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
ROSLYN CLARK ARTIS
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 LEFOR
REHA MALLORY
DONNA MANGOLD
STEPHANIE MCKISSIC
ANGELA SIERRA
KARMON SIMMS-COATES
MICHAEL STEIN

ACCREDITATION AGENCY REPRESENTATIVES PRESENT:
Commission on Massage Therapy Accreditation
   (COMTA)
DAWN HOGUE, Executive Director
CLIFFORD KORN

National Accrediting Commission of
   Career Arts and Sciences (NACCAS) Inc.
TONY MIRANDO, Executive Director
DARIN M. WALLACE, Director of Govt. Relations
LOUIS SARITA, Former Treasurer, NACCAS
THERESE VOGEL, Former Chairwoman, NACCAS

PUBLIC COMMENTERS:
FRED JONES, Professional Beauty Federation of California
9:11 a.m.

THE OPERATOR: Welcome to the National Advisory Committee on Institutional Quality and Integrity Meeting. Thank you for joining us today.

Please note 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 producer. With that, I'll turn the conference over to Dr. Smith, the 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.

I'm George Alan Smith, the Executive Director and designated federal official of NACIQI.
NACIQI was established by Section 114 of the higher education Act of 1965 as Amended, or HEA, and it's also governed by provisions of the Federal Advisory Committee Act as Amended, or FACA, which sets forth standards for the formation and use of Advisory Committees.

Sections 101(c) and 487(c-4) of the HEA and Section 36(b) of the public health service act, 41 U.S.C Section 2966 require the Secretary to publish lists of the state approval agencies, nationally recognized accrediting agencies and state approval and accrediting agencies for nurse education that the Secretary determines to be reliable authorities as to the quality of education provided by the institutions and programs they accredit.

Eligibility of the educational institutions and programs for participating in various federal programs requires accreditation by an Agency listed by the Secretary.

As provided in HEA Section 114, the 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 the other records related to NACIQI's deliberations. Again, thank you for joining us. I'll now turn it to the Chairperson. Thank you. CHAIR KEISER: Thank you, George. Good morning, everyone. welcome to Day 3 of the National Advisory Committee on Institutional Quality and Integrity Meeting. We have a busy day today and we want to get finished as early as we can but we will spend the appropriate time in reviewing the
different agencies.

We have a little difference in our agenda. I'd like to discuss that for a second. We will start with the renewal of recognition for COMTA.

We will then continue our discussion on Accrediting Commission of Independent Colleges and Schools, and then we'll finally work with the renewal of recognition for the National Accrediting Commission in Career Arts and Sciences, NACCAS.

At this point, I'd like to introduce the members of the National Advisory Committee. I'll start by having them introduce themselves. Kathleen?

DR. ALIOTO: Hello, I'm Kathleen Sullivan Alioto.

For the last 15 years I have taught, researched, and read programs at all levels and become dedicated to the proposition that the years from birth to three are critical to brain development and ensure a future of quality.
Thank you.

CHAIR KEISER: Is Roslyn here? Is she supposed to be here today? I don't see her.

DR. ARTIS: I am.

CHAIR KEISER: There you are, good.

DR. ARTIS: Good morning, colleagues.

I am Roslyn Artis, I'm president of Benedict College in Columbia, South Carolina, a small, private liberal arts college and university.

This is my eighth year as a college president and I am honored to have the opportunity to sit on this Committee.

Thank you, Mr. Chairman, for the opportunity to be introduced.

CHAIR KEISER: Welcome. Jennifer?

MS. BLUM: I'm Jennifer Blum, I'm happy to be back for a third day. I am an attorney that has focused on higher education policy, development, and compliance.

And I'll leave it at that.

CHAIR KEISER: Ronnie?

DR. BOOTH: Ronnie Booth, President
Emeritus of Tri-County Technical College in South Carolina.

CHAIR KEISER: Wally?

DR. BOSTON: Wally Boston, President Emeritus of American Public University System.

CHAIR KEISER: Thank you. Jill?

DR. DERBY: Yes, I apologize, my video doesn't seem to be working.

But I'm here, 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 where I am assistant Vice President for Institutional Effectiveness.

CHAIR KEISER: Paul?

DR. LeBLANC: Paul LeBlanc, President of Southern New Hampshire University.

CHAIR KEISER: Michael?

DR. SMITH: Michael is out today.

CHAIR KEISER: Okay, Robert Mayes?
MR. MAYES: Good morning, Robert Mayes, CEO of Columbia Education Group and Columbia Southern University and Waldorf University.

CHAIR KEISER: Anne?

MS. NEAL: Anne Neal, Senior Fellow of American Council of Trustees and Alumni.

CHAIR KEISER: Rick?

MD. O'DONNELL: Rick O'Donnell, Founder of Skills Fund.

CHAIR KEISER: Mary Ellen?

DR. PETRISKO: Mary Ellen Pastriko, past President of the WASC Senior College and University Commission and Higher Education Accreditation Consultant.

CHAIR KEISER: Claude?

DR. PRESSNELL: Claude Pressnell, President of the Tennessee Independent Colleges and Universities, and Vice Chair of the Committee.

CHAIR KEISER: Robert Shireman?

MR. SHIREMAN: Bob Shireman, I am
Senior Fellow and Director of Higher Education at the Century Foundation.

CHAIR KEISER: And Stephen?

DR. VanAUSDLE: Stephen Van Ausdle, President Emeritus of Walla Walla Community College and Westman State.

CHAIR KEISER: And George, would you like introduce your team that's with you?

DR. SMITH: Yes, I'm supported today by two of our OGC representatives, Angela Sierra and Donna Mangold and Valerie Lefor is also on the line. Thanks.

CHAIR KEISER: And Herman, if you would like to introduce your team?

MR. BOUNDS: Sure, good morning, my name is Herman Bounds. I'm the Director of the Accreditation Group.

Our accreditation staff here today are Elizabeth Daggett, Reha Mallory, Nicole Harris, Stephanie McKissic, Charity Helton, Karmon Simms-Coates, Mike Stein, and Jass Holt, who is here to offer any technical support to Committee Members.
with the recognition system.

Thank you.

CHAIR KEISER: Thank you, Herman, and welcome again everybody. I apologize for the fact that this is not in person, which makes it a little bit more complicated, especially with the Webex and telephone system.

So, please work with us as we go through the process. I want to talk about our standard review procedures.

What we do with the Agency, we start with the primary readers who are assigned by the Staff to introduce the Agency application. We then have the Department Staff provide a briefing regarding the petition.

The Agency's representatives are provided the opportunity to present comments and there will be questions by the NACIQI Members followed by the response and comment from the Agency.

There will be third-party comments, if there are any and then the Agency will have the
opportunity to respond to third-party comments. And then the Department Staff responds to the Agency and the third-party comments, and then we go to a discussion and a vote.

So, it is our normal structure and we will start today with the renewal of recognition for the Commission on Massage Therapy Accreditation, or COMTA.

The primary readers are Ronnie Booth and Paul LeBlanc. The Department Staff, Ronnie, Paul, it's yours, the agenda is yours.

DR. LeBLANC: Thank you, Art. So, before us is the Commission on Massage Therapy Accreditation. They were last before us in 2016 when they were renewed for five years.

They had petitioned for a rule for another five years. COMTA accredits 38 institutions and 15 programs in 32 states in Costa Rica.

So, Michael Stein is the Staff who assigned and conducted the review. Michael, do you have any comments?
MR. STEIN: Yes, good morning, Mr. Chair and Members of the Committee. For the record, My name is Mike Stein and I am providing a summary of the Petition of Renewal for Recognition for the Commission on Massage Therapy Accreditation, or COMTA.

The Staff recommendation to the senior department official is to renew the Agency's recognition as a nationally recognized accrediting Agency and require a compliance report in 12 months on issues identified on the Staff report, which I will summarize in a moment.

The Department Staff also recommend the Agency submit a monitoring report for the next three years of the recognition period. A monitoring report must demonstrate that the Agency's staffing and financial resources are sufficient to carry out its accrediting responsibilities.

These recommendations are based on a review of the Agency's petition and supporting documentation as well as two observations that
included a site visit attended with the Agency in January of 2020 and an observation of the Agency's April 2020 Commission meeting that was conducted online due to the COVID-19 pandemic. The Agency has not had any complaints or third-party comments submitted to the Department since its last review.

As previously mentioned, Department Staff identified several outstanding issues that the Agency needs to address in the recognition areas of administrative and fiscal responsibilities, student achievement, monitoring, and development of standards.

First, as it relates to monitor the Agency's staffing and financial resources, Department Staff finds the Agency substantially compliant with 34 C.F.R. 602 15(a)(1).

Department Staff found no evidence that the Agency is unable to carry out its accrediting activity in light of its staffing and financial resources.

However, the Agency described challenges
in the massage education market that led to several measures by the Agency to ensure its financial stability during the recognition period, including a temporary Staff reduction as well as entering into a joint management agreement with another accrediting Agency.

COMTA recently returned to self management and currently employs only one Staff Member.

Based on these facts and because the Agency is entitled to a gatekeeper, Staff feels it's prudent to monitor the Agency's financial and staffing resources for a period of three years.

Second, there are a number of remaining issues related to organizational and administrative requirements the Agency must address.

The Agency must address compliance of its own biological lead as the number and tenure of Commissioners, documentation of training of Commissioners, Staff, and peer reviewers, and
qualifications of peer reviewers as it relates to
the roles on site evaluation teams.

Third, as it relates to student
achievement, the Agency must provide more
information that demonstrates how the Agency
ensures its student achievement benchmarks are
sufficiently vigorous to ensure the Agency is a
reliable authority regarding the quality of the
education or training provided by the
institutions or program it accredits.

Fourth, the Agency must submit further
evidence demonstrating how it analyzes and acts
on the fiscal information it collects from its
accredited members in accordance with its
policies and procedures.

Finally, the Agency must demonstrate
that it consistently requires institutions to
come into compliance with its standards or take
adverse actions in accordance with the timeline
and regulations.

We believe the Agency can resolve the
issues identified in the Staff report and
demonstrate its compliance in a written report in
a year's time.

Therefore, as I've stated earlier,
Department Staff is recommending to the senior
department officials to renew the Agency's
recognition as a nationally recognized
accrediting Agency at this time, subject to the
submission and review of the compliance report
due in 12 months and a review and decision on the
compliance report as well as monitoring report to
be submitted annually for the next three years.

In the event recognition is continued
following a decision on compliance report, the
period of recognition will not exceed five years
from the date of the decision if the renewal of
accreditation is issued by the senior department
official.

There is a representative here from the
organization so I'll be happy to take any
questions you may have. Thank you.

DR. LeBLANC: Thank you, Michael. One
of the themes of this meeting seems to be around
capacity. You said you have obviously flagged what appears to be some diminished capacity resources.

Could you just reassure us that what you saw did not transfer to diminished capacity resources, for example, did not translate into -- how did that review feel to you in terms of rigor?

MR. STEIN: Yes, thank you for that question. So, we did not find any evidence that their small size, the budget or the one Staff Member was negatively impacting their ability to conduct their accreditation activity.

So, we've had no complaints, no third-party comments, we've received no controlled correspondence or letters from constituents that may have come from Members of Congress.

And the Agency stated in its letter that it has not had to delay any site visits or Commission meeting, and we found no evidence of delay of Commission meetings.
Nevertheless, we recognize the Agency's small size has led to challenges in the past. I'm not sure we have seen an Agency that had just one Staff Member in the past.

But because we found no evidence that their size had a negative impact on their accrediting activities, we couldn't find them non-compliant.

However, we're still concerned which is why we're recommending the monitoring report and the finding is substantially compliant.

DR. LeBLANC: Thank you.

DR. BOOTH: I've got a couple questions. He can maybe answer it if we could hear from Dawn and her statements and then I'll pass my questions.

DR. LeBLANC: Let me introduce the Executive Director of the Agency, Dawn Hogue, and then to Michael Ross for introductions.

MS. HOGUE: Thank you so much. Good morning, Mr. Chair and Members of the Committee.

My name is Dawn Hogue and I have the
pleasure of serving the Executive Director for the Commission on Massage Therapy Accreditation, COMTA.

I'm sorry, I don't know if you can see me, I can't see myself on the video.

DR. LeBLANC: We do not at the moment but we can hear you loud and clear.

MS. HOGUE: There we go, I think it's coming on now. Thank you for your consideration of our application for renewal of COMTA's recognition.

I've been in my position since June 2019 and prior to that had had a long relationship with the Agency.

I started with COMTA in 2007 as a volunteer peer reviewer, site visitor, and also served as a team leader for onsite evaluation teams.

In 2012 I was elected as a Member of the Commission in the role of an administrator, and in 2014 my fellow Commissioners nominated and elected me to serve as Chair of the Commission
until 2017 when I was appointed to serve as acting Executive Director, at which time I resigned from my role as a Commissioner.

In 2019 the Commission hired me to permanently assume the Executive Director position full time.

Prior to my current position with COMTA, I was a school director for over ten years at a COMTA-accredited private, proprietary massage therapy school in Virginia Beach, Virginia.

I've been a licensed massage therapist in the Commonwealth of Virginia since 1998. I have a bachelor's degree from Virginia Tech University in Blacksburg, Virginia and a master's degree from Naropa University in Boulder, Colorado.

I'm very proud to represent the Agency here today and on behalf of our Commissioners, our school members, volunteers, massage therapy and body work and aesthetics professions, I'm proud to affirm our mission and version.

COMTA elevates and upholds standards of
excellence in massage therapy, body work, and aesthetics education to a specialized accreditation benefitting students in schools, practitioners, and the public.

Our version is that all quality massage therapy, body work, and aesthetics institutions or programs are accredited by COMTA.

And I'd also like to acknowledge that although I am the designated representative to address the Committee and answer your questions, our Commission Chair is in attendance today and he, along with our entire Board, shares my commitment to the Agency and passion for our purpose.

As the new Executive Director, I anticipate that the renewal of recognition process would be a valuable opportunity for my thorough engagement with the recognition criteria and for the Agency's self-review and continued assessment of areas in which we can improve and enhance our policies and procedures and operations.
I welcomed the experience of providing responses to the draft analysis that enabled me to better understand how to present detailed descriptions and relevant evidence that would effectively address the recognition criteria and reflect how we work to maintain our compliance.

That said, I also welcome the opportunity to provide follow-up compliance reports to demonstrate to the Committee that COMTA is committed and dedicated to taking actions that will support our Agency's continued quality and integrity, and in turn, our role in supporting the quality and integrity of our member institutions and programs.

And we recognize, as was just mentioned, there are a number of criteria from the final analysis that were highlighted requesting additional information.

We've already taken steps to address and demonstrate compliance with several that are what I would consider more straightforward.

For example, with Section 602.15(a)(4),
our Commissioner Chair has just appointed a new
Commissioner to fill the open employer position.
And that individual is scheduled to be in
attendance for our April 2021 Commission meeting.

Another example is with regards to
Section 602.15 (a)(2), we have now established a
formalized and consistent training cycle that
will be implemented for current Commissioners and
peer reviewers regarding their roles and
responsibilities related to the standards of
accreditation, policies, procedures, and
decision-making, as well as update or institute
training procedures for new Commissioners and
peer reviewers.

We've also designed a process of
specific recordkeeping of those training and
orientation sessions.

Although we were not able to implement
evidence of those updates in time for this
review, I share this to demonstrate that we are
taking action over mediation as swiftly as we are
able.
Additionally, during our recent February 2021 Commission meeting, we had extensive dialog about Sections 602.16(a)(1)(I), 602.19(b), 602.20(a) and 602.20(b).

I chose to mention these sections specifically, however, the Commission discussed and addressed each item referenced in the final analysis.

The Commission as a whole and the Executive Committee of the focus group of which I am a member will be working together to ensure that we come into full compliance with the criteria as outlined efficiently and effectively.

