U.S. DEPARTMENT OF EDUCATION
OFFICE OF POSTSECONDARY EDUCATION

NATIONAL ADVISORY COMMITTEE ON INSTITUTIONAL QUALITY AND INTEGRITY

MEETING

THURSDAY
MARCH 4, 2021

The advisory committee met via video-teleconference, at 9:00 a.m. EST, Arthur E. Keiser, Chair, presiding.

ADVISORY COMMITTEE MEMBERS PRESENT:
ARTHUR E. KEISER, Chair
KATHLEEN SULLIVAN ALIOTO
JENNIFER L. BLUM
RONNIE L. BOOTH
WALLACE E. BOSTON
JILL DERBY
DAVID A. EUBANKS
PAUL J. LeBLANC
ROBERT MAYES
ANNE D. NEAL
RICHARD F. O'DONNELL
MARY ELLEN PETRISKO
CLAUDE O. PRESSNELL, JR.
ROBERT SHIREMAN
STEVEN VanAUSDLE
DEPARTMENT OF EDUCATION STAFF PRESENT:
GEORGE ALAN SMITH, NACIQI Executive Director,
Designated Federal Official
HERMAN BOUNDS, Director, Accreditation Group
ELIZABETH DAGGETT
LAUREN FRIEDRICH
NICOLE S. HARRIS
CHARITY HELTON
JASS HOLT
VALERIE LEFØR
REHA MALLORY
DONNA MANGOLD
STEPHANIE McKISSIC
ANGELA SIERRA
KARMON SIMMS-COATES
MICHAEL STEIN

ACCREDITATION AGENCY REPRESENTATIVES PRESENT:
Accrediting Council for Independent
Colleges and Schools (ACICS)
MICHELLE EDWARDS, President and CEO
KARLY ZEIGLER, Director of Accreditation
RAFAEL CASTILLA, Board Chair
BILLY FERRELL, Board Chair-Elect
KATHERINE D. BRODIE, Attorney, Duane Morris LLP

American Speech-Language-Hearing Association,
Council on Academic Accreditation in
Audiology and Speech Language Pathology
JAYNEE HANDELSMAN, Board Chair, 2020
NANCY ALARCON, Board Chair, 2021
KIMBERLEE MOORE, Director of Accreditation
TESS KIRSCH, Associate Director on
Accreditation for Policy and Education
PUBLIC COMMENTERS:
ALEJANDRA ACOSTA, New America Education Policy Program
ELLA AZOULAY, Generation Progress
BERNARD A. ESKANDARI, Office of the Attorney General for the State of California
ANTOINETTE FLORES, Center for American Progress
DAVID HALPERIN
JUSTIN HAUSCHILD, Student Veterans of America
JAMES HAYNES, Veterans Education Success
MICHAEL ITZKOWITZ, Third Way
CHRISTOPHER MADAIO, Office of the Attorney General of the State of Maryland
CLAIRE McCANN, New American Education Policy Program
DARLENE ANNE MINORE, Minore Educational Strategies
ANGELA PERRY, Institute for College Access and Success
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THE OPERATOR: Welcome back to the
March 2021 National Advisory Committee on
Institutional Quality and Integrity meeting.
Thank you for joining us today.

As a quick reminder you may open the
participant and chat panels on Webex by using the
associated icons located at the bottom of your
screen.

If you require technical assistance
please send a private chat message to the event
producer. With that I will turn the conference
over to George Smith, NACIQI Executive Director.

DR. SMITH: Thank you, Candice. Good
morning and welcome, everyone. This is the
meeting of the National Advisory Committee on
Institutional Quality and Integrity, also known
as NACIQI.

My name is George Alan Smith and I'm
the executive director and designated official of
NACIQI. As many of you know NACIQI was
established by Section 114 of the Higher Education Act of 1965 as Amended, or HEA.

It is also (audio interference) as amended (audio interference) advisory committee. Sections 101(c) and 4487c-4 of the HEA (audio interference) Public Health Service Act, 42 USC Section 2966 require the Secretary to (audio interference) the state approval agency, nationally recognized accrediting agency, the state approval and accrediting agencies for purpose of nurse education.

The Secretary determines to be reliable authorities as to the quality of education provided by institutions and programs they accredit.

Eligibility of the educational institutions and programs who are participating in various (audio interference) accreditation by the agency listed by the Secretary.

As provided in HEA Section 114 NACIQI advises the Secretary in the discharge of these functions, and is also authorized to provide
advice regarding the process of eligibility and certification of institutions of higher education for participation in the federal student aid programs authorized under Title IV of the HEA.

In addition to these charges, NACIQI authorizes academic graduate degrees from federal agencies and institutions. This authorization was provided by letter from the Office of Management and Budget in 1954, and this letter is available on the NACIQI website along with all other records related to NACIQI's deliberations.

And so with that I'll turn it over to our chairperson, Art Keiser. Art?

CHAIR KEISER: Well, good morning, everyone. Welcome to day 2 of our NACIQI meeting. Again I want to thank George and Herman and his team and I'll have them introduce themselves in a moment. But without them this meeting would be much more difficult to operate and they do such a marvelous job.

The first thing I want to do is ask everyone who is on the panels to please mute your
phone because it becomes very difficult to hear
when papers are rustling and things like that.
So, please mute your phone unless you want to
speak.

I'd like to start with introducing our
members of the national advisory committee. I'll
start with you, Kathleen.

DR. ALIOTO: I'm Kathleen Sullivan
Alioto. I work in a variety of educational
(audio interference) from early childhood to
college over the last 50 years and that has given
me a perspective so that my focus now is on the
first three years of life, because that's where
the seeds of our future begin. Thank you.

CHAIR KEISER: Thank you, Kathleen.

Jennifer?

MS. BLUM: Hi, I'm Jennifer Blum.

Nice to be back for a second day. I am an
attorney that is focused on higher education
policy development and compliance.

CHAIR KEISER: Ronnie?

DR. BOOTH: Hi, Ronnie Booth, retired
president of Tri-County Technical College in upstate South Carolina now doing a little consulting, and serving on --

CHAIR KEISER: Wally? Sorry, Wally?

DR. BOSTON: Wally Boston, president emeritus of American Public University System.

CHAIR KEISER: Jill?

DR. DERBY: Jill Derby, senior consultant with the Association of Governing Boards of Universities and Colleges.

CHAIR KEISER: David?

DR. EUBANKS: Good morning, everyone. I'm David Eubanks. I work at Furman University in South Carolina where I am assistant vice president for institutional effectiveness.

CHAIR KEISER: Paul? Michael? Robert Mayes?

MR. MAYES: Good morning. I'm CEO of Columbia Southern Education Group, parent company of Columbia Southern University and Waldorf University.

CHAIR KEISER: Anne?
MS. NEAL: Good morning, president of the National Association for Olmstead Parks and senior fellow at the American Council of Trustees and Alumni.

CHAIR KEISER: Rick?

MR. O'DONNELL: Good morning. Rick O'Donnell, founder of Skills Fund.

CHAIR KEISER: Mary Ellen?

DR. PETRISKO: Good morning. Mary Ellen Petrisko, educational and higher education quality assurance consultant and immediate past president of the WASC Senior College and University Commission.

CHAIR KEISER: Thank you. Claude?

DR. PRESSNELL: Claude Pressnell, good morning. President of the Tennessee Independent Colleges and Universities.

CHAIR KEISER: Bob?

MR. SHIREMAN: Bob Shireman, director of higher education at the Century Foundation.

CHAIR KEISER: Steve?

DR. VANUSDLE: Steve VanAusdle,
president emeritus of Walla Walla Community College out in Washington State.

CHAIR KEISER: And yesterday I forgot to introduce myself. My name is Art Keiser. I'm chancellor of Keiser University in Florida.

Herman, would you like to introduce your team, and yourself of course?

MR. BOUNDS: Yes, Art, sure. Good morning. My name's Herman Bounds and I am the director of the accreditation group. Accreditation staff members are Elizabeth Daggett, Reha Mallory, Nicole Harris, Stephanie McKissic, Charity Helton, Karmon Simms-Coates, Mike Stein, and Jass Holt. And Jass will be available by email to assist anyone today who is having technical issues with e-recognition.

Thank you.

CHAIR KEISER: George, do you have anyone?

DR. SMITH: Right. Valerie Lefor who's helping us today, a former accreditation analyst. And we have two colleagues from the
OGC, Donna Mangold and Angela Sierra supporting our work today. Thank you.

CHAIR KEISER: Okay, great. Well, thank you everyone and we appreciate you being here. We have a lot of work to do today. Let me go over the --

DR. SMITH: Lauren Friedrich is also on. Sorry about that, Lauren Friedrich from OGC. Thanks.

CHAIR KEISER: Okay. No problem. Let me start with going over the procedures of how we do our reviews. We begin with the primary readers who are assigned by the staff, introduce the agency application.

The department staff then provides a briefing to the committee, and questions are asked by the committee to the department staff. Agency's representatives provide comments about their petition. Questions by NACIQI are followed by response and comments from the agency.

We then have third party comments and in this next group we have a number of third
party comments. I will be timing them and they will be at three minutes and given three minutes, and I will ask them to keep their comments to three minutes.

The agency then has a chance to respond to the comments made by the third party commenters. The department staff then responds finally to the agency, and the third party comments, and then finally we have a discussion, a motion, and a vote.

Today is a little different in that because the first one will require a compliance report, a monitoring report, and two Section 602.33 reviews that will be considered by NACIQI the standard review procedures will be adjusted to accommodate the individual reviews including separate motions and votes on the agency's compliance with the criteria identified in each review, and then finally a final motion and a vote will be on the recognition recommendation.

With that -- before we get started I'd like to recognize Bob Shireman. He has a comment
he would like to make.

MR. SHIREMAN: Thank you, Art. I will
not be participating in this portion of the
meeting. Last fall before I was named to NACIQI
I joined as a signatory to a letter from 10
consumer protection organizations to Herman
Bounds regarding the very matter that NACIQI is
about to discuss, recognition of ACICS.

Because I therefore already have
participated in this matter I have decided not to
participate in the ACICS portion of this meeting.
I will return to the meeting when the ACICS
matter is concluded. Thank you.

CHAIR KEISER: Thank you, Bob. Okay.

We now go to the matter at hand, the compliance
report and recognition of the Accrediting Council
for Independent Colleges and Schools, commonly
known as ACICS. (audio interference) Mary Ellen
Petrisko and Claude Pressnell, and the department
staff is Elizabeth Daggett. Claude, Mary Ellen,
the floor is yours.

DR. PETRISKO: Thank you. The
Accrediting Council for Independent Colleges and Schools, or ACICS, formerly known as the Accrediting Commission for Business Schools was founded in 1912 and first recognized by the Secretary of Education in 1956.

The agency is a Title IV gatekeeper and accredited institutions offer certificates, diplomas, and associate, bachelor's, and master's degrees.

In 2016 the then Secretary denied recognition effective December 12, 2016. After a court remanded the recognition back to the department, a review of additional information and documentation, recognition was reinstated on November 21, 2018 to include the required submission of a compliance report and a monitoring report in one year.

The required compliance report was submitted by ACICS on December 19, 2019. The next day, December 20, 2019, the monitoring report was submitted.

In its review of the monitoring report
department staff determined that one or more deficiencies potentially existed in the ACICS compliance with or affected application of the Secretary's criteria for recognition and therefore processed the report in accordance with review procedures set forth in Section 602.33 for the review of agency restoring the period of recognition.

Additionally, two separate inquiries were initiated under Section 602.33, one on June 19, 2019, the other on February 24, 2020 related in the former case to the review of ACICS's financial capacity and its handling of two institutions, Virginia International University and the San Diego University for Integrative Studies, and in the latter two its review of Reagan National University. Thank you.

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

MS. DAGGETT: Good morning, Mr. Chairman and members of the committee. My name is Elizabeth Daggett and I am providing a summary
of the review of the four agenda items for the agency ACICS. The four items include the review of a compliance report, a monitoring report, and two inquiries initiated under Section 602.33.

The current scope of recognition for the agency is the accreditation of private postsecondary institutions offering certificates or diplomas, and postsecondary institutions offering associates, bachelor's, or master's degrees in programs designed to educate students for professional, technical, or occupational careers, including those that offer those programs via distance education.

ACICS was last reviewed by NACIQI in the summer of 2016 when the committee recommended denial of recognition. Ultimately Secretary John B. King, Jr., denied recognition effective December 12, 2016.

After a court decision remanded the recognition decision back to the department for review of additional information and documentation Secretary Betsy DeVos reinstated
the agency's recognition on November 21, 2018 to
include the submission of a compliance report and
monitoring report in 12 months.

ACICS submitted the compliance report
on December 19, 2019, and the monitoring report
on December 20, 2019. In its review of the
monitoring report department staff noted that one
or more deficiencies may exist in the agency's
compliance with the Secretary's criteria for
recognition, or the agency's effective
application of those criteria, and therefore
processed (audio interference) in accordance with
the review procedures set forth in 602.33.

In addition to the reviews of the
compliance report and monitoring report two
inquiries under Section 602.33 were initiated
since the last review by NACIQI.

The inquiry initiated June 19, 2019
which I will refer to as the capacity inquiry
related to the review of the financial capacity
of ACICS and its review of two institutions.

The inquiry initiated February 24,
2020 which I will refer to as the RNU inquiry is related to the agency's review of Reagan National University. Although separate, these reviews occurred at the same time and there's overlap in the areas of non-compliance.

For the compliance report the staff recommendation to the senior department official for this agency is to terminate recognition. This recommendation is based on our review of the agency's compliance report and its supporting documentation.

Our review of the agency's report found that the agency is not in compliance with the Secretary's criteria for recognition. ACICS failed to demonstrate compliance with Section 602.15(a)(2) in the compliance report.

The Secretary required the agency to, quote, to provide -- to submit a compliance report within 12 months and provide additional evidence responding to whether existing evaluators have received the improved training.

ACICS failed to demonstrate that it
consistently trained its representatives for
their role and followed its own policies and
procedures as required by regulation.
Specifically, ACICS failed to demonstrate that
all site visitors complete training required by
the agency's policies and procedures.

Section 496(l) of the Higher Education
Act as Amended provides that the period of time
for an agency to come into compliance with
criteria with which the Secretary has determined
it not to be in compliance may not exceed 12
months unless a good cause extension is provided.

Section 496(l) further provides that
if an agency does not come into compliance within
this 12-month period the Secretary shall limit,
suspend, or terminate the agency's recognition.

ACICS was first found non-compliant
with the criteria in 2016 by department staff,
the NACIQI, the senior department official, and
Secretary King. That non-compliance continued
when Secretary DeVos issued her decision to
reinstate the agency's recognition in 2018
subject to submission of the compliance report.

The compliance report submitted by the agency does not demonstrate compliance with Section 602.15(a)(2) over four years later. A review of the compliance report was conducted in accordance with the procedures for submitting a compliance report as required in Section 602.32.

The department received five third party comments in response to a Federal Register notice invitation for comments, and those comments are incorporated in the analysis.

For the monitoring report the staff recommendations to the senior department official for this agency is to terminate recognition. This recommendation is based on our review of the agency's monitoring report and its supporting documentation.

Our review of the agency's report found that the agency is not in compliance with the Secretary's criteria for recognition. ACICS failed to demonstrate compliance with Section 602.15(a)(1) and 602.19(b).
Specifically, for 602.15(a)(1) ACICS failed to demonstrate that it has the financial resources to carry out its accrediting responsibility based on a review of the agency's financial statements over a five-year period and related documents.

ACICS's financial statements show a consistent downward trend in net assets and change in net assets for operations during the last five years. ACICS has been able to maintain its operations by drawing funds from its investment portfolio which has decreased in value by almost one-third during the same time period.

Department staff has no basis to believe that ACICS will be able to turn around its precarious financial situation and does not believe that this situation can be resolved simply by controlling expenses because at some point restricting spending will, if it has not already, compromise administrative capability.

For Section 602.19(b) (audio interference) -- I'm sorry, can everybody mute,
please? For Section 602.19(b) ACICS failed to
demonstrate that it has effective monitoring and
evaluation approaches. Because using the
oversight effort (audio interference) ACICS still
did not uncover the serious areas of non-
compliance identified by other accrediting or
approval agencies.

Specifically, ACICS failed to uncover
significant areas of non-compliance by Virginia
International University -- I'll refer to them as
VIU, but they're now known as Fairfax University
of America -- which was revealed by an audit by
the State Council for Higher Education in
Virginia which is SCHEV.

SCHEV found significant areas of
coregarding faculty-student interaction,
peer to peer interaction, academic rigor at the
graduate level, and the comparability of the
distance education for residential offerings
which are areas where at least some overlap in
review between ACICS and SCHEV would be expected.

Therefore the agency's review of VIU
does not demonstrate that its evaluation
approaches (audio interference) compliance
concern. More broadly, ACICS provided a list of
14 oversight efforts outside of the regular
renewal of accreditation activities. But even
with those oversight efforts ACICS still did not
uncover the serious areas of non-compliance with
financial capability or educational quality
standards identified by other accrediting or
approval agencies noted on the at-risk
institutions group (ARIG) report submitted by the
agency at the specific request of the Secretary.

Besides providing the list of
oversight activities, ACICS did not provide any
examples of its effective application of those
monitoring/evaluation approaches to identify non-
compliance by an institution with agency
standards and therefore did not demonstrate
compliance with Section 602.19(b).

A review of the monitoring report was
conducted in accordance with the procedures for
review of agencies during a period of recognition
as described in Section 602.33. The department received four public comments in response to a Federal Register notice invitation to comment, and those comments are incorporated in the analysis.

For the capacity inquiry the staff recommendations to the senior department official for this agency is to terminate recognition. This recommendation is based on our review of the agency's capacity inquiry response and its supporting documentation.

Our review of the agency's inquiry response found that the agency is not in compliance with the Secretary's criteria for recognition. ACICS failed to demonstrate compliance with Sections 602.15(a)(1), 602.16(c), 602.17(c), and 602.17(e).

For Section 602.16(c), ACICS did not demonstrate that its standards effectively addressed the quality of an institution's distance education in the review of VIU. As stated previously, ACICS failed to uncover
significant areas of non-compliance by VIU regarding its distance education which was revealed by a SCHEV audit.

SCHEV found significant areas of concern regarding faculty-student interaction, peer to peer interaction, academic rigor at the graduate level, and the comparability of the distance education for residential offerings.

Besides the VIU documentation ACICS did not provide any examples to demonstrate that its standards effectively address the quality of an institution's distance education and therefore did not demonstrate compliance with 602.16(c).

Regarding Section 602.17(c) ACICS did not demonstrate that it obtained sufficient information to determine compliance during an onsite review with respect to the review of VIU, with the specific evaluation failures just stated in Section 602.16(c).

For Section 602.17(e) ACICS failed to demonstrate that it conducts its own analysis of institutional information and documentation to
determine compliance with its standards in their
review of San Diego University of Integrative
Studies, SDUIS.

Specifically, ACICS received public
comments and a 400-page response from SDUIS that
failed to demonstrate that ACICS reviewed the
comments or response as required by the agency's
policies and procedures.

Besides the SDUIS documentation, ACICS
did not provide any examples to demonstrate that
it conducts its own analysis of information and
documentation as required by its policies and
procedures, and therefore did not demonstrate
compliance with Section 602.17(e).

Finally, for Section 602.15(a)(1) the
oversight failures revealed in the reviews of VIU
and SDUIS do not demonstrate that the
accreditation review and monitoring processes
used by ACICS are adequate to identify compliance
issues and call into question the agency's
administrative and/or fiscal capabilities.

The review of the capacity inquiry was
conducted in accordance with the procedures for
review of agencies during the period of
recognition as described in Section 602.33. The
department received four public comments in
response to a Federal Register notice invitation
for comments, and those comments are incorporated
in the analysis.

For the RNU inquiry the staff
recommendation to the senior department official
for this agency is to terminate recognition.
This recommendation is based on our review of the
agency's RNU inquiry response and supporting
documentation.

Our review of the agency's inquiry
response found that the agency is not in
compliance with the Secretary's criteria for
recognition. ACICS failed to demonstrate
compliance with Sections 602.15(a)(1),
602.15(a)(2), 602.17(c), 602.18(c), and
602.19(b).

For Section 602.15(a)(2) ACICS failed
to demonstrate that it has confident and
knowledgeable individuals trained for their roles as site visitors, members of the decision-making body, or other agency representatives. For example, as described in Section 602.17(c) of the final staff analysis ACICS sent a site visit to RNU in anticipation of their review of distance education it failed to demonstrate to the department that the site visitor was qualified and trained to evaluate distance education.

Similarly, in Section 602.16(a)(1)(ii) of the draft staff analysis department staff noted that the site visit team wrote in its report that they were unable to, quote, "retrieve, view, or assess any instructional materials," end quote, and that students, quote, "did not have access to or possess course textbooks," end quote.

These learning materials issues were not listed as deficiencies in the team report which indicates a lack of training on the agency's standards and therefore a lack of administrative capability.
Beside the RNU documentation ACICS did not provide any information or documentation regarding the training of any agency representatives and therefore did not demonstrate compliance.

Regarding Section 602.17(c) ACICS failed to demonstrate that it obtained sufficient information to determine compliance with its standards during its onsite reviews of RNU. Specifically, ACICS does not obtain student surveys in sufficient quantities to be meaningful, nor to meet its own policies and procedures in the review of RNU.

ACICS also has not demonstrated that it collects sufficient information regarding students using other methods. In particular, the site visit team for the initial accreditation review in 2017 found that RNU's student files failed to include documentation of prior education as all the files included international diplomas that had not been evaluated for validity, and no documentation of student or
graduate involvement in program design or oversight as required by ACICS standards.

Remarkably, the files also showed that over two accreditation review cycles no students violated satisfactory academic progress or had withdrawn. These findings coupled with the limited response from the student surveys should have been red flags calling into question the existence of a legitimate student population. Therefore, ACICS has not demonstrated that it obtained sufficient information to determine if an institution complied with the agency's standards when conducting an onsite visit.

For Section 602.18(c) ACICS failed to demonstrate that it bases accreditation decisions on published standards in its review of RNU. Specifically, ACICS admitted that the RNU onsite administrator did not attend the required workshop, and that was a, quote, "failure to comply with procedural standards," end quote. However, ACICS provided no information or documentation on the failure of the agency to
enforce its current policies and procedures
related to this requirement nor on how to prevent
the failure to meet this requirement from
happening in the future.

ACICS also admitted that RNU checked
that it was accredited on its initial self-
assessment when applying for accreditation, but
the agency responded that it could easily verify
that claim. Yet ACICS did not provide any
information or documentation that it did verify
that claim, nor did ACICS provide the agency's
policies and procedures for reviewing and
verifying the self-assessment claims in general.

Further, ACICS applied a small
population exemption to the review of RNU's
placement rate. However, that exemption was not
included in the agency's written policy at the
time, was not discussed by agency staff in its
accreditation recommendation, and was not
included in the action letter as a reason for the
acceptance of the low placement rate. Therefore,
ACICS has not demonstrated that it based its
accreditation decision on published standards in its review of RNU.

Regarding Section 602.19(b) ACICS failed to demonstrate that it has effective monitoring and evaluation approaches in the review of RNU. Again, ACICS provided a list of 14 oversight efforts outside of the regular renewal of accreditation activities, but even with those oversight efforts ACICS still did not uncover the continuation of serious areas of non-compliance identified in the 2017 site team review, such as insufficient or unavailable learning materials, inaccurate faculty files, and curricula issues, and that were found again in the 2019 site team review.

Following ACICS's renewal visit in 2019 it placed RNU on show cause, quote, "given the sheer number of findings of non-compliance, and the fact that the institution has fallen so far out of compliance in such a short period of time," end quote, and that the, quote, "council specifically noted that a number of issues
identified during the renewal of accreditation
process were identical to those found during the
initial review," end quote.

Therefore, ACICS has not demonstrated
that its monitoring and evaluation approaches are
effective in identifying an institution's
continued non-compliance with agency standards.

Finally, for Section 602.15(a)(1) the
numerous oversight failures revealed in the
review of RNU do not demonstrate that the
accreditation review and monitoring process used
by ACICS are adequate to identify compliance
issues, and again, call into question the
agency's administrative and/or fiscal
capabilities.

The review of the RNU inquiry was
conducted in accordance with the procedures for
review of agencies during the period of
recognition as described in Section 602.33. The
department received four public comments in
response to a Federal Register notice invitation
for comments, and those comments are incorporated
in the analysis.

Therefore, as I stated earlier, for each of the four reports and inquiries the staff is recommending that the senior department official terminate recognition of ACICS. There are agency representatives here to answer your questions. Thank you.

CHAIR KEISER: Primary readers, do you have questions for our staff?

DR. PRESSNELL: Not at this time, no.

CHAIR KEISER: Mary Ellen, do you have any questions for the staff?

DR. PETRISKO: No questions.

CHAIR KEISER: Any member of the committee, questions? If not we invite the agency representatives to appear before us, and they are Ms. Michelle Edwards, Ms. Karly Zeigler, Dr. Rafael Castilla, and Dr. Billy Ferrell. Welcome.

MS. EDWARDS: Good morning. My name is Michelle Edwards and I'm the president and CEO of the Accrediting Council for Independent
Colleges and Schools, commonly referred to as ACICS.

For nine years prior to becoming president and CEO of ACICS I was a chief academic and compliance officer at a school accredited by ACICS. In that time I served as an ACICS commissioner, a member of the council which also serves as the board of directors. Additionally, I participated in at least 50 school visits as an evaluator. I appreciate the opportunity to speak to members of NACIQI as you prepare to provide recommendations to the senior department official regarding our continued recognition as an accreditor.

Three of my colleagues join me today and I would like them to introduce themselves.

MS. ZEIGLER: Good morning, everyone. I'm Karly Zeigler, director of accreditation at ACICS. In my role I'm responsible for oversight of the accreditation process, initial application procedures, policy development, and the replacement verification program. I've been in
this position since August of 2020 and before
that I was manager of policy and institutional
compliance. I've been with ACICS as a whole
since 2010 and I pass it over to Dr. Castilla.

DR. CASTILLA: Good morning. I'm Dr.
Rafael Castilla, chair of the council and board
of directors of ACICS. I also serve on the
academic issues committee of the New Jersey
President's Council.

I have an MD degree from the Corpus
University Foundation, Bogota, Colombia, and an
MBA from Rider University in New Jersey. I am
working postsecondary career education for 32
years, 24 of which at Eastwick College in New
Jersey where I serve as executive vice president.

Since I moved from the faculty to the
administration 18 years ago I have led all
accreditation processes with institutional and
programmatic agency. My accreditation experience
from the institutional side and formed by the
decision to join the ACICS council two years ago.

I am passionate about education policy
and access to higher education with a focus on diversity, innovation, and quality. I quickly found that the ACICS council and staff shared my values with a focus on enhancing policies and procedures to lead member institutions to deliver high-quality programs that serve the needs of our diverse student population and the communities where they live.

I am proud to be part of this organization and look forward to the continued success of ACICS and its member institutions.

Next is my colleague Dr. Billy Ferrell.

DR. FERRELL: Thank you, Rafael and good morning everybody. As you heard I'm Dr. Billy Ferrell. I'm here today in my capacity as ACICS council chair elect. I also serve as one of the designated public members on the council.

I currently serve as assistant superintendent at Cityscape Schools. That's an open enrollment public charter school district in Dallas, Texas.

As for my educational background I
have a master's degree and a doctoral degree both in education. My master's is from Oral Roberts University and my doctorate is from Argosy University in Dallas, Texas.

In prior years I served as an academic dean of a non-profit vocational college for over 21 years. My tenure there contributed to remarkable achievements such as a full articulation agreement with Texas A&M University in Commerce, Texas. And we were also selected by the Department of ED to host a cadre of university professors from China who wanted to learn more about career education.

And like my colleague Dr. Castilla I've been a member of the council since 2018 and I've served as an evaluator for ACICS since 1998. And like Dr. Castilla I'm honored to be part of this organization, to be able to support the extraordinary work that's been undertaken under Michelle Edwards' leadership in these past four years.

And we all look forward to answering
any of your questions today. So, let me now turn it back over to Michelle.

MS. EDWARDS: I know we have a lot of ground to cover today and I will get into the details of several areas of interest identified by NACIQI and the department.

But before I do that, however, I would like to address an important development that directly impacts this committee's review of ACICS' recognition.

Earlier this week the Department of Education's Office of Inspector General released a report to the Secretary dated March 2, 2021 regarding the department's handling of ACICS' petition for re-recognition in 2016 and the department's subsequent reinstatement and review of ACICS' recognition.

This report corroborates many of the assertions that I will make throughout this presentation regarding the inconsistent application of the recognition standards by the department's accreditation staff, the staff's
continuous moving of the goal posts regarding how much and what sort of evidence is required to demonstrate compliance, and the disparate demands and expectations placed on ACICS as compared to other recognized institutional accreditors.

The OIG's mission as stated on its website is to serve as an independent, non-political entity within the department responsible for identifying waste, fraud and abuse, and to recommend actions to address systemic weaknesses and improve ed programs and operations.

In this case the OIG's objectives were to determine, one, the process used by the department to assess ACICS' compliance with the recognition regulations from 2016 through 2018, and two, what evidence the department considered in its review of selected recognition criteria, and whether the department's conclusions were supported by the evidence.

The OIG determined that the department did not comply with the regulatory requirements
in its 2016 review of ACICS, as also found by a federal judge. But the OIG goes much further.

The OIG also found that the Office of the Under Secretary in the Obama administration was involved in the department's review of ACICS to the point where the OUS directed questions for the department's accreditation staff to ask ACICS that did not relate to the recognition criteria, and directed the accreditation staff to deny ACICS' requests for time extension.

The accreditation staff told OIG that they felt pressured and perceived a disregard for the accreditation procedures by the OUS. The OIG reports the accreditation group director described the OUS involvement as, quote, "not part of the normal recognition review process," end quote, and he said that what occurred during the ACICS review was, quote, "not the norm."

