
2 personal, ethical concerns and have an open
3 discussion, we ask that it be a closed session.

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

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

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

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

22 (Whereupon, the above-entitled matter

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1 went off the record at 11:52 a.m. and resumed at
2 12:59 p.m.)

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

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

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

21 The second is the renewal of
22 recognition of the National Association of Schools

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1 of Music, commission on accreditation. Simon and
2 Susan are the two readers, Simon will report out
3 on that. And then Stephanie is the staff member.

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

9 So if we can start with the first one.

10 And if -- Anne, would you report out, introduce
11 us to this agency?

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

18 The principal purpose of this agency
19 is the accreditation of freestanding institutions
20 that offer degree granting and non-degree granting
21 dance programs, and the accreditation of dance
22 programs within institutions accredited by a

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1 national recognized regional accrediting agency.

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

4 CHAIR KEISER: Okay, Simon.

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

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

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

19 CHAIR KEISER: Kathleen.

20 MS. ALIOTO: The National Association
21 of Schools --

22 MS. HONG: Mic.

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

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

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

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

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

19 MR. MULA: Thank you, Mr. Chairman.
20 Good afternoon, Mr. Chairman and members of the
21 Committee.

22 For the record, my name is Chuck Mula,

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1 and I will be presenting a summary of the petition
2 for continued recognition by the National
3 Association of Schools of Dance, commission on
4 accreditation, hereinafter referred to as the
5 commission or the agency.

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

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

21 This concern regards the application
22 of its deferral policy and its guidelines, and that

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1 even while its current policies indicate that the
2 timelines specified in this section of the criteria
3 will not be exceeded.

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

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

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

20 The commission cannot defer action when
21 it has determined that an institution is
22 noncompliant with the standards. This must be

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1 clarified in the agency's policies and procedures.

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

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

13 CHAIR KEISER: Anne.

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

19 MR. MULA: Absolutely. There was
20 nothing evident. A lot of times when we reviewed
21 the agency, they had not either had the opportunity
22 to apply this process, or we didn't have any

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1 information available in the petition that this
2 was being done.

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

7 CHAIR KEISER: Any additional
8 questions from the Committee?

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

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

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

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

22 MS. MCKISSIC: Yes. Thank you. Good

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1 afternoon, Mr. Chairman and members of the
2 Committee.

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

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

16 There were no third-party comments or
17 active complaints submitted during this review
18 period. The agency's petition for continued
19 recognition includes sufficient evidence that its
20 standards, policies, procedures and supporting
21 documentation demonstrate compliance with the
22 Secretary's criteria for recognition in all

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1 sections except for one, regarding 602.20(a), the
2 enforcement timeline.

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

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

21 The department is recommending to the
22 senior department official to continue the

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1 agency's current recognition, and require the
2 agency to come into compliance with the Secretary's
3 criteria, 602.20(a), within 12 months by
4 submitting a compliance report within 30 days after
5 the 12 month period, to demonstrate compliance as
6 identified in the department staff's report.

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

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

19 Department staff also found that its
20 academic administrators and public members operate
21 within the proper composition and qualifications,
22 and therefore recommends that the agency scope

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1 resumes recognition to be extended to the
2 commission on community college accreditation.

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

9 CHAIR KEISER: Simon, do you have
10 questions?

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

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

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

21 As part of this evaluation of the NASTs
22 current petition for continued recognition,

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1 department staff reviewed its petition and
2 supporting documentation and observed part of the
3 agency's yearly commission meeting and training
4 in Minneapolis in March of 2019.

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

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

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

22 In accordance with the Secretary's

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1 criteria for recognition, an agency is required
2 to take immediate adverse action or give the
3 institution a specific time frame for coming into
4 compliance when the agency finds an accredited
5 institution not in compliance with the agency
6 standards.

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

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

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1 department staff report.

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

4 CHAIR KEISER: Kathleen, do you have
5 any questions?

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

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

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

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1 that had been difficult to ascertain.

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

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

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

18 CHAIR KEISER: Can I let Herman answer
19 that question?

20 MR. BOUNDS: So one thing I want to
21 cover is that, so the regulation does allow the
22 agencies to redact certain information. School

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1 name --

2 MS. ALIOTO: But some of them were full
3 pages.

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

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

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

21 And we did speak to the agency quite
22 a bit about the redaction of the information. And

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1 if you guys want to add anything, you can.