Before I address your questions, I would like to close with my appreciation and gratitude for this opportunity to introduce myself and provide these opening comments, to the Department Staff, in particular Mike Stein, for his assistance throughout this process, and to the Committee Members to the higher education community and for the work and attention that you put into providing thoughtful advice and
recommendations, the Department officials on
COMTA's recognition and each Agency appearing
before you.

   Thank you.

   DR. LeBLANC: Thank you so much. Before
I turn it over to Ronnie, would you like to
introduce your Board Chair and we can invite him
to turn his video on as well?

   Dawn, would you like to introduce your
Board Chair?

   MS. HOGUE: Sorry, our Board Chair is
Cliff Korn and he is in the audience today.

   DR. LeBLANC: Mr. Korn, you're invited
to turn on your video if you would like to join
the conversation. Why don't you take it away?

   DR. BOOTH: Thanks, Paul, thanks, Dawn.
Let me first say I'm glad to say that one of your
graduates is an integral part of our family
healthcare team.

   And thanks for pointing out that you're
addressing already some of the concerns raised by
the report. But given the recommendations to
date, can you talk to us a little bit about your staffing?

One of the concerns was what I'll call succession planning, long-term staffing, planning, given that you're not using quite as extensively as you have in the past with the other accrediting agency.

They told us a little bit about how you're staffing, how you get things done, your long-term plan there, if you will.

MS. HOGUE: Yes, sir. Thank you for the question and I'm happy to address that. We anticipate that question would arise through this process and recognize that it is rather unique to have a full-time Staff of one.

I have to go back in time just a little bit. COMTA has always had a small staff, an Executive Director, and a position, an accreditation content specialist.

That was noted in the final draft analysis of the currently open positions. So, we have a history of being a small Agency, I'd like
to say small but mighty, and we've always
utilized third-party servicers to help support
our operations, such as payroll servicing,
accounting services.

Obviously, we have an auditor that we
work with very closely that's a third-party
service. We have our legal counsel that we
utilize as a third-party support system.

And so it started I would say around
2015, our massage therapy in particular industry.
There was some shrinkage that was taking place,
schools closing and COMTA in particular had a
significant number of corporately owned
institutions that closed and closed rather
abruptly.

And so that contributed to a bit of a
domino effect in terms of just our financial
resources and that sparked this consideration of
joining with ACCSE, another accrediting Agency to
provide some management support, enter into this
management agreement, and also explored this
opportunity for dual accreditation, for
institutions accredited by that Agency to become programmatically accredited with COMTA.

So, there were a number of conditions taking place at that time that gave us a direction to enter into that management agreement.

Of course, again, that would provide additional operational and program support by virtue of their additional staffing and it was at that same time that our Executive Director position became vacant.

And so that kind of opened up for the Commission to consider what action needed to be taken at that time to have someone representing that position, which is why they nominated me to fill the role as an acting Executive Director.

And knowing that we had two plus one years in that management agreement with ACCSE, we knew we had some time to assess how that was going to work and how that might unfold if that might become a long-term situation or not.

And so as we proceeded through that
management agreement, ironically enough we were in a period where we did not have a number of renewals, schools going through the renewal process.

And that's sort of an interesting space that we were in to, I guess, again not have any adverse action in terms of our timelines with a small Staff.

As we moved through that management agreement and we started to welcome in new members applicants, it became clear to us that COMTA's goal was to return to self management.

We appreciated the support from ACCSE very, very much and wanted to ensure that we were able to operate successfully on our own as we had.

We've been very fortunate to receive wonderful support from our professional allies in the field.

We're a part of a coalition of massage therapy organizations and one of those organizations has provided great support for new
schools to enter into the accreditation process
with COMTA.

So, we just completed that management
agreement with ACC, I say just because COVID last
year was such a time warp that it was actually
March last year that we completed that agreement.

And so for the past year, we have been
re-establishing our processes, our procedures,
analyzing our budget, getting through that budget
year and ensuring that we had a positive net
income, which we did.

Again, no renewals so we were not
burdened in that way with maybe a workload that
might normally be in other years.

We are coming into that now as we go
through this year and we have budgeted for this
current Fiscal Year the hiring of another Staff
Member.

So, that's already factored into our
budget, again, recognizing that need for
additional administrative staff.

One other piece I'd like to add, and I
hope I'm not giving you too much detail but I
want to just speak to the fact that our
Commission and our Executive Director, the
Executive Committee, have always had a very close
working relationship.

And I really don't know how that
compares to other agencies and their Boards, but
with regular communication, weekly and monthly
meetings.

And so when I was serving as Chair, I
was very much acquainted and familiar with the
operational procedures, needs, issues, that were
taking place for the Executive Director.

That is the same relationship that I
have with Mr. Korn, who I referenced earlier, and
that he is very much in the loop with everything
that I am working on week to week.

And so if there were an emergency
situation related to my position and my ability
to fulfil my function, the Chair could step into
assume certain aspects that would keep the
business moving forward, contract signing, access
to bank records, et cetera.

But we recognize that just for those emergency purposes, having that additional Staff to be the backup when needed but also to help manage the operational and administrative responsibilities as our business increases as we go through this year.

We're very pleased that we've had that positive net revenue and again, I think its comes down to a matter of timing, that we just happened to have that window of time where we were able to maneuver through and manage through that last couple of years, with the support of ACCSE.

We're on our feet now, we're doing well, we have support of our allies of our Board and we are projecting forward to resume with that additional staff member.

And in the future, hopefully growing into additional staff beyond that. Hope that answers your question. I'm happy to give you more details.

DR. BOOTH: You did answer my question
and you touched on one other related to capacity financially, so you've already got that budgeted for that Staff Member so I'm good with that.

I do have another question and you touched on this a bit.

You filled the Commissioner slot which you needed to fill, you are working on the training, but one of the questions that arose was finding appropriate evaluators as you do go out and do site visits.

So, can you address that?

MS. HOGUE: Yes, I can. There we go, I was getting a note about my video so I hope it will come back on momentarily.

So, as the Staff Member, I'm the one who schedules the site visits and assigns the peer reviewers to those visits.

We have our peer reviewer manual and our categories of peer reviewers that we are required to fill for our institutional site visits and our programmatic site visits.

And one thing that is acknowledged in
the draft analysis is that we have a role for a
designated practitioner on our site teams both
for institutional visits and programmatic visits.

That individual can be served by another
role, a visitor, a team member who is serving
another role.

And so that is I think a piece the
Commission and I need to look at in more detail
and see how we can come into full compliance,
again designating each member of the team with
their own specific role.

Up to this point, though, we have not
had any issues with filling each visit with the
number of visitors that's required and with the
area of expertise that relates to their
standards.

So, we had a number of visits scheduled
for this year too and I'm actually in that very
process right now of assigning teams for about
five visits coming up in the summer.

And so, in light of this analysis, I'm
particularly mindful of the qualifications of
each of those peer reviewers.

And to what I just mentioned specifically, maintaining a cycle of training, as I interpret it, what was referenced in the analysis was that our documentation of ongoing training for peer reviewers and Commissioners could be enhanced and improved.

And so we are going to, as I said, implement a regular cycle of updates of training for current peer reviewers and Commissioners and implement that same cycle as the new Commissioners and peer reviewers come on board.

DR. BOOTH: Okay, good, I think it's worth considering as you move into the future and do field visits and site visits to actually document the roles of various evaluators are filling this for your own purposes and for purposes of clarity later during questions.

Those are my questions, I'll toss it back to you.

DR. LeBLANC: Thank you, Ronnie. Can you address some of the capacity staffing
training questions? You alluded to a set of other questions that I might put under the umbrella of general rigor.

You said a little bit less about that.

Can you give me examples, for example, where a review has moved institutions from non-compliance into compliance and examples of what was that around?

Where did that occur?

MS. HOGUE: Yes, thank you for that question. It occurs in a number of areas.

We have a category of Commission action that we call condition and so anytime a school is a new accreditation applicant or even a renewal applicant, if they meet all of the standards, maybe except for one or two areas, then we put a condition on that standard and require the school to do follow-up reporting.

One example that we've recently encountered was with a new Applicant and they had not yet had an opportunity for their PAC, their Professional Advisory Committee, to have a
synchronous meeting.

And so we put a condition on Standard 8, which is program effectiveness, and gave them a period of time in which they needed to provide information documenting that their PAC has had their meeting as required.

Sometimes the conditions relate to a piece of documentation from the faculty file.

If, for example, a continuing education requirement was not able to be verified in a faculty file document, then we would put a condition on Standard 3, as it relates to that item, and require, again, that follow-up reporting and proof of evidence that that piece of continuing education has been taken and fulfilled and verify our standard.

In the petition I provided some examples relating to our annual reporting, which relates to student benchmarks, student achievement. And so I'll speak to that included in this question.

We collect annual reports each year, February 1st, from our institutions and programs
and they are required to on a chart that we give them provide their completion rate and their placement rates from a particular reporting period.

If the Staff reviews those, the Staff does the first review, and if those rates are low then the Commission reviews those and takes the appropriate action, what would typically be, again, a follow-up report acknowledging that the rate, for example, of placement was below the benchmark.

We give them a particular deadline in which they need to follow up and provide that documentation, that they have gathered additional evidence on placement and resubmit the chart, and resubmit the rates, and that is re-evaluated.

A condition would be removed in the situations where the issue has been resolved or the condition may be continued but additional time is required.

DR. LeBLANC: Have you had instances of adverse action? I think you do now --
(Simultaneous Speaking.)

I'm sorry, do you do about five reviews a year, is that the average?

MS. HOGUE: For renewals that is about the average. This year in particular we have about six to eight at different points throughout our Fiscal Year but five to six is the average.

And we've been averaging about eight new schools per year as well. And yes, we do take adverse action. There's one example in the petition that has had some very unique circumstances.

Adverse action has been taken, timelines have been extended, and we are aware of our extension beyond what is considered the maximum timeframe for that institution.

That really, I would say, is an outlier in terms of our consistency of monitoring timelines and requiring institutions and programs to come into compliance within the required timeframe.

Adverse actions can include probation,
of course revocation, which fortunately has
happened very rarely. We have had one instance
of revocation in the last two years because of a
school precipitously closing and probation showed
cause.

We don't designate show-cause as an
adverse action but it's an action that requires
the school to show us why their accreditation
should not be revoked.

And so we do take those actions when the
school is just extremely deficient and we see
that they are unable to come into compliance.

DR. LeBLANC: Dawn, how do you know your
standards work?

Do you have an evidence base that says
this makes a demonstrable difference in the
quality of programs?

I'll talk more about that in a moment
but could you respond to that?

MS. HOGUE: Well, we do internal
analysis. Obviously, we do data collection with
our annual reporting.
I would also add to that question.

Several years back we had a research study done by an independent organization so that was a great source of data for us for COMTA accredited schools in comparison to non-accredited schools or accredited schools from other agencies.

The result of that research was that it was shown to be a benefit, COMTA accreditation did show evidence that students graduates had better performing outcomes.

I reference that study even though it's a few years old because to your question, we also receive great support from, I referenced earlier, our coalition partners, professional partners.

Specifically I'm going to reference one, the Federation of State Massage Therapy Board.

That organization includes member licensing Boards from across the country and in 2019 at their annual meeting, they presented evidence that they had conducted that showed COMTA accredited schools having much higher than average, for example, pass rates on the Emblex.
that required licensure for massage therapy license.

COMTA-accredited schools had a much higher pass rate than the national and even state averages.

So, we do collect data, again internally and from our partners that help us recognize that our specialized focus, especially with regards to our curriculum competencies and our curriculum standards and faculty qualifications are working, as you said.

DR. LeBLANC: Dawn, I read that article and was impressed. The one thing I was struck by is it's a very, very small percentage of schools that actually pursue content accreditation.

Am I right? Even with the decrease in the number of programs nationally. Do you have that percentage? It is tiny.

MS. HOGUE: It is very tiny. Oh, gosh, and every year we have another --

(Simultaneous Speaking.)

-- analysis of how many schools are
operating in the profession.

I think that number, again just
anecdotally, is hovering around 1,200. So, we're
maybe less than ten percent of that in terms of
our accredited schools and programs.

A challenge that we've faced and we hope
there might be some change in the professional
landscape in the years to come, there's certainly
a lot of allies and our own Board and school is
working towards that, is that very few states
require Applicants or massage therapy or a
aesthetics licenser to have attended an
accredited program.

And so that leaves many schools in the
arena of if I don't need it, why should I pursue
it? And the cost and small staffing and
resources, time, so we try to address those
hurdles.

We try to make our process as clear and
direct for schools and to provide assistance to
them through that. But we recognize that's an
inherent challenge and until there might be a tip
in that scale, we will likely remain a small percentage.

But we affirm that will grow, our version that all programs, quality programs, will be accredited by COMTA. That's a significant factor, our small number.

DR. LeBLANC: For sure, and I would say, though, having read through some of the reviews and institutional reports, I was impressed by the detail and thoroughness of them.

Final question for the sake of economizing how much time to give you. Are any of your members paid on the Board?

MS. HOGUE: By COMTA?

DR. LeBLANC: I'm asking for a friend.

MS. HOGUE: No, sir, all of our Commissioners are volunteers and of course our peer reviewers are volunteers. Yes, I'm the only paid Staff.

DR. LeBLANC: Thank you, Dawn. Mr. Korn, do you have any comments you'd like to make before we open up?
MR. KORN: I do not really have comments other than to say how pleased I am to have opened the job because I think she did an excellent job of explaining the perfect storm we went through maybe three years ago.

And I think the steps we're taking right now to overcome that and get to an actual position of growth, that has a positive bottom line and she's a large part of that. And I consider myself smart for offering her the job.

But I think we really are at a place now where we can be proud and I think the profession is part of what COMTA's doing.

As you mentioned, one of the organizations that's actually helping to fund first-year schools into accreditation because they think it's important to growth of the profession.

So, yes, we are small and until there's some sort of required accreditation in the educational system of massage therapy and aesthetics, we will likely remain small.
But our percentage is growing and I think our market share is growing. So, I think we're on a very good path right now. We do have plans to support our growth with additional staffing and that's really all I would like to say.

So, I thank you for your oversight because the report we got has discussed that at length by the COMTA Commission.

And I think the next time you see us there if you have a consent agenda my guess is this will be on it.

DR. LeBLANC: Thank you very much. We'll open it to my colleagues.

CHAIR KEISER: Thank you, Paul. Please raise your hands if you have any questions?

David then Bob.

DR. EUBANKS: Thank you, I appreciate the remarks and the explanations. As far as Dawn, I thought I heard you say that a couple of schools closed unexpectedly or under unusual circumstances.
If that's the case, can you describe
were you alerted before they closed? What
happened to students and what did you learn from
that experience?

MS. HOGUE: Thank you, David.

I did reference a large number of
corporately owned and operated schools that
closed several years ago, which directly impacted
our financial budget and, therefore, our
exploration of entering into the management
agreement.

In those situations, we did have
notification and so we weren't blindsided by that
but the notification was not such that it gave us
a timeline of, say, another year to plan and
project.

Their closure was, rather, short term or
within several months or six months. And so,
again, any kind of financial impact we were not
able to project for that.

That was prior to my role on Staff. I
was part of the Commission but I think that
reflects a bit of a wave, if you will, that was
taking place at that time.

A large corporate entity had purchased
some very well-known proprietary and privately
owned massage therapy schools across the country.

And maybe it speaks to the quality of
those programs, the expense of those programs,
the financial burden on those programs to achieve
enrollment levels that would continue to support
them.

It all contributed to their having to
close and not having the financial resources to
support them.

We in the last year or two have had --
I can probably count on one hand the number of
schools that have closed.

And in those instances, again, one was
a rather short notice and came in conjunction
with some communication with the financial
student aid department.

One school that I referenced whose
accreditation status we revoked, that school we
did not have notice of.

That was a very unfortunate situation with a change of ownership and the new owners, through our process of verification and approval of the new opening statement, became unavailable.