The accreditation staff told the OIG that, quote, "OUS' level of involvement was unprecedented during the ACICS review, and that OUS' disregard for the recognition regulations
unnecessarily slowed and negatively affected the recognition process for ACICS."

OIG says that the accreditation group director told them that the, quote, "level of involvement from OUS led the accreditation group to feel that the OUS officials under Secretary King did not trust them to do their job," end quote, and the OIG reports that the accreditation staff stated that the supplemental questions raised by OUS, quote, "appeared to be piling on ACICS, were unnecessary, and were not always relevant to the review."

The OIG summarized this section of its report by stating, "Failure to consider all available and relevant evidence when making a recommendation decision could also call into question the integrity of the accreditation process and damage to the department's reputation."

Specifically, the department's recognition practices and objectivity during the process, and overall competence, could be called
Of course, damage to the department's reputation is not the only casualty when the department takes recognition action contrary to the regulations and to the available evidence. It goes without saying that the department's actions in 2016 have caused tremendous damage to ACICS' reputation.

In addition, schools that were forced to find alternate accreditation spent untold millions of dollars to accomplish what never should have been necessary.

The second part of the OIG's review looked at the actions by the former SDO under Secretary DeVos to review ACICS' 2016 application and the subsequent decision by the judge to remand ACICS' case back to the Secretary for further consideration.

The Secretary directed the SDO to review the evidence in the record when the department withdrew ACICS' recognition in 2016, and the subsequent information that ACICS
provided in May 2018.

The SDO determined that in 2016 ACICS in fact was in compliance with 19 of the 21 regulations cited in the withdrawal decision and could comply with the remaining 2 regulations in 12 months, and the Secretary concurred with that decision.

The OIG sampled the SDO's reasoning and supporting documentation for 6 of these 19 findings and determined that the SDO's conclusions in every case were supported by the evidence.

The OIG also said that it, quote, "did not identify any evidence cited that contradicted the SDO's conclusions," end quote. Let me repeat that. The former SDO determined in September 2019 based on evidence in the full record in 2016 along with the supplemental evidence through May 2018 that ACICS complied with 19 of the 21 recognition regulations in question and could demonstrate compliance with the 2 remaining regulations within 12 months.
The OIG reviewed the SDO's work, determined that the evidence supported the SDO's conclusions, and found no evidence to contradict the SDO's conclusions. Nearly all of the purported issues on which the findings of non-compliance under discussion today are based from 2016, 2017, and 2018, prior to the determination of ACICS' compliance by both the SDO and the Secretary in the fall of 2018 that has now been reviewed favorably by the OIG.

The OIG explained that too many of the department's recognition procedures rely on subjectivity by reviewers and a lack of detailed procedures to guide the review of recognition petitions. The OIG determined that this lack of procedures, quote, "can and has led to inconsistencies across agency reviews regarding the documentation that is deemed sufficient to demonstrate compliance with federal recognition requirements," end quote.

The OIG further determined that, quote, "the lack of specificity in the department
recognition review guidelines allows for
differences in opinion when evaluating
accrediting agencies' compliance with recognition
criteria, and that determination of what
constitutes sufficient evidence to demonstrate
compliance may be inconsistent among accrediting
agency reviews."

The OIG made several recommendations
to address the problems that it identified. In
response to the OIG's report Secretary Zais
wrote, quote, "We agree with your findings and
expect your recommendations."

This new development makes clear that
much of the basis for ACICS' appearance here
today have been undercut by the findings of the
non-partisan independent OIG to which the
Department of Education has now agreed on the
record.

The narrative being pushed by activist
groups and political opponents of career colleges
that ACICS is an incompetent rogue agency,
woefully out of compliance with the recognition
requirements is and always has been complete fiction. Because this OIG report is obviously material to today's proceedings I would ask that the entire report be made a part of the record.

Nevertheless we are here today. Our obligation is to address the findings in the four reports before you to explain why those findings are incorrect and to demonstrate why you should reject the department staff's recommendations that ACICS' recognition should be terminated.

I would ask you to judge us based on the text of the recognition criteria and that you consider all the relevant evidence demonstrating compliance. As you know, and as the OIG confirmed, the department staff failed to do so in 2016 and we believe they have done so again regarding these reviews.

The fundamental question before this committee, the senior department official, and the Secretary is whether ACICS complies with the recognition criteria. Sitting before you today I can tell you unequivocally that I believe that
ACICS is in compliance with the recognition requirements as established by the Department of Education and Congress, and I am prepared to defend that statement in whatever level of detail is required by members of this committee.

As you consider ACICS today I want to remind you pursuant to NACIQI's charter that you were chosen to serve in part based on your expertise, integrity, impartiality, and good judgment. Unfortunately, as the former Under Secretary acknowledged to the OIG in OIG's earlier report in 2018 the recognition process is, quote, "potentially driven more by policy preferences than regulatory requirements," end quote.

I ask and hope that your decision is based on the facts and the recognition criteria, not outside pressure or desire to change accreditation as we know it.

I was a member of the council in 2016 when ACICS faced a fundamentally existential question, would we continue to operate in the
future. At the time my answer to that question was straightforward, yes. But I knew then that ACICS needed to implement significant changes in order to live up to its mandate of advancing educational excellence at independent, non-public career schools, colleges, and organizations.

I believed then as I do today that ACICS has an important role to play and an obligation to fulfill that role effectively with integrity, accountability, and transparency. I agreed to become president and CEO of ACICS in July 2017 knowing full well what I was getting myself into. My mandate was to be a change agent and I have embraced that mission from day one.

I believe in the value of accreditation. I believe in the value of career education, and I believe that on behalf of the students served by our schools we can and must set high standards for ourselves and then live up to them.

I'm proud to sit here today and tell you that ACICS is a fundamentally different
organization than it was five years ago. ACICS has implemented a number of change initiatives that have been grounded in three essential principles -- agency effectiveness, quality improvement, and institutional integrity and accountability. These are not platitudes.

In the past five years we implemented nine changes to our bylaws and completed a comprehensive review of our policies and procedures (audio interference). We also made 86 changes to our accreditation criteria.

While we made a number of significant changes, and I will speak to them in depth throughout the day, I'd like to turn it over to my colleague Karly Zeigler to provide an overview.

MS. ZEIGLER: Thank you, Michelle, and thank you to all of you members of NACIQI for the opportunity today. I will focus my remarks on just the significant changes we've implemented in the past five years, specifically relating to those three principles that Michelle mentioned,
agency effectiveness, quality improvement, and institutional integrity and accountability.

When it comes to agency effectiveness one criticism in the past was that of our governing body, the commissioners serving on our council that they were largely representative of the member institutions we accredited as is the case with most accrediting agencies.

We've expanded and diversified the membership of our council to ensure that we have robust and varied outside perspectives from beyond the realm of career colleges, and of course to protect against potential financial and other professional conflicts of interest.

Five years ago our council of 15 members included 4 public members, or individuals not affiliated with or accredited by ACICS, which even then was more public members than the federal regulations required. Today we have nine council members and six, or two-thirds of them are public members.

In terms of quality improvement I
cannot overstate our work has been in this area.
As Michelle mentioned we've implemented almost
100 new accreditation criteria and procedural
changes to improve the effectiveness of the
accreditation process.
Some examples include our board of
ethics procedures and codes of ethics for
volunteers, include training, workshops, and
continuous learning opportunities (audio
interference), an expanded scope of interim
onsite review which takes place between the
renewal of our accreditation evaluations,
enhanced teach-out requirements, and recruitment
and admissions monitoring improvement, including
training onsite teams specifically to monitor
admissions personnel and activities, including
listening in on recorded or live calls, reviewing
text instant messages and emails, and reviewing
other training materials, manuals, and scripts.
Through our own systematic review
process we've further updated a number of areas
of our standards, including distance education
policies and procedures, requirements for the
campus effectiveness brand, for both ACICS and
institutions to be able to further continuously
monitor outcomes and evaluate their
effectiveness, as well as our student achievement
standards. We've even increased our retention
standard for degree programs. And in recent
years the majority of our institutions were
performing above the previous standard.

We've also established a more rigorous
process for collecting and verifying data,
monitoring progress and holding our schools
accountable. Our Campus Accountability Report or
what we refer to as the CAR collects data on our
campuses and programs semi-annually at both
program and campus level.

The CAR tracks individual students by
name and unique ID, not just a collective number
(audio interference). We developed the placement
verification program, or PVP, that relies on a
custom built web-based application to facilitate
the submission and review of graduate placement
information submitted by our ACICS member schools. It provides a user-friendly process for the submission of placement information for verification by the graduate and/or employer directly to ACICS prior to validation by ACICS review team as an appropriate placement.

This system also includes integrity safeguards such as capturing and comparing IP addresses for all submissions and placement confirmations to avoid fraud.

I myself have worked at ACICS for 10 years and I can confidently say that the work we have done in the past 5 years is transformative. We're focused on ensuring the quality of education and the integrity of our institutions serving our students, and I believe in the integrity and effectiveness of the organization. Thank you again for the opportunity to share my perspective, and now let me turn it to Michelle.

MS. EDWARDS: Thank you, Karly. To say we have put our blood, sweat, and tears into enhancing our policies and procedures would be an
understatement. I am proud of the schools that have shown their commitment to our shared objectives and to committing themselves to continuous improvement. We are all stronger together.

Let me share with you some key statistics that illustrate who we are today. We set bright line standards for student achievement, specifically in terms of retention rates, placement rates, and licensure exam pass rates.

Let's start with student retention rates. We require a minimum of 60 percent retention in a given year in order to be in compliance, but we encourage our schools to go beyond that minimum and have established 70 percent as the benchmark, the rate we're moving everyone towards. I am proud to say that 100 percent of our schools are in compliance with the 60 percent retention rate, and in fact the average retention rate today is 79 percent.

We also track overall placement rates,
whether or not individuals graduating or completing a program in an ACICS school are able to obtain a job in their field of study or training. We require schools to meet a placement rate of at least 60 percent and as for the retention rate have also set 70 percent as the benchmark. Today the average placement rate for our institutions is 73 percent, and those placements are rigorously verified by ACICS.

We track licensure pass rates annually with the submission of the CAR. Those falling below the compliance rate at 60 percent are placed on a monitoring status and required to provide periodic updates and develop a plan to improve their rates. The average licensure pass rate for the 2020 reporting period was 81 percent.

We have faced challenges and setbacks in our journey to build a better future. We are operating in a larger ecosphere, one that presents parallel challenges that we cannot entirely mitigate from financial and
technological changes to social and political ones.

In 2016 we had approximately 855 campuses enrolling over 440,000 students, and we had 39 staff members. Let me tell you about ACICS today.

We currently have 84 campuses enrolling over 48,000 students, 10 staff members. That's an average of 8 to 1 school to staff, and certainly in line with other institutional accreditors. Additionally, we have not had to cancel or postpone any site visits due to a lack of personnel. We currently accredit campuses in 21 states and 8 countries outside of the U.S.

According to the most recent College Scorecard our institutions had a 58 percent average graduation rate. Also, 27 percent of our campuses do not participate in Title IV. According to the most recently published Cohort Default Rate Report our institutions had an average cohort default rate of 10 percent.

We have zero campuses owned by
publicly traded companies. Twenty percent of our campuses are not-for-profit. Ninety-three percent of our campuses are degree granting, and 74 percent of our institutions operate bachelor's or master's degrees. These are statistics that should be celebrated, not described as bottom of the barrel.

Do we still have work to do? Of course. As the former Secretary recently acknowledged in our recognition decision other recognized accreditors have work to do as well. But let me say this clearly and unequivocally. ACICS complies with the recognition requirements as established in the Department of Education's regulations.

Since 2016 reviewed by the SDO and Secretary confirmed we were in compliance with all but two of the recognition criteria, and I believe ACICS currently demonstrates full compliance with the two recognition criteria flagged by former Secretary DeVos in her November 21, 2018 order.
We should be judged objectively. I welcome an in-depth review of how my organization is operating today. Please ask us detailed questions about how we conduct evaluations, how we hold our schools and ourselves accountable while fostering continuous improvement.

I'm proud of the work we've done and I only ask for a fair shake. Unfortunately I believe we've been denied that thus far. I believe that the Department of Education failed to apply the recognition criteria to ACICS in a fair and objective way.

I recognize those are bold statements to make and I don't make them lightly. But I feel compelled to raise them as part of this process, particularly in light of the new OIG findings. ACICS has also raised these directly with the department as part of our detailed reply.

I believe ACICS is being held to standards and a level of scrutiny that are not applied to other accreditors, that fail to give
my organization the appropriate professional
discretion granted to accreditors regarding the
enforcement of our standards, and that are not
required by the recognition regulations.

I believe that department staff has
assumed facts simply not in evidence. I also
believe that department staff once again failed
to consider evidence relevant to the recognition
criteria and has failed to fully review all 9,400
pages in the 139 exhibits provided over the
course of this current review.

And I believe the department staff has
at times misread, misunderstood, or misapplied
both the recognition regulations and the ACICS
accreditation standards and policies informing
its recommendations, and that it unfairly has
substituted its judgment on accreditation
decisions for those properly made by ACICS.

And finally, I believe the department
staff's recommendations have relied on factors
that Congress and regulations did not intend to
be considered, and have been influenced
improperly by political and policy pressures from
within and outside the department.

I urge members of NACIQI to embrace
your mission wholeheartedly to provide
recommendations to the Department of Education
regarding accreditors' compliance with the
recognition criteria.

At the last meeting of this committee
a former NACIQI member said, quote, "The duty of
NACIQI and the department is to evaluate whether
an accreditor has established satisfactory
standards and set in motion practices to ensure
compliance going forward."

I believe ACICS complies with all
recognition criteria, and I urge you to consider
all of the evidence presented in support of that
statement. At the same time I urge you to
consider your actions in a larger context, both
the role of the proverbial triad in promoting
educational excellence, and the specific legal
parameters established to make that structure
function effectively for all parties involved.
If there are to be legally binding changes to the accreditation process and the expectations placed on accreditors those changes must be made explicitly and through a rulemaking and/or legislative process. Until that happens ACICS should be held to the same standard, the same rules, and the same processes as any other accradiator.

Now let me get into some specifics. I want to preface these comments with a reminder of the gravity of the recommendation before you today. I've attended every NACIQI meeting since starting in this role four years ago, and this is the first time I have seen an agency responding to more than one report at a time.

As you can imagine there's a lot at stake and a lot of ground to cover here today. I ask that you afford ACICS the appropriate time this morning for this presentation. I am confident we will demonstrate we fully comply with the recognition criteria.

The first item on the agenda is ACICS'
final report on compliance. The catalyst for today's appearance by ACICS in front of NACIQI is the 2018 order from Secretary DeVos requiring ACICS to prepare a compliance report addressing two specific issues.

First, the Secretary directed ACICS to submit evidence regarding the training of ACICS' site visitors, the qualifications of the data integrity reviewer, and the activities of the ethics review board as required by Section 602.15(a)(2).

And second, the Secretary directed ACICS to submit evidence that it requires the members of its intermediate review committee to find conflicts of interest attestation in accordance with Section 602.15(a)(6).

In the draft staff analysis regarding training department staff acknowledged that ACICS provided, quote, "information and documentation related to the competency of its representative including a merited description of the training provided along with documentation of the
communication of the required training and
training activities," end quote.

Department staff noted also that,
quote, "training activities included a refresher
training for all site visitors, along with
additional training webinars in specialized
areas, educational activities in distance
education which was applicable to those site
visitors qualified to serve in that role."

The final report prepared by
department staff found that ACICS had provided
documentation showing that all active team
chairs, and all but three active team members had
completed the refresher training.

Two of these three team members, each
of whom had served on ACICS' visiting team for
more than a decade, have now completed all other
refresher training, and will provide third party
comments later in these proceedings.

The last team member noted by
department staff was an emergency last minute
visit team member who had not previously served
on an ACICS team. A site visit team was scheduled to evaluate an institution that offers a graduate level nurse anesthetist program. Because the pool of evaluators is quite small ACICS had to identify and utilize a new evaluator, G. Randall, who holds a Ph.D. in nursing and a master of science in nurse anesthesia.

ACICS explained on the response to the draft staff analysis that this evaluator was trained onsite at the start of the evaluation visit by the ACICS staff member. But the final report on compliance failed ACICS for failing to provide documentation of that one-off just in time training.

ACICS has now formalized its training materials and documentation protocols for just such just in time training on the rare occasions when it's necessary. ACICS appreciates the department staff's acknowledgment of the high quality and sufficiency of ACICS' legacy and ongoing training. Neither the draft staff
analysis nor the final report raised any
questions or concerns regarding the extent,
safety, or quality of either the legacy and
ongoing training that ACICS provides to
representatives, or the refresher training that
ACICS developed in response to the Secretary's
order.

The Secretary required ACICS to
demonstrate, quote, "existing evaluators have
received the approved training," end quote, but
she did not prescribe how ACICS would make that
demonstration. 602.15(a)(2) requires ACICS to
have evaluators, quote, "qualified by education
experience in their own right and trained by the
agency on their responsibilities as appropriate
for their roles," end quote.

ACICS provided resumes for its
evaluators to demonstrate their education and
experiential qualifications, and there is nothing
in the final report that challenges the
qualifications of the ACICS evaluators.
Nevertheless, after acknowledging that ACICS has
provided all of the training for evaluators required by the recognition regulations and raising no questions about the quality of the training department staff alleges that ACICS did not comply with Section 602.15(a)(2) because it asserts we did not demonstrate the effectiveness of the training we provided.

ACICS is concerned that the department staff is once again applying unwritten standards in its review of ACICS by stating in the final report that ACICS cannot demonstrate the efficacy of its training programs. A June 2018 report by the department's OIG supports our concern that staff used arbitrary standards when evaluating evidence, likely because no written procedures exist to help staff define how much is enough, and the OIG repeated this criticism in its report this week.

It determined that the department lacked written procedures for the review of evidence, and as a result often held agencies to different and subjective standards. This is such
an example.

As a result the department's new regulations of July 1, 2020 make it clear that if the agency documents that it has a written policy in place it is deemed compliant with the department's requirements unless the Secretary can point to specific evidence that proves the agency's policy was ineffective.

The department is required to prove evidence of failure in order to find the agency's policies to be ineffective. In the case of this compliance review ACICS provided evidence that the training materials developed in response to the Secretary's 2018 order were comprehensive, and that site visitors either completed the training, or were removed from the list of active participants.

It is clear that ACICS has met the requirements to provide training to its active site visitors and team chairs, including by creating new refresher training courses designed to ensure that seasoned site visitors are updated
on new policies and procedures that ACICS has put into place, and to remind them of their responsibilities and ethical requirements in acting in such a role.

Staff provided no details in the final report to support a conclusion that the training programs that were the subject of the Secretary's 2018 order were ineffective. Absent such a finding, and as will be confirmed by the third party commenters, ACICS is confident that its training policies are effective and fully address the requirements of the Secretary's order.

It's undisputed that ACICS provided all of its described routine and refresher training to every member of its evaluator ranks exactly as described by the Secretary and required by Section 602.15(a)(2) and the accreditation handbook. ACICS fully complied with its recognition requirement.

The final report on compliance notes that ACICS provided information to address questions and comments in the draft staff
analysis on the ethics review board, and there
are no observations in the final report on
compliance regarding the data integrity reviewer.
ACICS appreciates the department staff
acknowledgment that there are no remaining issues
and that ACICS has fully addressed these matters.

With regard to the second issue on
conflict of interest attestation the final report
prepared by department staff concludes that ACICS
provide the information necessary to demonstrate
compliance with this recognition regulation, and
there is no evidence of any conflict of interest
in the record. ACICS appreciates the department
staff acknowledgment that this issue is resolved.

To summarize, ACICS has fully
addressed the two issues identified by Secretary
DeVos in her 2018 order directing preparation of
the compliance report. Department staff
acknowledge that ACICS has provided the
information and documentation required by the
recognition regulations.

The only thing that is provided by the
department staff in support of its recommendation
to terminate recognition is an alleged failure to
document to staff's satisfaction that the
training ACICS provides to its evaluators is
effective, even though such effectiveness has not
been questioned in the final report on
compliance, and is not an element of the
recognition regulation.

ACICS fully complies with the
recognition requirement, and we respectfully ask
this committee to reject the department staff's
recommendation.

Next I would like to take some time to
discuss the institutions which are mentioned in
the three separate monitoring reports you're
reviewing today.

The first monitoring report was
directed by the Secretary in her 2018 order when
she asked ACICS to provide information regarding
several different recognition regulations even
while finding that ACICS was in compliance with
those regulations.
The remaining two monitoring reports were initiated by department staff and were driven largely by press accounts regarding testimony that ACICS gave to CHEA and ACICS' oversight of a couple of institutions.

Discussion of these institutions is intermingled throughout the three reports and forms the basis of each termination recommendation. I would like to provide you with an overview of these three institutions, namely Reagan National University, San Diego University of Integrative Studies, and Virginia International University, and will then discuss the specific allegations in each report.

I'll start with Reagan National University, or RNU, which has attracted the most attention and generated the most outrageous allegations.

RNU is a small school founded in 2010 in Sioux Falls, South Dakota, that offers bachelor's and master's degree programs. RNU applied to ACICS for initial accreditation in
2016. At the time it was authorized by the Secretary of State to provide postsecondary education in South Dakota unaccredited and had a population of approximately 50 students. After establishing its eligibility for accreditation and completing the application materials it hosted an ACICS initial grant visit team in February 2017.

ACICS sent a team of five evaluators to conduct a two-day site visit to RNU. This was a highly experienced team whose members collectively had more than 30 years of evaluator experience, and had conducted more than 200 visits for ACICS.

RNU reported in its application materials that it offered programs via distance education, and the team included an evaluator to review the distance education offerings. The team quickly determined, however, that RNU did not actually offer distance education as defined by ACICS.

Instead, the RNU delivery model was
more like independent study and the evaluation was conducted accordingly. RNU's over-reliance on independent study was cited as a finding of non-compliance by the initial visit team.

The February 2017 team made six team findings of non-compliance. RNU responded to the team report in March 2017, but that response did not address all of the issues. ACICS deferred the application in its April 2017 team meeting and required additional evidence that RNU had come into compliance.

ACICS reviewed that subsequent response at its August 2017 team meeting and again determined that compliance issues remained. It was only in December 2017 after receiving and reviewing three substantive responses with documentation from the institution that ACICS determined that RNU had finally addressed all of the compliance issues and gave RNU an initial grant of accreditation.

ACICS policies allow for an initial grant of accreditation up to three years for an
institution not previously accredited by a recognized agency. Because RNU had struggled to demonstrate compliance ACICS gave it only a two-year grant of accreditation through December 31, 2019.

Under our procedures this meant that RNU would have to begin the re-accreditation process to renew its accreditation in mid-2018, just months after receiving initial accreditation.

During the month after RNU obtained accreditation it was subject to ongoing monitoring and oversight by ACICS. ACICS required RNU to participate in a half-day orientation program called ACICS Fundamentals for New Members: A Guide for New Members on Requirements for Maintaining Accreditation. This orientation was provided by my colleague Karly and was attended by RNU's president and its academic dean. It covered such topics as annual and periodic reporting, the PVP program, institutional planning centered on the campus
effectiveness plan, and substantive changes.

One of the key monitoring tools was the CAR which gathers student outcome and achievement information. The ACICS CAR format evolved as the PVP evolved and by 2018 institutions were required to file CAR reports every quarter so that ACICS received constantly updated information on student retention and graduate placement results.

One of RNU's earliest CAR reports indicated a zero percent placement rate, prompting the ACICS to issue a show cause directive. We soon determined, however, that the issue was not that graduates were not getting jobs, but that RNU was not reporting the placements properly through the PVP portal. Once the reporting protocols were fixed RNU reported placement rates consistent with ACICS' requirement.

As I described earlier, the PVP process requires placements to be confirmed directly to ACICS by the graduate or the employer
before they can be considered valid placements in
the placement rate calculation.

In October 2019, only 22 months after
RNU obtained initial accreditation, ACICS sent a
five-person team to conduct RNU's re-
accreditation evaluation. This was another
deeply experienced team with over 40 years of
collective service that collectively had done
over 600 evaluations for ACICS.

During this two-day site visit the
team observed classes in session, talked to
faculty, staff, and students, and reviewed
administrative records and staff and personnel
files. In the end the team found a small
struggling school with 70 students and it cited
28 findings of non-compliance.

Given the large number of findings of
non-compliance that had developed in the 22
months since RNU first obtained accreditation
ACICS issued a show cause directive on its first
review of the team report and response in
December 2019 which was the first step in the due
process for removing RNU's accreditation.

In accordance with normal ACICS procedures ACICS -- RNU was scheduled to respond to the show cause directive at ACICS' April 2020 meeting. In February 2020 a reporter from USA Today wrote an article in which he reported going to the school's location twice and finding it closed.

The sensationalistic report went on to imply that the school did not exist and perhaps never existed, and it made a host of other false and misleading assertions and innuendos regarding ACICS' accreditation of RNU.

Following contact from the reporter ACICS sent a representative to conduct an unannounced visit to RNU on February 8, 2020. This was just over a month after ACICS had placed the institution on show cause and less than a month following notification from the institution stating that they intended to respond to the show cause.

The representative also determined
that the campus appeared to be abandoned and
spoke with an RNU administrator. Later that same
day RNU notified ACICS that it was voluntarily
relinquishing its accreditation effective
immediately. It's worth noting that RNU was
authorized to operate by the state of South
Dakota throughout this entire period, was never
in the Title IV program, and was never approved
by SEVP to issue student visas.

We don't know why RNU suddenly
vanished in February 2020, but we do know that a
highly experienced team found a small and
struggling school in operation in October 2019.
The team found the school significantly out of
compliance with the accreditation standards, and
ACICS immediately began the process of removing
RNU's accreditation. That process was well
underway when the reporter showed up and found a
locked door.

We suspect that the RNU owners had
determined that efforts to retain its
accreditation could not succeed and they instead
simply walked away. All of ACICS' interactions with RNU going back to 2016 are well documented in the record before you today.

Next I want to share some background and history regarding San Diego University of Integrative Studies, or SDU. SDU is an institution in San Diego that offers programs to the graduate level. It is or was affiliated with the USA English Language Center or Centers.

SDU began talking with ACICS about initial accreditation in 2015. It eventually completed some of the preliminary application materials and steps, and ACICS staff conducted an initial resource visit in June 2016 to determine whether SDU was prepared to move forward with its application.

During this preliminary application phase the question of the affiliation between SDU and the center arose. At the time the center was accredited by ACCET, another recognized accreditor, and ACCET had issued a show cause for the center.
During the June 2016 resource visit staff advised SDU that the relationship with the center would have to be explained and the show cause order from ACCET would have to be resolved before SDU's application to ACICS could move forward.

At that same time ACICS was working with SDU in 2016 this committee voted to recommend withdrawal of ACICS' recognition. ACICS soon thereafter imposed a moratorium on initial applications, effectively preventing further action or movement on the SDU's application.

Once ACICS' recognition was restored in April 2018 and ACICS subsequently lifted the moratorium on initial applicants, ACICS in March 2019 invited SDU to revise its application. In its letter ACICS advised SDU that it first would have to address the issues raised in the June 2016 resource visit report, including the ACCET actions regarding the center. SDU never provided this information and ACICS concluded that SDU had
abandoned its application and considered this matter closed.

In June 2019 the Chronicle for Higher Education wrote an article that among other things said that SDU was pursuing ACICS accreditation while it was appealing a denial of re-accreditation by ACCET. This article to which ACICS did not contribute is demonstrably wrong for several reasons.

First, because SDU offered programs to the graduate degree there can be no doubt that it was accredited by ACCET which only accredits institutions with programs to the associate's degree.

Second, it is undisputed and well documented in the record that by 2018 the center which was accredited by ACCET had further distanced itself from SDU by obtaining its own license to operate from the California Bureau of Private Postsecondary Education and by organizing itself as a separate legal entity.

And third, SDU's application to ACICS
was frozen in the preliminary stage in 2016 and was never reactivated. Despite repeated explanations by ACICS department staff continues to question our compliance with Section 602.28(d) because it says that ACICS did not take ACCET's action into account during its review of SDU.

ACICS documented that it required SDU to explain the issues with ACCET which ACICS then routinely would have verified and confirmed with ACCET to determine whether SDU as an initial applicant was eligible to move forward with its application.

ACICS provided the department with several examples of it doing just that with regard to other institutional applicants as required by its own standards and the recognition requirement.

In this case, however, SDU never provided the required information and ACICS never had the opportunity to follow its normal procedures because the SDU's application for initial accreditation was derailed by the
moratorium in 2016 and was never revised or
continued.

Department staff also accuses ACICS of
violating its own procedures in Section 602.17(e)
by failing to take into account public comment it
received about SDU. This allegation completely
ignores the well documented fact that ACICS sent
these comments to SDU and required it to respond
in writing.

Department staff then misreads the
ACICS accreditation criteria and imagines a non-
existent step in the application process in which
ACICS must resolve public comments that the
recognition requirements do not even require it
to collect before an institution's application
can advance.

Finally, the department staff uses
these baseless observations about SDU's
application to conclude that ACICS may not be in
compliance with Section 602.15(a)(1) regarding
administrative capability because its staffing
and other resources might not be sufficient to
conducted effective evaluations.

To be clear, the department staff speculates on this point based on the application of SDU which never proceeded much beyond the preliminary phase, which never was invited to prepare a self-evaluation, which never hosted an evaluation team, and which never was even considered for accreditation by ACICS, let alone the recipient of ACICS accreditation.

Instead, SDU's preliminary application was derailed by the department's flawed effort to remove ACICS' recognition in 2016 and was never reactivated. Again, ACICS' interactions with SDU as described above are well documented in the record before this committee today.

A third university is Virginia International University, or VIU. VIU is a non-profit institution offering primarily bachelor's and master's degree programs in a variety of business and technology fields. It has been accredited by ACICS since 2018.

ACICS conducted a routine two-day re-
accreditation visit to VIU in January 2018 with a
team of six evaluators plus two accreditation
staff members. Ms. Daggett observed the visit on
behalf of the department staff. At the time of
the visit VIU enrolled approximately 325
students.