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

8 And if that would have been left there,
9 that would have been a breach of the
10 confidentiality agreement with the institution.

11 So we did work out with the agency identifying
12 information so we knew, like Herman said, how to
13 tell that they were from the same school, the
14 self-study, the report, the commission letter. And
15 we looked for those things also to verify that
16 information. But a lot of that information
17 contained information about students and their
18 personal stuff.

19 CHAIR KEISER: Any other questions?

20 MS. ALIOTO: Yes. Isn't it -- I mean,
21 with all of these schools, it's information about
22 students. So we don't have that kind of redaction

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1 in most of the presentations that are made to us.

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

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

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

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

18 (Laughter.)

19 CHAIR KEISER: Okay --

20 MS. MCKISSIC: So for -- I wanted to
21 add, for the Schools of Music, one of the ways that
22 the agency evaluated the rigor of student

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1 competencies with the competencies for music, is
2 that the student has to create original bodies of
3 work.

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

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

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

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

21 CHAIR KEISER: Kathleen. Kathleen?

22 MS. ALIOTO: Yes.

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1 CHAIR KEISER: Kathleen?

2 MS. ALIOTO: Yes.

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

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

8 MS. ALIOTO: Yes.

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

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

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

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1 definitely redacted.

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

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

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

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

20 The issue that they're trying to
21 protect against, is we get -- the department as
22 a whole gets requests for things that are

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1 submitted, things that are in our files, and we're
2 obligated to release them. But it has to be in
3 conformance with what FOIA requires of us.

4 Does that help?

5 CHAIR KEISER: Jen.

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

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

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

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

20 Or, faculty. The names of faculty.
21 Or fiscal administrative work. I mean, that is
22 data that we should know about in terms of how

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1 robust an institution is, or the accreditors should
2 know at least.

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

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

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

22 So, that is certainly not the

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1 expectation that you rubber stamp.

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

4 MS. ALIOTO: Well, for example --

5 MS. HONG: Oh, third-party comments.

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

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

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

19 MS. ALIOTO: Well, certainly in terms
20 of Ms. Helton, she did a very in-depth analysis,
21 but it's very difficult because so much was
22 redacted.

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1 But I would, I guess now we have other
2 people talking?

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

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

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

13 Any other questions? Herman.

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

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

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1 of redactions.

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

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

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

18 So I just wanted to kind of frame out
19 how we look at those things. And there are places
20 where the analysts are sure that they can identify
21 those specific things, that's where the staff comes
22 to our determination.

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1 But NACIQI makes its own recommendation
2 and your concerns are definitely heard. And
3 that's why we have this process.

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

6 I now call the agency forward and to
7 identify themselves.

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

11 I'm Karen Moynahan, the executive
12 director of the National Association of Schools
13 of Dance, the National Association of Schools of
14 Music and the National Association of Schools of
15 Theater.

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

18 The associations appreciate the
19 opportunity to discuss today their attention to
20 aspects of the higher education law and the
21 associated regulations. The associations are
22 grateful for the time of the members of this

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1 committee and the efforts of the Ed staff.

2 The collective efforts of these three
3 organizations represent over 180 years of
4 dedicated service to the disciplines of dance,
5 music, and theater, postsecondary institutions
6 offering these programs in these areas, and over
7 133,000 students currently enrolled at
8 institutions accredited by these agencies, and to
9 the fields of higher education.

10 Although NASD, NASM and NAST, along
11 with the National Association of Schools of Art
12 and Design share office space just miles from here
13 in Reston, Virginia, each agency operates
14 independently and autonomously. Each is guided
15 clearly by its own constitution, vision, and
16 mission.

17 Each has developed its own discipline
18 specific national standards and procedures, each
19 serves its own specific constituency, thus the
20 reason three separate applications are before you
21 today.

22 However, the agencies are built on

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1 similar structures and do employ similar
2 operational approaches and share understandings.