They did not return correspondence and also through communication with the State Board that was in Florida, we were alerted to the fact that there were some concerns about their operation.

And so that happened in a very quick timeframe, the action we took in response to the notification we received.

DR. EUBANKS: Thank you.

CHAIR KEISER: Bob?

MR. SHIREMAN: Thank you, Dawn, for your very thoughtful and thorough responses to the Staff and the Staff report and to the questioning today. This is a question for you or maybe for Clifford.

Among other things, Section 602.15 requires content to have qualified and competent
representatives of the public on all
decision-making bodies.

Another regulation describes what that
is not but there's no description of what a
representative of the public is or should not be.

Can you tell us a bit about how your
Agency interprets that mandate that your
decision-making be guided in part by
representatives of the public?

And feel free to tell us about the
public members that you have on your Board.
Thanks.

MS. HOGUE: Thank you for the
opportunity.

I'm proud to talk about our Commissioner
Members any opportunity that I get and I will
certainly defer to Cliff if he wants to add any
comments.

We have two Members, public Members, on
our Commission, both of whom are from the higher
education community.

That is a requirement at least one of
our public Members, as well as having some
experience with distance education in a higher
education setting.

Of course, we prevent that our public
Member had any Association with another
professional Association, another partner of ours
in the professional landscape of massage or
aesthetics.

So, they really do have to come from
outside of our profession and be able to give us
that perspective of someone who's not from the
inside because most of us, in fact all of us, are
in some way, shape, or form.

And so from the fact that they also
bring that perspective from higher education is
very valuable to us.

And so our guidelines for the public
Members, I don't have my dialog up on the
computer in front of me, but they are in line
with the Department's criteria.

And we have two excellent ones right
now, one of whom is a professor at Drexel
University and the other of whom is a professor at an online university, and the name is escaping me at this moment.

MR. SHIREMAN: I think it's Thomas Edison State University, is that right?

MS. HOGUE: That's right, yes. Jeffrey Hawkins, yes. Cliff, would you like to add anything?

MR. KORN: I think you answered it well.

I will say once in the past we had a public Member who was associated with an institution that started to develop a massage program and we had to ask her for her service and she was a Commissioner from the public.

So, we follow the dialogs quite strictly on that and right now I too am very pleased with the public Members we have.

They're very engaged, very smart and are involved in all our decision-making.

CHAIR KEISER: Thank you. Any other questions from Members of the Committee?

Hearing none, thank you very much Ms.
Hogue and I'll call Michael back to answer any questions by the Committee or observations.

There are no third-party observers.

Are there any questions for Mike Stein?

(Simultaneous Speaking.)

MR. SHIREMAN: I have no further comments.

DR. LeBLANC: I think we're good. If you're ready I'll make a motion?

CHAIR KEISER: I guess I am ready because there's no more conversation so Paul, you're up.

DR. LeBLANC: I'd like to move for a 5-year renewal subject to a compliance report in 12 months and an annual monitoring report for the next three years that will focus on capacity, specifically finance and staffing.

CHAIR KEISER: Do you have that, Valerie?

MS. LEFOR: Just one minute.

CHAIR KEISER: Is there a second to the motion?
DR. BOOTH: Art, this is Ronnie, I'll second.

CHAIR KEISER: The motion has been made and seconded. We're waiting for Valerie to get the information up and then we will have any discussion on the motion.

CHAIR KEISER: It appears there's no discussion. Let's go for a roll call vote. Can you bring it down? Okay. Anne?

MS. NEAL: Yes but I will say I'm glad there are conditions on this. I think there's a number of questions so I'm glad we will be hearing more reporting.

CHAIR KEISER: Claude?

DR. PRESSNELL: Yes.

CHAIR KEISER: David?

DR. EUBANKS: Yes.

CHAIR KEISER: Jennifer?

MS. BLUM: Yes. Actually, I had my hand up, you just didn't see it but I would say exactly what Anne said. This is essentially what I was suggesting the other day so I'm happy to
see it there.

CHAIR KEISER: I did not see your hand, I'm sorry. And I'm sorry I didn't see Roslyn's hand either.

MS. BLUM: I really raised it.

CHAIR KEISER: Okay, I'll get to you when we go down the list. Jill?

DR. DERBY: Yes.

CHAIR KEISER: Kathleen?

DR. ALIOTO: I concur with Anne and Jennifer and say yes.

CHAIR KEISER: That's a yes. Mary Ellen?

DR. PETRISKO: Yes.

CHAIR KEISER: Paul?

DR. LeBLANC: Yes.

CHAIR KEISER: Rick?

MD. O'DONNELL: Yes.

CHAIR KEISER: Robert?

MR. MAYES: Yes.

CHAIR KEISER: Robert Shireman?

MR. SHIREMAN: Yes.
CHAIR KEISER: Ronnie Booth?

DR. BOOTH: Yes.

CHAIR KEISER: You ended up being last this time. Before you were first. Roslyn?

DR. ARTIS: Yes.

CHAIR KEISER: The motion passes, thank you Agency and congratulations.

(Simultaneous Speaking.)

DR. BOSTON: I vote yes also, Art.

CHAIR KEISER: Oh, Wally, did I miss you?

(Simultaneous Speaking.)

DR. VanAUSDLE: And this is Steve. I'll vote yes.

CHAIR KEISER: You're not even on this one.

DR. VanAUSDLE: What's the deal?

CHAIR KEISER: Valerie, where's she? Okay, Steve has now been added in and you voted yes. Did I miss anybody else? Well, thank you all.

Okay, we're now moving to the discussion
from yesterday that's back on the table. I will introduce Mary Ellen Patrisko to set us up.

DR. PETRISKO: Thank you. Art, I think first we are going to have a comment about the IG report before we move on to the specifics of the current review.

So, I don't know how you want to handle the IG?

CHAIR KEISER: That's fine, this is you and Claude. So, how would you like to go ahead with the IG report?

DR. BOOTH: I need to recuse myself.

CHAIR KEISER: Ronnie and I think Bob is also going to recuse himself. We'll call you back when we're ready. Okay, Mary Ellen, you're leading the discussion.

DR. PETRISKO: Thank you. So, first I'd like to note that we agreed yesterday that the IG report which dealt with the 2019 review and the 2018 decision of the Department would be reviewed by the Committee.

And we would take that into
consideration for the conversation and vote today would occur. Having read that report last night, I agree that the final statement the review does not actually affect this decision -- the four reviews that we have done are not affected by what the IG found in that report, which really was focused on how the 2016 decision and very importantly, the 2018 decision was made with regards to ACICS.

So, although that report provided further insight into those actions, that insight does not affect what we have seen and heard in the evidence that we have currently with these four reviews. So, what I would say there, I don't know, if others would love to comment on that? I would like to go on with a statement about ACICS now if that's appropriate.

CHAIR KEISER: Well, does anybody else have a comment? Bob, did you raise your hand?

DR. PRESSNELL: Yes, I do. I want to agree with Mary Ellen that the report explicitly indicated that the decisions being made today are
not impacted or weren't included in the report analysis.

The only question I would have for the Staff so that we don't repeat what happened in 2016 is that is there any other information that has been filed regarding these four reports by the Agency that we have not been able to consider?

Because that's the crux of the IT report, that the criticism of the Department and the criticism of the decision was around that there was a very large amount of evidence that were not considered in the decisions.

So, let me just ask that point blank. In the considerations that we have on these four reports, is there any additional information that we have not considered?

Herman?

MR. BOUNDS: Yes, I can tell you I'm not aware of any.

They have some comments but I'm not aware of any additional information that's not
included in the record before this meeting.

CHAIR KEISER: I'm sorry, go ahead.

MS. DAGGETT: I don't know, did you want me to respond there?

As far as I'm aware, any documentation that was provided by ACICS in response to these four inquiries and reports are included in all the documentation that you have before you that was included in the recognition system.

DR. PRESSNELL: Thank you. The only other comment I would make is that the decisions we're making based on these four reports are consistent with what the IG report found as legitimate inquiries.

As a result again, I do agree with Mary Ellen that based on the answers we received from the Department here today, the report, although informative, does not have direct bearing on the consideration of these four reports.

Thank you.

CHAIR KEISER: Jennifer?

MS. BLUM: Oh, I thought I was moving.
Go ahead. I'm here, can you hear me?

CHAIR KEISER: I can hear you, get closer though.

MS. BLUM: So, I agree with the point that Claude just said about we need to get the process right this time. And that's what I've been struggling with a little bit.

I do have a couple of other questions for the Department, I don't want to necessarily ask them now but I'm just wondering if there's going to be that opportunity or not about their process on these four matters.

CHAIR KEISER: Right now we're discussing the IG report.

MS. BLUM: Okay, so I just want to second what Claude said, which is that I think the most important thing now is the IG report is the findings around the process case and the need.

It just puts more urgency on us or on the process. I just wanted to say that.

CHAIR KEISER: Yes, and Anne, you'd like
to make a comment?

MS. NEAL:  I just want to be certain
this is part of the record. I do feel it deals
directly with the 2016 and 2018 actions and those
are a critical piece of where we've gotten today.

So, I think in that regard it's quite
relevant to our consideration. It's an important
part of the background behind this situation and
so I do feel it should be in the record.

And to the argument made yesterday by
the accreditor's attorney, it will be up to the
senior department official to assess what the
weight and value of the report is.

CHAIR KEISER:  Herman, is your hand
still up or is that just from before?

MR. BOUNDS:  That's just from before,
sorry. Let me take it down.

CHAIR KEISER:  I'd like to agree with
Anne in that discussion. I think the negative
action taken in 2016 has colored the debate and
colored the discussion.

It certainly has been referred to
multiple times and I think the IG certainly
brought questions about the efficacy of our
decision that we made in 2016.

I also believe there's a lot of
information in the materials that were presented
to us that refer back to 2016 and 2018 and,
therefore are relevant in terms of where the IG
report went.

So, I don't think we can avoid it but I
think we need to take that into consideration and
it's certainly in our discussion.

Was there somebody else? Mary Ellen,
I'm going back to you and you had a comment you
wanted make.

DR. PETRISKO: Yes, I'd actually like to
read a statement and it is as follows.

Before moving to propose that we move to
vote up or down on the Staff recommendations the
ACICS be found out of compliance, the criteria
cited in the final Staff report on these four
reviews.

Claude and I would both like to say the
following.

After reviewing the voluminous material provided to the Committee, I'll cite it as 9000-some pages, and hearing the Agency responses to the Committee's question, we asked ourselves how would we evaluate this Agency if it's name were not ACICS?

Our response is we would evaluate it in the same manner. We're not convinced by the evidence and the response we have seen and heard that significant reforms have been made.

Reforms, for example, that would no longer allow for what we have seen as an insufficient process to determine eligibility for accreditation and institutions ongoing compliance of eligibility criteria.

We did not hear that the Agency would not allow for deferral after deferral of a new institution's application for accreditation, contradicting promises for more stringent decisions and an emphasis on compliance over improvement.
We have seen evidence of our process for
the review of findings resulting from evaluate
visits that gives confidence in institutions
having addressed those findings.

We have not seen the fulfilment of a
promise made nearly five years ago to work with
veterans groups and the State Attorney General,
nor did we hear or see support from any students
for the Agency as we did the last time the agency
was before us.

Even though the Agency was given an
additional 12 months in 2018 to come into
compliance with all recognition criteria, two
years after the 2016 of permanent recognition, it
had not done so by the end of 2019.

Although we were told of many changes
that the Agency has made over the last years, we
do not believe based on what we have seen in
evidence provided in 2020 and heard yesterday
that we have been provided sufficient grounds to
make a recommendation based on those statements
of change.
So, with that, I would move to propose
that we go to the votes on the four...

CHAIR KEISER: Thanks, Mary Ellen. Is
there a motion? The motion is what?

MS. NEAL: I'm sorry, I thought
yesterday we were told we could still ask
questions.

CHAIR KEISER: Well, we will once we get
the motion on the floor. Then we can ask all the
questions we want.

MS. NEAL: No, I don't mean folks here,
I mean of the Staff and the Agency.

CHAIR KEISER: There will be time for
that.

MS. BLUM: Anne had her hand up and gave
it a break, and then we came back and
decided...the seconding.

CHAIR KEISER: I don't remember that.
I thought we finished our discussion.

DR. SMITH: Yes, so it's my
understanding that Anne or any Committee Member
can ask our Department Staff a question but you
couldn't bring the Agency back.

    If you recall, Anne did have her hand up
at the very end of the discussion. So, Anne can
answer questions along the way.

    CHAIR KEISER: Is there anybody from the
mission on the line?

    (Simultaneous Speaking.)

    -- opportunity.

    MS. NEAL: I am happy then just to
affirm it. Just particularly in light of the
capacity question we just had with the one person
and challenging issues, I want to get back to the
capacity issue for this one.

    Since we're dealing with the consistency
of application of rules and regulations and we
heard from two IG reports that this is a
continuing problem within the Department.

    And I feel after attending the last
three days that it is a continuing problem.

    So, yesterday we learned about the
Department having a trend analysis of the
finances notwithstanding the audit report.
I just wanted to ask Herman, is it true that in November of 2020 that you found they had sufficient financial resources?

MR. BOUNDS: Which Agency are you referring to, Anne?

MS. NEAL: I'm referring to ACICS, the one we're talking about now.

MR. BOUNDS: Beth can probably give you better details about the financial position in 2020 as she conducted the report. So, I would ask her to respond to that.

MS. NEAL: No, but I'm asking you because I believe you were the one who made the statement.

MR. BOUNDS: A statement in 2020?

MS. NEAL: Yes, it was in the record that you found that they had the financial wherewithal and sufficient financial resources.

MR. BOUNDS: Anne, I'm sorry I'm not clear on what statement you're referring to that I made a statement they were stable in 2020.

MS. NEAL: Well, I would have to go find
it in the record.

MR. BOUNDS: I'm not aware of any statement I made saying they were stable in 2020. If you look at the review that was just conducted, it does show a decline in assets over the past few years.

I don't know where that stability part came into play.

MS. NEAL: Let me say it again. In November of 2020 I believe you were on the record saying that you found that they had sufficient financial resources.

MR. BOUNDS: I'm saying, Anne, I do not recall that statement. If you can show that to me then I may be able to respond to it.

MS. NEAL: I'll have to go back to the 9000 pages and see if I can find it.

MR. BOUNDS: Okay, because I'm unaware of that statement. We can call back --

(Simultaneous Speaking.)

MS. NEAL: -- because I do believe it is in the record.
MS. DAGGETT: There's too many buttons, sorry about that. I'm not aware of anything that was transmitted in November of 2020. I'm sorry.

MS. NEAL: I didn't say it was transmitted. He's on the record of as saying it.

MS. DAGGETT: I'm not sure what that is.

MS. NEAL: I will try to find it.

Let me ask you, Herman, also I know that you are cautioned against speculating and when we talked to the funeral service people earlier and we raised some concerns, we were told not to be speculating about the particular challenges.

And so I guess I want to ask you -- I'm concerned when I see Staff reports which say, which could be or likely are the reasons. Or say it's still inexplicable.

I'm hoping that going forward, when we receive Staff reports they are factual and that they are not speculating and that they are not using adjectives and descriptors.

But rather, they're trying to present to us the facts on which we can make our decision.
I know this has been raised back in 2016 that Staff reports often were filled with characterizations. And I guess I remain concerned that still is the case.

MR. BOUNDS: So, I will say in a Staff analysis, with the differences in accrediting agencies, there are 64 accrediting organizations right now that the Secretary recognizes. They are all different, they are of all different sizes and they have all different missions.

We conduct a fact-based, what we would call objective review of when we can but you aren't going to be able to root out all of the subjectivity out of a recognition review. They are something that are just not cut and dry, that's why there's the two-step process. We have Department Staff that conduct the review, we do the best job that we can to determine the compliance of the Agency with each of the criteria.
And then you have NACIQI, which is an 18-member body who can gauge on opinion from 18 different people. And then those recommendations go to the senior department official.