The team made 10 findings of non-
compliance, including findings about the distance
education program, faculty preparation and
qualification, record-keeping, and curriculum.

VIU responded to the team report that
ACICS deferred action on the re-accreditation
application at its April 2018 meeting and
requested additional information regarding the
correction of the findings. ACICS subsequently
awarded a new grant of accreditation in August
2018.

The State Council for Higher Education
in Virginia, or SCHEV, conducted its own site
visit to VIU in August 2018. SCHEV identified
five findings of non-compliance, issues with
record-keeping, faculty, and the business
education program which it shared with ACICS six
months later in February 2019.

SCHEV noted that two of its five
findings were repeats from its evaluations in
prior years. SCHEV staff advised ACICS in
February 2019 that they would recommend to the
SCHEV board that it begin its (audio
interference) to revoke VIU's license. The SCHEV
board accepted the staff's recommendation in
March 2019, setting up an opportunity for VIU to
appeal and seek a resolution with SCHEV.

Following consultation with SCHEV
ACICS issued a show cause order to VIU. It
required VIU to respond to the allegations made
by SCHEV and to demonstrate its compliance with
the ACICS standards in a personal appearance at
the ACICS meeting in May 2019. ACICS heard the
testimony but continued the show cause order
until its August 2019 meeting while requiring VIU
to provide additional information regarding its
compliance.

VIU ultimately reached a solution with
SCHEV that included the suspension of its
distance education program, and it retained its
SCHEV license to operate even today.

Following the SCHEV resolution and
after receiving the in-person testimony from VIU
at the May 2019 meeting, and reviewing additional
documentation at the August 2019 meeting, ACICS
vacated its show cause directive.

Department staff criticizes ACICS both
because the findings of non-compliance by the
ACICS team in January 2018 were not the same as
those made by the SCHEV team in August 2018, and
because ACICS was reacting to the SCHEV action.

Department staff said that some
overlap would be expected between the two
reports, even though they were conducted nearly
nine months apart by different teams applying
different standards because the staff assumed
without any evidence or proof that the variables
reviewed by the two teams would have been the
same.

The department staff ignores the fact
that the ACICS team did find numerous issues of non-compliance at VIU and that ACICS required VIU to correct, and that there was in fact some overlap in the areas of non-compliance between ACICS and SCHEV.

Some months later the SCHEV team found other issues that violated SCHEV's rules, prompting ACICS to issue a show cause order to VIU and requiring VIU to appear before ACICS to address these issues.

ACICS on the other hand asserts that its cooperation with SCHEV to share information and to hold institutions accountable for compliance is an example of the triad working exactly as it's intended to work.

As the former SDO noted in her 2018 report to the Secretary, quote, "Congress established a regulatory triad to oversee institutions participating in Title IV programs so that all three entities can share responsibility for monitoring compliance and identifying issues of non-compliance."
It's also important to note that ACICS in mid-2020 finalized an overhaul of systems education standards and policies with the assistance of an advisory committee and a third party distance education expert.

These new and revised standards hold institutions to a high standard of compliance regarding the delivery of distance education programs. They expand the documentation needed to demonstrate an institution's readiness to deliver effective distance education courses and programs including appropriate technology and infrastructure to protect student privacy and maintain effective delivery, reinforce and strengthen the expectations for substantive interaction among students and between students and faculty, require specific institutional policies regarding academic integrity expectations and oversight of the distance learning environment, expand the requirements for faculty teaching distance education courses, and strengthen the requirements for institutions to
monitor and evaluate the effectiveness of the
distance learning program and the achievement of
educational learning goals.

    Recognition decisions must be made on
an agency's current standards and policies rather
than policies and standards from the past. As
noted in the recently updated accreditation
handbook full compliance is based on, quote,
"whether the agency has the appropriate policy,
procedure, or standard in place and has adhered
to those policies, procedures, and/or standards."

    I'll now address each of the
monitoring reports. The first report is the
monitoring report directed by Secretary DeVos.
In her 2018 order Secretary DeVos directed ACICS
to provide a monitoring report regarding several
recognition regulations even though she
explicitly found ACICS in compliance with those
regulations.

    In the final report the department
staff concludes that ACICS has not demonstrated
that it continues to comply with Sections
602.15(a)(1) and 602.19(b). ACICS is confident that it fully complies with the requirements of those sections.

In regard to Section 602.15(a)(1) the final report on monitoring focuses solely on ACICS' financial situation, finding that, quote, "department staff has no basis to believe that ACICS will be able to turn around its precarious financial situation," end quote."

Let me say at the outset it is more than a little ironic that the department staff now urges the termination of ACICS' recognition due to perceived financial concerns that were caused entirely, 100 percent by the department's previous attempt to withdrew ACICS' recognition in 2016 in violation of federal law.

I also note rather than describing ACICS' financial situation as precarious, the department staff made an entirely different observation in the draft staff analysis on monitoring when it stated the following. Quote, "Although the documentation indicates that the
agency is currently operating at a deficit and is projected to do so until 2023 ACICS reported sufficient reserves to cover the operating deficit, and the level of those reserves is in line with those of other similarly sized accrediting agencies."

The draft analysis also reported, quote, "The financial projections included within the agency's budget reflect a measured growth at a realistic level which projects that the operating deficits will be eliminated by 2024," end quote.

ACICS currently has invested reserves in excess of $8.6 million. Its projected operating loss for FY 2021 ending June 30, 2021 is $1.4 million with its projected operating losses for FY 2022 and 2023 at $903 and $380,000 respectively.

Accordingly, its realistic budgets for the next several years have it beginning FY 2024 operating on a breakeven basis with nearly $6 million still in reserves. To reiterate, the
department acknowledges that ACICS has sufficient
reserves to cover its expected losses and a
realistic plan to eliminate that deficit, yet it
now characterizes our financial position as
precarious.

The department staff analysis on
monitoring found that ACICS had reserves
comparable to those of other similarly sized
accrediting agencies that were sufficient to
cover its operating deficits until its realistic
plan allowed it to eliminate the operating
deficits.

The final report on monitoring did not
reverse course and find that ACICS does not have
adequate financial resources to carry out its
accrediting responsibilities as ACICS is required
to demonstrate in accordance with the regulation.

Instead, the final report on
monitoring simply notes that, quote, "Department
staff has no basis to believe that ACICS will be
able to turn around its precarious financial
position," end quote.
This conclusion is wholly opposite from the draft staff analysis, entirely unsupported by any evidence in the record, and pure conjecture by the department staff. It is not a finding of non-compliance with a recognition regulation.

Similar to other recognized institutional accreditors a substantial portion of ACICS' revenues come from accrediting fees paid by member institutions. Once the recognition issues are resolved ACICS expects a modest increase in membership, thereby resulting in increased dues.

Furthermore, with increased membership revenues from ACICS sponsored conferences and workshops will further strengthen the agency's financial standing.

The only other issue raised in the final staff report on monitoring is ACICS' oversight of its members as required by Section 602.19(b). The only concern raised by the department staff to support its finding of non-
compliance deals with ACICS' oversight of VIU which I discussed in detail earlier as well as a passing reference to the separate report on RNU.

For the reasons already discussed and incorporated here I am confident that ACICS conducted a thorough review of VIU, and that it fulfilled its responsibilities under the triad when SCHEV raised its concerns with VIU.

I also reiterate that ACICS last year completed and implemented revised distance education standards that further strengthen ACICS' requirements and oversight of this increasingly important delivery mode.

Section 602.19(b) is also one of the areas of the SDO's review in 2018 that the OIG looked into in this week's report. The SDO and the Secretary in the fall of 2018 found that ACICS complied with the requirements of this section.

According to the OIG the SDO found, quote, "ample evidence of ACICS' monitoring actions," and that "there were numerous examples
that ACICS had many effective mechanisms to monitor and evaluate its institutions," end quote.

The OIG also reports the SDO to have determined that, quote, "it would be inaccurate to review the documents in the record and conclude that ACICS only takes action as a result of information obtained by other agencies," end quote, and noted instances where ACICS had found problems that it shared with other regulators as well as instances where it reacted to problems brought to its attention by other regulators.

There is abundant information in the record demonstrating that ACICS closely monitors its accredited institutions.

Next I'd like to address the final staff report on capacity. The final staff report focusing on ACICS capacity concerns also questions ACICS' compliance with 602.15(a)(1) as well as Section 602.16(c), 17(c), and 17(e). The staff analysis again is wrong and ACICS is confident it fully complies with these three
criteria.

When discussing Section 602.15(a)(1) in this report department staff focuses on ACICS' oversight of VIU and SDU which I discussed earlier. Here, department staff conclude incorrectly that ACICS' actions with regard to these institutions did not demonstrate that ACICS was effective in identifying compliance issues which the department staff asserts could be the result of a lack of administrative or fiscal capability.

Department staff also assert without foundation or support that, quote, "it appears that inadequate staffing and other resources are likely the reason for the ineffective evaluation mechanisms," end quote.

As ACICS made clear in the voluminous documentation provided to the department staff and throughout this presentation the basic premise that ACICS' evaluations of VIU and SDU were flawed is ineffective and wrong.

And even if questions on this point
remain department staff does not find with any certainty that its oversight concerns amount to non-compliance with Section 602.15(a)(1). The department staff again speculates about what could be an issue, and that other possible concerns appear likely.

The department makes no observation regarding how or why severing resources are inadequate, or attempts to connect its speculations to its perceived concerns about ACICS' oversight of VIU or SDU.

Regarding Section 602.16(c) and the evaluation of distance education programs the final report again criticizes ACICS' evaluation of VIU in January 2018. In this instance department staff quotes a single statement from the site visit team that reported that the team reviewed a number of distance education courses, quote, "to verify that online courses provide the opportunities for interaction between faculty and students and among students," end quote.

The department staff concludes that
this single phrase in a single 2018 team report
for a single institution, quote, "does not
demonstrate that ACICS conducted a comprehensive
review of the quality of distance education at
VIU during its onsite visit, nor does it
demonstrate an effective review of distance
education at its accredited institutions
overall," end quote.

The department staff fails to report
that ACICS assigned an evaluator to each team
specifically to review the distance education
program. In addition, the team report template
in use by ACICS teams for many years, including
for the VIU visit, has an entire section
specifically dedicated to the assessment of
distance education programs.

The report template in use for the VIU
visit included 32 questions, many with subparts,
that the team had to answer regarding distance
education. The distance education on the VIU
team made a number of observations, both positive
and critical, about the VIU distance education
program.

Included in the distance education section of the report were a number of comments by the team regarding observations of classes, interviews with faculty and students, and reviews of documentation demonstrating usage of the LNS by faculty and students.

It is irresponsible for the department staff to draw a sweeping conclusion about ACICS' compliance with recognition regulations from a single statement in a single team report.

First, the department staff finds nothing improper or inadequate about the actions of the ACICS team during the VIU site visit that was observed in person by the department staff. Only the way the team chose to report its actions was insufficient to satisfy some undefined measure of effectiveness.

Second, the purpose of the site visit report was to describe the team's actions during the re-accreditation visit to this particular institution, not to build a record to demonstrate
ACICS' compliance with the recognition requirements.

It is improper for department staff to conclude a single statement by a single team reporting on one aspect of its assessment is insufficient to prove that ACICS and its teams are effective in their assessments at other institutions across the membership.

This is particularly true when the final staff report ignores documentation in the record demonstrating both a substantive and thorough review of distance education conducted by the VIU team and the ACICS standards, policies, and procedures regarding the assessment of the distance education program across our membership.

The final staff report criticizes ACICS repeatedly because it coordinated the investigation of allegations regarding VIU with SCHEV which it is required by recognition regulations to do so as a member of the triad, and it states that, quote, "ACICS never
independently investigated the issues raised in the SCHEV audit," end quote.

This statement is not accurate. It ignores the fact that ACICS issued a show cause order to VIU obligating it to explain the issues raised in the SCHEV report and to demonstrate that it continued to comply with the ACICS accreditation standard.

ACICS' review of these matters included a mandatory personal appearance by VIU leadership in front of ACICS and documented responses to findings of non-compliance outlined in the show cause orders in March and May 2019.

The discussion in the final staff report on capacity regarding ACICS' compliance with the requirement in 602.17(c) regarding effective site visits also focuses almost entirely on the evaluation of VIU with a passing reference to RNU. The department's analysis, however, provides no information that the ACICS team visit was in any way inadequate, only that the ACICS findings of non-compliance were not the
same as the findings of the SCHEV team eight to nine months later.

Among the most egregious error in the final report on capacity inquiry is the discussion of ACICS' compliance with 602.17(e). For this issue the department staff focuses entirely on SDU. As I mentioned earlier, ACICS never accredited or even considered accrediting SDU which never proceeded past the initial inquiry stage.

The final report on capacity inquiry says that ACICS never considered the public comment it received regarding SDU. That is simply wrong. The department says that ACICS solicited and received limited comments about SDU (audio interference) have not submitted any evidence to demonstrate that it has engaged in any substantive review of either the comments, or SDU's documentation, or considered any appropriate response in review of the comments or documents, end quote.

The department staff completely
ignores the documentation that ACICS provided

demonstrating that it forwarded those public

comments to SDU in June 2016 for review and

response, and that SDU responded later that same

month. This all occurred before ACICS conducted

the initial resource visit to SDU.

Moreover, department staff misreads

the ACICS accreditation standards and

manufactures a nonexistent step in the evaluation

process regarding these public comments.

Department staff observed that, quote,

"completion of the public comment step would

require an analysis of the comments and a

preliminary assessment of those comments and the

institution's response before moving on to the

next step," end quote.

But there is nothing more than the

department staff's opinion or speculation. There

is no public comment step in the ACICS

application process. Instead, consideration of

public comment informs each phase of the process,

including the preliminary review, the resource
visit, the team evaluation visit, and
consideration by the council.

And finally, I would like to discuss
the final report on RNU. The final report on RNU
describes five areas of non-compliance with the
recognition regulations including Sections
602.15(a)(1), 15(a)(2), 17(c), 18(c), and 19(b).
I've already addressed ACICS' compliance with
15(a)(1) in the final report on monitoring and
the final report on capacity inquiry, 602.19(b)
in the final report on monitoring, and 17(c) in
the final report on capacity. I also addressed
ACICS' compliance with 602.15(a)(2) in the final
report on compliance.

ACICS complies with the requirements
in Section 602.15(a)(1). In the final report on
RNU the department again questions whether ACICS
has adequate administrative staff and financial
resources to carry out its accrediting
responsibilities as required by Section
602.15(a)(1), this time basing its conclusion on
ACICS' alleged failure to address all of the
issues raised in the draft staff analysis on RNU.

      The department staff finds the
outstanding issues in Section 602.18(c) and 19(b)
do not demonstrate administrative capability.
Agency staff did not confirm RNU met the workshop
attendance requirement in the review of the
application for accreditation, nor verified the
answers provided on RNU's pre-application self-
assessment.

      As an initial matter ACICS notes that
the department staff concern about the workshop
attendance and the pre-application self-
assessment are related to RNU's initial

      It is unclear to ACICS why such
ancient issues are the subject of a monitoring
report being considered in 2021. In any case
ACICS' operations are drastically different now
than they were then.

      RNU in 2016 sent someone to the ACICS
accreditation workshop other than the CEO as
required in the ACICS accreditation criteria.
The department criticizes ACICS because it says that ACICS, quote, "provided no discussion or documentation on the failure of the agency to enforce its current policies and procedures related to this requirement," end quote.

The department's conclusion that this one-off instance from nearly five years ago in particular calls into question ACICS' administrative capability is wholly disproportionate.

The department's other criticism of ACICS in this regard stems from the conclusion that ACICS did not verify information provided by RNU in its 2016 pre-application self-assessment for initial accreditation.

Specifically, the department notes that RNU selected yes from a dropdown menu on the electronic application in response to the question is the institution currently accredited. RNU, however, did not provide any additional information as requested on the application form including the identity of the other accrediting
agency, or the effective date of the other
agency's grant of accreditation.

ACICS explained in its response to the
draft staff analysis on RNU that it could not
determine whether RNU selected yes in error, or
if it was perhaps confused about the terminology.
It is undisputed that RNU was not accredited by
another recognized agency which was a simple fact
for ACICS to confirm in conversations with RNU
and by checking other agencies' directory
information.

Nonetheless, the department challenges
ACICS' administrative capability because it says
that, quote, "ACICS did not provide any
information or documentation that it did verify
that claim, nor the agencies' policies and
procedures for reviewing and verifying the self-
assessment claims in general."

It is not clear why ACICS would
maintain documentation of such a routine and
simple step as confirming in 2016 that an
applicant institution was not accredited by
another agency, or what sort of documentation
department staff in 2021 would find persuasive.

More importantly, department staff
disregards the entire initial application process
that ACICS has explained and that department
staff AHS observed and reviewed many times. So-
called self-assessment claims made by
institutions seeking to pursue initial
accreditation by ACICS are limited to basic
eligibility information that ACICS routinely
verifies in subsequent conversations with the
initial applicant, by staff during the initial
resource visit, in the self-evaluation process,
by the evaluation team during an initial
accreditation visit, and by the council when
considering whether to grant initial
accreditation.

The final report on RNU challenges
ACICS' compliance with the requirement in Section
602.15(a)(2) that the agency has confident and
knowledgeable representatives trained for their
roles. The department bases its finding on a
question about the qualifications of a single
distance education evaluator and on a statement
included in the initial site visit report.

ACICS notes again that the department
is focused on the initial site visit to RNU that
occurred in February 2017, more than four years
ago. The department notes that ACICS had
included in its response to the draft staff
analysis on RNU its response to the same
criterion in the final report on compliance, but
the department finds that, quote, "ACICS did not
respond specifically to the concern in the draft
staff analysis regarding insufficient training of
its representatives."

However, the department fails to note
that ACICS' response to the final report on
compliance included documentation of its training
materials and activities which ACICS incorporated
as an exhibit to its response to the draft staff
analysis on RNU. Department staff did not cite
the adequacy of training of representatives as a
finding in the final report on compliance.
If documentation provided by ACICS is sufficient to document compliance with a specific requirement in one report, the same documentation must be acceptable to document compliance with the same requirement in another report. This is another example of the department staff's repeated failure to review documentation provided by ACICS in violation of the Administrative Procedures Act.

In the draft staff analysis on RNU, the department made the following observation. Quote, "RNU's application and the team report from the initial site visit stated that RNU was seeking review of the programs offered online as distance education as noted above. However, based on the visit report, no distance education specialist was assigned to the site visit team to conduct a review of the distance education."

The department's observation is not correct. ACICS explained and documented in response to the draft staff analysis on RNU with respect to Section 602.17(c) that an evaluator
named Mr. Bleacher had been identified to RNU as the team member who would review the distance education program along with other responsibilities.

Because the team determined there was no distance education program to review Mr. Bleacher’s role on the team as reported on the report cover was to review his other responsibilities.

In the final report on RNU the department now raises for the first time a question about whether Mr. Bleacher in fact was qualified to review a distance education program. ACICS could have provided this information easily to the department staff if it had been requested.

Mr. Bleacher has more than 25 years of experience as a faculty member, administrator, and curriculum and training designer in both on-ground and online programs, including serving on a team that developed the online program presence for a community college in Colorado.

At the time of the RNU visit he was
Dean of Faculty at Strayer University where he oversaw online and on-ground faculty, and designed online training and education materials. He was eminently qualified to review the distance education at RNU if such a program had existed.

In the draft staff analysis on RNU the department also questioned with regard to Section 602.16(a)(1)(ii) a comment made by the initial evaluation team in 2017 regarding the availability of instructional resources for students.

The department concludes that this statement constituted non-compliance with the ACICS accreditation standard, but because the team did not cite it as a finding of non-compliance the department says that this must demonstrate a, quote, "lack of training on the agencies' standards and therefore a lack of administrative capability."

However, as noted in its response to the draft staff analysis it is inappropriate and disproportionate for the department staff to read
a single statement in a team report from four
years ago, substitute its judgment on a question
of institutional compliance for that of the site
visit team, and conclude that this single
observation is an indication of poor training of
team members, or the lack of administrative
capability on the part of ACICS.

In addition, even if there is merit to
the staff's observation, the finding wholly
disregards the department staff acknowledgment in
the final report on compliance that every active
evaluator in the ACICS evaluator pool has
undergone refresher training regarding the
evaluation process.

The department's particular concern
about its findings in regard to Sections
602.16(a)(1)(ii) and 17(c) is the basis for its
conclusion that ACICS has not demonstrated that
it properly trained its representatives for their
roles as required by Section 602.15(a)(2).

But ACICS has demonstrated that the
department's observations and concerns about a
single team visit more than four years ago are inaccurate and unsubstantiated. ACICS has demonstrated and documented its compliance with Section 602.15(a)(2).

The final report on RNU with regard to Section 602.16(a)(1)(ii) makes several incorrect statements of fact and determines that ACICS does not, quote, "adhere with fidelity," end quote, to its statement -- standards regarding curricula, even though it concludes that ACICS is substantially -- in substantial compliance with the recognition regulations.

Most notably, the department finds incorrectly that RNU changed from, quote, "distance education to 100 percent participation in independent study, to 100 percent in-person scheduled classes in a matter of only a few months," end quote. ACICS explained in detail in its response to the draft staff analysis on RNU that its 2017 evaluation team determined that RNU in fact had never offered distance education, and
that its delivery model when it sought initial
accreditation from ACICS instead was one of
independent study.

The final report on RNU finds ACICS to
be in substantial compliance with the fiscal and
administrative capacity requirement in Section
602.16(a)(1)(v) but it nevertheless questions
ACICS' fidelity to the requirement based on a
truly astonishing analysis by the department
staff.

Specifically, the department takes the
clear position that ACICS has a responsibility to
investigate the background, qualifications, and
experience of audit firms before it will accept
financial statements prepared by them. No other
accrediting agency is held to this standard.

The draft staff analysis questions
RNU's choice of auditors by stating, "However, it
is not clear that ACICS' confirmed financial
statements are certified by an independent
certified public accountant.

"The financial statements for a South
Dakota-based institution are on the letterhead of Wang & Associates which includes an address in Washington, DC. From the department's research that accounting firm has no web presence or apparent expertise in the review of financial statements, or institutions of higher education."

ACICS verified the web address of Wang & Associates in a few seconds with a handful of keystrokes in a Google search and we found that the auditor who signed this audit is listed as having been certified by the DC Board of Accountancy since 1990.

ACICS provided all of this information in its response to the draft staff analysis, even though it had no obligation under the recognition regulations to conduct such an investigation.

Our response to the draft analysis said, "ACICS has no reason to doubt that the audited financial statements that RNU provided are anything other than what they purport to be. Nothing in the recognition regulations obligates ACICS or any other recognized accreditor to
confirm the licensure of an institution's
auditor, to check the auditing firm's web page to
ascertain its level of experience in auditing for
institutions of higher education, or to question
why an institution has engaged an auditor in
another state.

"Absent some indication of fraud or
other impropriety which doesn't exist here, ACICS
accepts audited financial statements on auditor
letterhead at face value, and has every reason to
believe that every other recognized accreditor
does the same."

The final staff report on RNU
acknowledges the submission of this information,
but it states, quote, "However, ACICS did not
provide the protocols it used to determine that
there was no reason to doubt the submission of
financial statements for a small institution
located in South Dakota by an accountant based in
DC with no apparent experience with institutions
of higher education, or if the agency were to
discover potential fraud or impropriety related
to the submitted financial statements," end quote.

There is no recognition regulation or policy that requires ACICS to have such protocols. The department, which could not find Wang & Associate's web page, and apparently is unaware that the Wang offices are just blocks away from the department's headquarters, has no basis for concluding that Wang has, quote, "no apparent experience with institutions of higher education," end quote.

Even if the department's supposition that Wang did not have experience with institutions of higher education is true that would be irrelevant here. RNU did not participate in Title IV and the auditor had no responsibility to review Title IV compliance or other matters unique to institutions of higher education.

Wang simply had to conduct a routine financial audit of a small business enterprise which any CPA firm is inherently qualified to
handle.

On these dubious observations the department staff finds that ACICS is in substantial compliance with its regulation, even though it finds that ACICS does not adhere with fidelity to its standards.

It will no doubt come as a surprise to both, (a) to institutions that they may be required to justify to their accreditors why they choose a particular auditing firm, and (b) to other accreditors that the department expects them to develop and implement protocols for determining whether an institution's choice of auditing firm warrants investigation, and whether the auditing firm has an acceptable level of experience with institutions of higher education before the accreditor decides to accept the financial statement.

The outrageous position taken by the department staff with regard to ACICS' obligation to vet an institution's auditor is yet another example of both holding ACICS to different
standards than the department imposes on other institutional accrediting agencies, and of the department's repeated practice of inventing recognition standards that have not been promulgated through a rulemaking process as required by the Administrative Procedures Act.

It's worth noting that the OIG report this week examined the SDO's review of this topic. The OIG reports that the SDO found that ACICS, quote, "used multiple tools to monitor its member institutions' financial responsibility, and to take appropriate action when an institution's financial capacity is in question or insufficient," end quote.

The SDO also found according to the OIG that, quote, "that ACICS provided evidence that it is diligent in the financial review of its institutions," end quote. This finding by the SDO in September 2018 was at exactly the same time as the 2018 RNU audit by Wang & Associates of which the department now questions ACICS' fidelity to the regulations.
The final report on RNU also asserts that ACICS has not demonstrated that it conducts site visits to institutions that collect sufficient information to evaluate an institution's compliance with accreditation standards as required by Section 602.17(c).

ACICS first notes that the department staff reaches this sweeping conclusion about ACICS' compliance based solely on the department's review of RNU. The final report on RNU says that ACICS told RNU that, quote, "at least 10 percent of students across all disciplines and day and evening schedules will be surveyed which set the agency's own expectation for the number to be completed," end quote.

The department again misunderstands our policy. Our policy sets the number of students who would be surveyed, not the number of surveyed students who would have to return the survey instrument which of course none of us can control.

The final report then finds that ACICS
did not follow its own policies because during
the 2019 re-accreditation visit only 3 of the 70
current students returned their survey
instruments, rather than 7 as the department
seemed to expect.

Even if the analysis were correct, the
department is basing a finding on the agency's
non-compliance on the fact that four students did
not return a survey instrument to the evaluation
team.

The department then concludes, quote,
"Overall, ACICS has not (audio interference) that
it obtained sufficient information regarding
students during its onsite visit because it does
not obtain student surveys in sufficient
quantities to be meaningful, nor has it
demonstrated that it collects sufficient
information regarding students using other
methods," end quote.

In making this conclusion which is
again based on a single team report the
department ignores at least five other statements
in the RNU team report indicating the team's interaction with students.

The final report on RNU then observed that the draft staff analysis stated that observations and findings related to the student population seemed to point to issues that were not explored by the 2017 site visit team which it said should have been red flags calling into question the existence of a legitimate student population.

The department failed to note, however, that several of its observations which I reiterate were from the 2017 evaluation in fact were cited as findings of non-compliance by the evaluation team. The department's assertions that these matters were not explored by the site visit team is simply wrong. There is no evidence whatsoever to doubt the presence of a legitimate student population at RNU. ACICS fully complies with the requirements in Section 602.17(c).

The final report on RNU finds ACICS out of compliance with the requirement in Section
602.18(c) that it base its accreditation
decisions on its published standards. The
decision is based in part on the department's
determination that the RNU chief onsite
administrator did not attend an ACICS
accreditation workshop in 2016 as required by
ACICS standards, that ACICS did not document how
it confirmed that RNU was not accredited by
another recognized agency when it completed its
application for initial accreditation in 2016,
and that the 2017 initial visit team collected
only three surveys rather than seven surveys as
the department staff mistakenly thinks ACICS
standards require. ACICS addressed these
assertions above and will not repeat that
discussion.

The only additional assertion made by
the department in this section is that ACICS did
not follow its own policies when it declined in
2019 to enforce the placement rate standard and
take action on two programs with exceptionally
small enrollment when all other RNU programs had
placement rates above ACICS' minimum requirement.

Specifically, RNU's annual report for the year ended June 30, 2018 indicated that one bachelor's degree program had successfully placed one of the two graduates from the program and a second bachelor's degree program had placed two of its four graduates.

ACICS explained in its response to the draft staff analysis on RNU that, quote, "ACICS historically has not imposed strict outcomes requirements on very small programs with 10 or fewer students or graduates such as the two RNU programs in question, although it still routinely monitors these programs," end quote.

The department concludes that this use of ACICS' discretion to apply an unwritten exemption and to waive its strict requirement when it deems appropriate, quote, "does not demonstrate that ACICS bases its accreditation decisions on published standards."

Based on the department's observation ACICS revised its policies as of May 2020 to
require that institutions must request and justify such an exemption for programs with small numbers of students or graduates.

The final report on RNU acknowledges this policy change, but the issue nevertheless and incorrectly remains a finding. ACICS has more than adequately demonstrated that it makes accreditation decisions based on its accreditation standards notwithstanding the department's focus on a handful of very old observations regarding one institution. ACICS complies with this recognition requirement.

And finally, the final report on RNU finds that ACICS does not adequately monitor institutions to identify problems with continued compliance as required by Section 602.19(b). It repeats an issue from the draft staff analysis regarding differences between RNU's initial campus accountability report and its subsequent CAR.

ACICS addressed this issue in its response to the draft staff analysis, but the
department apparently misunderstood. RNU submitted its initial CAR report in July 2016. As ACICS explained, initial CAR reports at that time were prepared in hard copy and collected information from various aspects of an institution's operations.

After RNU obtained initial accreditation it was required to file the standard CAR report. Its first such report for the year ended June 30, 2018 was due in November 2018.

Prior to 2018 ACICS had converted the standard CAR to an electronic format and revised the CAR report to focus solely on student outcomes in large part driven by the department's insistence in 2016 that ACICS develop and enforce bright line student outcome requirements even though the department did not impose these same requirements on other institutional accreditors.

These revisions were necessary in order for the student outcome information to populate the placement verification program.
database that the former SDO lauded in her 2018
report to the Secretary.