3 With this in mind, I offer opening remarks, which
4 pertain in general to all three of the agencies.

5 And which I hope will offer helpful information
6 and shed further light on the materials before you.

7 The three Ed staff reports describe a
8 singular concern. Albeit with some variation in
9 description and expectation.

10 Specifically, a question as to whether
11 each agency meets section 602.20(a) of the
12 secretary's criteria for recognition. The
13 feedback provided by the Ed staff members indicates
14 to the agencies that there is a need to study the
15 clarity of information which explains and presents
16 the procedural aspects of the agencies respective
17 continuous deferral policies, particularly as they
18 related to 602.20(a).

19 For this reason, and in light of the
20 draft regulations proposed by the Office of
21 Postsecondary Education of the Department of
22 Education, which were released in the Federal

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1 Register on June 12th, 2019 and would substantially
2 amend 602.20, the agencies will devote concerted
3 time and attention during the coming year to study
4 their written protocols and procedures, focusing
5 on the language currently promulgated and how it
6 might be amended to more clearly explain agency
7 activities in this regard. And in doing so, their
8 attention to the requirement outlined in
9 602.20(a).

10 It has become clear from the efforts
11 of this committee that aspects of its pilot project
12 specifically focused on performance data, decision
13 activities and student achievement have become an
14 additional part of this review process.

15 Our desire would be to conduct such
16 conversations apart from the recognition process.

17 With this said, the impetus which drive the
18 conversation pertaining to student's achievement
19 is understandable.

20 Given that \$150 billion of federal
21 financial aid is being expended annually. Loan
22 debt is approximately \$1.56 trillion. 44.7

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1 million Americans now carry some level of loan
2 debt. And the delinquency and default rates hover
3 just above and below ten percent respectfully.

4 It is not difficult to understand much
5 less imagine the level of collective concern and
6 therefore the pressure current realities bring to
7 bear upon the higher education system in this
8 country to ensure that students are developing
9 competence, acquiring skills and becoming masters
10 of intellectual thought, deed, and contribution.

11 In short, to ensure that students are
12 becoming experts in their chosen fields of study.

13 Noting that the agencies have been
14 found to comply with 602.16, but as well, being
15 cognizant of the important role student
16 achievement plays in the education of the students
17 enrolled in programs accredited by NASD, NASM and
18 NAST.

19 I would like to take this opportunity
20 to speak just a moment about the agency's efforts
21 in this regard.

22 These numbers cited above are of note.

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1 And are compelling. They inform the work of the
2 agencies.

3 However, they are not the driving
4 forces behind the agency's longstanding, concerted
5 efforts to ensure that the education and training
6 of students in the arts leads students to develop
7 as successful artist citizens, acquire expertise,
8 and utilize expertise in their chosen pursuits.

9 Study in the arts at the collegiate
10 level is based upon the pursuit of achievement of
11 the highest possible level at all times. It is
12 important to know that most students interested
13 in dance, music and theater study at the collegiate
14 level arrive at the academy holding advanced levels
15 of expertise.

16 Admission to art study at the
17 collegiate level is predicted and predicated
18 typically upon the demonstration of a student, by
19 a student, of an expected level of achievement.

20 Which in many cases is the result of years of prior
21 study and accomplishments.

22 Students accepted into the academy

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1 rarely begin their study in dance, music or theater
2 upon entry. Rather, they see collegiate study as
3 a way to build upon the expertise in hand. And
4 in doing so, unlock the realm of possibilities that
5 will enable them to deepen their capacities to
6 learn, master, and achieve.

7 This is antithetical to many fields
8 where students begin their pursuits of specific
9 subject matter knowledge upon commencement of
10 undergraduate study, or in some cases, graduate
11 study.

12 By the time art students enter the
13 academy, they are well versed in the time honored
14 traditions which are hallmarks of art study,
15 regardless of age or stage. As examples, the
16 ubiquitous sequence or practice, critique,
17 rehearse, critique, perform, critique, reflect,
18 critique, and repeat.

19 And the critical and essential role of
20 the contribution of the individual artist plays
21 in the artistic work as a whole.

22 Many of us experience the visible

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1 results of art study, the orchestral performance,
2 the play, the ballet. What most do not have the
3 opportunity to observe or experience, is the depth
4 of training undertaken by the artist involved in
5 the performances observed.

6 The choreographers, the composers, the
7 playwrights, the dancers, the musicians, the
8 actors, the costumers, the conductors, the stage
9 managers and the like.