It's the same thing with most of us who have taught in classrooms. You can't take out all subjectivity from the classroom and you can't design a rubric to fix all things. There is still going to be some subjectivity there.

We will do the best we can, that's why I'm very happy that we have this two-part process, where we have Staff review and then we have NACIQI review. I think that is the beauty of the recognition process.

And then the senior department official will look at both of those recommendations and that person then will have to make the final recognition decision.

But you're going to have some subjectivity in a Staff analysis. We try to limit it but some's going to be there.

MS. NEAL: Well, I just hope going
forward that it is limited because I haven't seen it in other contexts. Can I also just have some clarification?

There were third parties which provided their response to your -- and you submitted a Federal Register notice. I think it was vis a vis the monitoring report, and this was surprising to me.

I was not aware of the Federal Register notice and I wasn't aware of the ability of third-party comments from when there is a 602.33. Could you explain to me what's been happening there?

MR. BOUNDS: So, there are two Federal Register notices that go out in association with a NACIQI meeting. The first notice that goes out is of the accreditation group or is of the Staff. That notice to the public that you have agencies that are currently under review that are going to appear in the NACIQI meeting. Because of the margin, we have found some non-compliant issues.
Then there is the later notice that now
the new regulations require. It's published 30
days prior to the NACIQI meeting.

And that notice is more in the purview
of the FACA, the Federal Advisory Committee,
which maybe George can speak to.

But that notice invited oral commenters
to come to the meeting.

MS. NEAL: I'm asking about your end
location of 602.33 which became central to your
analysis of ACICS, which allowed public comments
to come in in response to some reports.

And I guess I'm just not aware of the
public comment responding to that rule.

MR. BOUNDS: Our notice doesn't allow
for public comment, it allows for written
third-party comments so they have to write in.

When those comments come in, they become
part of the Staff analysis and then the analyst
who is conducting that review will review those
third-party comments and make note within the
petition for recognition.
Or in this case the monitoring report or the compliance report.

MS. NEAL: But if you were doing a mid-cycle review, you're saying that whenever there's a 602.33 you will be requesting public comments? Because I'm aware of 602.33 reviews that did not request public comment.

MR. BOUNDS: If the 602.33 investigations require a NACIQI appearance, if you have to appear before NACIQI, there has to be an announcement of that appearance, an announcement of those agencies under review if we are planning to bring that Agency before NACIQI.

And if you need further collaboration, Angela and Donna are on the phone. They can explain too but if you're going to bring in an agency into a -- for a NACIQI review, they need to be on that Federal Register notice to inform the public.

MS. NEAL: Thank you.

CHAIR KEISER: Is that it, Anne? Okay, Rick and then Jennifer, and then I'd like to
MR. O'DONNELL: Yes, my question is for Beth, it's similar to Anne's but slightly different. Could you clarify?

I think I heard the Agency say yesterday that the draft Staff report did not have a concern about their financial solvency and the final Staff report did.

So, I'm curious if that's accurate? And what prompted the change between the draft and the final Staff report regarding their final financial situation?

MS. DAGGETT: I think what they're referencing is -- well, actually, I'm not sure exactly which report because there's always a ton of them.

I think it's a mindframe report and in the draft we did say that it appeared that they had -- let's see, I'm sorry.

What we said in the draft report, although the documentation indicates the Agency is currently operating at a deficit and it's
projected to do so until 2023, the ACICS reported sufficient reserves to cover this operating deficit and a level of those reserves are in line with other similarly-sized accrediting agencies.

But then further, beyond that, we ask for specific documentation because we only had the reserve account through November of 2019.

We asked for specific investment statements and any plans to address any operating deficits with regards to the negative impact of anything related to the coronavirus.

We then also asked for their financial production included within their budget to include their operating results, their operating budgets, and audit of financial statements.

So, based on the information they initially provided, we had continued questions but we were hoping the information and documentation that we provided would answer those continued questions and provide a definitive answer.

But instead they turned in a different
direction.

MR. O'DONNELL: Thank you for your clarification.

CHAIR KEISER: Jennifer?

MS. BLUM: Thanks, Art. So, I just wanted to say from the conversation yesterday that I did find both Herman and Beth more compelling on the answers around questions around consistency. Having said that, I have some follow-up questions about process and decision-making. Which one do I want to do first? I'll do the training one first.

So, Beth, you said yesterday that I asked about the four different reports and whether they each stand alone or whether it's the aggregate, and you answered that each of them stand alone for legal purposes.

So, I want to go back to that and I think you also said that of all of those, the compliance one was the most disturbing. And frankly, I'll just be honest, I do get a little confused from all these reports and they are
So, let me just ask this question for myself before I ask the two questions. Am I correct that the compliance report, the meat of the -- well, not the meat but a substantial portion of the compliance report is related to the training questions or issues in non-compliance that you found?

I just wanted to make sure I had the right report. So, you mentioned that was one of the most serious concerns. I just want to ask first a process question.

They gave you that report and they responded I think in December of 2019. That report didn't come up at a meeting at the July meeting of NACIQI last year.

Why is it coming up now when we know there's a full petition this July which will be frankly a more complete record coming in six months?

And to the extent that we're concerned about the Agency sending this report back. So,
if that was the most serious finding and it
stands alone, how come the Department didn't
bring it up last year?

MS. DAGGETT: The only answer I can say
is that a practical decision was made by the
DeVos administration to try to consolidate all
the reports together because they felt like it
was not appropriate to have one report at one
time when other reports were in process.

MS. BLUM: I just needed an answer on
that because to me I keep talking about it and my
head will always be an attorney head on this and
due process.

And I'm not here to sit here to defend
the Agency and I keep saying I'm new, I'm very
late to this party, this consideration.

And that will definitely inform how I
handle voting but I'm weighing and I'm seeing
this process issue. So, I just wanted that on
tape.

And then I had a second question, which
is more to the substance of that decision. So, I
guess the concern and the frustration -- and I again want to say what I said yesterday, Beth.

The work of the Staff at the Department is yeoman's work. You guys are doing yeoman's work.

So, I also just want to make sure that it's clear that I'm not questioning the really hard work and dedication of the Department Staff but I do want to ask the question about this particular one.

So, I'm a little confused whether the finding against ACICS here on the training is a frustration that they were non-responsive about their training or whether it's that they didn't train.

To me, if they didn't train, that would be a very serious concern. I'm not saying it's not frustrating and really concerning, because it is also concerning that they didn't respond.

We're talking about removal here and we're talking about 48,000 students. So, I just want to understand is the training that they were
non-responsive for a year or is it that they
didn't train?

MS. DAGGETT: I believe they didn't

train.

They did not provide the documentation
but Dr. Teneyuca and Dr. Minore and forgive me, I
don't have the name of the person who had the
just-in-time training, they provided statements
that the just-in-time training was provided,
that they didn't provide any documentation or
anything to demonstrate even what they talked
about with that person.

And then for Dr. Teneyuca and Dr.
Minore they relied solely on the paper
qualifications, which I went back to the
Secretary's decision, which referenced the SDO
recommendation which directly said that paper
qualification was not enough and the refresher
training was required.

(Simultaneous Speaking.)

MS. BLUM: That's great. To be honest

with you, the record to me is not clear on that
so I felt an importance to make it clear.

But I do have one other question because I think they said yesterday -- and this would be extremely helpful -- I think they referenced yesterday.

I might be getting confusing standards and things so correct me again if I'm wrong. I think Ray said something along the lines of -- and I think I might be blurring qualifications with training.

But at least it related to one of the people the Department said wasn't trained. I think part of their argument back was this person had been trained many times or had lots of experience before, something to that effect.

There was a requirement both qualification and training. Do those standards require a continual update?

Or in fairness to them, is there sort of a place where if the visitors or whoever it is involved in the Department or at the Agency were good enough?
I just want to understand that piece and also to the extent that you are really kicking the tires -- and I understand why you're kicking the tires really hard on this issue with ACICS.

But do we kick the tires just as hard as all of the other agencies on this 11th-hour need to have a fill-in site visitor and those types of issues?

MS. DAGGETT: I think the difference here is that when we ask the question, it depends on the answer that we get. The answer that we got wasn't sufficient in this particular regard.

If they were to answer the question and said we provided the training, and in fact their answer was we have 100 percent, we've trained everybody using the refresher training.

And we never acquired it prior to any of those site visitors being on a site visit team.

They provided the documentation that said that was their requirement, they provided the documentation of who attended which webinar, but they didn't demonstrate that all of the
individuals who had served on site teams that
they said it was a requirement had met that
requirement.

So, I provided that response in the
draft, Staff's analysis saying there were five
people that didn't appear on any of those. And
they responded back with the individuals that
they had not done the training or they had paper
qualifications.

So, I go by what the information is they
provide and the documentation they provide to
determine whether or not they're in compliance or
not.

And it's not just what I said before,
the regulations, but also what are the policies
and procedure that the Agency put in place and
they should be held accountable to?

MS. BLUM: That's helpful, thank you.

CHAIR KEISER: Elizabeth, I have a
couple of questions. I looked everywhere and I
have not been able to see audited financial
statements for 2020.
What I do see is unaudited statements
and they show a balance in their Harris Bank
Account of $8,345,000.

Where did you get the $2 million balance
that you talked about yesterday?

MS. DAGGETT: I'm sorry, I don't think
I said a $2 million balance, I said they had a
$2.2 million negative change in net onset from
operations.

And I got that from the June 30, 2020
audited financial statements, which are included
as an analyst upload.

They're not under the Agency documents,
I uploaded them separately.

CHAIR KEISER: And I would have found
that where?

MS. DAGGETT: It would have been in
Section 602.15(a)(1) under the monitoring report,
which is the report that was dated 2/24/2020 on
the report and the erecognition system.

CHAIR KEISER: I've looked and I cannot
find it. 2/22/21, final review and the staffing
do not meet I assume the last one.

MS. DAGGETT: It's 602.15(a)(1).

CHAIR KEISER: I don't have any
documents, no files uploaded. I'm sorry, I just
haven't... But did the auditor in that statement
use then a qualified statement?

Did they consider them a risk of ongoing
-- normally, the ongoing entity, they cannot
continue.

MS. DAGGETT: I don't believe they did.

CHAIR KEISER: So, if the auditors did
not feel they could not meet their future
requirements, why does the Department not feel
that?

Especially after the last review where
we had a school or an Agency that had a problem
and certainly with a lot less resources than $8
million in the bank and considering them
financially unsound.

To look at four years down the line,
certainly, as the IG talked about speculation,
that would be speculating they wouldn't meet
their financial requirements four years down the line.

How do we justify that?

MS. DAGGETT: I can speak to ACICS in that it's a continual downward trend and it's not a little bit of money.

$2.2 million change in net assets from operations in one year is significant and this has been an ongoing trend in that direction.

And if you look at their reserve accounts, they themselves said I think it was $8.5 million in their statements. The $2.2 million, that's only a couple of years of them being able to do that.

I believe Steve also asked them about their plans for increasing any kind of membership and they had three that they just added since the moratorium was lifted in 2018.

They have three that are getting ready for on site reviews and then 18 that could potentially be accredited by them. But then they also are making their assumptions based on
maintaining where they are.

And I went back and looked and since their submission of the monitoring report when they said had 100 campuses, they're down to around 75 U.S. campuses. So, this just is not sustainable.

CHAIR KEISER: Doesn't the IG kind of suggest that when we withdrew their recognition, it would have caused significant economic hardships on them because all of their schools had to move, make a decision to stay and take the risk of staying with them or with an 18-month-period had to leave.

So, many of their schools had to leave and again, assuming that they're still under this sword over their neck, is it not understandable that they are potentially -- that they would have lost money?

Which is more significant, unlike COMTA, they kept a significant staff for almost the same number of schools. They had ten people in Staff and yet we can criticize them for that yet COMTA,
which is also an institutional accreditor, has only one.

I just don't understand the consistency and I don't understand the speculation that four years from now they may be in trouble. I just find that hard to understand and that seems to be the most important thing, other than the second question.

It seems and the IG picked it up to that the things that are shadowing this Agency are three institutional potential deficiencies. One was Reagan National, two was the San Diego school, and three was the Virginia school.

Now, my understanding is there are licensing boards in all three states that is usually the requirement of the licensing board, they're the primary consumer protection group.

They didn't identify the school closure and since they had withdrawn the accreditation prior to the school closure, why are we holding them accountable for the closed school and their behavior?
MS. DAGGETT: I'm not sure. Are you talking about RNU?

CHAIR KEISER: Yes, RNU.

MS. DAGGETT: Well, because they were accrediting them all the way up until that point and they had just been to that institution in October, the few months prior to when the institution allegedly closed.

(Simultaneous Speaking.)

I wasn't looking at their closure, we're looking at the process that they used and whether or not they used all the monitoring and evaluation mechanisms they had in place in order to be able to try to, as Ron talked about, being able to figure out this is what would probably happen.

CHAIR KEISER: But as COMTA talked about, schools do close. Schools close without notifying an institution, whether it be in us or whether it be in other agencies. That happens.

The question is did the October visit by ACICS, did you review the documents to see that
the people who were on that visit were just
fabricating the material and saying the school
did not exist?

Or did the school just shut the doors
and lock it up and is ACICS to be held
accountable for that?

MS. DAGGETT: I think ACICS is
accountable to their processes and procedures and
making sure they follow their policies and making
sure that those processes, procedures, and
policies are able to pick up on issues that could
be seen or should be seen by an accrediting
Agency who's trying to determine educational
quality.

CHAIR KEISER: Didn't they put the
school in show-cause and then ultimately before
they closed, the U.S.A. Today article, didn't
they withdraw the accreditation prior to that
research? That's what I heard.

MS. DAGGETT: No, what I understood is
that the school went through accreditation prior
to having to answer to the show-cause.
CHAIR KEISER: So, you're holding them accountable after the accreditation was withdrawn? That's what I'm trying to figure out.

(Simultaneous Speaking.)

MS. DAGGETT: We're holding ACICS accountable for their policies and procedures and whether or not they're implementing them and whether or not they have effective on-site reviews, whether or not they have effective monitoring approaches, whether or not they're doing the things they say they're going to do and what are required by the regulations?

CHAIR KEISER: Don't we also require due process, which it sounded like they were following and giving the school a show-cause order, at which point the school decided it was not able to make show-cause requirements?

MS. DAGGETT: No, we do require due process, however, our regulations actually don't require a show-cause order at all.

Our regulations say that if an institution or program is out of compliance with
any standard, if you look at 602.20, they could automatically -- once they were to notify them via the on-site evaluation report, they could make a decision at that first Commission meeting. Instead of a show-cause they could terminate accreditation at that point.

They don't have to offer a show-cause, at least not by our regulations.

CHAIR KEISER: But they did, which sort of indicates that they were concerned. Let's move to the second one, which the IG talked about was San Diego.

Now, the Commission says they just had an application and there was never an accrediting action on that school, is that correct?

MS. DAGGETT: No, there was not an accrediting action on that school.

CHAIR KEISER: So, why are we concerned about it?

MS. DAGGETT: Because again, we're looking at the processes and procedures that ACICS uses in evaluating not just the
institutions that are up for renewal of accreditation but we also look at the processes they use for initial accreditation.

CHAIR KEISER: But they didn't even go through the process of initial accreditation so why are we concerned about that?

MS. DAGGETT: Because we're looking at educational quality and whether or not ACICS is meeting the recognition requirements that we have as a Department.

It doesn't matter if they have --

(Simultaneous Speaking.)

-- or not.

CHAIR KEISER: Let's go to the third one, which is Virginia.

Now, I understand our concern is the fact that the State issued a show-cause order to the school and somehow, some way, ACICS did not respond appropriately to that.

Now, in Florida I know for a fact Florida has rules that are very different for their schools than the accrediting agencies.
And Florida takes action with or without the accrediting agency and sometimes the triad works and sometimes the triad doesn't work.

What specifically was the concern with the SCHEV report as it relates to ACICS?