ACICS subsequently monitored the CAR
report for initial applicants to mirror the
standard CAR report. Department staff reviewing
this matter in 2021 for some reason cannot accept
the idea that our agency monitor its reporting
forms between 2016 and 2018.

Department staff recounts the myriad
reporting and oversight activities conducted by
ACICS, yet it observes that, quote, "none of
these activities resulted in ACICS uncovering any
of the serious compliance issues identified in
the 2017 site team review," end quote.

Department staff, however, does not
explain how or why those reporting and oversight
activities that ACICS implements once an
institution is accredited would have identified
issues of non-compliance from 2017 before RNU was
even accredited.

ACICS explained to the department that
the 2017 initial site visit team identified a
number of findings of non-compliance. RNU provided several different responses over the next many months to document that it had addressed those issues before it finally had demonstrated compliance and received an initial grant of accreditation in December 2017.

Based on the record ACICS gave RNU only a two-year grant of accreditation expiring in December 2019. This meant that RNU would have to start the self-evaluation and re-accreditation process within approximately nine months of obtaining initial accreditation. In the meantime, RNU was subject to ACICS' oversight and monitoring as I described earlier.

ACICS conducted the re-accreditation visit in October 2019, just 22 months after RNU first obtained accreditation. The team found a small and struggling but functioning institution, and it identified a number of findings of non-compliance.

Because RNU had fallen so far out of compliance with the accreditation standards in
such a short period of time ACICS immediately
issued a show cause order to RNU.

To summarize, RNU is a small school
founded in 2010. Like many similar (audio
interference) institutions it experienced some
degree of difficulty with the accreditation
process. It eventually crossed the threshold to
demonstrate compliance with the accreditation
standards and obtained initial accreditation, but
ACICS required it to repeat the accreditation
process in very short order to demonstrate that
its initial compliance had held.

When the re-accreditation process
found this not to be the case ACICS took
appropriate action.

After the ACICS adverse action to
remove RNU's accreditation was well underway USA
Today wrote a sensationalistic story that falsely
insinuated that RNU was a complete fiction, and
that ACICS somehow was unwilling or unable to
ferret out the deception.

The final report on RNU which was
triggered by the USA Today article finds that ACICS is unworthy of recognition by focusing on events primarily associated with a single institution's application for initial accreditation in 2016 and 2017.

Nearly all of the department's criticisms in this regard are inaccurate, incomplete, or inappropriate. ACICS has demonstrated on the record that it complies fully with the monitoring requirements outlined in Section 602.19(b) as well as all of the other recognition requirements cited in the final report on RNU.

With that the ACICS team is ready to address any questions the committee has with regard to our compliance with the recognition criteria.

CHAIR KEISER: Well, thank you very much for that very thorough report. I am going to request that we take an eight-minute break because we've been sitting here for a long time. So we will return in eight minutes which will be
at 11:31 and begin with the questions to the
agency. Thank you.

(Whereupon, the above-entitled matter
went off the record at 11:23 a.m. and resumed at
11:36 a.m.)

CHAIR KEISER: Well, thank you, folks
for being patient. I know we needed a break.
I'm going to try to push lunch back to -- hoping
we will get through the questions to the agency.

I do want to now recognize the two
lead readers to begin the questioning of the
agency, and that is Mary Ellen Petrisko and
Claude Pressnell. The floor is yours, folks.

DR. PETRISKO: Thank you, Art. Before
I get started with the questions that I had
before my preparation but also on the basis of
the presentation from the agency for which I
thank you. I thank you for that detailed
presentation. Very helpful.

I want to acknowledge the fact that at
the beginning of your presentation you noted that
a report has just been issued by the OIG. We
I have -- the readers have not seen that report, so I want to acknowledge that it exists, but also acknowledge that we don't have access to it. We have not had access to it.

And so as we go forward if there are elements in that report that the agency wishes to refer to in responding to other questions about what we have seen and what the staff analysis said and all the evidence that's been provided please refer to that orally, but again note that we (audio interference) seen it so we won't be able to really incorporate that into this discussion.

So with that, again, welcome, good morning, thank you for being with us today. I would like to start my questions, our conversation in talking about the work of staff in particular. Those of us who have worked in accreditation know that the councils, the commissions, very dedicated, very hard-working. Their work is more episodic. They're not there every day. The staff is there all the time. A
lot of the work, preliminary work, and ongoing work, and work in partnership with the teams, and work in partnership with the council happens with the staff. So I think it's really important in talking about that capacity to deal with the agency, with the institutions and with the board, and with the evaluators to understand the staff's work.

So, I really appreciate the fact that mention has been made of what's been happening since 2016 and quite a number of changes that have happened at the agency.

I'd like to harken back to 2016 as well, and note that in the previous meeting of NACIQI working with ACICS the representative ACICS at that time mentioned a blue ribbon panel that was commissioned in that year in 2016. And I want to quote what was said about the work of that blue ribbon panel, and then ask a couple of questions about that.

So, the panel was commissioned to, and I'm quoting, "review every aspect of the
operation, including the composition and the
structure of the council," and you commented on
the changes there, "the composition and structure
of the board of directors itself." It includes
all of the current personnel and so HR has to be
looked at. Human resources has to be looked at.

The sufficiency of training and the
sufficiency of skills. We believe that there
will be going forward very immediately
substantially different people involved in every
aspect of the operation. It does involve that
level of depth and (audio interference) in order
to pull this off, and pulling this off was with
relationship to all the work and the intentions
of the agency at that point to really make a
number of changes to which you have referred.

So, again, I want to talk about staff.
I want to talk about the credentials of staff.
The comment was made in the materials that we
received that ACICS staff have the credentials,
experience, and qualifications necessary to
administer the agency's accreditation activities
and finance it in an effective manner.

So, going back to the blue ribbon group in 2016 and looking at the changes. The three agency representatives at that time I believe are no longer with ACICS. The staff resumes that we saw with the application, 10 staff members that you mentioned, looking at the staff in 2016 I think the mention was 39 staff members, if not at that point at some point around then. That number came down to 10.

Looking at the current website there have been some changes since we received the information. The vice president for accreditation is no longer there, but Ms. Zeigler has taken on the role of the director of accreditation.

So my question is this. The blue ribbon committee's work, when was this concluded and what were the recommendations about staff in place at that time, and any changes to staff that needed to be made, and any additional training, or any other changes in the staff's work. Can
you tell us about that? And I want to talk about
the specific processes as well. Thank you.

MS. EDWARDS: Sure. The blue ribbon
panel was before I was in this role. It was
created in I believe right around April of 2016
and it was discussed at the committee in 2016.

If I recall the blue ribbon panel, one
of the representatives of the blue ribbon panel
became the interim president and CEO of ACICS
following their appearance in June of 2016. So
the role of the blue ribbon panel became more of
that of an internal review since the panel was
somebody that was now hired by the agency.

I do know that many changes were made
in the year that -- that was Roger Williams, the
year that he served as the interim president and
CEO of ACICS. Many of the staffing changes were
made prior to me starting in this role in July of
2017 so I wouldn't be able to speak to any of the
specific reviews that he made of the staff and
some of those.

I would be able to speak about the
criteria changes that were made because those
were specifically reviewed and approved by the
board, as well as changes to the bylaws you
mentioned.

One of the major changes to the bylaws
was even though the department requires one in
seven are public members, our bylaws require a
minimum of 40 percent must be public on our
council, and currently two-thirds of our council
are public.

So I would be able to speak to those
type of changes that occurred. When I started in
July of '17 we also made -- I made some
additional reviews and changes to the staffing
once I took that role to right-size the staff.
And so I would be able to speak to those
questions specifically.

DR. PETRISKO: Okay. One role in
particular. You referred in the materials that
we had to your executive staff, and that was you
as the executive director and then there were two
vice presidents. They have since the time of the
materials that we received they are no longer there. So there's no vice president of accreditation, but Ms. Zeigler has taken on the role of the director of accreditation. Is that correct?

MS. EDWARDS: That is correct.

DR. PETRISKO: Is that just a replacement for that role, or has that role changed?

MS. EDWARDS: We changed the role. If you look at our staff members now we have an average tenure of 8 years with those 10 staff members. We chose instead of -- an organization with 10 individuals doesn't necessarily need multiple vice presidents. So we created -- in working with the board we created three director positions, a director of accreditation, a director of institutional compliance, and a director of operations. So that now, those three directors along with myself are the executive team, executive management team of the agency.

DR. PETRISKO: Okay, thank you. One
of the reasons why I asked the question is in
looking at the qualifications of the staff
according to their resumes, and the resumes that
were provided were also provided a job
description signed in 2018 or 2019. So at first
I thought that this was new staff, but then I
went back and looked at older websites and saw 10
years back that the staff has been there for 10
years and maybe longer, had actually been in
place.

So, the qualifications are I think in
a lot of cases a bachelor's degree and a number
of years of experience, professional experience,
perhaps higher education experience. Am I
correct that the staff, especially the longest
serving staff primarily their work and their
experience in accreditation has been at ACICS?
They have not had roles in higher education
institutions. Their experience really came from
working with ACICS, is that correct?

MS. EDWARDS: That would be correct.

DR. PETRISKO: Okay, thank you. So,
there's so many processes that go on in accreditation, even before teams are on the ground. So, could you explain to us, especially the early processes, eligibility. How does that actually happen?

We saw the self-assessment form. You mentioned it with regard to the -- whether there was or not another accreditor for RNU. How is eligibility determined by whom at ACICS?

MS. ZEIGLER: I can answer that one. So, with the initial application process as a first step is they would go to our website, look at our minimum eligibility requirements, review our criteria. If we get an email inquiry we would guide them there as well to make sure they're familiar with the steps in the process, minimum eligibility requirements as well as the criteria so they know what the expectations are obviously.

They would complete that self-assessment checklist essentially, and that is just that, a self-assessment for them to assess
whether they would meet the minimum eligibility requirements.

We get a notification that an institution may have completed that as well as then A category, A category being based on what they attest to meeting in that minimum eligibility self-assessment, that they appear to meet our minimum eligibility, or a B would be there's a couple of areas that's uncertain. We wouldn't send the flag to reach out to them for further instructions (audio interference) institution. And then C meaning they get an automated notification saying you don't meet our minimum eligibility and that's it.

With the one A they would then get a note saying it looks like you meet our minimum eligibility. You can proceed to our registration phase. Again, that's not starting the initial application. It's completing a registration that they fill in more information about their institution, what programs they offer, enrollment numbers, things of that sort. So that way we can
get another -- that's really the first place
where we assess whether they appear to meet the
minimum eligibility requirements.

We look at that. We have
conversations with the institution and a little
back and forth usually at that stage,
particularly if there's anything in the
registration that we have questions on, or are
questionable.

And then completing that information,
looking at the program we would determine whether
they can be issued an invitation to apply.

That's something that's somewhat unique to ACICS
is we have to issue a formal invitation for an
institution to apply. The application is not
just open to any individual institution that
wants to pay a fee for an application.

DR. PETRISKO: Can I ask a question?
When you're saying we look at -- they fill in
this sort of automated checklist and then we look
at this and we determine whether they're A, B, or
C. Is that one staff member? How does the staff
work with that? Is there some other committee
that works -- I'm just wondering like who does
it, and how many people are involved in that?

MS. ZEIGLER: So that is at the staff
level. It's myself and sometimes I'm assisted by
Michelle or two other staff members that work
with us as well to make a determination.
Certainly if there's anything that we find
questionable or are uncertain about regarding
that we would make that determination together.

DR. PETRISKO: Sure. That's just
(audio interference) know. Thank you. I assumed
from your title and from how you introduced
yourself, I just wanted to verify what the
process was.

So, and if they get to the point where
it is invited to apply, and what happens then?
And can you tell us, the period of application is
one year after which that application is no
longer considered to be in play. So what do they
do at the point of application and when is that
period, that one year? What has to happen by
that one year for an institution to either go forward, or to be accredited, or whatever the status might be?

MS. ZEIGLER: Once invited to apply the institution would need to upload their state approval to operate as a postsecondary institution, articles of organization, and financial audit would be provided in that first stage. And then our CPA does the review of the financial audit to determine financial stability, again, as part of the minimum eligibility to proceed. That's also once they have uploaded all those documents they would pay the application fee to process the application.

So then it goes forward. We review those first phase documents. Again, it's sent off for internal financial review. Once that is completed and we have an analysis on the financials we would then either ask for further information and staff would (audio interference) as needed, or if they say that they seem financially fit to be able to move forward in the
process then we would notify the institution that they can move forward and submit the next set of documents, including their campus effectiveness plan in preparation for the first visit which is a resource visit.

And that is a staff only visit again done by either myself or two other staff members that we have trained to do these visits. And that is essentially just looking at the institution to ensure that they have the resources, the critical areas of compliance in place to be able to move forward in the process. So that would be the next step. That's our first touch point where we go out to the institution, visit the institution to look at that.

DR. PETRISKO: Okay.

MS. ZEIGLER: From there, with the resource visit we would review that. We'd write up a report. Most often it's the case we would require an additional follow-up, a request for further information from the institution on any concerns, or recommendations.
Then that resource report again, would be reviewed at the staff level as far as their ability to meet those critical areas of compliance. It's certainly more shallow (audio interference) and less stress of a full team visit.

So then once we conduct an analysis, a review of the response to the initial resource visit and any additional documentation they provide to that staff would make a recommendation. Once again it's whether they can proceed to the next process, or next phase, excuse me, in the initial application process.

And that is then preparing for an initial grant visit. So they would submit their next set of documents which would include their self-study and evaluation, their first campus accountability report, and all the documentation in preparation for that team visit.

At that point that's when they're assigned a visit cycle, a staff coordinator, and they pull together a full team to review that
institution for the initial grant visit.

The initial grant visit as referred to several times as a team of usually five or more evaluators to look at the -- we have a chair to look at the administrative and CEP, campus effectiveness plan, a student relations specialist to look at student records, financial aid if they offer it, admissions, recruitment, all those areas, an educational activity specialist. And then for each program area a specialist is assigned as well for the program specific content.

So those specialists are assigned based on the pool of evaluators, or if we contemplated at some point during the initial process we start to review as to whether we need to -- for additional evaluators for our teams as well.

But once the team has been assigned the coordinator is coordinating with the institution to prepare for the visit, make sure all the documentation has been provided in
advance for the team to review, and then the scheduling of the visit. The team would be onsite to conduct their review.

At a minimum it would be a two-day visit for the team to get through all the materials, two to three days is the typical length of that visit. They would conduct their review and then all of the individual team reports are compiled, collected, and come back for editing, sent to the institution.

The institution then provides their response to the report as a whole, and in particular to any findings that the team found onsite. They would provide a comprehensive response to each area, and then from there that goes through the typical review to our intermediate review committee which is comprised of a panel of reviewers to make a recommendation.

They would do a full review of the response materials, the team report, and the application materials as well. And then that goes to our council and they conduct their full
review of the recommendation, of the team report, of the response materials, of the full application materials to make their determination and take an action. So that's (audio interference).

DR. PETRISKO: So, when does the institution stop being an applicant? Is that when the team goes out? Is that when the council acts?

MS. ZEIGLER: When the council acts, takes a final action.

DR. PETRISKO: So, I thought with RNU -- I'm thinking of it now. So I was going to talk about RNU later, but I'll ask the question now.

I thought with the RNU case that it was actually a two-year process between the time they were deemed eligible and when there was a grant because of the two deferral periods.

MS. ZEIGLER: Yes.

DR. PETRISKO: Is that allowed for?

I thought the application after one year, that
was it. I didn't see any possibility of --

MS. ZEIGLER: I think the one year you're referring to is an application can only remain active for one year without submission. So if it remains dormant, meaning the institution has not submitted to their application for one year it automatically expires.

MS. EDWARDS: And if I could add, Karly. Until they start the self-evaluation process to submit a self-study, that's the point they're becoming an applicant. So up until that point they're in the application process.

And I think to answer your question about when do they become impacted, if within one year that they have not provided anything additional to the application process to move forward.

DR. PETRISKO: Okay, thank you. You answered one of my questions which was going to be how the responses to the findings are reviewed. I hadn't seen that clearly before you said that it's actually that intermediate review
committee that takes a look at whatever the
institution will respond to in the case of
findings that they write to you, they give you
the evidence.

And then that review committee is the
group that makes a determination as to whether
those responses are adequate or not. Is that
correct?

MS. ZEIGLER: Yes. They would review
the response and make a recommendation, as well
as our council. They would also review the
responses for the recommendation.

DR. PETRISKO: I actually looked at
the responses from RNU. There were three
different response -- three different documents
presented as response. The total was 3,278
pages. So the committee reviews that and the
council reviews that as well?

MS. EDWARDS: That's correct.

MS. ZEIGLER: We open it up
electronically to them, specifically one to two
weeks prior to staff's review. Prior to the
scheduled sessions for review.

DR. PETRISKO: Okay, thank you. I should have asked this question about the eligibility. When I was looking at the eligibility criteria there were two that I wanted to ask about in particular and how these were determined.

So, eligibility criterion B is the residential enrollment and enrollment in each program shall be sufficient both to support course work and learning experiences that separately or in combination constitute measurable and defined educational program, and to enable ACICS to assess the educational effectiveness of those programs. Then it talks about distance education being considered on a case-by-case basis.

Then it also says it shall have a sufficient number of graduates from a majority of its programs to enable ACICS to assess the educational effectiveness of those programs. So, I guess in the self-assessment there's
information about how many programs, how many
students, and how many graduates.

My question boils down to this. In
looking at RNU 7 programs, 50 students. In
looking at the resource visit the number of
graduates -- six programs of the seven programs
had graduates that they reported I guess in the
previous year.

Three of those degree programs had one
graduate. Two of those degree programs had two
graduates. And if I remember this correctly one
of the programs had three graduates. So I'm
wondering how are those small institutions with
that many programs with that number of students,
how is it determined that that is -- that that
meets those criteria? I guess I'll leave it at
that.

And that the placement criteria being
percentages. I mean, if you have one graduate
it's 100 percent. If that one doesn't get placed
it's zero. So, in the one case where it was a 50
percent placement rate it was two graduates, one
was placed. One was not. So, in that case it's either a zero, or 50 percent, or 100 percent. So how do you deal with those small institutions at the eligibility stage to say they meet those criteria, and those criteria are met throughout the life of the institution? How is that looked at by the staff, by the review committee, by the council? And maybe the chair would like to also respond to that.

MS. ZEIGLER: So in the initial process we look at that obviously when they first submit that registration information that's looked at. That's when we have conversations with the school to say okay, we're looking at the numbers here. We have some concerns. When do you anticipate further -- more graduates? When is your next cohort graduating? What is your -- for enrollment what are you looking at? We look at those numbers and talk to the institution then.

The institution tells us, oh, we're having a graduation here. We expect that. They
can tell us that.

When the resource visit, that's when we look at the specifics to say okay, that's when we first capture the numbers by documentation of what the current enrollments are, graduates as reported in just that past year.

Often with institutions that have not been accredited before that are startup institutions they do have small enrollment numbers in order to be viable at that point in time. So it's not uncommon to see small numbers, small cohorts, particularly for only graduating a few at a time.

Some programs with initial accreditation -- there's programmatic accreditation as well that they're seeking to obtain that will limit them to a certain. We had one school in particular that was limited to nine, a cohort of nine as far as enrollment. So all of those are part of the consideration. So looking at the numbers.

And then to determine for minimum
eligibility we say okay, we generally as a rule
want to see between at least five in a program at
the time of the initial grant visit. So often at
our resources we'll say one or two, we have
concern you're going to have to have more
graduates. We want to wait until there's the
next cohort or things of that nature we'd advise
the institution. And then the review team would
also make a determination because they're
reviewing that criteria as well.

DR. PETRISKO: So, the determination
was made that one graduate in these programs was
sufficient to move forward. The recommendation
was not made to the institution why don't you
wait until this builds a little bit. The
institution was five years old at this point, I
believe.

But it's up to the institution whether
they continue, whether they want to continue, and
it's up to the committee and then the council to
say yes, we will allow you to do so. Is that
correct?
MS. EDWARDS: That is correct. When you have -- these were bachelor's and master's degree programs so if they -- even though they had been in operation for five years, four years to get through the bachelor's degree and sometimes nowadays five, we felt that the fact that they had enrollment in the program plus that they had an experience graduating graduates even though they were a small cohort that they did meet the minimum eligibility requirements.

DR. PETRISKO: Okay. The next process I'd like to understand is -- and this was referred to with regard to the SDU case. The only question that I have there is what is the process for reviewing other agencies' accreditation actions, if there has been a probationary action, or a withdrawal, a revocation. How is that information reviewed within the agency?

MS. EDWARDS: Karly can discuss --

(Simultaneous speaking)

DR. PETRISKO: You get the
notification. Here's what happened. Then what
happens? How do you look at it?

MS. EDWARDS: Karly, if you can start
that I'll finish the process.

MS. ZEIGLER: For any institution if
we are -- we have eyes on notifications from
other agencies. As we all know we're all
required to notify one another of agency actions.
We review those obviously for any institutions
that have dual accreditation, or that have --
that we're the institutional accreditor for.

Certainly if there's another action by
an agency that would spark probably a
conversation and an inquiry sent to the agency,
as well as to the institution to provide further
information.

And then from there that would go to
the council. Or if staff (audio interference)
also determine that further information is needed
they may ask for further information as well. So
collectively it will go to the council for
review.
MS. EDWARDS: Yes. And so whether that's in the initial process, initial application process, or in the just current ongoing monitoring of an institution the council would look at that documentation once staff has gathered all of the relevant material.

DR. PETRISKO: So, if you would get a notification from a programmatic -- a nursing program, for example. And your institutions don't have any nursing programs, would you go to the institution and say -- let me take it back.

If there's an agency's action that you're not sure. Take nursing out. If you're not sure that an agency's action touches on your accreditation standards. Let me put it that way. How do you double check to make sure that it is or isn't relevant to your institution?

MS. ZEIGLER: I'll take that. So at any time -- we're an institutional accreditor, so if it's any program at the institution we will certainly investigate it. And like I said, we will collect the information. We will reach out
to the accreditor as well as to the institution
to get the action letter that would state the
reason for such an action. And then that will be
part of the review by the council to determine
whether there are any areas out of compliance
with ACICS criteria.

MS. EDWARDS: And then we would be
able to provide -- once we've reviewed the
documentation from the other accreditor and had
conversations with that accreditor we would be
able to provide to aid the council in their
review a side by side identifying which criteria
would be applicable. But as Karly mentioned it
is reviewed by the council each time.

DR. PETRISKO: Okay. And I think that
answered my question. So when you do get a
notification from another agency about such an
action automatically you send a letter to your
accredited institution and say please give us the
information on this. Give us the action letter
and tell us what you're doing about it. That's
standard procedure.
MS. EDWARDS: It is. And we also reach out to the other accreditor we received it from to understand exactly what the issues are as well. So we do both at the same time.

DR. PETRISKO: Okay, thank you. The next process question that I have is with regard to name changes. And interestingly both of the institutions that we received information, we're talking about today are institutions that started out with one name and ended up with another one.

And we saw the information on Reagan National University which had been Si Tanka University before that. And we saw the application for the name change.

There's a place in the application for name change where information is requested for why the change is happening. And in that case the institution said they wanted to honor the former President who had died I think 9 years earlier, or 11 years earlier or something. They wanted to honor that President Ronald Reagan.

In the case of VIU which became
Fairfax University of America we didn't see that information so I wondered how that happened. In particular, with regard to that institution, that name change happened in the middle of the process of show cause, revoking the show cause, et cetera. So, the final letter that was sent I think was sent to a different president and the new name of the institution.

Here's my question. Besides the application form with the notification of the reason why the name change is being requested, is there any attempt made to get any further information about if there's anything, any other reason? Are they notifying all of their current constituents of the changes? Are they putting this out so that there's a continuity of the institution being the same institution so that it's not, you know, they're one thing one day and they're another thing another day.

How do you review it and in particular how was that reviewed with regard to Virginia International?
MS. EDWARDS: I don't have the Virginia International University application in front of me since it was not part of the record under review. So I wouldn't be able to speak to specifics in their application, but I can tell you that if an institution is making a business decision to change their name ACICS typically doesn't take exception to that.

Certainly we require information prior to it occurring. The application has probably been updated since -- I think it was in 2018 for Reagan National University, so we may have made some updates to what we request in the application.

But the first thing that we do require is that they have their verified state approval first. So they would have to have gone through the process with their state, and then at that point the state has approved the name change and we review the documents to view the same.

Obviously when the team reviews the materials and when a team is onsite they would
want to know that all the materials they are
reviewing are under the new name, but there's no
specific protocol to make sure there's a
continuity in the previous name and the new name.

DR. PETRISKO: Okay. In that case,
and -- I don't know if you have any information
on this, but there was one change made because
the -- in RNU's case I guess they used the
signature of Ronald Reagan and at some point
somebody told them they couldn't do that. I
don't know if there was communication from Reagan
Library, or a state, or whatever, but there was a
change made in that regard. After that --

(Simultaneous speaking)

MS. EDWARDS: It's been several years,
but I believe that when the council reviewed the
application if I recall I think it was in their
catalog possibly. And the council made that
determination that they didn't feel that it was
appropriate to keep that in their catalog.
Obviously without express copyright permission
which they clearly didn't have.
DR. PETRISKO: Okay. All right.

Thanks. That answers I think most of my questions on staff involvement processes. I'd like to talk about the ARIG, the at-risk institutions group, and the process -- still talking about process -- for referring institutional problems to that group.

Again looking back at the 2016 meeting with NACIQI there was a statement made that particularly for the at-risk institutions group we are making sure that we are doing our own investigation.

It looks like with the chronology of the VIU case there was the February letter, February 11 and 12. As soon as the letter was received by ACICS there was a communication by the then vice president for accreditation to SCHEV asking about that.

But later, let me see. I think I have that as well. Okay. So February 11 ACICS was notified. Immediately thereafter, the next day there was an email from the then vice president...
to council and to you, Ms. Edwards, saying at the March meeting their council will consider the staff's recommendation to revoke and decide whether to proceed with that recommendation or ask VIU to do something else.

My thought was to wait until after the March meeting and final decision to determine if a show cause directive is warranted. That decision will be communicated within days of the conclusion of the meeting so we should be ready to act accordingly.

So that was February 12. And then on March 21 after SCHEV acted it was brought to the executive committee which did act to (audio interference) bring a show cause.

So, looking back at the statement that had been made in 2016 about we need to have our own investigations when there are problems it did not appear that that happened in the case of VIU. A month went by after there was notification about the SCHEV audit before any action was taken, and it did not appear to be the case that
there was an independent investigation of the problems that SCHEV had uncovered. And I realize that there had just been almost I think it was nine months before -- several months before the SCHEV audit there had been a visit. So, could you just speak to that months and waiting for the SCHEV without doing additional investigation?

MS. EDWARDS: Sure. At the time the agency was confident that it had just completed a thorough evaluation visit at VIU, and once we had -- we had multiple conversations with SCHEV about the timeline of their visit and of course it was referenced in their letter sent to the institution and to ACICS.

So we knew that the time period was the same time that ACICS had already been there and had uncovered findings that the institution had responded to and subsequently been given a grant of accreditation by the council.

Additionally, and we noted in our response to the department that the SCHEV order immediately -- or part of the SCHEV order was
that they ceased distance education activities.
So there really wasn't anything that the council could go back and look at at that point in time.

So I think coupled with the fact that we had recently had all of the information that we garnered from the visit, that we had identified the findings, and that the institution had responded satisfactorily to the findings was the reason that we didn't physically go back to the institution.

We did, however, as you mentioned issue a show cause directive which required the council to appear -- I'm sorry, required the institution to appear in person before the council to explain everything that had occurred. And they did that in compliance -- or demonstrating compliance with our criteria as well as the information that they provided regarding their response to SCHEV.

DR. PETRISKO: Okay, thank you. I realize I'm jumping around a little bit here, but I hope that it's not too disconcerting the way
I'm asking the questions.

I keep going back to 2016 conversation and what was intended at that point, and seeing how things have come along since then and changed with actions since 2016.

Again, back in 2016 during the conversation there was a discussion about the team reports, and the fact that they were primarily check boxes. And the interim director at that time replied, I'm quoting again, that, "A much deeper dive into the depths and breadth of our team reports is still necessary. We simply did what we could with this cycle, reflecting the fact that there is need for more robust structure and content for those team reports."

Can you talk a little bit about what, if anything, has changed since then? I know that the team reports now, if there's -- in one of the check boxes if there's a problem that there is narrative, and that that narrative then finds its way into a finding at the end of the report.

Sometimes that narrative is truncated
so that what goes into the finding isn't necessarily with the detail that it is in that initial narrative which has shown to be a bit problematic with regard to the -- there's no textbook, there's no computer equipment, et cetera.

Anyway, can you tell us a little bit more about the team reports, have they changed, what's the structure? Anything else besides what we've -- the team reports that we've seen, are they still being done in the same way?

MS. EDWARDS: Well, I would remind the committee that you're looking at team reports from a review that occurred in 2017 so at that point the team reports had not been dramatically changed.

I can speak to the fact that with all of the obviously criteria that has changed that affects the team reports. But the team report no longer is all check boxes as was noted in 2016. The narrative responses required by the team have been significantly added to each report,
therefore giving the council a more full picture of what the team is reviewing while they're onsite prior to the council making a determination.

And I think, Dr. Ferrell, would you be comfortable speaking to the changes you've seen as an evaluator?

DR. FERRELL: Sure. I've been an evaluator since 1998 and in those days it was solid narrative. And it was a very, very lengthy process. And the two or three days when we were trying to review all the narrative.

And then at some point in my tenure you're correct, it was decided to -- well, let's shrink the narrative and make some more check boxes.

And then in more recent history as you're pointing out it was then changed again.

And so the last trip I did which was probably a year ago, there was much more narrative, not just when there was a finding, or a possible area of non-compliance, but for example, they were asking
about community resources of the school. There
are several questions that are strictly narrative
as you're writing the report today.

MS. EDWARDS: And that's the case in
each of our reports that the evaluators are now
using. You'll find that there is significantly
more narrative that is required, and as Dr.
Ferrell said, even just to describe, not
necessarily when identifying an issue of non-
compliance.