10 A glimpse into collegiate study
11 practices in the fields of dance, music and
12 theater, offer such a perspective.

13 With regard to study at the collegiate
14 level, there are multiple factors that must be in
15 play if we are to ensure that students acquire the
16 knowledge and skills necessary, not only to become
17 successful artists, but as well, to contribute as
18 artist citizens.

19 These factors include, but are not
20 limited to, a set of rigorous national standards
21 embraced by the fields of dance, music and theater.

22 A willingness on the part of applicant

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1 institutions to not only demonstrate compliance
2 with, but also to aspire to reach beyond the
3 standards, to exceed.

4 And in doing so, to promote deeper
5 levels of excellence, inspire teaching, innovation
6 and creative thought as they relate to each
7 respective discipline.

8 A mechanism which enables and ensures
9 a thorough review of an institution's activities
10 against national standards. An institution's
11 compliance with standards.

12 And a feedback loop which enables an
13 institution to be informed by the process of peer
14 review and its outcome. As it charts and checks
15 and re-calibrates its forward progression.

16 I'd like to speak briefly about the
17 mechanism employed by the agencies to ascertain
18 student achievement.

19 Each agency has in place national
20 standards which have been vetted and accepted
21 broadly, and speak specifically to what every
22 student enrolled in collegiate study in dance and

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1 music and theater, must be able to do and accomplish
2 by degree, year of study, chosen major and any
3 sub-areas of study if chosen.

4 These expectations are offered in
5 thorough and descriptive detail and located in each
6 agency's handbook. These standards are clearly
7 indicated by language such as, students must
8 acquire and students shall be required to study,
9 students shall be required to participate.

10 A degree program must demonstrate that
11 students are achieving. Students must develop and
12 students must gain competency.

13 Each statement, as exemplified above, is
14 followed by language which outlines specific and
15 required expectations.

16 To ascertain student learning outcomes
17 with regard to agency standards, the agency seek
18 information which is provided by various
19 indicators.

20 Examples include the collection and
21 review of course requirements and associated time
22 on task expectations, sequences of courses and

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1 defined levels of competence, the attainment of
2 which is required if the students are to advance
3 through and complete curricular programs, course
4 descriptions that speak to and document how
5 required standards are met, transcripts of
6 students in progress and those from students who
7 have successfully completed stated curricular
8 requirements, alumni surveys, which speak to the
9 achievement of graduates, degree program
10 enrollment levels and graduate rates.

11 They include, as well, the observation
12 and review of classes and private lessons where
13 one-on-one training takes place. Student
14 teaching, performances, including solo, small
15 chamber and large in nature.

16 Master classes, auditions, juries and
17 critiques, which are conducted regularly
18 throughout a student's course of study.
19 Dissertations, final projects and student files.

20 To evaluate student achievement
21 indicators and ensure their consistency with the
22 institution's mission, the process of peer review

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1 considers questions such as the following. What
2 does student work reveal about the competence
3 students are developing in the craft of their
4 professional disciplines; are students gaining or
5 have they gained technical and conceptual
6 proficiencies consistent with their program levels
7 and majors, applicable standards, and the
8 published purposes of the institution, with regard
9 to the specific program in which they are enrolled.

10 To what extent does student work appear
11 to be consistent with, provide evidence of, show
12 relevance to, and be supportive of the work seen
13 in classes and experiences that constitute the
14 required curriculum.

15 If aspects of student work are judged
16 to be problematic, do the works presented reveal
17 generic pedagogical or other problems that could
18 impact the specific or overall education of the
19 students.

20 Consideration of these questions, and
21 formed by the indicators noted above, offers a
22 comprehensive picture of an institution's capacity

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1 and ability to educate and train students. And
2 its success in doing so.

3 As well, it leads not only to an
4 understanding of the level of expertise of the
5 student body as a whole, but the level of expertise
6 of each student enrolled in a curricular program.

7 And student's success in progressing through
8 chosen courses of study.

9 Art's study provides the rare but
10 valuable opportunity to assess students in ways
11 that align with the art forms themselves.
12 Reminded of the time-honored tradition discussed
13 above, the ubiquitous sequence of practice,
14 critique, rehearse, critique, perform, critique,
15 reflect, critique and repeat.