MS. DAGGETT: The SCHEV provided their audits, which were significant and included significant details regarding the failure of -- the very concerning issues of the distance education program that they were offering.

And that ACICS did not do any kind of action to review whether or not those same distance education issues would be in compliance or not in compliance with their own standards.

(Simultaneous Speaking.)

CHAIR KEISER: -- licensor of that school?

MS. DAGGETT: Their ultimate action was not to provide licensure but to put a three-year moratorium on any distance education at that particular institution?

CHAIR KEISER: Now, my understanding was
that the school was put on show-cause by ACICS, that's what they said yesterday?

MS. DAGGETT: Yes, they did that after SCHEV production.

CHAIR KEISER: Would that not be supportive of the state action?

MS. DAGGETT: It would be but what what are looking at is the fact that ACICS, as we noted in the monitoring, it appeared that many of their actions were taken in response to other accrediting or approval entity actions.

CHAIR KEISER: Now, it's my understanding that this whole issue of Staff and competency of accrediting commissions are related to these three issues, is that correct?

I didn't see any others come up.

MS. DAGGETT: For the competency of the Staff? Well, mainly the questions and their ability to fulfil their accrediting activities based on the examples provided. That's correct.

CHAIR KEISER: These were the three.

And all three of these were from the newspaper
and from the people who spoke against the accrediting agency.

How were they brought to the attention of the Department?

MS. DAGGETT: The capacity to report was initiated in June of 2019 based off of reports from Michelle Edwards' own testimony at the CHEA Recognition Committee regarding the financial struggles that ACICS is having.

And then also, yes, one of the reports included the Virginia international University and San Diego Institution in that.

And so we were directed to open an inquiry into those issues.

CHAIR KEISER: I did read in the reports, though, you mentioned multiple times the complaints by the third party who sent you letters.

They seem to be the same people who spoke out yesterday. Is that correct?

MS. DAGGETT: I'm required by the regulations to take in any third-party comments
that are submitted and include them within the analysis and wherever it seemed appropriate or match that information.

That's where I put that.

CHAIR KEISER: I've been on this Committee a long time. I don't ever remember that the third-party comments were used as a basis for our analysis.

MS. DAGGETT: They're not used as a basis.

They were used as supplementary information and documentation of other concerns had been raised and so we raised those so that there was due process for ACICS to be able to respond to those specific issues.

CHAIR KEISER: And did you verify the legitimacy of the complaints?

MS. DAGGETT: As their comments I'm not required to verify any legitimacy. The Federal Register notice requests the comments and we're required to include those as part of our analysis --
(Simultaneous Speaking.)

CHAIR KEISER: Aren't they usually used
and set aside at the end? The third-party
comments I saw within the report, the use of the
third-party comments, as evidence. Am I missing
that?

MS. DAGGETT: It was not evidence in
that the third-party comments did not trigger any
of these inquiries.

Those third-party comments were provided
as part of the record, which is what we were
required to do in the recognition requirements.

And I have whenever there are third
party comments and they are applicable to the
areas that we have reviewed, I have included
those in prior reports.

CHAIR KEISER: I'm sorry it took so
long. I don't normally do that. Kathleen was
next but I have other hands up.

If they are from before, let me know.

If they are, drop them. If you want to ask a
question, I will let you do that. The next one
is Kathleen.

DR. ALIOTO: First of all, I wanted to thank Elizabeth for her incredible work on this and also to Mary Ellen and Claude, whom I have great respect for your experience and wisdom.

You are supporting what the Committee wants to do on this. I wonder if in terms of process, we can consider that we give the ACICS another shot at this?

Would you consider that to be the thing that we had seen before this Agency? I think when you look at 48,000 students, we don't want 48,000 students to be enrolled or down on their own.

But you also want to guide them, hopefully educationally, and make them as robust as possible. So, Elizabeth, did you consider some of these other draconian measures?

Or was it just a question of either and their accreditation --

MR. BOUNDS: Is that question for me, Kathleen, or was that for -- you're a little
broken up.

DR. ALIOTO: Well, Herman, it's basically for you --

MR. BOUNDS: Okay.

DR. ALIOTO: And for Jennifer in terms of (audio interference) that you would consider, I mean, (audio interference) possibilities. But I know that they've been given so many different chances since 2016 that to consider doing that along with the fact that they just -- they're making countless promises and just didn't deliver on them, the rationale for this, for your decision.

MR. BOUNDS: Yeah, so I think Beth may have talked about it earlier in her presentation I think on the first day. The first thing for us was, number one, was the compliance report. And the compliance report has shown systemic issues of noncompliance with those criteria over the past several years.

So based on that, there was no justification for an extension for good cause
because the agency has been out of compliance for quite a long time already. That was demonstrated in several years prior, including under the previous administration's review.

So in our mind, there was no option for an extension for good cause. We'd never given an extension for good cause for over a year. And I did some research on that yesterday and I just couldn't find one. So that really was not, you know, an option for us.

And then I think as Beth said in her presentation it's kind of the totality of everything thrown together which, you know, helps to drive our decision, that each one of those reports was, you know, was determined on its own weight and value, you know.

But at the end, you know, we had to consider, you know, we had to consider, you know, the issues, you know, identified in each one of those reports. So we just didn't think there was a lesser option, a viable option for us to take in our recommendation.
MS. DAGGETT: Can I add one (audio interference), can I add one thing? In addition, there was no time available as there is a five-year period of recognition which would expire during this year. So there was not time for us to entertain any further action.

MR. BOUNDS: Thanks, Beth, that's true.

DR. ALIOTO: Well, I think that that is the kind of the kernel of this, that it's a systemic issue and that the system, even with a new leadership, that the system itself has not changed enough to warrant accrediting them for another five years.

So thank you. That's it.

CHAIR KEISER: Okay, Rick and then Jennifer. Anne dropped her hand, okay, Rick and then Jennifer.

MR. O'DONNELL: Thanks, Art. Beth, I want to just pick up a little bit on what Art was discussing. And in the monitoring report on financial issues, it references the letter from the state attorney general as, you know,
important things they require. But the letter from the state attorney general doesn't actually provide any documentation around the financial issues. The only mention of it is a mention of the Secretary's 2018 decision.

So I am confused, because I've been on this (audio interference) a long time and don't recall ever seeing third-party comments put in the staff recommendation for us to refer to. And yet when I referred to the attorney general's letter, it seems to have no relevance to the financial section, because it provides no information except to reference the department's own information. So I see (audio interference) what it's saying.

So can you just elaborate a little bit more about why third-party comments that may actually not be germane to the specific issue have been included in the staff's recommendations?

MS. DAGGETT: Well, for this specific thing, actually if you go to the actual third --
so there is an analysis of third-party comments
that's at the end of every report. And at the
end of it, you'll see that it says that all three
of the commenters tied the areas of alleged
noncompliance -- I'm sorry, does somebody not
have their phone muted? It's coming back and I
can't really hear.

All three of the comments tied --
commenters tied their areas of alleged
noncompliance to Section 602.15(b)(1), necessary
criteria for recognition, and those comments are
referenced in the relevant sections of the
department's staff analysis.

So they include -- they reference that
specific section, and we are required by
regulation to review the public comments and note
them where they are applicable. And since they
specifically note that section, and I put that in
that section so that these two teed up for the
Agency so that they would be able to respond to
any of the concerns that they have in that area.

MR. O'DONNELL: Okay, thank you.
CHAIR KEISER: Jennifer.

MS. BLUM: Thanks, Art. And sorry --

people start asking questions and then it gets
me. So I just want to go back to something that
Art said first with regard to the three schools.
And I keep really focusing on the fact that there
are four reports, and whether they stand on their
own or not, and so I'll get to that in a second.

But as relates to the three schools, two
of them weren't Title IV. And so I just want to
throw that out there because I have to tell you
where my head is. I'm kind of discounting those
findings because honestly, for two reasons. One
is they weren't Title IV, so I'm a little -- I
have a question around department authority
there.

And then the second thing -- at least I
think they weren't Title IV, so correct me if I'm
wrong. But I don't think they were -- at least
RNU wasn't eligible yet, so it couldn't have
been.

And then the other thing is this has
been a year of sudden school closures by lots of different schools, nonprofit, for-profit. We have like -- I mean, it's a very sad thing. But the last couple of years, even pre-pandemic.

And so I think it was Anne, or I can't remember who other, somebody else brought this up. But I'm a little concerned about holding that entirely -- holding that to the extent of removal for an accrediting agency. I'm not saying it's not something of concern or it should be looked at. And I guess that there's -- so this is a good segue. I guess that there is also the amalgamation of problems here.

So I want to say something also because Kathleen referenced the statement by Mary Ellen and by Claude, which I just want to say my questions aren't so much about how I feel about the agency. I just want to say that again. It's about the process to make sure we get it right. And so I'm very focused on the compliance report, partly because that (audio interference) sort of told me yesterday I should be.
So I'm really focused on that piece, and I'm confused. I guess I'm just going to say this again, and it's a question, I'm confused because Herman, just now, you talked about the totality, the totality of the record. But then Beth and reports themselves both say that they stand on their own.

So I am confused about whether we're looking at these reports in the totality or whether we're looking at them standalone. And so I am concerned about that process and decisionmaking, and so maybe that's a Herman or maybe it's Counsel (audio interference) who can help me out a little bit on am I focused on each report for consideration, or am I looking at the amalgamation over time.

Oh, and I did want to say one more thing. The IG, in my view, that report is absolutely relevant as to the compliance report, because the compliance report is a follow-on from all of this from 2016. So I just cannot ignore, you know, the IG specific to the compliance
So I just wanted to -- that was the other comment I had, that I do want to allow Herman and Beth, or maybe it's Counsel, an opportunity of are we looking at this in the totality, or are we looking at this report by report.

MS. DAGGETT: Okay, well, I want to address a couple of the issues. First of all, for the compliance report, the -- I understand that, you know, there was a review by the OIG on that specific, this 2016 and the 2018 review. Please note, all of those throughout that, those two areas were considered noncompliant. So, you know, this is multiple levels of review where that was found noncompliant.

Second, I think he brought up, you know, why are we looking at things that are not Title IV related. Our -- why doesn't -- you know, in 602.1, why does the Secretary recognize accrediting agencies.

That is, the Secretary recognizes
accrediting agencies to ensure that these
agencies are for the purposes of the Higher
Education Act of 1965 as amended, or for other
federal purposes reliable authorities regarding
the quality of education or training offered by
the institutions or programs they accredit.

And it's, you know, one important thing
for you to remember, Jennifer, is that, you know,
Title IV, even though ACICS is a gatekeeper for
Title IV, that is not the only major federal
program. One of the other ones is access to the
SEVP program.

So if you want to go back to some of
those, the one that wasn't even accredited by us
-- that wasn't yet accredited by ACICS, they were
a participant in the SEVP program, I believe
through their asset accreditation.

And they had on their campus -- their
CAR, the campus accountability report form, I
believe it was 2016, they had 2016 graduates and
completers, but only -- but 209 of those were not
available because they were on visas. VIU in
their 2018 team report they, there's actually --
there's a statement at the beginning that says
that they reduced from 95% international students
to 90% international students.

So our charge is not just looking at,
you know, Title IV eligibility and the
maintenance of Title IV funds, it's also looking
at accessibility and whether or not those
programs and institutions should access any
federal program.

As to the individual reports, I
understand (audio interference) that they stand
on their own. So those -- I was trying to answer
all your questions, so there you go.

MS. BLUM: No, that's -- so they do each
stand on their own, even though we should
probably have a conversation about the totality.
But I just want to just say that that was a very
helpful answer on the visa piece because I'd
forgotten that element, so that's an extremely
helpful piece.

I would, though, fall back on the fact
that there have been, particularly in the
Northeast by the way, a number of nonprofits
pretty kind of sudden closures. And I certainly
wouldn't suggest that that's on the accreditors.
So I just -- I'm just putting that out there.

But I do, I just worry about the --
going right to removal. And I am going to make
this about a totality of the statement for a
second. What I'm concerned about is the totality
of this process problem. And so those are my
concerns that are completely process-oriented.
I'm certainly not defending this agency. So I
just want to be really clear about that before I
close out.

CHAIR KEISER: Thank you, Jennifer. I
have David and then Anne and then Herman.

DR. EUBANKS: Thank you, Art. I wanted
to go back to something Herman said a minute ago
about the role of subjectivity and having 18, you
know, informed opinions. We heard a lot
yesterday about checkbox compliance, that the
maybe ACICS got in trouble partly because its
review processes were too perfunctory.

And I feel like from a lot of the discussion here that we are sort of revert to checkboxes. And I think that beyond the 602 dot dot dot criteria, that generate principle that Elizabeth mentioned has to be our guiding light, that the Agency standards should ensure the education or training the schools offers is of sufficient quality to achieve its stated objective for the duration of the accreditation period.

That is, it's not enough to explain away disasters using technicalities. Quality assurance should prevent the disasters. And of course no accreditor, as we've seen, can guarantee that. However, signature of an agency that wants to prevent disasters is self-reflection and transparency about what went wrong and how to prevent it next time. That's what I was looking for yesterday in the testimony, and I didn't see it.

And I think Mary Ellen's comments are
right on point with some specifics for handling and deferrals, not compelling evidence that institutions are actually improving. Promises unfulfilled to the state's attorney general and (audio interference) associations. And lots of statements about change, but not about why the change originated.

    For example, the VIU situation, I would have thought that having read that report from SCHEV -- I don't know if you read it but you should if you haven't. I would think the accreditor would have been horrified and would have run back and said, well, we've got these 30 questions that are supposed to ensure the quality of online education.

    Obviously, that wasn't enough. We need at least one more question. Let's figure out what that is and then let's go to our other institutions that have online learning.

    Obviously I'm just making up stuff here, but I wanted to see something like that, and I didn't.

    And one particular piece of evidence
pointed in completely the other direction, and that was the issue of the surveys. So if checkbox compliance is merely having the appearance of standards, and something substantive is more than just the appearance, the discussion about the surveys said to me that even now, it's really just about appearances.

The idea that we would only ask an institution to sample ten percent of its students and have the responses, whatever they happened to get from that ten percent of their students, that that is in any way a meaningful exercise is to me ridiculous, and I work with surveys all the time.

So I agree with Claude and Mary Ellen's assessment and I support their motion.

CHAIR KEISER: I'm not sure there has been a motion. But then Anne, you have your hand up?

MS. NEAL: Yes, I wanted just to raise another issue in the context of Mary Ellen and Claude's preview of where they would like to go. Basically over the last two and a half days, we
have been made aware, unfortunately we were made aware, they were not presented to us before, of two OIG reports, both of which substantially say that the Accreditation Bureaus has serious problems of subjective and inconsistent application of its standards.

And I think in the course of the last two and a half days, we have raised repeated questions about consistent application of standards in the context of ACICS, so that the issue has not been resolved, and in fact these two IG reports -- or one has been I guess addressed. The other one, the 30-day response period's not started to go into place. But nevertheless, pretty strong statement that there's an inconsistency problem here.

And I guess in light of that, which seems to have been fairly significantly agreed to by many of us that is there some other approach rather than terminating, such as simply insisting that they not be allowed to have any additional members, knowing that they're coming up in July
for renewal.

So I just want to understand, given what appears to be fairly significant evidence of due process violations, of why we would not consider alternatives.

MS. DAGGETT: Anne, I would just like to say I don't -- I disagree with that characterization of the particular IG reports that just came out. I don't think that it paints a broad brush of process issues. I think it, as it specifically stated, it only review the 2016 process of review for ACICS and then the 2018 SDO review and recommendation, and even that was only limited to six of our 21 sections. So I don't think that the broad brush that you're using is applicable here.

And they've specifically noted that any conclusions that they made in their report cannot be projected onto the recognition criteria that they didn't review, or to the evidence that the SDO did not cite in their review. And they
specifically noted their report is not applicable to the reports that are before you today.