MS. ZEIGLER: And just to add, we
actually have a template review committee among
staff that meets to review our templates to add
any criteria changes that may have been made, to
add to our templates. But also that was a charge
of that committee, to increase the narratives to
find areas where we can enhance the reports and
provide further information by adding the
narrative pieces.

DR. PETRISKO: I'd like to get back to
Reagan National University. And you've already
mentioned the fact that there were significantly
more findings in the 2019 review than there had been in the 2017 review, including some that were findings (audio interference) and some that were new.

I have to say that when I looked at some of the specifics in those findings it was hard for me to understand how the institution could have been in compliance in 2017, but fallen out of compliance in 2019. And I'll give you some examples.

Whether the grading system was explained on the transcript. So evidently it was explained in 2017 but then somehow it wasn't explained on the transcript in 2019.

Whether the curriculum and length of the program were appropriate to meet program objectives. That there were no internships or lab hours for any courses, although course descriptions included them.

The catalog did not meet standards. Instructional equipment, I mentioned this before, was not appropriate to the computer science
undergraduate program.

So, I guess my big question here is, again going back to 2016 conversation with NACIQI that the statement was made that -- on the part of the agency that the agency had leaned too far in the direction of improvement over compliance, and there were two deferrals for this institution as well.

I'm wondering whether, especially for an initial grant of accreditation whether looking at compliance -- let me focus the question. For an initial grant of accreditation how should the agency -- how does the agency look at the issue of compliance over improvement? And then I have a follow-up question on deferral and meaning of deferral.

MS. EDWARDS: The strict answer to that is that they (audio interference) the same way. Whether it's an initial accreditation or a re-accreditation we're looking for compliance at that point.

As Karly mentioned the resource visit
is kind of the visit that is the staff only that
is designed to look at what the institution has
done and make suggestions and improvements, and
suggestions for improvement at that point.

But once the initial team comes for
the initial grant visit the expectation is that
the school demonstrates compliance. And so the
deferral was on an unaccredited institution and
it still took them two deferrals before they were
able to demonstrate compliance with their
responses and their documentation.

DR. PETRISKO: Isn't deferral when you
don't have sufficient information? It's not a
question of you're not doing it as the standards
require.

MS. EDWARDS: Well right, but you
can't find someone who is not accredited out of
compliance. So when they're an initial applicant
we're deferring action, requesting additional
information, and until they have demonstrated
compliance that's the point in time that the
council would act to grant accreditation.
(Simultaneous speaking)

MS. EDWARDS: -- warning activity that could happen other than the council could choose to deny the application which has happened several times in the past.

DR. PETRISKO: Okay. I just have a couple of more questions. So, effectiveness of evaluators. Do you ever say after this team visit we shouldn't use this evaluator again, or the evaluator needs more training, or how is the effectiveness of the evaluators assessed?

MS. EDWARDS: I think we probably both could speak to that. Yes, that absolutely occurs. Internally we evaluate the evaluators based on their performance on visits following each visit cycle.

If we believe that an evaluator -- we evaluate them on a number of issues, but if we believe that they're not sufficiently prepared, we didn't feel that they had reviewed the materials prior to coming to the visit. There's been a lot of different things that we look at,
and certainly there are times where we've made an
evaluator inactive based on their performance on
a visit. I don't know if you have something you
want to supplement that with, Karly?

MS. ZEIGLER: We also do a post visit
cycle meeting with staff as well which we discuss
kind of at length the visits themselves as well
as the visit team, any concerns of any evaluator
at that point as well. And any -- if there's
great concerns we would discuss with the
evaluator and as Michelle mentioned take them out
of our evaluator pool or make them inactive.

DR. PETRISKO: I think I will actually
leave it there. I think we'll have some
opportunities after third party comments, et

cetera, to have some further conversation so I
will leave it there and turn it over. Thank you.

DR. PRESSNELL: Thank you again for
your report and the detail of your report. I've
got a few questions that Mary Ellen wasn't able
to cover with her questioning.

First of all, I want to take a look at
Reagan National University and just ask you just some simple questions about it. Is a two-year granting of accreditation, is that a part of the regular policies of ACICS?

MS. EDWARDS: Well, policy states that an unaccredited institution, somebody that's coming to us that does not have previous accreditation, can receive up to a three-year grant. So that's how the policy is written.

DR. PRESSNELL: Okay.

MS. EDWARDS: Obviously based on the findings in 2017 the council used the information they had to issue a shorter grant than I guess would be typical.

DR. PRESSNELL: All right. And the -- so there was initially a grant in '17 and you guys made a visit in October of '19, is that correct?

MS. EDWARDS: That's correct.

DR. PRESSNELL: Okay. But then the -- according to your previous comments there was a sensational reporting about the doors being
shuttered. And so you all went to investigate that. And evidently it was closed. And again your comment was it had vanished in January of 2020.

So, were there no indications in October 2019 that in just a couple of months that it was going to shutter its doors?

MS. EDWARDS: No, there was none. As I mentioned the entire -- a full team visited the university and found a small campus, but they viewed classrooms, they interviewed students, they interviewed faculty and staff, they observed classes. There was zero indication that there was any fraud, or that they were not -- we did not anticipate that the school would close their doors at that point in time.

Following the visit the council issued a show cause in December of 2019. And in January of 2020 Reagan National University paid their show cause fee, indicated they would be responding to the show cause. On February 1 of 2020 they submitted their quarterly
accountability report. So there was zero indication from ACICS that there was anything other than an operating institution at that point.

DR. PRESSNELL: Okay. Did you do a teach out with them then upon closure?

MS. EDWARDS: Unfortunately when they voluntarily withdrew from ACICS the authority to enforce or request that was no longer there for our agency. We reached out to the state agency and attempted to coordinate information with them, but they were not responsive.

DR. PRESSNELL: Okay. An abrupt closure of an institution, you don't think that speaks to your capacity as an accreditor?

MS. EDWARDS: Well, for the record they voluntarily withdrew their accredited status with ACICS. And so we didn't have any indication that there was a closure. We did as part of the show cause directive which I mentioned is the first step in withdrawing their accreditation required a teach out plan from the institution.
They would have every indication -- so
a teach out plan would have given us a student
audit, would have told us what would happen if
they were to lose their accreditation. They
would have responded to that in the end of
February prior to their appearance before the
council in April.

So we had taken the appropriate steps
in our criteria and in regards to the Secretary's
recognition criteria to require those teach out
plans as following our process.

MS. ZEIGLER: I'd like to add
additionally. I mean you know, of course that
raises concern for anybody to see a school just
shut their doors. So we also discussed as a
staff and visit council what can we do moving
forward.

So we put in place new criteria to
allow for additional stipulations with a show
cause directive, or with any council action. At
any time they can add additional stipulations to
protect students in cases where they think there
may be a concern if an institution is losing
their accreditation or of imminent closure.

DR. PRESSNELL: So, has this happened
before, an abrupt closing? Maybe you guys were
not aware of the institution being at risk of
closing.

MS. EDWARDS: This is the first one
I'm aware of.

DR. PRESSNELL: Okay. Is this also
the site where you thought it was 100 percent
online and then you found out it was not online?

MS. EDWARDS: This is the site that
they claimed had distance education in their
initial application materials, therefore we sent
a distance education reviewer to the initial
accreditation visit. And the team determined
that they were not offering distance education
according to any definition including our own.

DR. PRESSNELL: Okay. So when you
sent the team out with the assumption -- was the
assumption they were 100 percent online at that
time, or was the assumption is they just had an
online program?

MS. EDWARDS: You know, I don't recall because that was in February of 2017, if it was 100 percent online, or --

DR. PRESSNELL: The reason I ask --

(Simultaneous speaking)

MS. EDWARDS: -- probably a hybrid.

DR. PRESSNELL: Okay. Yes, the reason I ask is just because of the team that was sent, there was no indication that the team was readjusted based on the reality of what the campus was actually doing. It just indicated that the team reviewed it differently. And so there could be some questions as to the expertise of the team based on the change of the makeup of the institution. So I was just trying to get some clarity on that from the report because the report seemed to indicate that the assumption is that it was an online program, and then it was found out to not be an online program. So I didn't know if you made adjustments in the team makeup based on that new reality.
MS. EDWARDS: Well, no. We had sent an evaluator that was qualified to review the program in a distance education modality which would have been a separate report as well as the content and curriculum of the program. So when the team determined that it was not an online program the same team member that was already allocated to the team was able to complete the review of the programs as was previously indicated on the visit report.

DR. PRESSNELL: Okay. Related to the review teams and the whole issue on training, I've heard your comments that you feel like the department is requiring you to do more than other accreditors.

The way that I've read the reports is that the department is just making sure that you do what you say you're going to do. So in terms of if you require 100 percent completion of training before you can go onsite that that 100 percent is actually attained because that's your rule. And so they're just trying to benchmark
against what you say is required.

Do you have a response to that because to me that's (audio interference).

MS. EDWARDS: No, I understand. The two third party speakers that will speak to you guys this afternoon will tell you that they have had extensive training at ACICS. They've both been evaluators for well over a decade and have completed multiple visits. I would assume they're going to tell you about the training that they've had, the training that occurs before every visit team.

I would also say that the refresher training that ACICS created was something new in response to the Secretary's order. And that was in addition to training that evaluators had already received. So the two that are in question had already been fully trained and vetted by ACICS over the course of more than 10 years.

Our policy I believe was also misunderstood as it said at a minimum, at the
minimum level they would complete a refresher training. These folks had far exceeded the minimum level and had completed a chair training which we believe would supersede the minimum requirement to complete a refresher training that was created.

DR. PRESSNELL: Okay. Your own comments earlier indicated that you did make an exception with one individual because they were highly qualified. I don't think anybody -- I didn't read anything that they were questioning the qualification of the individual. It again was just saying that ACICS requires 100 percent training and to your own presentation you guys have made significant changes in terms of your criteria.

And so making sure the training obviously is going to address that, not necessarily the content expertise of the reviewer, although that's important. But it's just that if you're making changes as an accredditor even if somebody is incredibly well
qualified they would need to have a refresher on exactly what your new policies and procedures are.

MS. EDWARDS: Right. No, I understand completely, and in that case it was a very last minute addition to the team. And so the training that would typically take place prior to the visit actually took place while onsite, one on one working through the report.

Probably in that case is a far better training than conducting something before when you're not actually doing it at the same time.

So that was the exception in that case.

DR. PRESSNELL: Okay. Go ahead.

MS. ZEIGLER: If I may. For every site visit we do the team has a pre-visit meeting in which we go over again another refresh of the expectations of our evaluators as well as any criteria changes that have occurred recently to ensure that they are up to date on any of those changes as well. So that happens for every evaluator, new or old, during the pre-visit
meeting for every site visit.

DR. PRESSNELL: Okay, thank you. The other point of clarification that I would like to have is related to the SCHEV report on VIU. I'm trying to get -- I want to make sure I understand the sequence because the report seemed to indicate that ACICS, one, had not uncovered a number of the issues that SCHEV had uncovered, granted your criteria may be different than SCHEV's, but the department staff seemed to indicate there ought to be overlap. And based on the issues they cited I think we would all agree that there probably are some overlap pieces.

So a couple of questions. One, I'm trying to figure out your reliance on SCHEV's decision. It appeared to me in the sequence of events that ACICS was not willing to step in to do an evaluation until SCHEV had made a determination of what they were going to do.

And then the second question is when ACICS took action as a result of SCHEV's decision there seemed to be a lack of evidence that you
actually made your decision directly based on
criteria of ACICS.

So, I just need some clarity on that.

So again, the sequencing and the reliance of
ACICS on SCHEV. And then whether or not once the
decision was made did you have a full analysis of
how they fell short for your criteria as well.

MS. EDWARDS: Right. The staff
recommendation that we had received in February
was just that, a recommendation of SCHEV staff.
So after conversations with SCHEV prior to ACICS
taking our action we wanted to see if the board
was going to agree with the staff.

Certainly ACICS staff can make all
kinds of recommendations, but until the board
takes -- or the council takes an action it's not
binding on an institution. So we waited for that
to occur.

And then as far as the in-person
hearing, the council was able to ask the
institution directly to demonstrate their
compliance. Just like we're doing today there
was Q&A, not just what the documents that were
provided on the record.

So the members on the panel, the show
cause panel were able to ask the institution to
talk about the different findings and to
demonstrate how they meet compliance with ACICS'
standards while working on their response to
SCHEV.

DR. PRESSNELL: Okay. I think (audio
interference) that I have is that ACICS' actions
seem to be really delayed in terms of the
appropriate. I mean, especially with Reagan it
just seems to me that for you all to have been
making a visit as recently as you did, and to
have literally no indication they were going to
shutter their doors, that's part of what
accreditation is about is to anticipate.

So I'm hoping that all accreditors
need to be able to evaluate institutions and
understand which institutions are at risk, and so
that we can avoid this from a consumer protection
standpoint. I mean, I don't know, if they just
had 50 students, I don't know if they had 50
students in January that, wow. I mean, nothing
is more disappointing than to walk up as a
student and see that the -- or be a faculty
member and see that the doors are chained and
locked.

I was a little surprised at your
characterization of the news report as being
sensational when your conclusion was exactly the
same when you went there in January. Sure enough
they were closed. Well, that's not really a
sensational report. That was a factual report.

So my concern is that ACICS is too far
behind the curve on institutional decisions,
whether it be relying on SCHEV and not (audio
interference) criteria against the SCHEV
requirements, or doing your own independent
investigation based on this new evidence that
SCHEV had put them on notice. These are the
types of things that I think accreditors will end
up, you know, that they play a key role in
protecting the consumer particularly.
MS. EDWARDS: Right. If I can respond to that, we did -- I'm sorry.

DR. PRESSNELL: No, go ahead.

MS. EDWARDS: We did following the new rules that were put out in July 1, 2020 regarding teach out agreements and teach out plans, we had strengthened our teach out plan and teach out agreement criteria.

I think we also had added additional actions to our council that I believe -- or to our criteria that I believe were just approved in September of 2020 -- or it could have been February of 2021 -- that can be applied at any time if we deem that they're necessary and appropriate such as following the visit instead of requiring teach out plans which our criteria said at the time, we now have explicit criteria that would allow us to ask for teach out agreements which I think everybody knows are very different from teach out plans, and would require a lot more work on the campus' part to demonstrate that all of the students would be
taken care of in the event of an imminent
closure.

We also added something in there for
a temporary cessation of new enrollment. So if
we have a concern that an institution is not in
compliance, and everything we can do to protect
the students, we can now take that action to
temporarily cease new enrollment.

And I would remind everyone too, the
due process in our criteria as well as in the
department's recognition criteria that we have --
we give the opportunity for the institution due
process to respond to actions by the accreditor.

DR. PRESSNELL: It's too bad it wasn't
in place for the students at Reagan National at
that time. Mr. Chairman, that's all the
questions that I have.

CHAIR KEISER: Well, before we get to
everybody else let us take a 45-minute lunch
break, and we'll come back, and then the members
will have an opportunity to talk to the agency.

So it is 12:45. We will reconvene at 1:30.
(Whereupon, the above-entitled matter went off the record at 12:50 p.m. and resumed at 1:34 p.m.)

CHAIR KEISER: Well, good afternoon.

Hope you had a good lunch. We are going to continue, but first I think we have a point of order that's been raised by Mr. Eubanks. Dr. Eubanks, sorry.

DR. EUBANKS: Thanks, Art. Hearing that the committee members mostly have not had time to review the Inspector General's report I was wondering if the committee might entertain the idea of deferring final discussion of votes until tomorrow.

CHAIR KEISER: We don't need a second for a point of order, so this is the discussion. Is anybody opposed to that?

DR. PRESSNELL: I'm okay with that.

CHAIR KEISER: Thank you. I assume we will continue through with the interviews of the agency by the members of the committee. We will then go to third party comments. We'll get to
the -- just to the final part which is the
discussion piece and the vote. Is that what your
intent is?

DR. EUBANKS: That was my suggestion
as it works out with the schedule, sure.

CHAIR KEISER: Okay. Is there any
discussion on that? Is there anybody opposed to
that? I don't think we need a roll call for
that. Just raise your hand. I can see most of
you. If you agree with the point of order.
Okay, it looks like it passes so --

DR. PRESSNELL: Well, Art, I have a
question. Sorry. This is Claude. I had a
question. I think it's appropriate to take a
look at the report. I guess I just have a
question for the legal staff as to -- does the
report directly address the reports we've
received from the staff, or does it deal with
historical issues? Can we gain a little bit of
insight on this?

MS. MANGOLD: Art, it's Donna. Can
you hear me?
CHAIR KEISER: Not very well. Stay closer to your microphone.

MS. MANGOLD: The report is focused on 2016 and 2018, what happened in the prior reviews. At the end I believe that there is a mention of this review, but it does not address this review. It addresses what happened in 2016 and 2018.

DR. PRESSNELL: In terms of departmental procedure or in terms of NACIQI's actions or both?

MS. MANGOLD: I'm sorry. In terms of what the department did with the review in 2016, and that is focused on the same issue that came up in the litigation with regard to certain documents that -- the review of certain documents.

And then the report also focuses on what happened in 2018 when the review of those documents took place.

DR. PRESSNELL: Okay. All right. I appreciate that. Thank you.
CHAIR KEISER: Okay. Are we in agreement? I thought I saw if we had enough votes to postpone the final discussion and the -- till tomorrow and the votes. We have five votes as it is right now. So, if that's the case if you would raise your hand if you want to ask questions of ACICS I will try to recognize you as they come up. Jennifer, you're first.

It's like -- what's that game show? The first person is it. Then Robert Mayes. And then --

(Simultaneous speaking)

CHAIR KEISER: And then Anne Neal.

(Simultaneous speaking)

MS. EDWARDS: Thank you. I'd like to ask my legal counsel, Katherine Brodie, to make a comment about that.

MS. BRODIE: Greetings, Chairman and members of the committee. I'm here solely to watch the process of the committee to make sure my client is getting a fair hearing with regard to the discussion that's happening today.
With regard to the report we just want to make sure that it's entered into the record and that we allow the SDO to determine its relevancy. Whether or not the committee members have their own opinions about what is relevant in the report it is very important that that be in the record. We're subject to a 10-day requirement to respond to the recommendation and that response has to do with what is in the record, and if it's not clearly in the record we may be adversely impacted by that. So I want to make sure that whatever is decided that we still have the flexibility to keep that document in the record and be able to have the SDO make a determination of its relevancy with respect to the evidence.

CHAIR KEISER: Katherine, we understand that. I think that's why the committee wants to read it first. They have not had a chance to read it. So before it's put into the record if they decide to do that I think they need to read it first, and that's the purpose of
postponing the discussion, the final discussion
till tomorrow.

   MS. BRODIE: I understand. I just
wanted to make sure that my client's perspective
was understood on this document. Thank you.

   CHAIR KEISER: Okay. Jennifer, you're
next.

   MS. BLUM: All right, thank you. So
I just wanted to start by saying I think the
agency knows this, but there are a couple of us
who are new to the committee and certainly not
new to accreditation, but new to the committee
and I'm mindful of that. I feel like I'm coming
in pretty late in the story.

   Having said that, I'm really focused
as I was yesterday on consistency and process of
the department and of us as committee members.
And so I think you'll see that my questions
somewhat relate to ensuring that this process is
as it should be.

   So, let me start with saying, first of
all, we asked questions yesterday about public
members. I do think it's great that the ACICS has a significant number of -- I just want to start on the positive with the significant number of public members.

I also heard loud and clear all the changes that you've made to your standards. I had a question about this process, the fact that we are having four reports today which I think everybody would admit is -- I think we can all say that that's unusual.

And two of them were actually due I think -- you filed them back in December of '19 if I remember correctly. And based on what we've heard today. I think they probably should have been up late summer and they were held (audio interference) by the department. And I'll be talking to the department about this later too, but they were held.

In theory it was held because they already had information about their two other reports that they were beginning to work on. But I just wanted to ask you about that. But I have
one other question.

Am I correct that but for these four reports you would have a normal petition for renewal coming up soon?

MS. EDWARDS: That is correct. We are also on the July 2021 agenda for our renewal petition.

MS. BLUM: Your normal five-year renewal petition.

MS. EDWARDS: That's correct.

MS. BLUM: Where all the changes that you've discussed earlier today would sort of bear themselves out.

MS. EDWARDS: That's correct.

MS. BLUM: Okay. I just wanted to make sure that we all understood that piece. I also wanted to ask, the three institutions, RNU, VIU, SDU, sorry for all the acronyms, it's like an alphabet soup. But for the three institutions were they -- they were all in the initial accreditation phases, in various different phases, but they were all in those phases of for
the first time receiving accreditation, right?

MS. EDWARDS: No, that is not correct.

RNU was in initial (audio interference) visit in February of 2017. SDU never proceeded past the application phase and so they never had an initial grant visit. And VIU had been accredited since 2008.

MS. BLUM: Okay, right. VIU was the one that was accredited. And was VIU Title IV?

MS. EDWARDS: Yes, they are.

MS. BLUM: Okay. And the other two weren't because they were never accredited. Or they'd never been --

MS. EDWARDS: That's correct.

MS. BLUM: So RNU, the department's report is regarding an action on a non-Title IV institution. So that report by the department is on a non-Title IV institution. Do you happen to know whether RNU -- whether the purpose of seeking the accreditation by -- I'm asking you a question that might be better asked of the institution (audio interference), of RNU, and
asking you were they getting accreditation so
that they could be Title IV? Do you happen to
know that?

MS. EDWARDS: I don't know the answer
to that. That was before my time when they were
going through that process. It was 2016.

MS. BLUM: Okay. So then I have -- I
wanted to go to some questions that were also
asked yesterday, just general questions. So, in
total VIU, SDU, RNU, total number of students --
and I'm not minimizing the impact on them. So I
do'n't want -- like any time something bad happens
to an institution it's obviously bad for the
students. But we're talking probably, like how
many students?

MS. EDWARDS: I do know at the time of
the visit in October of 2019 RNU had 70 students.
As far as SDU, again, they never proceeded past
the application phase so I'm unaware how many
students they have. And I believe that they're
still an operating institution. And as far as
VIU I don't have that number at my fingertips.
MS. BLUM: Okay.

(Simultaneous speaking)

MS. EDWARDS: -- operating.

MS. BLUM: And then can you speak for

a little bit about all of your other schools?

So, you have -- actually I was surprised by how

many non-Title IV schools you actually accredit.

But you have lots and lots of other institutions

that you accredit. Can you give rough numbers of

how many are in some form of an adverse action

right now? Do you have that available?

MS. EDWARDS: Sure. Currently right

now we have four institutions that are under a

show cause directive. One is under that

directive for their renewal of accreditation.

Three are under that directive for their student

achievement information that was submitted in

December of 2019.

And we also have nine campuses

currently under a compliance warning. Three of

those are related to their renewal of

accreditation, and six of those are related to
their student achievement data that was submitted on November 1, 2020.

MS. BLUM: And of the 48,000 students I think you said were -- is that the number?

MS. EDWARDS: That's correct.

MS. BLUM: Two-thirds are Title IV? How many are Title IV? You don't have to give me an exact number, but am I?

MS. EDWARDS: I don't know the exact number of the students. I know that 27 percent of our institutions are non-Title IV. But I don't know the number of students.

MS. BLUM: I just wanted -- the reason I was asking is I just wanted to level set on the severity of that. And this isn't, by the way, I'm not opining on the history here because there is a history here with ACICS. I'm certainly not taking away from that. But I am emphasizing that this is a pretty big decision.

So I just -- and I thought it was helpful to have the numbers out there because I don't think we had heard those numbers yet today,
and to me they're pretty relevant.

I also just wanted to follow up, it's more of a comment on a couple of things. I'll make it really fast. I think Mary Ellen mentioned the number of graduates of the -- the small number, really small number of graduates. I just wanted to say that that's an issue across higher ed where we have the chicken and egg. So I am acknowledging that there's a little bit of a chicken and egg. How do you get accredited without graduates, but you can't really get -- it's hard to get enrollments until you have -- so I just wanted to mention that.

So I think that's it for me. Most of my questions are actually for the staff, but I just wanted to get sort of on the table some of the -- how many students and how many institutions.

Actually, sorry. The 84 campuses you mentioned, how many institutions is that? Because you mentioned 84 campuses.

MS. EDWARDS: Fifty-nine.
MS. BLUM: Thank you.

CHAIR KEISER: Robert Mayes, Kathleen, and then Anne. Robert?

MR. MAYES: I appreciate the level of due diligence I think that's been done today. I realize it's taken a lot of time. And in that regard I'm going to kind of hit on two questions that are -- we've already talked on some, but I'd like to get more clarity and have a chance for it to be talked about again.

To go back to RNU and its initial accreditation steps. So, it had a lot of findings in the initial visit, and it went before the commission. It wasn't denied, but it went through a process of two deferrals.

So in the course as we know, late during the (audio interference) it had a lot of findings on that visit that happened a couple of years later. So it gives the perception that the process for a new school up front is not very loaded, not very rigorous or thorough. It's because (audio interference) and it kind of
(audio interference) one of the key things we're talking about today.

So, if you could just -- for one, I'm trying to talk again about why weren't they denied, why was the deferral the right choice. And then if this same situation came up again has anything changed in your process that -- where anything different would be done?

MS. EDWARDS: Well, thank you for that question. As far as when they were initially discussed by the council that was over four years ago so I wouldn't be able to react to the discussion as to why they were deferred rather than denied.

But I can tell you that the team did uncover findings at the visit, and required the institution to demonstrate compliance with those findings before they went through -- or before they were granted re-accreditation.

I think going forward I think it's important to note that since this the ACICS has granted three, only three initial applications,
or initial grants of accreditation since this one was granted in 2017. We looked at the process. We evaluated the process to make sure that we felt we were covering every step in the process. And like I can say, we've had just three that have occurred since then.

As far as you know, if this tool is making and talking about the deferral versus the denial, we're looking for -- as an accreditor we're looking for quality improvement. And if the school is making progress towards compliance we want to give them the opportunity to get there. And so that's why now we would defer action on institutions.

Typically accreditation is very new for a lot of institutions and agencies -- institutions. And so sometimes it takes them a couple of tries to make sure that they have everything, every policy and procedure in place to be able to demonstrate compliance with an agency's criteria. And remind me, what was the second part?
MR. MAYES: (audio interference) the
second part was if the same scenario happens
again now has anything changed in that whole
denial versus deferral for a new school coming in
with that many compliance issues.

MS. EDWARDS: Yes. Again, I think I
would just reiterate that in that case the
council must determine that there was an
opportunity for them to demonstrate compliance
and give them that chance to do so.

I don't think since I've been in this
role -- well again, we've only accredited three
institutions, so I can recall that ACICS has
denied initial accreditation in the past, but
that opportunity has not presented itself yet.

MR. MAYES: I understand. Thank you.
For a second, I think one of the bigger points
that stand out with the Virginia International
situation is one again you've been asked already.
It has to do with the visit that was conducted by
the ACICS team versus the team from the state.

It wasn't that far apart, but it was
some. And then that the issues should have been there, should have been kind of seen as (audio interference) probably didn't totally change. If you can maybe just, I know you've hit it some, but think of that one again of why you feel -- why (audio interference) the difference in time, and the different terms had just started, and more terms had went by by the time the state visited. Just lay that one out again of how you think everything was done the best it could be if you don't mind.

MS. EDWARDS: Sure. Well again, the team visited in January of 2018 and evaluated VIU on -- it was a renewal of accreditation. Evaluated the institution on its compliance with our criteria.

The team did note findings of non-compliance, including many of overlap in what SCHEV identified. The SCHEV visit -- so the institution would have responded in March of 2018. They were reviewed by the council at their April 2018 meeting.
The council still required additional information and deferred action to its August meeting. So the institution between January and August had the opportunity to provide additional information to demonstrate compliance with those findings that were discovered by the team in January of 2018.

The SCHEV team went in August of '18 and discovered some of the same findings that the team had uncovered as well.

I think it's also important to note that a state agency is certainly going to look at -- they're going to have a different set of standards as far as consumer protection and those types of standards. And so ACICS followed their process and their procedures. SCHEV followed their process and procedures.

I think it's also important to note that as far as when ACICS was notified by SCHEV of the recommendation by the staff, that the staff was recommending to the board of the denial, we literally only waited a few weeks
before taking action ourselves and requiring the
institutions to demonstrate compliance with our
standards at that time as well.

MR. MAYES: That's helpful, thank you.

My last thing, just to follow up on the
statements you've made. You had mentioned that I
think only a few schools had received initial
accreditation in the recent time frame. Do you
want to add -- maybe add context to that? Maybe
how many have applied and -- versus that three?

That might be helpful.

MS. EDWARDS: Sure. I'll ask Karly to
speak to that.

MS. ZEIGLER: We have three
institutions that recently received an initial
grant of accreditation as Michelle mentioned.
And we have three that are actually awaiting an
initial grant visit, their team visit before
going before the council for consideration.

We have about 17 other institutions
that are in any of those phases of the
application process. So they've initiated the
application. And then we have several, probably approximately 20 that have completed our registration, but as I mentioned earlier that doesn't necessarily translate to an application, or a request to be considered for an application.

MS. EDWARDS: I guess the short answer is there are three that are currently in the pipeline that would likely -- could likely be considered by the council in 2021.

MR. MAYES: Okay. That's all. Thank you.

CHAIR KEISER: Kathleen.

DR. ALIOTO: Okay. Thank you for this (audio interference) such a comprehensive report this morning. I have some questions about the -- piggybacking on Jennifer, your testimony as well. You now have 84 campuses and 59 institutions serving 48,000 students, is that correct?

MS. EDWARDS: Approximately, yes, that's correct.

DR. ALIOTO: And you said that 27 percent were not Title IV.
MS. EDWARDS: Correct.

DR. ALIOTO: So I'm wondering about the other students and graduates, and what their student debt is at this point.

MS. EDWARDS: Well, I certainly can review the information that's provided publicly on the College Scorecard. That is not something that is required by an agency to have in our standards. I certainly do have some data that I can share based on our current institutions.