16 Assessment of the artist is, and has
17 always been, embedded in the daily fiber of art
18 study. It should be noted that these assessment
19 mechanism, tailor made for the art's disciplines,
20 represent a concerted effort on the part of
21 institutions to invest in all and each and every
22 student enrolled.

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1 I'd be pleased to address questions if
2 you have them. Thank you.

3 CHAIR KEISER: Any of the three primary
4 readers? Any of the three primary readers like
5 to address our guest?

6 Any other members of the staff would
7 like to address the staff?

8 (Off microphone comment.)

9 CHAIR KEISER: I asked the primary
10 readers if they would like to ask questions of the
11 speaker. Simon, Ralph, you're not one of the
12 primary readers, so --

13 (Off microphone comment.)

14 CHAIR KEISER: Kathleen, do you have
15 a question?

16 MS. ALIOTO: Do you think in your next
17 submission you could have less redaction?

18 MS. MOYNAHAN: We'll do our best. But
19 if I might just offer a thought about that. Thank
20 you for your feedback on that point.

21 I think one of the questions is, is
22 there enough information to tell. Have the

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1 agencies provided sufficient information to tell.

2 And that's important because you have
3 to be able to tell. And what we try to do is we
4 try to put that together with our duty and our
5 promise to our institutions to maintain
6 confidentiality so that the students are protected
7 and the faculty members are protected and the
8 institution is protected. So, somewhere in there
9 we find a good balance.

10 In addition to the original set of
11 documentation we provided, which was redacted in
12 many ways, the staff members offered us an
13 opportunity to provide additional information,
14 which we did.

15 As Herman had described, aligning the
16 self-study with the visitor's report and the
17 optional response, and commission action reports
18 and responses and progress reports and so forth.

19 So we are pleased to have that opportunity.

20 I think that helped. I'd have to ask
21 the members.

22 I think that there, no, I think, there

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1 were three other opportunities. For the first
2 time in a very long time we were able to invite
3 the three staff readers to the national office in
4 Reston. And they came. And we had a very good
5 discussion.

6 And during that time, all of our
7 materials are still hard copy. We have a floor
8 of self-studies. They're all still in hard copy,
9 can be pulled from the shelf.

10 During that time, we offered to each
11 of the three readers the opportunity to review any
12 information that they would like. So all of our
13 self-studies, even those of institutions who don't
14 use us as the gatekeeper, were available for
15 review.

16 The self-studies of the institutions
17 that conducted onsite reviews that were reviewed
18 by the staff members were also made available to
19 the staff members. The Ed staff members.

20 And as well, particularly with regard
21 to music and theater, we provided to the two staff
22 members onsite, a small somewhat off, off the side

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1 reading area where we took every piece of
2 accreditation material that had been submitted by
3 an institution and created for them a reading space
4 so that they had access to all of the materials
5 submitted by gatekeeper institutions. So, there
6 were multiple opportunities.

7 Our concern, as Counsel has said, is
8 releasing confidential information into the public
9 domain. So we are delighted to provide
10 information, but we are also very cognizant of our
11 responsibility and promise to our member
12 institutions. Thank you.

13 CHAIR KEISER: Anne, do you have any
14 questions.

15 MR. BOEHME: And I'm just curious, and
16 every single time you've come in front of NACIQI
17 you've always brought outside counsel and I don't
18 think you've ever brought one of your
19 commissioners. At least when I've been around.
20 I'm just curious why?

21 MS. MOYNAHAN: Well, that was
22 something you and Ralph brought up last time and

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1 offered your thoughts about that we probably
2 shouldn't do that. Rick has knowledge of our
3 practices and our policies and our standards and
4 the steps we've taken to get there. He has
5 probably a longer view than any other.

6 And when we're talking about the
7 agency's ability to show that their procedures and
8 their protocols are attending to the details of
9 regulation, it is Rick's counsel that I value.
10 I value very much.

11 A brand new president may not know the
12 history of how or why the community junior college
13 commission left and came back. So it's the
14 perspective. It's a helpful perspective.

15 MR. BOEHME: How would you describe
16 your relationship with your board?

17 MS. MOYNAHAN: Excellent. Let's go
18 further than that. I believe that two of the staff
19 members were in place and observed that. They have
20 certainly observed the work between the staff and
21 the commissioner, Members of the Commission on
22 Accreditation.