MS. NEAL: No, but Elizabeth, my point is that both reports have said that there is inconsistency and subjectivity in the application of standards by the Bureau, and that this needs to be addressed. So I'm not speaking in the context of ACICS, I'm just speaking in the context the two general reports have said, and it is that conclusion.

MS. DAGGETT: Well, the issue of subjectivity in the most recent one was actually related to the fact that the SDO was only a one-level review of that recommendation, the recommendation of -- recognition recommendation that was made, and that the OIG stated that additional levels or such as what we normally have, which is the OPE staff, the NACIQI meeting, and then the SDO review or ultimately Secretary review, was a much better option in order to eliminate that subjectivity.

CHAIR KEISER: Okay, Anne, anything
else? Herman, did you want to comment? Your hand's up, and Jennifer, your hand's back up, or is it down?

MR. BOUNDS: Yes, mine is up, Art. I just wanted to, you know, to make a -- let me just make another comment about I think was the question that Jennifer had asked about, you know, the totality. I just wanted to be clear, you know, we did look at each one of these reports individually, but they all did play off of one another.

I also wanted to just jump over to what, you know, what Beth just said, one of the key findings here in the -- in the OIG reports and, you know, Anne just referred to it. It talked about that single level of review being with that March 2018 decision. But it also noted that staff should have been involved in that.

So I think the report puts out both, you know, both some positive things and some things that staff need -- that not only staff need to work on, but the department needs to work on.
And that's why I mentioned yesterday to please read the entire report and come up with a, you know, with an understanding of what the report did actually, is actually saying.

CHAIR KEISER: If I may, again, respond to that. I tend to look at the financials as a very important consideration when we're looking at the competency or the -- in terms of the agency. And exactly what the OIG report said was there's a lack of objectivity in determining what is a -- an agency that's financially responsible.

Now, if you use the audits, this -- and use the composite score that is the way we look at institutions, the Agency would have a significantly good composite score because of the eight and a half million dollars in reserve.

So I think we've got to look at it all, but I think we're finished with the discussion. And I think we need to bring back Mary Ellen to, we're going to go through five votes, then four in terms of the reports. And then those will just be an approval or a not approval of the
report. And then the final one would be a motion on accreditation.

(Simultaneous speaking.)

DR. PETRISKO: I'm going to turn that over to Claude. Claude --

DR. PRESSNELL: So as the Chairman indicated, the attorneys have advised us that the best way to handle this is to accept or reject the staff recommendation on each individual report. Each individual report recommendation from the staff was termination, and so that was the stand-alone comments that that addressed.

So we're going to vote on each one of those, and then there will be a fifth vote on the ultimate action.

OPERATOR: Hold on, please.

CHAIR KEISER: Okay, there you are, you're back.

OPERATOR: Okay, we can continue.

DR. PRESSNELL: Thanks. So again, just to remind everyone, each individual report staff recommendation was for termination. What we're
going to do is we are going to take a vote on each report, and then there will be a fifth vote on our recommendation for the agency. So if I could have Beth with us again.

And the motion is that we accept the staff's recommendation that ACICS be found out of compliance with the cited criteria in the final staff report on the compliance report. And so the first one is on the compliance report.

And I wanted Beth to make sure in summary to articulate that report so that you know precisely what you're voting on, and she will do so on each report. But that's the motion, and we need a second.

CHAIR KEISER: Is there a second?

DR. DERBY: I second.

CHAIR KEISER: Who was that?

DR. DERBY: Jill.

CHAIR KEISER: Jill, okay. And Elizabeth, could you restate specifically the recommendation of the department?

MS. DAGGETT: Yes, the recommendation is
terminate recognition. But I believe what we're asked --

CHAIR KEISER: No, focus on the compliance report, not the termination.

MS. DAGGETT: Right, the compliance report, we found them out of compliance with Section 602.15(a)(2), which is in relation to the competency of their representatives. And this was a issue specifically about the training of their site team visitor.

CHAIR KEISER: Okay, is there discussion?

MS. DAGGETT: Also, want to know also that this is the issue that they've been out of compliance with for four years.

CHAIR KEISER: Is there discussion?

Kathleen, you have your hand up.

DR. ALIOTO: Well, it's just I wanted to read into the record what the report has said about that that report had nothing to do with our deficient (audio interference), as Mary Ellen had already said. But I just (audio interference)
read it. That's all.

CHAIR KEISER: Thank you. Jennifer.

MS. BLUM: Yeah, I just had a topical question. I'm sorry, part of because I'm new. But to find a agency out of compliance is not -- that's why you're separating this, right? There are other things you can do other than removal if you find an agency out of compliance, is that correct? I just want to make sure that I understand what I'm setting up.

CHAIR KEISER: Yeah, that is correct, yeah, that is correct.

MS. BLUM: Who answered that, just so I know?

CHAIR KEISER: (Audio interference) George or Herman be one --

(Simultaneous speaking.)

CHAIR KEISER: Does not mean termination, right? George, Herman?

MS. BLUM: Can somebody answer that? Because like if we vote something out of compliance, it doesn't mean that we're
necessarily voting to remove.

MR. BOUNDS: Right, we are focusing on the compliance report in this particular motion.

MS. MANGOLD: Hi, this is Donna Mangold. It's a compliance report related to the Secretary's decision in 2018. So she gave them, in 2018, X number, you know, a year to come into

MS. BLUM: That's not what I'm asking, Donna. Donna's, it's not what I'm asking. I'm asking that on any motion, forget that it's the compliance. It happens that we're using the word compliance twice, sorry about this. This should be a different report (audio interference) the RNU report, just so we don't use the word compliance multiple times.

If it were the RNU report that we were voting on, if we accept that something is out of -- that the agency is out of compliance right now, we're not necessarily voting to terminate recognition because you have that final vote, right? So this is just simply to say we agree
that they're out of compliance but not
necessarily that we agree that they should be
terminated.

MS. MANGOLD: This is just on out of
compliance. This vote is, that's correct. The
distinction I'm trying to make, though, is that
on the compliance report, that was something that
if you find them out of compliance on that, there
are more significant consequences.

This compliance report is different than
the other report because the compliance report
arises from the other -- from the prior
secretarial decision, when she only gave them a
year to come into compliance. So that's the
significance of that. That's a little different.

MS. BLUM: That's really significant.
Sorry, Donna, for interrupting before. Now I
understand what your point was. Apologize.

MS. MANGOLD: No apology necessary,
Jennifer.

CHAIR KEISER: And my understanding now,
Elizabeth, is the issue of the compliance is a
training issue of three people.

    MS. DAGGETT: Yes, primarily yes.

    MR. O'DONNELL: Art this, is Rick, can I ask a quick process question. Before we --

    CHAIR KEISER: Who said that?

    MR. O'DONNELL: If we vote to accept this compliance motion that says terminate recommendation, but hypothetically the final fifth vote does not terminate recognition. Does this report still go -- I don't understand with the fifth vote is for. So is this -- I understand like what happens if this -- if we approve this motion but we defeat a fifth motion to termination recommendation, what happens?

    CHAIR KEISER: Donna?

    MS. MANGOLD: Everything will go to the SDO anyway. So, and the SDO will have the benefit of your recommendation.

    MR. O'DONNELL: But I don't understand. So why is there a fifth vote?

    CHAIR KEISER: Rick, we've voting on (Simultaneous speaking.) go ahead, I'm sorry.
MS. MANGOLD: We're also trying to do it for purposes of keeping the record as clean as possible for due process purposes for ACICS to make sure that there is a separate -- you know, it depends on how you will vote on any of these things and then to make it clear what your recommendation is based on the totality.

MR. O'DONNELL: But if we approve this specific motion, we're recommending terminate recommendation, regardless of the subsequent four votes, correct?

MS. MANGOLD: That is correct.

PARTICIPANT: So I'm sorry, go ahead.

DR. PRESSNELL: Well, we're at -- what we're saying is that we're -- the motion is to accept the staff's recommendation that ACICS be found out of compliance. We're not necessarily making the motion to accept their conclusion of termination until the fifth vote. Is that not correct?

MS. BLUM: Actually, that's not. I think it's Jennifer. I feel like John has just
told us that on this particular one it's more
grave because it's been going on. The department
only gave them a year to get into compliance.

MS. MANGOLD: Potentially we could, you
know, there are limitations or suspensions,
although, you know, suspension hasn't been used
much.

MS. BLUM: Can I ask a question, Donna?

MS. MANGOLD: Yeah.

MS. BLUM: Let me just cut to the chase,
and Anne alluded to it I think before. If we
voted to accept this motion right here, the out
of compliance on the compliance report, could we
then later -- and I'm not suggesting this is
going to happen, I'm just using this as an
example, could we then move that this all gets to
pushed to July when that decision is up? Or is
that not an option?

Let me talk internally here. I don't
want to --

MS. DAGGETT: I don't believe it's an
option under 604.34, your procedures require you
to come up with a recommendation that's listed there, and deferral is not one of those options.

DR. PRESSNELL: Yeah.

MS. BLUM: So in effect, this motion is a -- and our option if we vote for it in the effect is termination. So can I, I know I'm complicating things, but in a way, this is like an endgame vote, and it's the first one. (Audio interference).

DR. PRESSNELL: Jennifer, this is Claude. We've talked about this ad nauseam. And my first impression was your impression that if this one -- if we accept the staff recommendation on this report, then it mutes all other reports.

So when we were trying to figure out how can we work on this so that we can agree that they're out of compliance in the report but not necessarily agree to the action of termination. Even though one report may weigh heavier than another report, then the fifth vote would give us our action recommendation to the SDO.

Now, again, this is a little convoluted,
you know, in terms of how we're doing it. But the goal here was for us to consider each report and not let one report just negate all the other reports. They could just simply act on whether or not, or make a decision on whether or not we believe that the staff conclusion of compliance or noncompliance is true but not necessarily recommend their action until that fifth vote.

In other words, we can say out of compliance, out of compliance, in compliance, out of compliance. All right, now what do we want to do with this? That's my understanding of where we've landed. If I'm not correct, I would be happy to stand corrected.

MS. MANGOLD: Yes, and potentially we could have -- I'm sorry, this is Donna, we could potentially have a limitation as a potential option at the end too.

CHAIR KEISER: I have Anne Neal's hand raised. Is that correct?

MS. NEAL: Yes, just following up on what Claude said. I'm still profoundly confused,
because as I just heard the staff attorney, it was my impression that we're not voting to accept the staff's recommendation that they're out of compliance, we are voting to terminate recognition.

And so there seems to be some confusion as to those who are giving the motion and those who are interpreting how we're voting. And so I'm not clear, based on what I just heard, as to why we wouldn't vote on each report and then vote on terminate recognition at the end them, but that's not what I just heard from staff counsel.

MS. MANGOLD: Yeah, I was trying to respond to Jennifer's question. And in terms of compliance -- compliance, and I just, what I was trying to say is that this compliance report relates to 2018. But it's not as though you can put them on another compliance report based on some finding of noncompliance on this compliance report. Because this comes out of Secretary DeVos's decision.

So that you would have -- so that if we
found them out of compliance on this one, it
would have more impact in terms of your
recommendation. And so, you know, it wouldn't
necessarily be termination, it could be
limitation. But I --

PARTICIPANT: Mary Ellen?

MS. MANGOLD: But the sure (audio
interference) you're doing all -- we want all
four to be done individually in terms of the
findings of noncompliance or compliance in the
separate report.

MS. NEAL: Anne, I don't ever recall
voting on a monitoring report, so I'm very
confused. Why are we voting on a monitoring
report?

MS. DAGGETT: Because there was -- it
was a process via our, via Section 602.33, and
then it was a monitoring report that was required
by that same decision by Secretary DeVos in 2018.
And we found that there were areas of
noncompliance, and so we moved it forward for an
SEP (audio interference) review.
It was called a monitoring report because that's how Secretary DeVos referenced it.

CHAIR KEISER: Anne? Is that it? Mary Ellen?

DR. PETRISKO: If we're beyond the -- I just would like to note that if we actually look at 602.15(a)(2), which is what's at question here, this is bigger than the training of three people. This is about (audio interference) individuals across the board working at different agencies on their responsibilities, they're appropriate for their roles.

These are the standard (audio interference) policies, etc. So it's not just -- I mean, we're asked to do our own read of this and look at the evidence and prevent it. So I just wanted to be sure that people weren't thinking this is about only about those three.

This criterion is a broad criterion about the capacity of all of the individuals that are working with this -- for this agency to do this work. Wanted to make that clarification.
MS. DAGGETT: Yes, thank you, Mary Ellen. Yes, I was trying to find my notes of what I specifically said, and what I said is that the ACICS failed to demonstrate that it consistently trained its representatives for their roles and followed its own policies and procedures as regarded by regulation in this Section 602.15(a)(2).

CHAIR KEISER: And just out of curiosity, was -- did that just -- didn't that apply to the three highlighted institutions? Is that what we're still talking about?

MS. DAGGETT: We're just talking about what's in the compliance report, the training in the compliance report.

CHAIR KEISER: The training, the evidence of the training with three people, right?

MS. DAGGETT: Well, I'm -- the three specific people they did not provide training to, but it was a broader, as what Mary Ellen said, it was saying that they had failed to demonstrate
that they consistently train their representatives for their roles and follow their own policies and procedures.

CHAIR KEISER: Okay, I see no more hands up. There is a motion, there is a second. Anne, is your hand still up?

DR. SMITH: Art, I just want to address -- this is George -- address a question that Mary Ellen raised yesterday about people who perhaps did not participate in yesterday's robust conversation about the agency. Our expectation would be as the both as we, as the motions, you know, progress that the people who did not participate would abstain during the vote. Thank you.

CHAIR KEISER: Okay, well, I wasn't aware of that, but that please make sure when I get to your name, just say you were not here. I can try to remember. I think Roslyn might be the only one.

Okay, all in -- people voting on the motion. Anne? Anne? We're doing a roll call.
I lose Anne? You're on mute. Anne
Neal. I can't hear you.
Can we go to Claude, I can't hear Anne.

DR. PRESSNELL: Yes.
CHAIR KEISER: David.
DR. EUBANKS: Yes.
CHAIR KEISER: Jennifer. Jennifer?
MS. BLUM: Yeah, I'm here, I'm here. I am going to say yes.
CHAIR KEISER: Jill.
DR. DERBY: Yes.
CHAIR KEISER: Kathleen.
DR. ALIOTO: Yes.
CHAIR KEISER: Mary Ellen.
DR. PETRISKO: Yes.
CHAIR KEISER: Paul.
DR. LeBLANC: Yes.
CHAIR KEISER: Rick.
MR. O'DONNELL: Yes.
CHAIR KEISER: Robert Mayes.
MR. MAYES: No.
CHAIR KEISER: Can you keep going down?

Thank you. Ronnie. You recuse. Roslyn, you were not here, so you're recused. Steven.

DR. VanAUSDLE: Yes.

CHAIR KEISER: And Wally.

DR. BOSTON: Yes.

CHAIR KEISER: Okay, we go to the second one, which is on -- we need a motion --

MS. NEAL: I'm sorry, Art, I guess I was left out. Sorry, I vote yes.

CHAIR KEISER: You were not left out, we just couldn't hear you.

MS. NEAL: Sorry.

CHAIR KEISER: Voting yes or no, or?

MS. NEAL: Yes.

DR. PRESSNELL: Okay, Mr. Chairman, we have a motion on the second report. We move, or I move that NACIQI accepts the staff's recommendation that ACICS be found out of compliance with the criteria cited in the final staff report on the monitoring report. And if I could get a second, we would like to have Beth
come up and describe that report again.

DR. ALIOTO: Second.

CHAIR KEISER: Okay, Elizabeth.

MS. DAGGETT: So the monitoring -- yes, the monitoring report was the report that found ACICS out of compliance with two areas. They were Sections 602.15(a)(1), which is ACICS failed to demonstrate that it has the financial resources to carry out its accrediting responsibilities based on a review of financial statements over a five-year period and related documents.