And again, I think we all know that the information that's posted on the College Scorecard is -- it lags a few years, and so it would have schools that are not accredited by ACICS, but yet are accredited by other accreditors.

The average median debt on the most recently published score card for our current institutions is just over $18,000. The average median salary is just over $30,000.

DR. ALIOTO: Okay. All right. Now, so that's an improvement over the last five
years. Or not?

MS. EDWARDS: I wouldn't have -- it's really not apples to apples based on the fact that we are now 10 percent of the organization that we were sitting before you in 2016. But when you look at those data compared to other institutional accreditors it appears that we're in line with the rates that other institutional accreditors have as well.

DR. ALIOTO: Yes. (audio interference) Okay. So the next question is how much do you get paid by an institution when you talk about them going to your financial analysis and the fact that you think by 2024 you'll be in good shape again? How much do these institutions or campus pay you?

MS. EDWARDS: I'm not quite sure I completely understand the question, but I can tell you that --

DR. ALIOTO: What is your fee?

MS. EDWARDS: Well, there's all kinds of fees. We have -- just like every other
accreditor we have multiple different applications. Each application has a different fee. We have levels of -- based on an institution's revenue that they pay a sustaining fee. When an institution has a renewal of accreditation they pay fees based on the number of evaluators for that visit. There's lots of different fees that an institution would pay to an accreditor.

DR. ALIOTO: Could you give us a range?

MS. EDWARDS: Everything from an application that's free to an application that may cost $5,000. They vary depending on what the application is.

DR. ALIOTO: Okay. So the application is $5,000. And what is the fee following up on that (audio interference) fee?

MS. EDWARDS: I'm sorry, can you repeat that question?

DR. ALIOTO: I'm trying to figure out how you're going to manage to get back to carry
the staff that you're carrying, and to get back
into shape.

MS. EDWARDS: Sure. The (audio
interference) the bulk of where revenue would
come from for most accreditors. Sustaining fees
as well as a combination of application fees.
Every time an institution wants to start a new
program, any time they want to edit one of their
programs and make changes to a program there's
application fees. So those fees.

There's initial application fees.

There are fees for renewals or accreditation.

Fees for workshops. We certainly hope that we
will be having face to face workshops again.

That's another point of revenue.

Our schools pay anything in sustaining
fees from $1,219 up through $14,000. It just
depends on the amount of revenue, tuition revenue
by the institution.

DR. ALIOTO: Okay. So my final
question or comments are based on the fact that
you said that your financial situation today was
caused by the Department of Education. In fact, the financial situation that you're in today is that you gave accreditation a bad name. ACICS gave accreditation as an industry a bad name. It was not caused by the DOE or the vote of this body, now speaking in 2016. It was caused because of the standards around ITT Technical, Corinthian Colleges, the Dream Center, the ECA collapse, and Vatterot College.

And last year we had these other incidents with Reagan and it seems to me a pattern. So, you did not -- you are not in the financial position you're in as an entity because of the DOE. It was because your industry accredited institutions that had the worst graduations, default, and student loan repayments rate of any.

You have a committee. We're here for integrity and excellence. You have this committee voting in 2016 to terminate your capacity to be the gatekeeper not only for educational excellence, but also the gatekeeper
at that time for $3.3 billion in student loans.

That is why the --

CHAIR KEISER: Thank you, Kathleen.

Okay, Anne?

DR. ALIOTO: You're welcome.

MS. NEAL: I took down my hand.

Jennifer covered my questions. Thank you.

CHAIR KEISER: Mary Ellen, you have a question?

DR. PETRISKO: Yes. Am I unmuted?

CHAIR KEISER: You're okay.

DR. PETRISKO: Okay. A couple of things. One, I want to -- something I wanted to ask before real quickly on RNU. The visit was February 8 unannounced, but their letter saying they wanted to voluntarily withdraw is dated February 7 which was the day before that review, that unannounced visit.

They were allowed to withdraw voluntarily, although the standards in place at the time I believe say that if an institution is found to be not in operation that their
accreditation is summarily withdrawn, or
suspended, or something like that.

So it said on the website that they
voluntarily withdrew. Now that action was taken
in 2020. My question is, and it's sort of like
some of the questions we've just had. If that
were the case today, if you saw -- it had to
happen. If you saw an institution was not in
operation would you allow them to voluntarily
withdraw with a predated letter of withdrawal?

MS. EDWARDS: No, we would not. And
what happened in that case was we had a report
that was published and it was also as part of the
record in response to our visit that we had asked
the school to provide.

The school did send the letter the
same day that we did the visit even though it was
dated the 7th. Their response letter (audio
interference) or from ACICS clearly says that
they withdrew under a show cause directive, and
so that is on the record. That was also provided
to the state agency that was approving them at
the time as well.

DR. PETRISKO: What would the action be now if you at that -- at the time that you went to visit and saw no operation, what would the action be now?

MS. EDWARDS: It would be a withdrawal of accreditation by revocation. (audio interference) clearly in our criteria that says if -- obviously if we find out a school is closed that we would revoke their accreditation.

DR. PETRISKO: Okay. (audio interference) the materials, there were I believe 70 institutions, and now it's 59 institutions. So if (audio interference) the number has gone down by 11. Were those withdrawals? Were those terminations? Who were those institutions? What happened with them?

MS. EDWARDS: I'm sorry, I missed the beginning. You cut out. Could you repeat that, please?

DR. PETRISKO: Yes. Thank you. The materials that we reviewed if I remember
correctly said there was -- at the time that the materials were received there were 70 institutions. Now it's 59. So that's a relatively short period. Were those council actions to deny, or to revoke? Were there institutions that voluntarily left? What's the difference in 11 institutions in a relatively short time?

MS. EDWARDS: Could you tell me exactly? Obviously there's four different reports that were responded to in different time periods and so they would contain different information. Which report --

(Simultaneous speaking)

DR. PETRISKO: -- the number that I have (audio interference) institutions and I can't say which one of the reports it was. So, it might have been going back to 2017. It might have been 2019. Anyway, okay.

(Simultaneous speaking)

MS. EDWARDS: Depending on which report it was there could have been voluntary
withdrawals at the time, or even closures.

  DR. PETRISKO: Okay.

  MS. EDWARDS: I wouldn't know --

  (Simultaneous speaking)

  MS. EDWARDS: -- I knew exactly which

report you were referencing. Sorry.

  DR. PETRISKO: But is it safe to say

since 2018 or 2019 that there have been voluntary
withdrawals, that there have been closures, that
there have been revocations, or any of those?

  MS. EDWARDS: Yes, there have been.

  DR. PETRISKO: Okay. My next question

is you mentioned so many changes in your
beginning remarks I couldn't write fast enough to
write them all down. You mentioned 9 changes to
your bylaws, 86 changes to your criteria,
 improved training, expanded interim reviews,
 enhanced teach out requirements, enhanced
distance education policies and procedures, and
the new PVP that you have, the performance
evaluation placements.

  MS. EDWARDS: Right.
DR. PETRISKO: I know that there's so much here, and I don't think I captured them all, but can you tell us more about when these various changes were made. How much evidence there is now of these things that we didn't get because the materials we have are from previous requests? And whether VIU and RNU were -- in their reviews were in any way affected by any of these changes. I do see and did see that the 2019 team reports for RNU is different than the 2017 team report. There are submitted sections for narrative. So I did see that one change. But it would be really good to know a little more specifically, or as specifically as you can when various changes were made over the last -- since we met in 2016, and very importantly, how much evidence is there now of what you've changed.

MS. EDWARDS: Sure. I'm going to let Karly speak to the specific timeline of those, and then I can follow up with what's in place now.

MS. ZEIGLER: A lot of the changes
noted have been 2016 and moving forward. Our policy changes come from a number of areas, obviously from site visits, from policy changes at the department level, from specialists in the field, call for comments, all different areas. So those can be initiated at any time and go to the council.

We have our annual policy meeting where the council talks about numerous areas for policy and procedural changes, and that review. So that happens once a year, but then at every meeting (audio interference) as well.

We also have additional committees on the council that discuss --

DR. PETRISKO: If I can interrupt, my question isn't so much about how you decide to make changes, but when. Like you changed your bylaws. When did that happen? I know you had a -- January 2021 is your (audio interference) publication (audio interference) criteria. You talk about 86 changes. Did those all come up between 2020 and 2021? Can you give us -- and I
know there's a lot (audio interference) talking about. It would be very important to understand what has happened when, and again, the evidence that you have that we don't have of what is different now than it was before. So, to the extent you could put a little bit of a chronology on some of these changes it would be really helpful. You said after 2016. Was it 2017? Was it December of 2020? That would be helpful.

MS. ZEIGLER: There's not just one answer I guess. We have made changes along the way. In 2016 we made several changes to admissions and monitoring. That was really the start of the implementation of our PVP. That was the big piece in that year.

Then in 2017 -- we also have -- we have our policy changes that initiate through processes I mentioned previously, but then we also have a systematic process of review that puts areas such as our library and special resources, such as distance education, ESL (audio interference) that fall on a schedule to be
reviewed at every few years, every five years.

MS. EDWARDS: And if I can just add, Karly, that all of our, you know, our council meets four times a year including their policy meeting. And at those meetings policy is reviewed each time. I just wanted to supplement that.

MS. ZEIGLER: And initiated a call for comment. And then at the following council meeting is when those changes would be finalized following the (audio interference) and the feedback from this (audio interference).

(Simultaneous speaking)

DR. PETRISKO: I'm not done. The reason I ask the question is that --

CHAIR KEISER: -- the issues, yes. Because I don't think that stuff was requested of the agency in the petitions, or in the reports.

DR. PETRISKO: The reason why I asked the question was that the question was asked about the next review that would be scheduled depending on what action. The next thing that
would be scheduled. And so trying to understand what the difference is between now and what would be anticipated later if there was evidence of these changes that we don't have now. I'll leave it at that.

(Simultaneous speaking)

MS. ZEIGLER: We made several throughout, from 2016 to --

CHAIR KEISER: -- question, Mary Ellen?

DR. PETRISKO: I'm done. Thank you.

CHAIR KEISER: Claude, your turn.

DR. PRESSNELL: Yes. I just have several real quick ones to some -- back on Reagan National. There was the finding by your team site visit about documentation on prior education related to international students, and that that documentation was not -- the diplomas were not verified. Were you able to see that through, or was that the finding? Or was that finding in October of 2019 so they didn't follow up? What's the status on that?
MS. EDWARDS: I don't recall specifically if that was a finding in 2019. I can tell you that in 2017 the council required to see the documentation of the evaluation of transcripts that are earned outside of the United States. That is part of our criteria. We do require those to be evaluated. And I can tell you that that was a finding, and the finding was resolved in 2017. I don't recall specifically out of the 28 if that was one of the findings in 2019.

DR. PRESSNELL: Okay. The staff report seemed to indicate it was 2019 so it may have been an ongoing problem. Just one last thing. When you guys were there for your own site visit in October 2019 and then it shuttered its doors just a few months later were there students there? I mean, I'm just trying to make sure that there were students enrolled --

MS. EDWARDS: -- the time of the visit.

DR. PRESSNELL: Yes.
MS. EDWARDS: Are you asking if there were students at the time of the visit?

DR. PRESSNELL: Yes.

MS. EDWARDS: Absolutely. The team interviewed students. The team sat in on classes. It was a functioning institution. There absolutely were students there. There are multiple references in the report about interviews with students and different comments about observing students. And that is absolutely in there and on the record.

DR. PRESSNELL: Okay. So, if a student -- or I'm sorry, if an institution voluntarily withdraws accreditation and shutters its doors then you're basically under the impression that ACICS has no obligations at all. Or I guess you're saying you don't have authority so you can't do anything with a teach out program.

Because you talked about adjusting your teach outs and everything, and I don't know if you guys (audio interference) Reagan National,
or you did before. How would that deal with --
even if you withdrew accreditation right away, my
assumption is if you withdraw it you would have
some responsibility on the teach out piece. Is
that correct or incorrect?

MS. EDWARDS: It's correct that
certain actions in the recognition criteria
require you to request teach out plans and teach
out agreements. As I mentioned earlier we
strengthened our criteria just as recent as --
and I looked it up. It was in December of 2020.
We added additional stipulations to our criteria
to allow us to ask for teach out agreements
sooner in the process, to allow us to have cease
(audio interference) enrollments if we have
concerns so that we can do everything in our
d power to assist the students in the case of an
imminent closure.

DR. PRESSNELL: Okay. But that just
wasn't in place in time for Reagan National.

MS. EDWARDS: It was not in our
criteria that could be legally enforced, that is
correct. We did, however, and that's on the
record as well that in October 2019 when we
issued the show cause we did ask for teach out
plans which would provide us the student audits,
the plans for in case of an imminent closure.
However, the institution withdrew before
providing that response.

We attempted contact with the state to
work with them on the process, but they were
unresponsive.

DR. PRESSNELL: Okay. There's just a
history of consumer protection issues that still
remain with me, but anyway, thank you, Mr.
Chairman.

CHAIR KEISER: Steve, and then I have
a question, and then I'll have Jennifer close it
out. You're muted, Steve.

DR. VANAUSDLE: I probably sounded
better muted. I have a couple of questions
relative to financial capacity. That seems to be
one of our issues and I think I just heard you
had three institutions you've recently
accredited. And if we think of it as a membership organization you're building membership.

You've got 3 in process, and you have 27 knocking on the door wanting to pursue your services. Do I have those right?

MS. EDWARDS: That's pretty close to accurate, yes.

DR. VANAUSDLE: Okay. How many institutions in your strategic thinking might you lose in the next two to three years?

MS. EDWARDS: Well --

DR. VANAUSDLE: If you do your plan and you've got to project on both sides.

MS. EDWARDS: Exactly, and we did in our projections to the department. I think we're hoping with recognition intact that we would be able to maintain our current membership as well, knowing that there's going to be attrition in that. And so certainly we would lose a couple, and once the -- once recognition is formally intact and continues then we would be able to
increase our membership with new members.

DR. VANAUSDLE: So, out of these members that are in process or knocking on your door how many of them are former members of your council?

MS. EDWARDS: I think Karly can probably answer that. I know one off the top of my head. I'm not sure.

MS. ZEIGLER: There's one institution with three (audio interference).

DR. VANAUSDLE: Okay. So, one of your challenges -- we're in kind of challenging times in higher education right now. And one of the things we're all doing I think is probably marketing our services the best we can. Can you talk a little bit about your marketing strategies that might give us confidence that your membership will be solid, and your finances would be solid? What's the -- the financial part of your plan look like?

MS. EDWARDS: Well, we certainly don't market our services to institutions. I think
it's important to note that every agency has a
different mission, a different scope of
recognition.

Institutional choice creates the
environment that institutions can search for the
accreditor that's the best fit for their mission.
Our mission is to advance educational excellence
at independent non-public career school colleges
and organizations in the U.S. and abroad.

While some institutional accreditors
have a programmatic or maybe a delivery method,
or even a focused scope, we have a very broad
mission. And our institutions looking at ACICS
look to accreditation for peer review, quality
improvement, and to be with similar like-minded
institutions.

We find that institutions outside of
the United States look to ACICS as accreditor
with our international experience. We have 12
campuses in 8 countries. Based on degree level I
think we have institutions -- 57 percent of our
institutions offer a program at the master's
degree level. We've been accrediting those
degrees for decades. We have well-defined, well-
tested criteria. And I think those are many of
the factors that institutions look at.

Several of our campuses have gone on
to be accredited by other accrediting bodies,
even formally known as regional accreditors. We
have campuses that are dually accredited. So I
think that we have institutions that are
interested in coming to ACICS, and once
recognition is intact and we're moving forward
without institutions having a fear of losing
their accreditation again, and going down the
road of what happened in 2016 I believe that we
would be in a position to again maintain and
begin to slowly build our membership.

DR. VANAUSDLE: In terms of your
administrative capacity the information that
we've read is what we have. But do your member
institutions evaluate you as well on the services
you provide in terms of quality and timeliness
and so on?
MS. EDWARDS: You know, we actually just did a survey in, well, our current strategic plan in 2020 we surveyed our membership. And we asked them what they needed from us. They wanted us to continue to focus on career education. They wanted additional training opportunities which we have continued to roll out a robust training program. I think Karly mentioned it this morning, with ACICS Learn offers professional development to all areas of an institution.

We have -- we've rolled out a campus effectiveness plan workshop for our members. We continue to add new workshops. We're rolling out a retention and placement workshop. And so I think those are things that our members have told us that they want, and we've continued to add those to our offerings for our members.

DR. VANAUSDLE: Thank you, Mr. Chairman.

CHAIR KEISER: If I may ask a couple of questions. In the report all I saw was an '18
audit. In the '18 audit I did not see a notation by the auditor that you had a going concern issue. Is that correct?

MS. EDWARDS: That is correct. And we also received our -- since our last submission we received our FY '20. And again those had no going concerns and an unqualified opinion. As far as I know that's been for at least the last five years. I'm not sure before that.

CHAIR KEISER: So, your auditors feel that you are in a position to sustain your operations?

MS. EDWARDS: That's an accurate statement I believe.

CHAIR KEISER: The second question I have is Kathleen brought up the ITT, the Corinthian, and Dream Center though I thought Dream Center was more regional accreditation versus ACICS.

What's your position there? Because I know you get bashed for that. What do you feel happened with the publicly traded companies that
closed while they were accredited by you?

MS. EDWARDS: Well, I guess I would

note that none of these are raised as any support

for any of the findings that are currently under

review. They were also discussed, adjudicated,

in 2016.

But I will tell you in regards to ITT,

the class (audio interference) was a violation of

security laws, not academic quality or student

outcomes. And again, it was in 2016. I think

everybody remembers that the SEC charged ITT and

two top executives with fraud alleging that they

misled their investors about losses and lending

programs.

Their demise was the result of a

department decision to bar them from using Title

IV funds to enroll their students. We have

standards with respect to institutions with an

internal loan program. Our standards address how

the institution interacts with its current and

potential students.

It's beyond an accreditor's expertise
to review how a publicly traded company presents this on their financial statements, or represents it to its investors. ITT was not a failure of the institution's accreditor.

CHAIR KEISER: Corinthian?

MS. EDWARDS: As well as Corinthian.

I think, again, Corinthian closed in 2015, six years ago, and ACICS was the institutional accreditor for only a portion of those Corinthian campuses. The remainder were accredited by three other institutional accreditors. To my knowledge the department nor the media placed any of the other accreditors under the same level of scrutiny as ACICS.

Regardless, we did take significant actions to address concerns surrounding some of those areas that affected those -- many of the Corinthian institutions. We introduced the placement verification program which ensures 100 percent placement verification of every graduate. We discussed this in our opening remarks.

We've also added additional
requirements for recruitment and monitoring to
onsite evaluations which we discussed briefly
this morning as well.

CHAIR KEISER: Thank you. Jennifer,
you have the last question it looks like.

MS. BLUM: All right, thanks. So
actually some of my questions, the financial
capacity questions were pretty much asked by
Steve and you, Art. But I did have, I just
wanted to clarify and sort of draw in the final
point on this.

Have you -- you just referenced your
FY '20 audit. Is that something -- what's really
confounding me a little bit is the complexity of
this process of the four reports. So, the four
reports are on very specific items which is fine,
one of which though is financial (audio
interference) is calling out financial concerns
over financial capacity.

Does the department have as part of
the back and forth, do we have actually in the
record the FY '20 audit you just referenced?
MS. EDWARDS: You have the draft FY audit. The unaudited financials were published. Because again that was submitted in September of 2020, and we had not yet finished our 2020 audit. So the draft financials were provided on the record.

MS. BLUM: I'm trying to -- what I'm trying to do is make sure that I understand the record on which we're trying to make this decision. And so similarly, and Mary Ellen brought it up again. I brought it up once. Mary Ellen brought it up again. All of the changes that you've made either to your criteria or to your processes, your standards I should say. To your standards and to your processes over the last four years or so, four or five years, are those in the record with the department in these four reports, or is that not -- or were those not in because the reports are focused on such specific items that the opportunity hasn't existed for the record to include them?

MS. EDWARDS: Probably a little of
both. I think some are on the record. I think many of them are not, based on the timeline of when each of these reports were submitted. I think one was submitted as early as -- the capacity report I believe was as early as February of 2020 was the last response that ACICS made to the department. The others were in May of 2020, and another one in September of 2020.

And again, as you mentioned, many of the changes may not have been applicable, or asked about in some of these reports. So you're correct that many of those policies would not be in this record, but they would be demonstrated in our renewal application, our renewal petition that is scheduled for July of 2021.

MS. BLUM: Okay. And then I had one last question I wanted to understand. I'll ask the department staff this question too, but from your perspective. One thing I'm trying to understand is these three -- and then you have a number of -- I totally understand why you would want to have new institutions to accredit from a
financial capacity standpoint. I think somebody else spoke to this. Having schools to accredit is kind of an important part of the accreditation agency process.

Having said that, given this world that you have lived in for several years now of regulatory compliance world which the agency has lived in and its institutions have lived in, the back and forth, do you pause about starting new initial accreditation processes on institutions? Am I correct in my recollection that at some point the department paused? Was there a period of time where you were not allowed to start a new accreditation process?

MS. EDWARDS: No, that's incorrect. We chose to place a moratorium on initial applicants in 2016 following the recommendations to deny our renewal from this committee in 2016. So we placed that. We lifted the moratorium in 2018 and our first initial applicant that was granted accreditation, that happened in May of 2020.
MS. BLUM: Did you lift it after -- at what point in time in '18? I'm just curious. So did you have a freeze on new accreditations up until the -- all the legal and regulatory actions were completed?

MS. EDWARDS: That's correct. I don't recall. Karly may remember the exact date that we lifted the moratorium, but off the top of my head I would say it was September of 2018. But Karly may have the better recollection.

MS. ZEIGLER: I don't remember exactly, but I do believe it was towards the end of (audio interference).

MS. EDWARDS: But it was -- so when we received notice from the judge in April of '18 we still didn't immediately lift that moratorium. It was later in that year when we did that.

MS. BLUM: I just wanted to understand the timeline of the new institutions relative to this back -- because --

(Simultaneous speaking)

MS. EDWARDS: I believe we coincided
with the SDO and the Secretary's decision in 2018, but I would have to double check that date.

(Simultaneous speaking)

MS. EDWARDS: The accreditation group is copied on all of that when our memos to the field goes out following every council meeting. So every notification, every criteria change, every FYI, every policy notification about the moratorium, all of that is provided to them following each council meeting in our memos to field.

MS. BLUM: That's interesting. Okay. So the department is aware every time you start a new accreditation process?

MS. EDWARDS: No, not necessarily. If we put a policy out there that says we're placing a moratorium on something, or when we change (audio interference) draft criteria to the field, when we publish final criteria, just like every other stakeholder it is copied on that same document.

MS. BLUM: Understood. Thanks.
CHAIR KEISER: Thank you. Thank you, representatives of the agency. We are now going to third party comments. Now, to the third party commenters I will warn you that you have three minutes and only three minutes. I will be timing you using my trusty cell phone and its clock mechanism. We will give you a -- I will give you a warning at one minute, and then hopefully you will wrap it up.

Okay, we're going to start. George, are we all set to start? Candice?

DR. SMITH: Yes. Candice has the list of the oral commenters and she'll just go in order.

CHAIR KEISER: Okay. Our first presenter is Ms. Alejandra Acosta from New American Education Policy Program. Ms. Acosta, you have three minutes.

MS. ACOSTA: Thank you. Hi, everyone. Thank you for the opportunity to provide comment today. Again, my name is Alejandra Acosta from New American Higher Education Program.
As you consider the recognition of ACICS today it is critical to consider the second, third, and fourth chances that the agency has been given to demonstrate compliance, and its continued failure to do so.

When ACICS' recognition was withdrawn in 2016 the agency was out of compliance with dozens of federal criteria. ACICS' president promised in front of this body that it would improve, saying that, quote, "We will be in compliance within 12 months," end quote.

The department's accreditation staff as well as the members of this advisory panel disagreed and overwhelmingly agreed that ACICS' recognition should be terminated. It has been nearly five years since that NACIQI meeting and ACICS is still not compliant.

More than half of the criteria on which the department cited ACICS for compliance concerns and the reports you're considering today it was also cited for non-compliance with in 2016.
And these are not minor issues. The agency's ability to carry out its accrediting responsibilities (audio interference) it has competent and knowledgeable individuals involved in the review and decision-making of ACICS' accredited schools, and (audio interference) monitors institutions to identify problems are all serious conditions for maintaining the quality and integrity of institutions.

NACIQI has taken the unprecedented step of reviewing a single agency on four individual reports, because in addition to the issues spotted several years ago by then Secretary Betsy DeVos concerns have continued to crop up among the accreditation experts in the department, and time and time again ACICS seems to be at fault for another failed institution, or another low-quality higher education.

NACIQI members should take a careful look at ACICS and ask why if ACICS was making the necessary improvements it would not have done so already, even given many years more than any
other agency would have been given.

   With almost five years --

   (Simultaneous speaking)

   MS. ACOSTA: -- the department's accreditation staff are still worried. There's no reason to provide yet another extension for good cause or otherwise, and another 12 months won't make a difference. It can't and it won't, not when five years wasn't enough. I urge NACIQI to vote to revoke ACICS' recognition and to restore good faith in the accreditation process by doing so. Thank you.

   CHAIR KEISER: Thank you, Ms. Acosta.

   Our second presenter is Ms. Ella Azoulay. I hope I said that right. From the Generation Progress.

   MS. AZOULAY: Hello. Can you hear me?

   CHAIR KEISER: Yes.

   MS. AZOULAY: Thank you. My name is Ella Azoulay and I help coordinate the higher ed (audio interference) at campaign health at Generation Progress. Among many other things we advocate for people impacted by entities like
ACICS and hear about their experiences firsthand.

ACICS is out of compliance with federal requirements and we're urging the Education Department to happily withdraw their recognition. The longer they maintain their recognized status the more students enroll in potentially low-quality institutions it accredits given its poor record of oversight.

It's important to note that this is not the first time in recent years that ED has determined that ACICS is unable to adequately monitor low-quality or poorly performing institutions. ACICS was given a rundown of their shortcomings, sufficient time, over four years to correct concerns, and yet still comes up short.

This elicits the conclusion that ACICS is incapable of effectively monitoring and identifying when institutions they accredit are of questionable quality.

In reading about the experiences of former students of ACICS' accredited institutions it became immediately clear to me that ACICS'
failure of oversight harms students.

For example, let's take colleges owned by Education Corporation for America, accredited by ACICS until just before their sudden closure. Students at Virginia College, Stratford University, and Brightwood College experienced similar shock of frustration and despair due to their institution's broken promise, all of which could have been avoided if ACICS was capable of doing the job that it required.

Jill Tracy attended Brightwood College. She went into debt for her degree and emerged with abundant confusion about her debt, a worthless degree, and no job prospects. She says, "I went through an even worse situation, Brightwood College in Baltimore, Maryland. I graduated as a medical assistant on the dean's list and then earned my certification via National Healthcare Association. I graduated August 2017. My certification isn't worth the paper it's printed on. No doctor will hire me. As a student we all were aware that the president
was fired and the entire financial aid department
was found corrupt, and I had a Pell grant and
paid the rest with one scholarship and cash.
Then when I attempted to contact my student
advisor I was told they shut their doors. Then
while doing my 2018 taxes I found out the corrupt
financial aid did to me what they did to --

CHAIR KEISER: One minute.

MS. AZOULAY: -- students and got a
federal student loan in my name without my
signature or okay. I tried to find help and I
keep hitting brick walls. I'm in financial
distress and I have a list of fellow students who
have the same exact position. It's much worse
than I'm saying on Twitter. I ask for your
indulgence and to help me get the help I need
please," end quote.

Low-income and first generation
students are most at risk by the continued
recognition of ACICS as well as black and LatinX
students who are targeted by predatory for-profit
institutions. If ACICS retains recognition it
will only further have the ability to harm
students and borrowers like Jill.

For these reasons and the promise the
Education Department represents to Americans we
urge you to revoke recognition of ACICS. Thank
you for your time.

CHAIR KEISER: Thank you. Our third
speaker is Mr. Bernard A. Eskandari, California
Attorney General's Office.

MR. ESKANDARI: Good afternoon. Thank
you for the opportunity. My name is Bernard
Eskandari. I'm a supervising deputy attorney
general with the California Attorney General's
Office.

Our office is charged with enforcing
California's consumer protection laws. These
laws protect California residents from predatory
actors including for-profit schools accredited by
ACICS.

California has the largest number of
ACICS accredited campuses in the country. As you
know, accreditors serve a critical role in the
triad. State law enforcement agencies like our office have limited tools and can only step in when there is massive failure by an accreditor resulting not only in failing institutions, but fraud, deception, and other violations of state law.

Among ACICS' most glaring failures was its decision to accredit Corinthian Colleges. Our office led national efforts to pursue Corinthian, a massively predatory for-profit company that defrauded tens of thousands of students around the country, costing taxpayers billions.

ACICS accredited Corinthian until the day it filed bankruptcy, despite more than 20 state and federal investigations revealing pervasive fraud. Our office and other states are still dealing with the catastrophic harms to our residents that resulted from its continued accreditation.

Corinthian is just one example.

Career Education Corporation, Education
Management Company are others. More so than any other accreditor ACICS schools are frequent targets of investigations, lawsuits, and settlements by state law enforcement agencies.

ACICS' recognition is not an entitlement. In the last five years every review of ACICS has consistently found compliance deficiencies. The IG report confirms this and in no way undermines the current staff recommendation to terminate.

Over the last five years ACICS itself has repeatedly conceded non-compliance. It admitted non-compliance before this committee in June 2016. In December 2016 at a federal court hearing its counsel admitted non-compliance. In February 2017 at another federal court hearing its interim president conceded non-compliance.

CHAIR KEISER: One minute.

MR. ESKANDARI: Every time it says it needs just 12 more months to come into compliance. ACICS has repeatedly misled the department, this committee, the public, and at
least one federal court in an attempt to maintain its recognition for its own benefit. Its decision to accredit low-quality for-profit schools has ruined the lives of hundreds of thousands of vulnerable students. The committee should vote to withdraw its recognition. Thank you.