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1 I would, you'd have to ask them, but
2 my answer to you is, the rapport between the
3 executive director and the boards and the executive
4 committees is open, transparent, honest,
5 thoughtful, cordial, intellectual, serious, and
6 effective.

7 MR. BOEHME: Well, I would like to say,
8 you know, I don't think, we agree on some things
9 and we disagree on other things, but in your
10 remarks, though you were hesitant to use the pilot,
11 I do want to say I am grateful for you embracing
12 it even though you may not necessarily agree with
13 all of it.

14 And I think certainly, finding learning
15 outcomes in music and theater and things that maybe
16 as you've mentioned are not traditionally being
17 assessed in that kind of way I think is important.

18 And your leadership, in terms of
19 figuring out those learning outcomes are critical
20 to maintain, I think, to be in the good graces of
21 NACIQI, at least for now. But who knows what will
22 happen in the future.

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1 MS. MOYNAHAN: Thank you. We believe
2 in this process.

3 MR. MANN: Can I just say one thing?

4 MS. MOYNAHAN: Yes, indeed.

5 MR. MANN: Just, in terms of clarifying
6 my presence here, it's really primarily to observe
7 this particular proceeding so if particular
8 questions come up that need some kind of follow-up
9 response, I've been here to hear it firsthand and
10 I can work out with Karen the appropriate response.

11 It's really not to instruct her on how
12 to respond or anything like that, it's really
13 observational on my part to understand what the
14 concerns are here and what follow-up is necessary.

15 CHAIR KEISER: Ralph.

16 MR. WOLFF: Thank you. There's a few
17 comments I'd like make and they relate both to this
18 process. But I think they relate to the role of
19 NACIQI in the future under the new handbook.

20 Because this may presage that we will
21 not receive information that enables us to do our
22 job. It's not takeaway anything from the staff.

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1 So there are two dimensions here I'd
2 like to raise. One is, and, Karen, I'd like to
3 raise with you, and Rick, around the issue of
4 confidentiality. Just to understand that a little
5 better.

6 And then there are comments that I want
7 to make that are more general about the potential
8 that this portends for the future.

9 All accrediting agencies hold the, have
10 confidentiality agreements with their agent, with
11 their institutions. Yet all of them provide,
12 except in your case, it's the only that I'm aware
13 of, in which we do not have access to team reports,
14 self-studies, faculty resumes.

15 So it puts us in a position where we
16 receive your policies and statements but not any
17 of the applications. And I would just say that
18 looking at even the redacted materials where there
19 are actions taken by the Commission where we don't
20 even see the name of the institution or the program
21 that's involved, it could be anyone.

22 So it's, how do we validate that what

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1 we're receiving, it's real, but we don't know to
2 whom it applies. And so, what I don't understand
3 is, how your confidentiality is any different from
4 any other accrediting agencies and how this becomes
5 the names of the evaluators, student evaluators,
6 not student names, but some of the redacted
7 information is the resume of people conducting
8 evaluators without their names?

9 So, every other application I've ever
10 seen in five years has been, I've been able to
11 actually double check retail studies, read team
12 reports, look at the standards and look at the
13 actual application.

14 So it's not to take away from the
15 thoroughness of the Staff review, but I feel like
16 it creates a very difficult situation in which we
17 are not able to evaluate the agencies, we're only
18 able to accept the site visits of the team report
19 because all we have are your policies and
20 procedures.

21 And I would just make an observation
22 that one of the values of having commissioners

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1 present is just for them to hear some of these
2 concerns and not just a report back.

3 But that being said, I would be really
4 helped in understand, why is not possible to share
5 given, I mean, what's different about the
6 confidentiality arrangement that you have that's
7 different from any other agencies, with respect
8 to providing us, even for you to credit programs
9 at public institutions where this information is
10 FOIA-able.

11 And at private institutions,
12 independent ones. For proprietary information
13 around finances or personnel actions or student
14 work, I could see you redacting.

15 But I have a hard time understanding
16 why we would not see the name of an institution
17 and the actual action, letters, self-studies. So,
18 perhaps you could give a little more depth on the
19 confidentiality concern that you have.