And the second section was Section 602.19(b), that the ACICS failed to demonstrate that it has effective monitoring and evaluation approaches because using the oversight expert the agency cited, ACICS still did not uncover the serious areas of noncompliance identified by other accrediting or approval agencies.

CHAIR KEISER: Okay, is there discussion? Jennifer?

MS. BLUM: Just a technical one, sorry.
But on this one, this one is subsequent. This is not like the one we just did on the compliance report, is that right? In terms of timing?

MS. DAGGETT: I'm sorry, subsequent?

MS. BLUM: Well, in terms of the Secretary giving one year.

MS. DAGGETT: Well, I mean, the whole point of a monitoring report was that they were found substantially compliant. And now based on the monitoring report, we're finding them out of compliance.

MS. BLUM: Okay, thank you for that clarification.

CHAIR KEISER: I would object. And even though I don't vote, the fact is the financial reports do not show that they are not capable of operating, and in fact they have an unqualified opinion in the last three audits. So I really, I feel uncomfortable with that, so that's my opinion.

DR. PRESSNELL: Yeah, Mr. Chairman, I have a comment to that. This is Claude. I
I understand your concern about 602.1 --
602.15(a)(1), but they were clearly, my position,
they're clearly out of compliance on the
monitoring fees. I mean, I think Reagan
National, VIU indicated that they are -- they
don't have the capacity to do effective
monitoring.

So just wanted to make that clear as to
why I'm voting the way I am and why (audio
interference).

CHAIR KEISER: But they are -- do you
feel they are out of compliance financially?

DR. PRESSNELL: I think that the
(Simultaneous speaking.) Apples and oranges
comparison over the last few days between them.
I think that they are in a fiscal spiral,
downward spiral that is unsustainable.

When we look at some of the other
agencies, even though the resources may have been
slimmer, significantly slimmer even, their
operations were, and they weren't showing that
they were in kind of a death spiral, they were
showing that they had stability in the resources.

And we were looking at programmatic

versus institution, we looked at institutional.

So there were -- it was a lot of different

comparisons. I think the concern is is the rapid
decline of their assets in a short period of time

and whether or not they'd be sustainable over,
you know -- I think it raises concern for sure.

But I'm mostly in agreement that the -- that they

are out of compliance on the monitoring fees.

CHAIR KEISER: Mary Ellen.

DR. PETRISKO: Maybe it was noticed when

I was talking with the agency, I asked no

questions about the finances and I didn't raise

any issues about the finances in the statement

that I made this morning. I would second what

Claude said, or I agree with what Claude. And my

position here is on the monitoring report and the

seriousness (audio interference) of the

monitoring issues.

So I'm agnostic about the finances,

although I understand the arguments that are
being made, I'm agnostic about that. (Audio interference).

CHAIR KEISER: Okay, any further discussion? I see no hands.

DR. BOSTON: Yeah, Art.

CHAIR KEISER: Oh, Wally, yes, please. You're at the bottom.

DR. BOSTON: Yeah, so I tend to concur with you about the audit report. And I would also note that there have been a number of articles not just talking about accrediting bodies in general and the reporting of finances, but even the department's own fiscal ratios for Title IV approval that there's such a delay on that that if you have a tuition-dependent institution, it's almost impossible to forecast exactly when it's going to go under.

So I'm curious about this one, let's put it that way. Or doubtful.

CHAIR KEISER: Any other conversations? (Simultaneous speaking.)

MR. MAYES: So you have the financial
situation, which we kind of talked about, and
(audio interference) things very subjective and
good points have been made both ways. So if a
person -- or if lean toward, okay, the audit
doesn't show a growing concern, but this -- you
take the longest section in this report, which is
about basically about RNU and VIU.

And while there's, it seems there should
have been or could have been a better job dealing
with RNU mainly up front, you know, if more
front-loading in process and making it a little
bit more difficult for a school with such -- many
compliance findings to get through it and go to
deferrals.

I'm not so sure did they not meet the
standard in what they did, though. And of course
if the school ends up closing that's problematic,
I don't like that situation at all how the whole
went. But it's kind of questionable, okay, but
did they still meet the standard in how they did.
And it's just a bad circumstance and happens.

And the VIU situation seems to also be
very subjective on should they have found more or not. And even the training part, you know, we just hit earlier. You know, they have training, they show they have training. And were those issues really related to training, or is there more of it's a process problem.

So all that said to come down to if you find, yeah, there's one, there's a concern for maybe one of these, or maybe you're not so sure, or the others are way subjective and -- or maybe you feel that they did come into compliance on finance and your recommendation is wrong. Is it all or none or what with this report?

CHAIR KEISER: Robert, is that a question to the (audio interference)?

MR. MAYES: Yeah, it's a question.

CHAIR KEISER: I assume Donna probably best to answer that. We're back to the same question. Is this individual or should we look at it in totality. That's still the question. Does somebody from staff want to talk about that again? And then --
MS. MANGOLD: I think that the -- there is no prohibition of looking at it one way or the other. Whatever (audio interference) the Committee thinks they're going to the best, the most articulated motion is probably the best way to do it. I don't think that there's any -- there's nothing in the rules that would require you to do it one way or the other.

MR. MAYES: Okay, that's an estimated five-year from me.

CHAIR KEISER: Elizabeth, how do you respond to that, because the rules don't say which way. That if they did it one way (audio interference) were, then there's no prescription on how to respond to those oversights? Is that what Donna just said?

MS. DAGGETT: No, I think she was answering the (audio interference) question of whether or not you have to find out of compliance out of the whole report, or whether you could go criteria by criteria, I believe. Yes.

MS. MANGOLD: Right, to preserve, if you
wanted to preserve findings of particular criteria, I think you could draft a motion that
does deal with it more specifically. (Audio interference) in that there are lots of different
moving parts in each of these reports.

I don't mean to drag down the process longer, but it would be up to the Committee if
they wanted to articulate out some of the criteria if this one is, you know, causing problems to try to deal with together.

DR. PRESSNELL: Mr. Chairman, so we could -- I would be fine, as the person making the motion of course, I don't remember who seconded it -- whoever seconded it would have to agree -- to withdraw the motion and take two votes on this report, one related to the finance and one related to the monitoring capacity.

I would be fine with that. So, what, 602.15(a)(1) and 602.19(b). So if that's what we would like to do, I would be happy to entertain that. Is that (Simultaneous speaking.) I withdraw my motion. Did whoever made the second
needs to withdraw --

    CHAIR KEISER: You don't need to, you can just have the second agree to the amendment.

    DR. PRESSNELL: I don't want to amend it, I think just --

    CHAIR KEISER: No, just go ahead and make a motion on report two that --

    DR. PRESSNELL: But there is a motion and a second on the floor. You'd have to vote on -- it's just as easy to accept it as a amendment.

    CHAIR KEISER: All right, we'll split (audio interference) the motion. Go ahead and make your amendment.

    DR. PRESSNELL: We made it. System capacity and monitoring, it's on the screen. Does the second approve that? That was Mary Ellen?

    DR. PETRISKO: It wasn't me. I would note that (audio interference) --

    DR. PRESSNELL: It was Kathleen.

    DR. ALIOTO: Yes.

    CHAIR KEISER: Do you approve the
amendment -- okay. So all in favor of the
amendment -- well, we'll just go by signifying
with aye.

MS. BLUM: But Art, I have my -- this is
Jennifer, I've had my hand up to ask a question
about this motion, either, whichever motion. Can
I ask it? Or make a -- not, I'm sorry, not ask a
question, but (Simultaneous speaking.)

CHAIR KEISER: We have a motion and a
second to amend the motion. And it's a friendly
amendment, so we can move on and Jennifer, you
can ask a question.

MS. BLUM: I just want to say the
monitoring piece of this, though, distinctly
relates to -- I actually think we should keep
them together, because the monitoring piece of
this relates pretty directly to actually another
report which is, I think, because the monitoring
questions arise from the other -- from the three
institutions.

So I feel like by separating them, we're
going to be voting -- I'm just a little confused
about the findings of the monitoring report. Are the findings on the monitoring out of compliance that aren't related to the three institutions that?

MS. DAGGETT: Well, the monitoring report was related to the VIU review, but also more broadly in that they provided their at-risk institutions group report. But it still did not demonstrate that they uncovered the serious areas of noncompliance.

It was financial capability or educational quality standards that were identified by other accrediting or approval agencies. So it's not totally limited to an institutional review.

MS. BLUM: Okay, thank you.

CHAIR KEISER: Mary Ellen, you have your hand up?

DR. PETRISKO: I just want to note that 15(a)(1) is administrative capacity, so it's not just fiscal, it's administrative as well. So in checking them both that you're voting on both of
those things. Thank you.

CHAIR KEISER: Okay, any other questions or comments?

DR. PETRISKO: Are they two separate motions? I'm not clear what we're talking about.

CHAIR KEISER: Yeah, two separate motions. We do separate votes is what -- and so just to be clear, we're going to vote -- the motion is that we find, we agree with staff recommendation that they are out of compliance with both 602.15(a)(1), and then there will be a separate vote.

Just to be clear, we are saying they are out of compliance with 602.19(b). So (audio interference) two votes. Those are the motions. Any other questions? I don't know, Jennifer, is your hand up or has it been up? It's down.

MS. BLUM: Sorry.

CHAIR KEISER: We'll move the motion, we'll move the first motion about administrative and fiscal capacity. Anne.

MS. NEAL: No.
CHAIR KEISER: Claude.

DR. PRESSNELL: Yes.

CHAIR KEISER: David.

DR. EUBANKS: No.

CHAIR KEISER: Jennifer.

MS. BLUM: No.

CHAIR KEISER: Jill.

DR. DERBY: Yes.

CHAIR KEISER: Kathleen.

DR. ALIOTO: Yes.

CHAIR KEISER: Mary Ellen.

DR. PETRISKO: Yes.

CHAIR KEISER: Paul.

DR. LeBLANC: Yes.

CHAIR KEISER: Rick.

MR. O'DONNELL: No.

CHAIR KEISER: Robert.

MR. MAYES: No.

CHAIR KEISER: Ronnie -- no. Roslyn's not -- Steven.

DR. VanAUSDLE: Yes.

CHAIR KEISER: Wally. Wally.
DR. BOSTON: No.

CHAIR KEISER: What's the number?

(Simultaneous speaking.)

CHAIR KEISER: What's the tally?

DR. SMITH: It's six yes, six no, can you verify that, Valerie?

CHAIR KEISER: I get to vote. That's amazing. I'll vote no, so that fails.

Okay, we move to the next one, the motion about the monitoring and the monitoring report. Anne.

MS. NEAL: Yes.

CHAIR KEISER: Can we move down, Valerie? Claude.

DR. PRESSNELL: Yes.

CHAIR KEISER: David.

DR. EUBANKS: Yes.

CHAIR KEISER: Jennifer.

MS. BLUM: No.

CHAIR KEISER: Jill.

DR. DERBY: Yes.

CHAIR KEISER: Kathleen.
DR. ALIOTO: Yes.

CHAIR KEISER: Mary Ellen.

DR. PETRISKO: Yes.

CHAIR KEISER: Paul.

DR. LeBLANC: Yes.

CHAIR KEISER: Rick.

MR. O'DONNELL: Yes.

CHAIR KEISER: Robert.

MR. MAYES: No.

CHAIR KEISER: Steven.

DR. VanAUSDLE: Yes.

CHAIR KEISER: Wally.

DR. BOSTON: No.

CHAIR KEISER: It looks like that passed.

Claude, do you have another motion to (audio interference)?

DR. PRESSNELL: Yes, Mr. Chairman. I move that NACIQI accept the staff recommendation that ACICS be found out of compliance with criteria cited in the final staff report on the capacity inquiry.
(Simultaneous speaking.)

CHAIR KEISER: Is there a second?

DR. ALIOTO: Second.

CHAIR KEISER: Kathleen, second.

Elizabeth, specifically.

MS. DAGGETT: So the capacity increase, ACICS failed to demonstrate compliance with four sections, Sections 602.15(a)(1), Section 602.16(c), Section 602.16 -- 17(c), I'm sorry, .17(c), and 602.17(e).

For 602.16(c), ACICS did not demonstrate that a standard effectively addressed the quality of an institution's distance education in the review of VIU. For 602.17(c), ACICS did not demonstrate that it obtained specific information to determine compliance during an onsite review with respect to the review of VIU.

For Section 602.17(e), ACICS failed to demonstrate that it conducts its own analysis of the institutional information and documentation to determine compliance with the standards in the review of the SDUIS.
And the 602.15(a)(1) was in relation to the oversight failures revealed in reviews of VIU and SDUIS do not demonstrate that the accreditation review and monitoring processes used by ACICS are adequate to identify compliance concerns and calls into the question the agencies' administrative and/or fiscal capabilities.

DR. KEISER: Are there questions or comments? I certainly have one. How do we include SDI -- the San Diego school when in fact they were never accredited?

MS. DAGGETT: Because we're looking at the accrediting agencies' processes and procedures and whether they're implementing them. And so those would be in effect whether or not the school is seeking initial accreditation or renewal of accreditation.

CHAIR KEISER: And what process was that specifically at the San Diego school?

MS. DAGGETT: It was -- I'm sorry, I'm sorry. It was at -- it was that ACICS received
public comments and 400 pages of response from SDUIS but failed to demonstrate that they reviewed the comments (audio interference) a required by their policies and procedures.

They didn't provide any examples to demonstrate that they conducted their own analysis of the information and documentation as required by their policies and procedures.

CHAIR KEISER: Okay, thank you. Mary Ellen, do you have a comment?

DR. PETRISKO: There is also the issue of the responsibility to verify other accrediting bodies actions that are probationary or denial of accreditation. So there was the question of how they handled the asset, withdrawal or denial of accreditation of the part of that institution.

MS. DAGGETT: That's (audio interference), sorry, thank you.

(Whereupon, the above-entitled matter went off the record at 11:59 a.m.)

CHAIR KEISER: Robert.

DR. PETRISKO: On the regulation what do
they do with other agencies?

CHAIR KEISER: Robert.

MR. MAYES: Okay. I just want to walk through these for a minute and ask some questions because this is all very important matters.

So, let's take the first one, that was adequate administrative staff and financial resources. And we're really all about the VIU versus SCHEV review for the most case. And ACICS also came up in that one.

For the SDUIS, the San Diego school we know didn't, didn't really get very far in the process. So I kind of washed that one out. So, I don't see that as problematic as I do maybe other ones could be.

On the VIU review that ACICS did versus the SCHEV review, the question was, you know, ACICS must have missed some things that SCHEV found. And the vote between ACICS and the department seem to mean ACICS said that, well, ours tended to differ and they didn't overlap. And (unintelligible) that they did.
Because do you think (unintelligible) the possible, what, what standard did overlap? What did SCHEV say did not meet (unintelligible) because they were very close to direct overlaps?

MS. DAGGETT: Well, I mean, the specific areas that were cited in the SCHEV audit was that they found significant areas of concern regarding faculty/student interaction, peer-to-peer interaction, academic rigor at the graduate level, and the comparability of distance education per residential offering.

And those are the areas where there should be or there seems to be at least concerns dealing with educational quality, that there would be overlap in the review between ACICS and SCHEV.

MR. MAYES: Okay, peer-to-peer I don't (unintelligible) requirement we have to have peer-to-peer (unintelligible).

Was this a Title IV program?

MS. DAGGETT: Yeah, it was, it was a Title IV. It is a Title IV position, or I
believe they were at the time.

MR. MAYES: Well, in even Title IV I think it is more about interaction between faculty and student. I'm not sure peer-to-peer is actually a requirement, is it, for an institution that's accredited?

MS. DAGGETT: I'm not an expert on FSA regulations. I'm an expert on accreditation regulations. And I do know usually accrediting agencies require expectations in these particular areas and on those particular areas. And if they were to see that another agency were to have issues, then they would, I think, also have concern and would investigate those issues.