CHAIR KEISER: Thank you. Ms. Viviann Anguiano from the Center for the American Progress will speak for -- on behalf of Antoinette Flores.

MS. FLORES: Hi, this is Antoinette Flores from the Center for American Progress. Thank you for the opportunity to comment. I've closely followed the recognition proceedings of ACICS over the last five years. I wanted to address the recent report from the department's Office of the Inspector General on the 2016 and 2018 recognition of ACICS.

First and foremost, the OIG report does not affect the consideration of these four reports. The IG specifically wrote that the
Department's current inquiry was not included in the scope of our inspection. Beginning on page 29 the OIG lists numerous areas of non-compliance identified by the department staff since that review and separates those from the 2016 and 2018 processes.

Regarding the 2016 process the OIG found that the department should have considered a second round of documents. That is no surprise. In fact, the reason we're all here today is that ACICS filed a lawsuit and a court remanded the decision to the department for reconsideration.

The OIG also wrote that the Under Secretary's office was more involved in the review than usual. Again, that should not be surprising given how rarely the accreditation staff sees so many systemic problems where they recommend terminating recognition.

When an agency loses recognition it requires the cooperation and coordination of the entire department to ensure students are able to
maintain access to aid and institutions are able to seek alternative accreditation.

Moreover, the director of the accreditation group himself stated that the staff and the department would have reached the exact same recommendation, whether or not OUS was involved and had already identified a long list of areas of non-compliance.

Regarding the 2018 process, the OIG found that the senior department official's recommendation did place (audio interference) evidence in finding ACICS compliant, but also noted that recognition criteria allows for subjectivity.

In 2018, just before ACICS was restored, staff were reviewing ACICS' compliance on all issues and preparing a report --

CHAIR KEISER: One minute.

MS. FLORES: -- found ACICS deficient on dozens of items, many of which you're reviewing today. In other words, the accreditation experts in the department, those
best able to interpret the sometimes subjective recognition requirements, believed ACICS was wildly out of compliance.

The OIG only reviewed a handful of these areas. As you review the OIG report tonight I urge you to remain sharply focused on the matter at hand. Four separate reports compiled by accreditation experts at the Education Department, each finding numerous areas of non-compliance, even after years of attempting to come back into compliance, and each recommending that the department terminate the agency's recognition. Thank you.

CHAIR KEISER: Thank you. The next speaker is Mr. David Halperin who's an attorney.

MR. HALPERIN: Good afternoon, members of NACIQI. I'm David Halperin from Washington, DC. There remains way too much bias in the Department of Education system in favor of protecting institutions and not enough effort to protect students and taxpayers.

The question should not be does ACICS
deserve yet one more chance. Instead it should
tobe are students and taxpayers best served by
continuing to recognize ACICS, or by ending
recognition.

ACICS (audio interference) the quality
and integrity of some of the worst colleges and
universities in the country. Allowing federal
aid to flow to schools that have been deceiving
and abusing students, leaving them buried in debt
and crushing their dream.

After the department with NACIQI's
overwhelming endorsement de-recognized ACICS and
then re-recognized it, ACICS has continued to be
asleep at the switch and out of compliance. I
joined a letter to the department in November
detailing these problems.

If the department withdraws
recognition it would be a hardship for the
employees of ACICS. It would be a hardship for
the remaining 50 or so ACICS accredited schools,
their owners and investors, their employees and
teachers, and yes, also their students. The
schools would have to find new accreditors or
shut down.

It would be a hardship. But there
will be much more hardship if the department
again protects ACICS. If every institution in
the department's orbit is treated as too big to
fail, or just protected because that's what the
department always does in the end then there's no
deterrent for anyone against predatory behavior,
dishonest behavior, negligent and incompetent
behavior.

Then there is little protection for
students, and far less incentive for schools and
accreditors to behave ethically and effectively
because everyone will stay in business no matter
how badly they perform or behave. But students,
veterans, single mothers, immigrants --

CHAIR KEISER: One minute.

MR. HALPERIN: -- first of their
family to go to college, people who just want a
chance pay the price for that brand of
collegiality in higher education. So do
conscientious employees at predatory schools,
people who call me every week in anguish over the
blatant abuse that they see.

You have the power to send the message
that such business as usual does not serve
students and taxpayers, and does not serve higher
education. From every standpoint. Efficiency,
fairness, justice, morality, the right decision
is to drop ACICS as a recognized accreditor once
and for all. Thank you.

CHAIR KEISER: The next speaker is Mr.
Justin Hauschild, Student Veterans of America.

MS. HAUSCHILD: Thank you. Good
afternoon. My name is Justin Hauschild and I'm
the legal fellow with Student Veterans of
America. On behalf of the 750,000 student
veterans at schools with SVA chapters in all 50
states and 3 countries internationally Student
Veterans of America thanks NACIQI for the
opportunity to provide oral comment on the
Accrediting Council for Independent Colleges and
Schools' ongoing compliance issues, and their
future recognition as an accrediting agency.

I will make Student Veterans of America's position on this matter very clear. We are firmly opposed to ACICS' continued recognition as an accreditor. And in my remaining time I will cover three reasons why.

First, ACICS has a dismal track record of exercising proper oversight of the institutions it accredits, something that its continued issues with compliance demonstrates is an ongoing issue. One need look no further than the circumstances surrounding ITT Technical Institute and Corinthian Colleges for examples of how the agency's failures can negatively impact students, including thousands of student veterans who at that time faced the disturbing prospect of having permanently wasted their valuable earned education benefit and amassed student loan debt for ultimately worthless credits.

Now, in the years that followed relief measures were passed into law so veterans could recoup some of that entitlement. With the
passage of such laws, especially since they don't address other issues like student loan debt or functionally worthless degrees doesn't diminish the need to prevent similar behavior going forward.

Second, and the specific subject of today's hearing is the very indication of similar behavior going forward. ACICS remains ostensibly non-compliant with numerous federal accrediting standards, and beyond the 12 months allowed by law.

For example, the agency is seemingly still not compliant with the standard that requires them to have competent and knowledgeable individuals to conduct its onsite evaluations, apply or establish its policies, and make its accrediting and pre-accrediting decisions, something related to the agency's past failures.

Of course, the department has also noted there were other areas of non-compliance.

The agency --

CHAIR KEISER: One minute.
MS. HAUSCHILD: -- compliance issues coupled with the core student outcomes at the many schools it oversees currently does not inspire confidence that the agency is truly course correcting to better serve students.

Third and finally, ACICS appears to be on shaky financial footing which is problematic because it raises the question of whether the agency has the necessary resources to cure current compliance issues.

We encourage NACIQI to thoroughly review the written coalition comment we signed as the points I've made here are only a summary of those covered in the written comment.

To conclude, we urge NACIQI to find ACICS non-compliant and revoke the agency's recognition as an accrediting agency. Student Veterans of America implores you to act swiftly and decisively to protect student veterans, service members, their families, and all students. Thank you.

CHAIR KEISER: The next speaker is Mr.
James Haynes from the Veterans for Education Success.

MR. HAYNES: Good afternoon. Thank you for the opportunity to comment on ACICS' fitness to serve as an accrediting agency. My name is James Haynes. I'm the federal policy manager at Veterans Education Success.

The bottom line message I want to leave you with today is too many veterans have been harmed under ACICS' watch. The time is long past to revoke ACICS' status as an accreditor. For years ACICS has failed to protect students and taxpayers from predatory schools, including schools pursued by law enforcement.

Inadequate oversight of schools continued after its 2018 reinstatement, leading to harm for thousands of students. Our organization has helped roughly 1,000 veterans from ACICS schools.

The pivotal words of Brown Mackie student veteran Matthew Mitchell who testified to NACIQI in 2016. "The education I received was
substandard and very few for-profit schools will accept transfers and allow me to continue my education which will most likely force me to repeat courses. But since I have over $16,000 in loans and I've exhausted my GI bill that seems unlikely."

Veterans organizations have traditionally called for ACICS to be de-recognized, including a 2018 letter from 30 veterans organizations. Our research team analyzed student outcomes at about 100 schools still accredited by ACICS as of September 2018 and found 70 percent of students at ACICS approved colleges earned no more than a high school graduate six years after enrolling.

ACICS students were twice as likely as other students to have unmanageable debt, and ACICS students faced worse outcomes in 2018 than in 2016. The 2018 abrupt closure of Education Corporation of America, ECA, and USA Today's 2020 investigation into Reagan National University are only the latest examples.
In the eight years before it precipitously closed ECA's brand including Virginia College and Brightwood College received about $500 million in tuition and fee payments for GI bill students.

While ACICS revoked the chain's accreditation just before it closed, it ignored early warning signs including poor job placement and graduation rates, inadequate equipment and supplies, and high faculty turnover rates.

I will close with the testimony --

CHAIR KEISER: One minute.

MR. HAYNES: -- Michelle Griffin, a 21-year Army veteran. With only 90 days of clinicals remaining for her associate's degree in surgical technology she learned that Virginia College was closing. No school she contacted would accept her credits and she couldn't afford to start over at a new school. "I have no degree, no job, and not enough of my GI bill left to pay for a degree. I have wasted two years of my life that I will never get back." Thank you.
CHAIR KEISER: Mr. Michael Itzkowitz,

Third Way.

MR. ITZKOWITZ: Good morning. My name is Michael Itzkowitz. I'm an education consultant, senior fellow for Third Way, and the former director of the U.S. Department of Education's College Scorecard. Let me go off script and first say that I and no one else on this call would want to send their children to an ACICS school, period. That should be a huge red flag. It's been almost five years since the recognition of the college accreditor ACICS was revoked by the U.S. Department of Education. The reason -- former Secretary of Education John King determined in December 2016 that it would be unable to come into compliance over the next 12 months, demonstrating a risk that outweighed the benefit for students who attended ACICS institutions and taxpayers that subsidized their higher education pursuits.

This agency has an extensive list of
notable and horrifying achievements for a college accredditor recognized by the federal government.

Let me mention just a few.

First, there was their honor roll recognition of FastTrain College in Miami, Florida which was found by investigative authorities to have used unscrupulous recruitment activities to encourage enrollment while subsequently fabricating their high school diplomas. The owner was later found to have stolen more than $6.6 million in federal financial aid.

Then there was Corinthian Colleges, a for-profit company with campuses around the country that deceived their prospective students with inflated job placement statistics. The result -- over 100 lawsuits, tens of thousands of students left with low earnings and unmanageable debt, and billions in taxpayer dollars that funded credentials worth less than the paper they were printed on.

This was followed by its eventual
collapse in 2015, leaving students in a lurch scrambling to find other schools to accept their credits, something that most institutions just would not do.

This lack of oversight led to a similar fate on other large ACICS institutions, including ITT Tech and more recently Education Corporation of America, resulting again in tens of thousands of students fending for themselves with no teach out agreements in place for them to fall back on.

The more reputable institutions switched to another college accreditor following Secretary John King's initial determination to terminate ACICS' federal recognition status.

What's left? Institutions that no other college accreditor would accept as meeting their minimum quality standards.

Looking at ED's own most recent accreditation data file we can see how poorly most ACICS institutions serve their students.

Two-thirds of ACICS institutions show most of
their students earning even less than a typical high school graduate, even 10 years after initial enrollment.

Even so, these schools received $698 million in that award year, even though most students showed no return on investment. In summation, ACICS does not guarantee the minimum level of quality that should be expected of a federally recognized accreditor, nor do they serve as an effective gatekeeper of (audio interference) students at risk and taxpayers with an effective use of federal funds.

Last, they've shown their inability to come into compliance for four --

CHAIR KEISER: Thank you. Mr. Christopher J. Madaio, Office of Attorney General of Maryland, Consumer Protection Division.

MR. MADAIO: Hello, yes. Christopher Madaio from the Maryland Consumer Protection Division, Attorney General's Office. I testified before you in 2016 and at that time talked about how ACICS was out of compliance and expecting it
to come into compliance within 12 months was akin
to rearranging the deck chairs on the Titanic.
The changes ACICS has made have not stopped the
sinking ship, and have not stopped students from
being harmed now five years later.

First, I want to briefly say that
ACICS is being inaccurate when it says that ITT
Tech's problems were the result of an SEC
investigation. ITT was sued by the Consumer
Financial Protection Bureau for unfair,
deceptive, and abusive recruitment practices, and
it was also under active investigation by a
bipartisan group of state attorneys general for
also unfair and deceptive recruitment practices,
and that investigation was publicly reported in
ITT's investor and SEC filings.

So now we're going to talk about the
ECA example. And this is important as many have
brought it up because it's another example of
ACICS' failure to comply with the department's
criteria, including but not limited to the
failure to have competent and knowledgeable
individuals to conduct onsite reviews, and the failure to effectively monitor and evaluate institutions.

ECA as we talked about was rife with problems which ACCET quickly discovered when it issued an initial denial of ECA's attempt to get Virginia College accredited. It wasn't until then that ACICS started to take a look at the school.

However, long before ACCET's findings ACICS should have taken action. Virginia College was on HCM1 with the Department of ED as of late 2014 because of a bad financial composite score. Why hadn't ACICS looked into the school at any point before ACCET raised issues?

ACICS has not complied with federal requirements that accreditors maintain adequate staff. And you would think that it would be the one to do that after --

CHAIR KEISER: One minute.

MR. MADAIO: -- and other mishaps.

Even with everything that happened, ACICS moved
too slow when it finally did act in issuing its
show cause orders in May and taking action late.

The bottom line is that ACICS failed
to uncover longstanding quality concerns with
ECA, did not help to secure teach out agreements
when it became clear that there was a problem,
and it basically left AG's offices and regulators
to pick up the slack and try to help students.

Despite ACICS' claims it has improved
its ability to conduct oversight by verifying job
placement rates it failed to catch any concerns
related to ECA, and as well as we talked about
with VIU, RNU, and some of the other schools.
Tens of thousands of students are left holding
the bag and its recognition should be withdrawn
because it is not in compliance with federal
requirements and it cannot come into compliance.

Thank you.

CHAIR KEISER: Ms. Clare McCann, New
American Education Policy Program.

MS. MCCANN: Thank you. Yes, I'm
Clare McCann from New America. The Reagan
National University ACICS inquiry was initiated when it appears that a reporter was able to determine that the institution did not still exist before its accreditor did.

And the department has correctly identified the biggest problems with ACICS' involvement with RNU. For instance, accreditation staff looked at ACICS' statements at a 2019 show cause order to RNU had many, quote, "identical issues" to those that had been identified two years earlier before ACICS accredited the school.

In that situation it found severe constraints in its administrative capability to ensure identified issues are cured, and in ACICS' capability to effectively monitor its institutions' compliance with agency standards.

But the documents reviewed in the RNU inquiry suggest additional severe problems, and the first of those is with the faculty at Reagan National. ACICS' site visit raised some questions about the faculty, five of whom did not
have addresses local to the campus despite
supposedly teaching in person.

But it's not clear that ACICS
sufficiently investigated or verified that people
worked at RNU submitted in response to that
issue. For instance, the Education Department
staff looked for all 27 faculty members listed in
the Reagan National catalog online and found that
none of them list prior or current employment by
RNU.

USA Today reporters who visited the
campus found much the same. Having tracked down
four of the people listed as faculty on the RNU
website all four said they had never worked at
RNU, and the rest did not even seem to exist
online.

This is evidence that ACICS' onsite
reviews are not sufficient, and that ACICS'
standards with respect to faculty, and especially
its enforcement of those standards are
inadequate.

Additionally, the ACICS site reviewers
for Reagan National in 2017 found that students
did not have access to any instructional
materials or textbooks. But while these issues
were noted by the site visit team they were
missed entirely in the team report, and not
required to be corrected before the school was
accredited. And the same issues surfaced again
at RNU in 2019 when the institution was placed on
show cause.

Rather than demonstrating that this
was not a failure of training and evidence of
incompetent decision-makers at ACICS, ACICS
deflected, telling the department it wasn't
required to submit the evidence that has been
requested regarding this issue. It is non-
compliant with these criteria.

This egregious oversight is also
evidence that ACICS is not compliant with federal
criteria regarding curricula rather than
substantially compliant as the department found.
NACIQI should take these additional issues into
account today and vote to withdraw recognition.
Thanks for your time.

CHAIR KEISER: Thank you. Dr. Darlene Ann Minore, Minore Educational Strategies.

DR. MINORE: Hello. Let me take a moment to introduce myself. I have earned a Ph.D. in educational psychology in 1995 and I've worked in higher education for 30 years. I've managed institutional accreditation since 1995 and worked with both regional and national accreditors.

Previously I served as the compliance person for Bainbridge Graduate Institute which achieved its initial accreditation through ACICS. I also managed their applications and responsibilities to the Washington Tech Board. This was this institution's initial grant of accreditation. They earned status in the (audio interference) database and became a Title IV eligible school in 2009.

I've served as an ACICS program evaluator for more than 10 years during which I conducted over 170 visits. I'm a veteran member
of the IRC since 2014.

ACICS has made significant improvements to evaluator training and oversight of the evaluator pool. I attended the team chair debrief and refresher training on November 20, 2018. Topics included distance education library requirements, and the review of comparability of curriculum.

This refresher also stressed the value of reviewing external information and council action. ACICS has added additional training courses in the last four years that focus on educational activities and distance education. All team members are required to be trained prior to a site visit, and all chairs share multiple resources in both hard copy and through links with the team prior to ensure that they can follow all ACICS evaluator procedures and guidelines.

I have observed that evaluators are more knowledgeable in ACICS standards and policies and procedures --
CHAIR KEISER: One minute.

DR. MINORE: The entire team will participate in a thorough read-through of the team's report before they leave the campus. ACICS maintains a robust and effective monitoring and oversight regime. Evaluators are no longer simply allowed to accept student achievement reported by an institution. The PVP now requires 100 percent verification.

The oversight framework now includes an at-risk institution group. The evaluation of distance education has multiple areas that are reviewed. Student identity, security monitoring, distance education review, and faculty and students must be appropriately trained in the online platform.

Specific review for the possible abuses of Title IV is covered in student relations, and the revised template necessitates much (audio interference) thank you for your time.

CHAIR KEISER: Thank you. Okay, next
speaker is Ms. Angela Perry from the Institute for College Access and Success.

MS. PERRY: Thank you. Thank you, members of the committee for the opportunity to make comments. My name is Angela Perry. I'm a senior policy analyst with the Institute for College Access and Success.

I'm here today to recommend that you find ACICS out of compliance with federal requirements and to withdraw the agency's recognition.

It has been more than four years since the Department of Education decided to revoke ACICS' recognition for the first time in 2016. Unfortunately in the years since multiple investigations of institutions accredited by ACICS have been undertaken and the agency has continued to accumulate evidence of non-compliance.

In fact, even as the Secretary of Education restored ACICS' recognition in 2018 it was noted that the agency was still out of
compliance with two of the required recognition 
criteria.

In the time since ACICS' recognition 
was restored the department has investigated the 
agency's compliance on numerous other occasions, 
and ACICS remains non-compliant on multiple 
standards. One department evaluation found 
evidence suggesting that even now ACICS' 
monitoring processes are not as thorough as 
necessary to identify issues, that the mechanisms 
in place to conduct reviews are inadequate, and 
that ACICS systematically failed to uncover 
significant quality concerns.

These types of failures demonstrate 
that despite having been given multiple chances 
ACICS is incapable of meeting the requirements 
put in place to protect students and the public. 
ACICS' pervasive, longstanding inability (audio 
interference) reliable authority regarding the 
quality of education and training offered by the 
institutions or programs it accredits, as well as 
the lack of action the agency has taken has left
tens of thousands of students' lives damaged.

The Department of Education and NACIQI must ensure that recognized --

CHAIR KEISER: One minute.

MS. PERRY: -- recognition criteria, and take action where accreditors fail to do so.
Allowing ACICS to continue despite this record puts thousands of students at future risk. I urge you to find ACICS non-compliant based on all the available evidence, and to withdraw the agency's recognition. Thank you.

CHAIR KEISER: Thank you. Next is Dr. David -- I'm going to have a tough one --
Teneyuca of the University of Texas at San Antonio. Dr. Teneyuca?

THE OPERATOR: I don't see him on the list of attendees.

CHAIR KEISER: Then I have the next is Aaron Howard from Premiere International College.

THE OPERATOR: Mr. Howard, please make sure your line isn't set to mute. Mr. Howard, your line is open.
CHAIR KEISER: Mr. Howard?

THE OPERATOR: His line is open. His phone might be set to mute. Please check your phone. We're not hearing anything.

CHAIR KEISER: The next speaker would be Cynthia Rue, also Premiere International College.

THE OPERATOR: Ms. Rue, please make sure your phone isn't set to mute. Your line is open. You're able to give your comments now. I'm not sure. Neither of them -- we're not hearing anything from either of those lines.

CHAIR KEISER: Okay, no problem. That would be the last of the third party presenters. I guess right now we would call back the commission to respond to the third party commenters.

MS. EDWARDS: Thank you, Mr. Chairman. Most of the third party comments were offered by the same group of activists and opponents of non-public career education that have been attacking career colleges for more than a decade. A number
of years ago these same groups turned their attention to ACICS and began an effort to undercut ACICS' credibility and ultimately its recognition as an accrediting agency by spinning up false or exaggerate narratives about ACICS' actions and alleged inaction regarding institutions that it accredited, and even some that ACICS never accredited.

I want to note for the record that a majority of the Corinthian campuses in California were not even accredited by ACICS, and the only school group that was found by the department to have inflated their placement rates again was not an ACICS accredited institution.

One of the speakers also mentioned that ACICS institutions could not achieve accreditation by another accreditor. I would note that just last year one of our institutions received accreditation by a regional accreditor.

We recognize that these groups play a role in protecting the rights and opportunities for our students which is important to all of
higher education. Further, we agree that issues of student debt and employment opportunities are areas that require attention across all of higher education. The efforts by these groups and some of their political allies, however, seem to lay responsibility for all of these problems at the feet of ACICS.

The comments these speakers have made today are more of the same. They offer no new relevant information and simply repeat the misinformed allegations they've made before. There is not much more I can say about them other than to ask you to focus on the evidence of compliance that we have provided, and not give unwarranted credit to these statements that simply rehash old stories.

We are here today to determine whether ACICS complies with the recognition requirements, not to address the ills that impact all of higher education. With respect to any graduate who has not been able to find employment I would say that unfortunately the COVID pandemic has interrupted
employment opportunities for many people across the country. Our institutions continue to report solid, verified placement results. But it is an unfortunate fact at any given time that some graduates do not yet have the positions that they seek.

These last several years without question have been difficult for ACICS, but in the face of allegations regarding our compliance with the recognition requirements we took aggressive action to review our operations. We increased the public participation on our decision-making bodies, expended resources to build a best in class graduate placement verification system, continued the systematic review of all of our accreditation standards, conducted a complete review and updating of our distance education standards in particular, and required every one of our evaluators to complete refresher training.

ACICS today is an organization that has been examined and scrutinized from top to bottom.
bottom. Where we found issues or policies that
needed to be improved or strengthened we did so.
Our membership today is a fraction of its ranks
from five years ago, but the institutions that
ACICS accredits today are successful institutions
that are producing solid outcomes.

In the meantime, we've right-sized our
operation to reflect the new membership reality,
and we are well on our way to stabilizing our
financial situation as a result. I've presented
a lot of information to this committee today. My
goal is to demonstrate that ACICS in fact is in
compliance with every recognition standard raised
in each of the four reports under consideration.

I believe that any objective
examination of the evidence in the record supports that conclusion that we are in
compliance, and that there is no substantive
evidence in the record to conclude that we are
not in compliance.

The regulations require that
recommendations must be supported by evidence in
the record, and the evidence before you
overwhelmingly demonstrates that ACICS is in
compliance.

Therefore, I would respectfully ask
the committee accept our response to the final
report on compliance and recommend to the SDO
that we are in compliance with the two
recognition regulations that Secretary DeVos
ordered us to address.

In addition, I ask that you conclude
that the evidence presented by the department
staff in their final report does not support its
termination recommendation. Thank you today for
your time and your consideration.

CHAIR KEISER: Thank you, Ms. Edwards.
I now call Elizabeth Daggett back for her
response to the third party presenters and to the
agency. Elizabeth?

MS. DAGGETT: Thank you, Mr. Chair,
and members of the committee. I just want to
respond to a few things before we get to any
other questions that you might have.
I did want to reiterate what Michelle Edwards said, that four reviews is unprecedented and it should be noted as such. It's unprecedented in that usually there is just one review. This one is four.

Two of those reviews were started due to the 2018 decision from Secretary DeVos. The other two were also initiated under the DeVos administration. I wanted to make that clear because it seemed like that there was an accusation of how that was started.

In regards to the compliance report ACICS states that it's now in full compliance, but it said that when it initially submitted its compliance report back in December of 2019. It further said that again when it submitted its response to the draft report where I had found discrepancies in the documentation, and even now it's only after the termination recommendation has been submitted to the agency that it appears that Mr. Teneyuca and Dr. Minore, or Dr. Teneyuca may have actually participated in training, but
that's not clear because that documentation was never provided.

They also stated that there was a just in time training for that one, that third member, but they never provided any documentation of that training either.

So they had plenty of time from their initial response to the compliance report. This was an item that was noted back in 2016. It was reiterated in the SDO recommendation to the Secretary. It was reiterated in the 2018 decision by the Secretary as still non-compliant.

They've had time to submit a compliance report, respond to the draft, and then they still were not able to demonstrate compliance.

I also want to say, sorry, that in the SDO recommendation that was quoted by the Secretary one of the items that they brought up is that due to the longstanding experience of both Dr. Teneyuca and Dr. Minore that that should be accepted as sufficient for the training. But
in the SDO decision on page 32 it was specifically stated that, quote, "ACICS has clearly made strides in its training effort. However, it is unclear whether its existing evaluators have undergone the training and ACICS' narrative indicates they have not."

The final staff report specifically requested this be done in order to prove application of the criterion. Quote, "The agency needs to document that each volunteer has undergone the improved training process before being permitted to fulfill the tasks assigned to them," end quote. That's from the 2016 final staff report.

At a minimum it would seem like ACICS should require existing evaluators to undertake supplemental or refresher training that reflects its improvements in this area rather than to assume just because they are qualified on paper they are also properly trained. Accordingly, I would recommend to you that you find ACICS out of compliance with this criterion for not having
demonstrated its evaluators have undergone the improved training. Even at this point, after having multiple notices ACICS was not able to do that in the documentation.

I also want to go to the fact that they say that Mr. Bleacher who was included on the RNU visit report and who was listed as the potential distance education evaluator, but then was moved to a different role because there was no distance education at RNU.

They said that if we had looked at the compliance report documentation that we would have found that he had been trained. And it is true that there was a notice of him having the distance education training, but there is nothing to indicate that he ever fulfilled the refresher training that the agency themselves stated was required, and that the SDO and the Secretary said was required.

Not to mention the fact they have never provided any documentation of the effectiveness of this training, and the reviews
that were under review in these different inquiries and reports did not demonstrate that it was effectiveness based on the timing.

For the student surveys, ACICS states that it can't compel students to take surveys, and also stated that their requirement was, quote, "10 percent will be surveyed." It doesn't seem to mean that when they say that 10 percent will be surveyed that they're only saying that that would be a -- that that would -- I'm sorry, excuse me.

It seemed to me that 10 percent would be the required response rate in that statement, not that that would be how many they would try to survey. In addition, I would just like to point out that prior to my position at the department I worked for an accrediting agency and I know that my accrediting agency had a requirement of a certain amount of surveys and I made it a point to make sure that I got that number.

I also want to bring up VIU. I know there's been a lot of discussion, and I know that
ACICS has stated that they found a lot of the same findings. But that is a misinterpretation, because the only distance education issue that they found was that they didn't have a plan that included elements that ACICS required, and that that plan was not included in their CEP, their campus effectiveness plan.

Not to mention I want to state that the SCHEV audit was provided. Even though it was a staff recommendation the audit with all of the findings was provided to ACICS at that February 9, 2018 notice, but there was no investigation by ACICS. It specifically noted that they had two of five findings from a prior report, SCHEV did.

I believe I heard ACICS also say that the notice from SCHEV said that they told them to stop doing their distance education at that time, and so therefore they couldn't go back and investigate. But I reread the letter that was provided in February 2018 and it did not have anything that placed a moratorium at that time. There was nothing to prevent ACICS from going
back to VIU at that time once they got that letter in February of -- I'm sorry, I'm getting the date wrong. In February of 2019.

Next I want to talk about due process.

For all of these reports and inquiries they were allowed to either submit a compliance report or monitoring report, or to provide an initial response to an inquiry letter. A couple of the inquiry letters I asked for additional documentation in between time before I worked to create the draft staff report.

Then they had an option to respond to all those drafts, and the information and documentation has been provided, is what has been provided. So they had the opportunity to provide any additional information that they wanted to, but the information and documentation they provided is what's in the record.

Finally, I want to address the consistency in review. So agencies are reviewed on their own merits. That includes the information that's available and that there is no
review that's done in a vacuum. And in fact it was very difficult with all of these different reports to keep all of the information together. But all of it did overlap and so that's why they all kind of reference each other.

I don't think I have -- I do want to -- oh, one other thing because Claude brought it up. When we send notices to agencies about -- when we're starting an inquiry under 602.33 we include statements such as, as you know the U.S. Department of Education's authority over accrediting agencies is through the recognition process by which the Secretary of Education reviews and recognizes accrediting agencies for the purposes of the Title IV federal student programs and other federal programs.

The primary concern of the accreditation group is to ensure that an accrediting agency acts in accordance with both its own policies and procedures, and with the Secretary's criteria for recognition. And I feel that that's important because ACICS keeps going
back to what is required by the regulations, and
that's not the only thing. It's also whether or
not they're following their own policies and
procedures.

So I believe that's what I have for my
remarks, but I'm happy to try to answer any
questions you might have.

CHAIR KEISER: Could I ask Anne, or
did people put their hands down and then put them
up again? Because there's still some -- Jennifer
and Kathleen from before. Put them down and then
I'll start all over again. Kathleen, could you
put your hand down? Is she there? Okay. Now
you can raise your hands. I just won't put
Kathleen on the list. Go ahead. Anybody. I
have a question if nobody else does. Claude, do
you have a question?