20 MS. MOYNAHAN: I'm happy to. To
21 begin, we appreciate your point of view. And I
22 think it is that, it's your point of view.

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1 I think, I'll go back to the question
2 that I asked at the beginning and that is, is there
3 sufficient information in this process provided
4 by the agency, for the staff members to ascertain
5 the agency's attention to the secretary's right
6 to criteria.

7 And if there is, and if we're able to
8 find the balance between providing that
9 information and maintaining the confidentiality,
10 which we provided to the institutions, that's our
11 goal.

12 I'm not sure that the name of an
13 individual is going to change that. I'm not sure
14 that I would suggest that the redaction was at such
15 a level that evaluation could not take place, given
16 all of the checks and balances that had been built
17 into this system.

18 I assure you all though that would
19 require a level of trust that everything before
20 you is real and true and submitted by the
21 institutions. It's not our intention to not
22 provide information as discussed when we brought

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1 this up a moment ago.

2 CHAIR KEISER: Ralph, to remind you,
3 from a legal perspective, they are in compliance
4 with our regulations and what we do. So, I mean,
5 I appreciate the fact that it makes it harder for
6 us, but they are within the guidelines established
7 by the Federal Register.

8 MR. WOLFF: I understand. I just want
9 to say, I fully appreciate how much you've opened
10 up to the Staff. I think the real issue is our
11 capacity to do our review and to verify, with
12 sufficient documentation, that we are making
13 judgments on your role as a reliable evaluator of
14 quality.

15 And personally, I know the work that
16 you all do, so I know the quality of the work.
17 So it's more, it's not about the specific agencies
18 and the quality of the work, it's about our role
19 and the capacity to it.

20 And my more broad comment for us all
21 in the future is, under the new handbook, we may
22 get even less than we have here because we will

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1 only have access to the staff report and what they
2 may report. And we may have a list of what the
3 staff saw. Here at least we have redacted actions
4 and the like.

5 I don't know what we'll end up seeing,
6 but I would just make a plea that I feel very limited
7 in discharging my personal responsibility in
8 validating the work, not second guessing it, but
9 validating the work.

10 And I appreciate how much you've opened
11 up and the additional work the staff has done.
12 And I just say that, for the future, I think this
13 will be an even larger problem for our role to be
14 effective discharged.

15 MS. MOYNAHAN: Thank you.

16 CHAIR KEISER: Any other questions to
17 the agency? Thank you very much.

18 MS. MOYNAHAN: Thank you.

19 CHAIR KEISER: Appreciate your being
20 before us. Could I have the staff return.
21 Comments, questions?

22 MR. MULA: I have no additional

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1 comments, Mr. Chair.

2 MS. MCKISSIC: I have no additional
3 comments, thank you.

4 MS. HELTON: No additional comments at
5 this time.

6 CHAIR KEISER: Mr. Bounds has a
7 comment.

8 MR. BOUNDS: Yes. I just wanted to add
9 one thing. To identify the institution, we did
10 require the agency to provide the OPEID number and
11 those things so we could actually go back in and
12 see that the information was from a real
13 institution and all that documentation was related
14 together.

15 I think we discussed the other issues
16 and I just wanted to make that point clear.

17 DR. HARRIS: And also, just to let you
18 know, this is Nicole Harris, I'm sitting here with
19 the group because I assisted in the music review.

20 So, I didn't want you to think I was just up here
21 to be up here.

22 CHAIR KEISER: Oh.

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1 (Laughter.)

2 CHAIR KEISER: We just thought it was
3 a better party that way. Okay, we're now at a
4 point, this is interesting, I think we will need
5 three motions and three seconds.

6 So, we will start with the first one,
7 which is the Commission on Dance. Is there a
8 motion, Anne?

9 MS. NEAL: Sure. I move that we adopt
10 the staff recommendation to continue the agency's
11 recognition and require the agency to come into
12 compliance within 12 months to the criteria
13 outlined and submitted in compliance --

14 MS. HONG: Oh, mic.

15 MS. NEAL: Oh, so sorry. Do I need to
16 do it again?

17 (Laughter.)

18 MS. NEAL: All right.

19 CHAIR KEISER: It wouldn't have
20 mattered yesterday, so.

21 MS. NEAL: I move the acceptance of the
22 staff recommendation to continue the agency's

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1 recognition as a nationally recognized accrediting
2 agency and to require the agency to come into
3 compliance within 12 months, with a criteria
4 relating to Section 602.20 and submit a compliance
5 report due 30 days thereafter demonstrating the
6 agency's compliance.

7 CHAIR KEISER: Is there a second?

8 MS. DERBY: I'll second.

9 CHAIR KEISER: Seconded by Jill.
10 Discussion on the motion?

11 Sensing none, all in favor of the motion
12 signify by raising your hand? All those opposed?

13 Okay, number two. We are moving
14 towards the music. School of music.

15 MR. BOEHME: I make a motion to accept
16 the staff recommendation, recommending the
17 inclusion of the commission on community college
18 accreditation and the agency's scope of
19 recognition, continue the agency's recognition as
20 a nationally recognized accrediting agency at this
21 time and require the agency to come into compliance
22 within 12 months with the criteria listed below

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1 and submit a compliance report due 30 days
2 thereafter that demonstrates the agency's
3 compliance.

4 CHAIR KEISER: Is there a second?

5 MR. WOLFF: Second.

6 CHAIR KEISER: Second, Ralph Wolff.
7 Is there discussion?

8 Sensing none, all in favor, please
9 raise your hands? Claude, are you not raising your
10 hand? Okay. And, Kathleen?

11 MS. HONG: Kathleen is abstaining.

12 CHAIR KEISER: Abstaining, okay. All
13 opposed raise your hands? The motion carries.

14 Number three, the recognition of the
15 National School of Theater, commission on
16 accreditation. Is there a motion, Kathleen?

17 MS. ALIOTO: Can someone else make the
18 motion?

19 CHAIR KEISER: Someone else could make
20 the motion. Is there someone else who would like
21 to make the motion?

22 (Off microphone comment)

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1 MS. HONG: Theater.

2 CHAIR KEISER: Theater. Dr. Wolff,
3 would you like to --

4 MR. WOLFF: I'll stand in for Kathleen
5 and just say that, yes, I move the staff
6 recommendation. Can we just do that?

7 PARTICIPANT: Yes.

8 (Laughter.)

9 CHAIR KEISER: Yes. Is there a
10 second?

11 MR. BOEHME: Second.

12 CHAIR KEISER: Simon seconds it. Any
13 further discussion?

14 Sensing none, all in favor of the motion
15 raise your hands? All those opposed?

16 Motion carries, congratulation.
17 Congratulation, congratulation.

18 Can I have that list? Okay. I can
19 read it. Again, I assume these people have agreed
20 to serve, which I will also serve as the Chair.

21 Paul, Jill, Ralph, Anne and Kathleen, would agree
22 to serve on that Committee on oversight of

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1 governance. Jennifer got the exact title, and we
2 will schedule a meeting sometime this fall.

3 I think we have concluded our business.

4 Jennifer, anything you'd like to add?

5 MS. HONG: No. Just thank you for all
6 being here till the end.

7 CHAIR KEISER: I want to thank those
8 for who are going off. I think we, as a group,
9 came together over the last couple of years. We
10 may have political differences, but we have not
11 had differences on accreditation and serving.

12 I thank our role as the Advisory
13 Committee and I've been proud to serve as your
14 Chair. We'll elect a new chair next time, so it's
15 been an absolute pleasure.

16 And, Frank, thank you for being an able
17 Vice Chair.

18 VICE CHAIR WU: Thank you.

19 CHAIR KEISER: And I look forward to
20 seeing those folks who will be returning in
21 February on the 5th, 4th and 5th. And have a very
22 safe God speed home.

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1 MR. WOLFF: Thank you.

2 MS. ALIOTO: Thank you.

3 CHAIR KEISER: Can I have a motion to
4 adjourn, Kathleen?

5 MS. ALIOTO: Thank you for your great
6 leadership.

7 CHAIR KEISER: Oh, you flatter me.
8 It's not true, but I'll take that as a motion to
9 adjourn.

10 (Laughter.)

11 CHAIR KEISER: Thank you very much
12 everyone.

13 (Whereupon, the above-entitled matter
14 went off the record at 2:05 p.m.)

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