DR. PRESSNELL: Yes, just real quick.
Beth, trying to understand then the concerns that
have been happening over time. When Secretary
DeVos re-granted the recognition for ACICS did
she do that with the understanding that they were
in full compliance, or was the monitoring report required because they still were not in full compliance at that time?

MS. DAGGETT: Well, I mean, the regulations were different at the time because that was November of 2018. But the Secretary made the decision to adopt the SDO's recommendation. So they were out of compliance with the two issues that were noted in the compliance report. So they were found in substantial compliance, substantially compliant in regard to the four items that were included in the monitoring report.

DR. PRESSNELL: Okay. Thank you. Again, could you go ahead and define substantial compliance for those who are -- for us again?

MS. DAGGETT: Yes. So the definition of substantial compliance is now included in the new regulations. It's in Section 602.3. So the definition as included in the regulations is substantial compliance means the agency demonstrated to the department that it has the
necessary policies, practices, and standards in place, and generally adheres with fidelity to those policies, practices, and standards, or the agency has policies, practices, and standards in place that need minor modifications to reflect its generally compliant practice.

DR. PRESSNELL: Thank you.

CHAIR KEISER: Elizabeth. I have a question -- Jennifer. I am concerned when what happened in 2016, when ACICS was told they were financially insolvent when they had $16 million in the bank and budgeted $3 or $4 million. How do you get to the fact that they're substantially financially out of compliance when their auditors don't see them as an ongoing concern, and they have reserves that are very significant.

The second part of that was the staffing. Yesterday we accredited or recognized an agency that had 2 and a half FTEs to oversee roughly the same number of institutions and this has 10. And reviewing the resumes of the 10 I did not find anyone really significantly
unqualified. That's to me one of the most important issues. I just don't see the logic here.

MS. DAGGETT: Okay. I'd be happy to try to answer your questions. I think as far as the finances go we were looking at a trend analysis. And that's how we came up with our -- the information that you found in -- that's included in the monitoring report, the very specific financial information was pulled from the financial audits that were provided by ACICS themselves. And we studied them to review the trends.

Those trends show a continuing downward movement in their finances, and it doesn't appear to -- that there's a way for it to stop. I know that there's been a discussion by many of you asking about the number of institutions that they had, and where they're planning to go, and how are they going to recoup this money, and there isn't really a great answer for that. And even their budget projections
don't necessarily speak very well to that.

As to your second question about the number of staffing, it wasn't necessarily the number of staff that is the total problem. It's the fact that they're just maybe -- well, it may not be the training. It may be the number. It may not be the capacity that they have, but whatever it is it doesn't appear that they're able to conduct effectively their accreditation activities and responsibilities.

CHAIR KEISER: And what do you mean by -- again, listening to them I did not hear that. I heard that one -- to get a nurse anesthetist in advance of a visit, they're hard to find. There are very few of them. We teach nurse anesthetists. We're one of the few accredited -- the only accredited program. One of the only accredited programs in Florida.

That's what you do when you have to get a specialist for a specific program, you get people from industry. And sometimes that doesn't fit into that guideline. Is that the basis?
Because that seemed to be the basis, that you
didn't have evidence of this quick or whatever
they called it onsite training.

MS. DAGGETT: No, I would not say
that's correct. That's about the training. That
would be about the issues that's in the
compliance report, the 602.15(a)(2), the training
issue. That would not be what I would consider
the administrative capability issues that were
cited.

They're more cited to the fact that
all of these overall concerns, the fact that the
failure to implement their own policies and
procedures, the consistent application of their
standards, the ineffective monitoring. All of
these things call into question the
administrative capability of the agency.

I would go back to yet again this is
the only agency I'm aware of that has ever had
four reports at the same time, and these were not
reports that were all -- they were brought for
specific reasons. And so there are not other
agencies that are focused on these same things.

CHAIR KEISER: I think if you read the IG report you'll understand why we're kind of in a waterfall right now. Jennifer, you have questions?

MS. BLUM: I do. I just want to start by saying that the department, I mean you guys have had your hands full for five years on this, and as Art just referenced I think the IG report is a helpful read on process. Even before I knew that there was an IG report my real focus here actually is on process and consistency, and honestly getting to a conclusion one way or the other for the students and for the schools with regard to this agency because the back and forth is not sustainable.

So to that end my concerns with regard to this process do relate to having four reports six months before a renewal petition. I want to ask something because you said something, Beth, that was helpful just now, a few minutes ago when you were responding to the agency.
Do you think in your view that the agency knew that they could, for example, they made all these changes to their criteria and standards. Admittedly they might not be directly related to the four -- the subject matter of the four reports. Are you saying that the agency had an opportunity to submit the records of their changes in processes, changes in criteria, all the positive things that they think that they've done? Did they have an opportunity with regard to these four reports to do that?

MS. DAGGETT: I mean, there's no limit on what they could have responded to. They could have provided as much as possible as we have seen many agencies do. They want to demonstrate compliance and they'll provide whatever documentation is required to do that. And so I mean, that would be up to the agency to make that determination and they made the determination of what documentation and information to include.

MS. BLUM: Okay. But in fairness, you also know that there's a petition. And by the
way, have they filed their petition? Because they're up in July. This is me being new. Like what's the timing of the petition relative to -- would they have already filed?

MS. DAGGETT: They did, yes. Their petition was filed February 1 of 2020 for their renewal petition because we had to make the assumption that this compliance report would be accepted. The renewal petition would only be in response to if their compliance report is accepted here because at this point they are not considered in a recognition period until the compliance report were to be accepted. If the compliance report is not accepted the renewal petition was submitted under the assumption to meet the new review process requirements of the two-year prior submission. That's why they submitted it so early. Technically the compliance report is a determining factor in whether or not the renewal report is -- would actually be in effect.

MS. BLUM: I want to go back to Art's
I was going to go down the same path and I want to kind of continue it on the financial capacity piece and -- financial and administrative capacity piece. And you mentioned, Beth, a downward trend.

I mean, yes, there's a downward trend. They're 10 percent of the agency that they were because of so many schools -- and for lots of different reasons that we don't need to go into they have way less schools than they did.

So yes, it's a downward trend. But unless you're telling me that that downward trend has like in the last six months become a problem, or the last year has become a problem. To me, and I'm not a financial person, but their financial situation doesn't seem weak given the number of institutions that they are now accrediting.

And so long as that number has now hit like a sustainable place, and I don't know if it has, I'm just saying. But I wouldn't -- I mean my view is the downward trend, yes, of course
their resources have gone down. Their investments -- their overall. But that's because of the number of schools that they -- on the flip side they're accrediting less schools. So they don't need as much money as they had in that -- at the beginning of what you call the trend.

So I just want to point that out, that to me the measure on financial capacity is relative to where they are today. And assuming, which is a good question, assuming that they can maintain that place do they have the appropriate financial and administrative resources to conduct their business.

But this idea of the downward trend I find problematic because yes, they have less schools, but that in and of itself doesn't necessarily in my view present a problem. I'm not sure I have a question there, but I just -- I'm pushing a little bit on that because this goes -- actually maybe I do have a question. To me that financial capacity piece is actually perhaps the strongest standard, criteria of non-
compliance for your recommendation of withdrawal.

Am I right about that, that the financial
capacity piece is one of your -- I am admittedly
confused about how many -- you have all these
different non-compliances.

But in reading the reports it was like
they all aggregate to one another. If there were
just each one of those standing alone you
wouldn't be recommending removal. It's that
they're all stacked together. Is that fair?

(Simultaneous speaking)

MS. BLUM: -- each one is the focus --
could be the subject for removal.

MS. DAGGETT: I believe each one could
be a subject for removal. To your point of what
I feel like the strongest is actually the
compliance report. I mean, this was an issue
back in 2016. This was brought up -- this was
mentioned as an issue in the staff report. This
was -- NACIQI said this was an issue. The SDO
said this was an issue. Secretary King said it
was an issue in the termination recommendation.
When the decision was moved back to the department, remanded by the court order the SDO still said it was a decision even after looking at the documentation that was not included. And the Secretary agreed with that back in November of 2018.

ACICS had the opportunity to provide the compliance report at the end of 2019. I reviewed that and found it to be deficient. They had an additional opportunity to provide documentation to demonstrate compliance and they failed to do so. So therefore I would say that that would be the strongest issue that's under review. It demonstrates four years of non-compliance with an issue that they knew of back in 2016.

MS. BLUM: And then I had -- I guess I had a couple of more questions, sorry. On -- well I just want to add something to what Art said before about yesterday, and consistency when we're looking at the agency yesterday that had 2.5 staff members and (audio interference) -- I
also just want to highlight that they had program closures, one of which I think might have been, and I want to be careful on this, but I think the record shows that one of them was seven.

I just want to throw out there also that they had program closures. Program closures aren't as bad as school closures, but I do want to point that -- I just wanted to flag again we renewed them for five years. I just want to put a final point on Art's point.

And then I do want to -- and that's not to say, by the way, let me just say that's not to say that ACICS gets to keep -- it's just this consistency issue. And because this has been back and forth in the court, I'm just concerned that we're going to see this back in the court and the process -- I'm concerned about the process. And I'm concerned about the consistency here. So that's what I'm driving at here.

I just have a final question for the department. You have 48,000 students and a lot
of schools. Again, I think somebody else said this, not a reason to keep an accrediting agency operating and that is for sure.

At the same time I really feel strongly that the department has an obligation or a responsibility with regard to teach out and teach out plans. And I've not once seen in the record sort of references to this. And I'm not necessarily saying it should because it's not necessarily relevant to the proceeding, but back in 2016 it wasn't so great in terms of what happened to the students.

And so I just want to ask the question. If we move ahead with the withdrawal, if I remember correctly -- and let's assume there's no appeal which I think is a wrong assumption, but let's just say, right. The removal is -- if you could walk us through. Is it an 18-month process? Somehow that's in my head. So that's question number one.

And then number two, what does the department view its role as being to make sure
that the students and the school of course, but
the students most importantly, what's the role
and the obligation of the department to help with
those students' soft landing?

MS. DAGGETT: I can speak from
experience from the last time. I just want to
throw out there I was actually not at -- I don't
know if Art and others who were there remember.
I was actually not at the 2016 meeting when ACICS
was reviewed, even though I'm a longtime member
of the staff because I was on maternity leave at
the time. So I was not involved in that
decision, and so I was given this once Steve
Porcelli -- this agency was added to my portfolio
once Steve Porcelli retired.

But after that time I was part of the
effort by the department in order to help the
schools and the students throughout the
transition. Eighteen months is correct, but it's
based off of a final decision.

So at this point your recommendation
as well as the staff reports would go to the SDO.
The SDO would make a decision. If the decision was one that ACICS felt that they would like to appeal then they would have the opportunity to do that. That appeal would go to the Secretary.

I'm sorry, let me back up. The SDO decision is required within 90 days of the NACIQI meeting. And then ACICS would have, if they chose to avail themselves of the process, 30 days to appeal.

At that point it goes to the Secretary's office and there is no timeline on a decision from the Secretary. So it would be up to however long that would be.

Once the decision were to be final by the Secretary then that's when technically the 18 months clock that is in statute would take effect for an institution to be able to find a new agency. So 18 months would potentially be at a time in the future.

I can tell you that I was involved in many discussions to try to work with both federal student aid, the Office of General Counsel, and
our department worked -- we met weekly to discuss
the various issues that came up to assist
institutions and students to make that
transition.

So I can tell you that we would step
in again if we were required to do so. If the
decision were to move in that direction.

CHAIR KEISER: Thank you. Herman,
you're next, you had your hand up, and then
Steve. Then I think we'll wrap this up for
today.

MR. BOUNDS: I will withdraw one of my
questions. Beth answered the question about what
was most concerning which would be the compliance
report that indicate some continued non-
compliance.

There's a question about consistency
and comparing what we're looking at with ACICS in
comparison with American Board of Funeral
Services yesterday and their issues on their
financial administrative capacity were quite
different than what we're looking at with ACICS.
Number one, they're -- and I'm pulling up my notes here -- they're a smaller organization. There was not a consistent bleed off of assets when it came to that particular agency.

There are also some particular differences that I can look at through the report. But I just wanted to address that. That's really in my opinion probably not a good comparison here.

MS. DAGGETT: Can I just add one thing? Art, I'm sorry, this is Beth. I would like to add one more thing, please, to what Herman said.

CHAIR KEISER: Okay.

MS. DAGGETT: I just want to go back to your concern about the amount of money and also what Jennifer Blum had brought up. And Herman talked about the loss of the money. With ACICS they've had losses over each of five years of over $1 million, and a decrease in net assets for just June 30, 2020 of
$2.2 million. So that is a not sustainable loss.
And so I just wanted to point that out, that
that's a difference between a much smaller
programmatic agency versus the agency of ACICS'
size and their revenue.

(Simultaneous speaking)

CHAIR KEISER: We never saw the 2000 audit so we don't know.

MS. DAGGETT: It's an attachment in the monitoring report. It is there.

CHAIR KEISER: That was not the audit.

That was the --

MS. DAGGETT: No, it's the final version. It was submitted in December.

CHAIR KEISER: I'll look into that.

Okay, Steve, you had the last question.

MR. BOUNDS: Art, I actually had another question, but I'll let.

CHAIR KEISER: Okay. Sorry, Herman.

Go ahead.

MR. BOUNDS: I just wanted to make one final comment that folks are asking questions
about consistency and (audio interference) the OIG report. I just caution people to make sure you read the entire report. We're talking about an issue with outside interference into that recognition process at that time. I would just again caution everybody to please read the entire report.

CHAIR KEISER: Okay, Steve. Does Anne have her hand up because you didn't have it up before. You do now. So Steve and then Anne. Steve? You are muted.

DR. VANAUSDLE: Testing. I think I'm there now with you, Art. I wanted to speak to your comparison of staffing between the institution yesterday which was American Funeral Services Board having two and a half.

They're a programmatic accreditor. They accredit about 50 programs. And think about this as that program is pretty consistent. You just do it over and over and over. And ACICS, they are an institutional accreditor. So you would think it would take many, many more staff
to accredit the number of institutions compared to a few similar programs. That's just an observation I'll make there.

The other thing in terms of financial adequacy as I recall, and I'll check tonight, going through the budget with the accreditor that we're talking about now, I think I saw where they had a PPP loan under the CARES Act. And those are intended for people that are struggling financially to survive and pay their payroll. And there's some circumstances there where that's forgiven, but not in every case.

It's just another little indicator of the financial concern and adequacy of the institution under consideration. Thank you.

CHAIR KEISER: Technically that's not correct because the PPP loan was made to small businesses, and all you had to do was apply for it. There was no financial need. The newer one requires a little more financial reporting, but the first one did not.

DR. VANAUSDLE: Still kind of a
demonstration of need I would think.

(Simultaneous speaking)

CHAIR KEISER: What's that?

MS. BLUM: Art, you're right. The first loan I don't think was really need-based. It was small business-based, but not necessarily need-based.

CHAIR KEISER: Right. Okay. If we follow what the point of order was we will call this in abeyance till tomorrow. It is 3:52. I would suggest that we reconvene at 4 o'clock. What's that, 1 o'clock Western time. And to do the other agency we had, the American Speech-Language-Hearing Association. Does that sound correct for all of you?

MR. BOUNDS: So reconvene in a few minutes.

CHAIR KEISER: Reconvene in eight minutes.

DR. ALIOTO: Sounds good.

CHAIR KEISER: Okay. Thank you.

(Whereupon, the above-entitled matter
went off the record at 3:57 p.m. and resumed at 
4:05 p.m.)

CHAIR KEISER: Welcome back, everyone.
Welcome back, Bob. Welcome back -- is Ronnie 
back? I know we lost Paul. Herman, do we have a 
quorum -- I mean George?

DR. SMITH: I'm sorry, I was away from 
--

CHAIR KEISER: We do, we do. We have 
a quorum. We do. Okay, we will move to the last 
item on today's agenda, the renewal of 
recognition for American Speech-Language-Hearing 
Association, Council on Academic Accreditation in 
Audiology and Speech-Language Pathology, or ASHA.

The primary readers are Rick O'Donnell 
and Steven VanAusdle. The department staff is 
Charity Helton. I invite the primary readers to 
make their presentation.

MR. O'DONNELL: Thanks, Art. This is 
Rick O'Donnell. The American Speech-Language-
Hearing Association, Council on Academic 
Accreditation in Audiology and Speech-Language
Pathology is a national accrediting agency of graduate education programs in audiology or speech-language pathology.

They currently accredit or pre-accredit 295 programs throughout the United States, leading to the first professional or clinical degree at the master's or doctoral level.

They have been recognized by the department since 1967 and were last reviewed by NACIQI in 2015. Did you not hear me?

CHAIR KEISER: Charity, would you like to begin your presentation? Thank you, Rick, for a quick beginning. You're on mute, Charity.

(Simultaneous speaking)

MS. HELTON: Good afternoon, Mr. Chairman, and members of the committee. I am presenting the analysis for the American Speech-Language Association, also known as ASHA, which accredits education programs in audiology and speech-language pathology.

The agency's current petition is a
renewal petition as it comes at the end of its
five-year recognition period.

The department's analysis was based on
documentation and narrative provided in the
agency's renewal petition, as well as agency
activities throughout 2020 including a commission
meeting, site visitor training, and a site visit.

The department did not receive any
complaints about this agency and did not receive
any third party comments.

The department found the agency in
compliance with all of the criteria for
recognition and recommends that the agency's
recognition be renewed for five years. There are
agency staff here today to answer your questions.

CHAIR KEISER: Thank you. Any
questions for the staff at this time?

MR. O'DONNELL: I do not have any.

Steve might have one.

DR. VANAUSDLE: I would just say this
in my judgment was a very well written report,
very substantively on track. And we might have
one issue that we talked to representatives of
the institution about enforcement. That's all
from me.

CHAIR KEISER: Okay. The
representatives from ASHA are Dr. Jaynee
Handelsman, Ms. Nancy Alarcon, Ms. Kimberlee
Moore, and Ms. Tess Kirsch, and that's it. So
please, your opportunity to make a presentation
to us is now.

MS. HANDELSMAN: Thank you. Can you
hear me?

CHAIR KEISER: We can hear you.

MS. HANDELSMAN: Okay. Good
afternoon, Chairman and committee members.
(audio interference) on Council on Accreditation
in Audiology and Speech Pathology, also known as
CAA. (audio interference) today to thank you for
the opportunity to answer any questions you may
have as you consider our petition for continuing
accreditation.

My name is Jaynee Handelsman. I'm the
current chair of the CAA. I'm an audiologist by
training and throughout my career I've worked in various settings including clinical settings as well as higher education. I really appreciate the opportunity to spend time with students and to mentor young professionals.

Now I'd like to have our other agency representatives present today introduce themselves.


I am a speech-language pathologist by professional preparation, and I've practiced across many areas throughout my career, childhood education, public school, multiple medical centers, and then for many years as the remaining part of my career I have served most recently as director of clinical education in a graduate degree program that offers degrees in audiology and speech-language pathology. Thank you for
My name is Kimberlee Moore. I'm the director of accreditation with the Council on Academic Accreditation in Audiology and Speech-Language Pathology. I oversee the accreditation activities of the council and serve as the ex officio member.

MS. KIRSCH: Good afternoon, everyone. My name is Tess Kirsch and I serve as the associate director of accreditation for policy and education at ASHA. I'm happy to be here this afternoon to discuss our agency.

MS. HANDELSMAN: Thank you. We would like to extend our gratitude to the department staff for their thorough appraisal of our application for recognition. We really appreciate the time and attention that Charity Helton devoted to our agency's review.

We do not have any specific comments to make at this point other than that we found the self-assessment and the external review
processes has been a valuable experience for CAA. We're very pleased with the positive staff recommendation for continued accreditation and believe that council is in compliance with all the criteria for recognition. We appreciate very much the opportunity to be here today and we'd be happy to respond to any questions the committee may have.

DR. PRESSNELL: You're muted, Art.

CHAIR KEISER: I'm sorry, after two days I should be getting good at this. Rick, Steve, do you have any questions for the commission? Now you're muted, Rick. Rick, you're muted. Thank you.

DR. VANAUSDLE: I'll go ahead and you can unmute, Rick. I want to congratulate your team for preparing a very thoughtful and direct report for us. It was easy to read, the issues were laid out to where we could clearly understand it.

I particularly wanted to focus in on student achievement, your mission and goals, and
how you really conveyed to us you have a pretty comprehensive strategic planning and evaluation process in place.

You have a creative one in that you're allowing your faculty to set some very humanistic goals in terms of working with students. That's good. You also have some quantitative licensing requirements. I think that Praxis exam is -- maybe that's one of your biggest challenges if you have one.

And I noticed under the old standards you gave demonstration of a couple of institutions that were having trouble meeting that, and you actually extended the opportunity to serve longer than what probably we should have. It was a change in our policies. That really helped you in giving you really three years to work with your institutions. And I think we'll just find you'll do an excellent job of that. So congratulations.

MR. O'DONNELL: I just echo Steve's comments about your response and report was
heartening and good to see for an agency, and
congratulations on the great work you’ve been
doing.

DR. PRESSNELL: You're muted again,
Art.

CHAIR KEISER: Bob, you have a
question?

MR. SHIREMAN: Thank you. I love that
Claude's role as vice chair is to tell you about
your muting.

(Laughter)

MR. SHIREMAN: You're doing a great
job, thank you very much. Thank you. Yes, thank
you so much for the good work of your agency. If
you listened yesterday you know that I've been
asking about public members, and I wanted to ask
about the public members of your commission.

I see that you have 1 out of your 18
members. Normally that would mean there should
be three. I think there must be something about
the way you do your decision-making where one is
okay. So if you can explain how that works that
would be helpful.

And then the public member who was --
whose CV was provided to us, Rachel Liska, I
think served through December. And she was the
director of accreditation services at the medical
school accreditor which sort of seemed a little
bit questionable to me about whether somebody
representing the public or that they're
representing another accrediting agency. So I
would be interested in who the new public member
is and maybe something about that person's
qualifications. Thanks.

MS. MOORE: Thank you for your
questions. This is Kimberlee. So I'll start by
saying that as it relates to the requirement for
our public members because of the eligibility
requirements under 602.14(a) we met those
eligibility requirements and we are -- one public
member is acceptable under that criteria. And I
would actually just defer to the agency staff to
explain the technicalities of that.

We do have one public member. Our new
public member started her term on January 1 of this year, Dr. Mary Lee. And Ms. Liska rolled off at the end of December.

Our public members serve a vital role for us as they do provide us that outsider perspective. Dr. Mary Lee is a former executive director of another accrediting agency. She has countless years and experience in higher education. We feel that just her contributions over the past month and a half have been greatly valued, providing that public perspective.

I'm going to defer to my colleague Tess Kirsch to provide more details on what the qualifications are for our public member.

MS. KIRSCH: Sure. Our definition of public member follows very closely the Department of ED's definition. So we are looking for obviously a very (audio interference) someone that's outside of our profession, is not affiliated with any of our accredited programs. So that's really the basic tenets that we look at for that.
The process that we use, we do have a separate nominating committee that reviews any application that's received by individuals that are interested in serving in that capacity. They're vetted by that committee and then selected by that committee based on their attestations that they meet the requirements for that definition as well as the review of their CV to ensure that they're meeting those qualifications.

MR. SHIREMAN: Thank you.

CHAIR KEISER: I don't see any other hands. Anybody else have a question?

DR. PRESSNELL: Yes, I've got one.

This is Claude.

CHAIR KEISER: Okay, Claude, thank you.

DR. PRESSNELL: Yes, you bet. I'm just a little bit curious about your member institutions engagement in telemedicine. We had obviously with a lot of quarantining that was taking place across the United States, here in
Tennessee we had an issue with our telemedicine law dealing with speech pathology particularly, the institutions having the need to train their students in telemedicine.

And so we ended up having to get a number of executive orders from the governor to suspend the requirements of licensed professionals only conducting telemedicine so that the speech pathology students, graduate students, could, under supervision, offer that as well.

So, in light of the pandemic and everything that's happened, has that heightened your attention to the issue of telemedicine?

MS. MOORE: Thank you for the question and let me just start by saying that last year with the COVID pandemic was quite a disruptive year for not only our agency, but our member programs and clinical placement because we are in a profession that does that where it was very disruptive.

And I'm actually going to ask my
colleagues to help me with providing a response to this because we work very closely in working with many of our programs as they struggled to find clinical placements in telemedicine, tele-practice, tele-supervision simulation. They were all issues that we dealt with and put out fires on a daily basis.

So I'm going to ask my colleague Nancy Alarcon who actually worked very closely last year as we tried to manage a lot of the hysteria that came from our programs as they struggled, and actually were very innovative in thinking about how they were going to deal with some of these things.

So Nancy, if you wouldn't mind elaborating a little bit from the academic perspective?

MS. ALARCON: Sure. Thank you, Kimberlee. I appreciate the question because it certainly has been a challenging time as you hear from any accrediting agency that provides clinical education opportunities.
Some of the things that I think we
have evidence from our programs and what they’ve
given us in our initial COVID impact report was a
survey that we prompted last summer to begin to
get a sense of the impact on each of the programs
is that programs were shifting over to tele-
practice within state, and then because of the
changes that you mentioned, referencing changes
in CMS ruling, even on a temporary basis,
programs were able to shift to being able to go
across state lines with again appropriate ruling
interpretation for coverage.

I have to say as Kimberlee alludes to
the leveraging of technology this past year has
truly transformed I think some of the really
unique innovations in the delivery of audiology
and speech-language pathology services, and
interestingly enough it’s actually even across
the life span.

Because as you know from our
presentation and our report that we provide
services from birth to the elderly in both
professions. Tele-practice has been an integral part to really advance the accessibility across the life span for our patients that we serve.

DR. PRESSNELL: Thank you.

CHAIR KEISER: I see no more questions. Well, thank you very much. And we may get back to you. I'd like to call Charity back to the presentation. Do you have any comments, Charity?

MS. HELTON: One moment. I just would like to confirm that the regulation that applies to ASHA for public members is 602.16(a)(2) which requires representation on all decision-making bodies by a member of the public. It does not specify the quantity and so ASHA was found to be in compliance with that regulation.

CHAIR KEISER: Thank you. Any questions for Charity from the committee, or from the primary readers?

MR. SHIREMAN: Yes. If I can follow up.

CHAIR KEISER: Yes.
MR. SHIREMAN: It's Bob. I raised my hand. No problem. Charity, so is the reason that they are -- they do not -- one-seventh does not apply to the agency, is that because it is a programmatic accreditor instead of an institutional accreditor and therefore has -- and I see you're nodding yes, thank you. And that therefore they have a federal link that is other than Title IV eligibility, is that correct?

MS. HELTON: That is correct. They do not act as a Title IV gatekeeper.

MR. SHIREMAN: And if you can remember back to 1967 can you tell us what that federal link is?

MS. HELTON: Because the federal link portion was not a part of the focused review it is not something that I had the opportunity to review as part of this.

MR. SHIREMAN: Okay, thank you.

CHAIR KEISER: Herman, you have something to say? You had your hand up.

MR. BOUNDS: No, I took my hand down.
She already answered my question -- answered the question that I would have asked. Getting tired, it's late in the day. Sorry.

CHAIR KEISER: Are there any other questions? Seeing none we can move to a motion. Do we have a motion from either of the primary readers?

MR. O'DONNELL: Mr. Chairman, I would move that NACIQI accept the staff recommendation that the American Speech-Language-Hearing Association, Council on Academic Accreditation in Audiology and Speech-Language Pathology recognition be renewed for five years.

CHAIR KEISER: Is there a second?

DR. VANAUSDLE: Second.

CHAIR KEISER: A second from -- I think that was Claude.

DR. VANAUSDLE: It was Steve.

CHAIR KEISER: Okay. Discussion. Bob, is your hand up because of discussion? Or is that from before?

MR. SHIREMAN: From before, sorry.
CHAIR KEISER: Okay. Nobody has any discussion? Sensing (audio interference) no discussion I move for the motion to be considered. We'll go by a roll call vote. Anne Neal?

MS. NEAL: Yes.

CHAIR KEISER: Claude?

DR. PRESSNELL: Yes.

CHAIR KEISER: David?

DR. EUBANKS: Yes.

CHAIR KEISER: Jennifer?

MS. BLUM: Yes.

CHAIR KEISER: Jill? Jill Derby? Kathleen?

DR. ALIOTO: Yes.

CHAIR KEISER: Mary Ellen?

DR. PETRISKO: Yes.

CHAIR KEISER: Paul is not here. Rick?

MR. O'DONNELL: Yes.

CHAIR KEISER: Robert Mayes?

MR. MAYES: Yes.
CHAIR KEISER: Robert Shireman?

MR. SHIREMAN: Yes.

CHAIR KEISER: Ronnie Booth, are you back?

DR. BOOTH: Yes.

CHAIR KEISER: Steve?

DR. VANAUSDLE: Yes.

CHAIR KEISER: And Wally?

DR. BOSTON: Yes.

DR. DERBY: Art, I think you didn't record my vote, Jill Derby, and it's yes.

CHAIR KEISER: Okay. Thank you, Jill.

Yes, I tried to call you. The motion passes.

That seems to end our business for today. We'll begin tomorrow at 9 o'clock to continue to go through the discussion on ACICS.

Please if you can read the IG report. You should all have a copy of it. And thank you for the hard work today. It was -- this was a more difficult day and I appreciate everybody's participation.

George, do you have anything you want
to add, or Herman?

    DR. SMITH: Yes. Is the bridge --

    have we been de-bridged?

    THE OPERATOR: Just give me a moment.

    DR. SMITH: Okay.

    (Whereupon, the above-entitled matter

    went off the record at 4:28 p.m.)
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C E R T I F I C A T E

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Before: U.S. DED

Date: 03-04-21

Place: teleconference

was duly recorded and accurately transcribed under my direction; further, that said transcript is a true and accurate record of the proceedings.

[Signature]
Court Reporter