MR. MAYES: Okay. Can you list those ones again? Apologies, I don't have that document in front of me.

MS. DAGGETT: It is specific -- significant areas of faculty/student interaction, peer-to-peer interaction, academic rigor at the graduate level, and comparability of the distance education to residential offerings.
MR. MAYES: Okay. And the ACICS review that was done didn't find any issues with any of that; is that correct?

MS. DAGGETT: No. The only issues that were found in the team report that was done, it was done in January of 2018, and the SCHEV review was done in August of 2018, the only issue regarding distance education was that the distance education plan was not included in that sample's effectiveness plan.

I'd have to pull out other doc -- Let me see. I have too many folders.

MR. MAYES: I understand.

(Pause.)

MR. BOUNDS: I'm looking, too, Beth. Maybe you might find it before I do, though.

MS. DAGGETT: I'm trying to find the specific paper that I'm looking for.

MR. MAYES: Yeah.

MS. DAGGETT: And I don't -- I'd have to, I'd have to pull it up in the system. Sorry.

DR. PETRISKO: I have a copy of the SCHEV
report here, if that's helpful.

MS. DAGGETT: I was actually looking for it in, I believe it's in, it's either in Exhibit 11 or 12. And it's the sheet, the summary sheet of the VIU report. I believe it's Exhibit 11. And it gives the summary of what the ACICS team found.

I believe it was the -- their educate -- their distance education plan was insufficient.

DR. PRESSNELL: Robert, do you happen to have another question to direct while they're looking that up?

MR. MAYES: Sure.

So, the next part after 17(c), which is about they have to conduct at least one onsite review of the institution. And that, I believe, really hit on the same issue that the VIU review wasn't adequate. Is that correct?

MS. DAGGETT: I'm sorry, could you please repeat the question? I just found the other paper by the way, so.

MR. MAYES: Okay. Well, go ahead and
wrap up that up if you can.

    MS. DAGGETT: Okay. So, the only issue
they found was that the distance education plan
is not appropriately integrated into the campus
effectiveness plan. Anything else related to in
a classroom, such as the things that I talked
about in SCHEV.

    The other item about distance education
was that it doesn't have a distance education
plan that includes the rationale, resources,
source program and different content or student
assessments.

    And then they have that there is just
not a separate section for graduate admissions
procedures in the catalog.

    And they were the only things related
to, like, the areas that we talked about.

    MR. MAYES: Okay. The next part, 17, dot
17(c), it's about conducting at least one onsite
review of the institution. In that the narrative
talks about he reviewed about the same VIU review
issue not being adequate. Is that right?
MS. DAGGETT: That's correct.

MR. MAYES: Okay. And then the last, well, I guess it's not last, is the 17(e), conducts its own analysis of the SCHEV study. So, this one referenced the SDUIS reviews. In my notes at least I mentioned that. But I may have got that wrong.

But this, well yeah, this one was about lack of reviewing the third party comments related to this English language center and amnesty (unintelligible). They didn't look at that, it showed that they didn't create a document, they looked at that information as part of their initial application process.

And, again, but that school didn't get very far either in that process. And then 602.28, dot 28, that we're back to you have to have regard to the decision of states or agencies back to the VIU and SCHEV matter.

MS. DAGGETT: Right. But we actually did not find a lot of (unintelligible) with that
MR. MAYES: Okay. It appears they --

Okay.

MS. DAGGETT: It was only on a technicality. It's only because that particular section doesn't say state agency. Otherwise we would have.

MR. MAYES: Okay, gotcha.

And on this one, you know, they did, I guess this goes back up to 602.16, they did do a show cause where they -- if I remember correctly, they did do a show cause and they did have the schools before them, and answered questions, and looked at the areas of non-compliance. So, I don't know that we can say they didn't do anything as far as their own review, they just they waited until after SCHEV's board or commission made a decision. Correct?

MS. DAGGETT: Well, if you look at the show cause order and the continued show cause order, they actually only reference the SCHEV actions and whether or not whatever the action is
there to either terminate their licensure, or
whatever the agreement would be.

There wasn't actually any, any
description that they were actually looking at
the educational quality issues that were raised,
that were raised in the SCHEV audit.

MR. MAYES: Okay. Good point.

Okay. I think, I think that's all for
me, Chairman. Thank you.

CHAIR KEISER: I think I have Mary Ellen,
and then Jennifer, and then Anne.

DR. PETRISKO: Thank you very much.

I think it's important to note that also
included in the SCHEV review was that the
institution was not collecting all items
justifying admission. And it noted that VIU was
not collecting relevant and proper documentation
to prove that students are meeting its admissions
policy. The following students also were deemed
found to be missing documents.

And what they cited is in three
students, no proof of English proficiency.
And on one, two, three, four, five, six foreign country not evaluated for equivalency. Which are issues that have come up elsewhere also for the (unintelligible).

So, an unqualified registrar, which could contribute to the problems with records.

And then there are other things with regard to academic quality I won't even go into. But some of the ones, really obvious things with regard to standards of accreditation that should be checked by an accreditor: admissions, whether students have appropriate documentation, whether they (unintelligible) to participate in English, and whether their foreign degree has actually been checked. Those are substantial issues. And they do not show up in the VIU report that had happened in January, when this audit happened in August.

CHAIR KEISER: Jennifer.

MS. BLUM: Yeah. I just want to say that, so, on this, this one's a hard one to be honest, in my view. And, again, it's partially
process and bundling of the different types of issues.

I just, I guess I will just say I really feel like with the entirety of the record with a full petition, this would be much more transparent and much more clear as a basis to handle.

With regard to VIU, you know, I'm struggling with this relationship. And also, the department's reliance in some of the steps. I, there's a purpose for the triad. It's not actually to duplicate, it's, you know, -- it is possible to have similar standards on how one regulator will find one way and to have another regulator find another way.

So, I'm a little bit -- and I'm not new to the procedure. I'm actually struggling with that. Where would that be, you know, on the SDU piece -- and I'm glad Mary Ellen reminded me just now, or us of the asset piece, because to me that's quite troubling, irrelevant.

So, I just, I just feel like the
compiling and putting all these together in this way is -- it makes it difficult, honestly, because it just makes it more difficult than I think if we had the entirety of a record that's coming, or would have been coming I guess, in six months, until we look at that.

CHAIR KEISER: Thank you, Jennifer.

Anne.

MS. NEAL: My only question was whether or not we were going to break it out. But I see now that we're breaking it out by rule. So, that was my only request.

I don't know that that's what you said, Claude, but I'd like a requirement to do that.

DR. PRESSNELL: Yeah, that would need an amendment to do it. And I'm fine with that. She was just simply listing the different sections, not necessarily that we would vote on them separately.

But you're making an amendment that we vote on each criteria separately?

MS. NEAL: Yes, please.
DR. PRESSNELL: I'd consider that a friendly amendment that we do that.

MS. NEAL: Thank you.

MS. BLUM: Can I ask a question. This is Jennifer. I know I'm jumping in, but can I just ask a technical question?

CHAIR KEISER: Before you do that, Jennifer. Kathleen, do you approve to the friendly amendment? Kathleen?

DR. ALIOTO: Yes.

CHAIR KEISER: Kathleen?

DR. ALIOTO: Yes.

CHAIR KEISER: Okay, thank you.

The amendment's been accepted.

Okay, now you can go, Jennifer.

MS. BLUM: Can I just ask on that same schedule, or maybe just staff, for each of these can we do a, can we do, like, a parenthetical of which school, like, what's the underlying, like literally could we say, like, VIU, or VIU and SDU, just to help keep -- I mean, I don't know about everybody else -- but it definitely helps
keep my head straight about what the problems
were with each, under each of the regulatory
measures?

        MS. DAGGETT: I'm sorry, so you want me
to go under each of these regulations and let you
know if there was any of the institutions'
involvement in these determinations?

        MS. BLUM: Well, they were; right? I
mean, not if it's not accurate. But for each of
these criteria where there were violations, they
were called on, at least inquired on VIU or SDU;
right?

        MS. DAGGETT: That's correct.

        MS. BLUM: Okay. So that's, yes, what
I'm asking for because I just need to know we're
-- especially if we're breaking it out into
however many different breakdowns there were.

        MS. DAGGETT: Okay. So, section
602.15(a)(1) it's specifically the reason that
these -- that we had issues with and found them
non-compliant with that section relates to
administrative and/or fiscal suitability is due
to the oversight failures that were revealed in their reviews of VIU and SDUIS, and that they don't demonstrate if there's adequate accreditation review and monitoring processes to identify compliance issues. It's speaks to their capability.

CHAIR KEISER: So, what you're doing is you say based on VIU and SD, whatever it is, this would-be -- just put that in parentheses on the motion for the first one. Right? Is that what you're saying, Elizabeth?

MS. DAGGETT: Well, I was trying to answer Jennifer's question. And so I don't know if she wants that added there or not. I think she just wanted a recap of how (unintelligible). But, correct me if I'm wrong.

MS. BLUM: Either way. It would just be helpful for each one. It could be you could say it. I don't care whether it's in --

CHAIR KEISER: Well, I would prefer not to have it in there. But that's okay, if that's okay with you, Jennifer?
MS. BLUM: Yeah. I think it would be helpful to hear it one more time.

MS. DAGGETT: 602.16, 602.16(c) was related to the failure to uncover the significant areas of non-compliance by VIU regarding its distance education which was revealed by the SCHEV audit, which we've gone over those in detail.

And then 602.17(c) was that ACICS didn't demonstrate that it had obtained sufficient information to determine compliance for an onsite review with the review of VIU.

And then 17(e) was that they failed to demonstrate that they conduct their own analysis of institutional information and documentation to determine compliance with the standards in the review of SDUIS, based on their own policies and procedures in that area.

CHAIR KEISER: Thank you, Elizabeth.

Okay. Any other discussion? Anne, your hand is up. Is that?

MS. NEAL: Left over. Sorry.
CHAIR KEISER: Okay. We'll move on the first motion which is the 602.15(a)(1).

Anne?

MS. NEAL: No.

CHAIR KEISER: Claude?

DR. PRESSNELL: Yes.

CHAIR KEISER: David.

DR. EUBANKS: Yes.

CHAIR KEISER: Please mute yourself if you're not up.

Jennifer?

MS. BLUM: Yeah. Can I just ask if the event producer could somehow mute all of us and then just unmute each of us when we vote or something?

PARTICIPANT: People have come in and out.

MS. BLUM: Okay. I'm going to vote no.

CHAIR KEISER: Jennifer?

MS. BLUM: Yeah, I'm voting no. Can you hear me?

CHAIR KEISER: Jill?
DR. DERBY: Yes.

CHAIR KEISER: Kathleen?

DR. ALIOTO: Yes.

CHAIR KEISER: Mary Ellen?

DR. PETRISKO: Yes.

CHAIR KEISER: Paul.

DR. LeBLANC: Yes.

CHAIR KEISER: Rick?

MR. O'DONNELL: No.

CHAIR KEISER: Robert?

MR. MAYES: No.

CHAIR KEISER: Steven?

DR. VanAUSDLE: Yes.

CHAIR KEISER: Wally?

DR. BOSTON: Yes.

CHAIR KEISER: Okay. It looks like the motion passes.

We move to the second motion. Is there any discussion on that? I hope not.

(No response.)

CHAIR KEISER: Okay. This is in regards to 602.16(c).
1             Anne.
2             MS. NEAL: Yes.
3             CHAIR KEISER: Claude?
4             DR. PRESSNELL: Yes.
5             CHAIR KEISER: David.
6             DR. EUBANKS: Yes.
7             CHAIR KEISER: Jennifer?
8             MS. BLUM: Yeah.
9             CHAIR KEISER: Jill?
10            DR. DERBY: Yes.
11            CHAIR KEISER: Kathleen?
12            DR. ALIOTO: Yes.
13            CHAIR KEISER: Mary Ellen?
14            DR. PETRISKO: Yes.
15            CHAIR KEISER: Paul.
16            DR. LeBLANC: Yes.
17            CHAIR KEISER: Rich, Rick?
18            MR. O'DONNELL: Yep.
19            CHAIR KEISER: Robert?
20            MR. MAYES: Yes.
21            CHAIR KEISER: Steven?
22            DR. VanAUSDLE: Yes.
CHAIR KEISER: Wally?

DR. BOSTON: Yes.

CHAIR KEISER: That motion passes.

The third one -- thank you -- the third one has to do with 602.17(c). Any discussion?

Wally, you have your hand up?

DR. BOSTON: Yes. What is 602.17(c)? I just want to make sure I know.

CHAIR KEISER: Elizabeth?

MS. DAGGETT: (No audible response.)

CHAIR KEISER: Elizabeth?

MS. DAGGETT: Sorry. I was, I got muted. What was the question? I'm sorry.

I'm sorry, what was the question?

CHAIR KEISER: 601.17(c), what does that specifically refer to?

MS. DAGGETT: That's providing the failure of ACICS did not demonstrate that it obtained sufficient information to determine compliance with the onsite review with respect to the review of VIU.

DR. BOSTON: Thank you.
CHAIR KEISER: Does that answer your question, Wally?

DR. BOSTON: It did. Thank you.

CHAIR KEISER: Okay. Any other discussion?

(No response.)

CHAIR KEISER: I'm sensing none. Don't see any hands.

Anne?

MS. NEAL: Yes.

CHAIR KEISER: Claude?

DR. PRESSNELL: Yes.

CHAIR KEISER: David.

DR. EUBANKS: Yes.

CHAIR KEISER: Jennifer?

MS. BLUM: No.

CHAIR KEISER: Jennifer?

MS. BLUM: I think I said no. Did you hear me?

CHAIR KEISER: I hear it now.

Jill?

DR. DERBY: Yes.
CHAIR KEISER: Kathleen?

DR. ALIOTO: Yeah.

CHAIR KEISER: Mary Ellen?

DR. PETRISKO: Yes.

CHAIR KEISER: Paul.

DR. LeBLANC: Yes.

CHAIR KEISER: Rick?

MR. O’DONNELL: Yes.

CHAIR KEISER: Robert?

MR. MAYES: Yes.

CHAIR KEISER: Steve?

DR. VanAUSDLE: Yes.

CHAIR KEISER: Wally?

DR. BOSTON: Yes.

CHAIR KEISER: That motion passes.

We'll go to the fourth one, 602.17(e).

Just, Elizabeth, what is that specifically, to just make sure everybody knows.

MS. DAGGETT: That was the failure to demonstrate that they conduct their own analysis of institutional information and documentation to determine compliance with the standards of review
of SDUIS.

CHAIR KEISER: Okay. No hands.

Anne.

MS. DAGGETT: I'm sorry. Just really quickly, that also includes the review of the assets accreditation.

CHAIR KEISER: Okay. Anne.

MS. NEAL: No.

CHAIR KEISER: Claude?

DR. PRESSNELL: Yes.

CHAIR KEISER: Claude.

David?

DR. EUBANKS: Yes.

CHAIR KEISER: Jennifer?

MS. BLUM: Yes.

CHAIR KEISER: Jill?

DR. DERBY: Yes.

CHAIR KEISER: Kathleen?

DR. ALIOTO: Yes.

CHAIR KEISER: Mary Ellen?

DR. PETRISKO: Yes.

CHAIR KEISER: Paul.
DR. LeBLANC: Yes.

CHAIR KEISER: Rick?

MR. O'DONNELL: Yes.

CHAIR KEISER: Robert?

MR. MAYES: Yes.

CHAIR KEISER: Steven?

DR. VanAUSDLE: Yes.

CHAIR KEISER: And Wally?

DR. BOSTON: Yes.

CHAIR KEISER: Thank you. That passes, too. We move to the next one.

I know everybody needs to take a bathroom break. We're going to try to get through this next one, and then we'll wait for the last one, at which point we will then have us finalize this thing. Okay?

Is there a motion, Claude?

DR. PRESSNELL: There is a motion.

I move that NACIQI accepts the staff recommendation (unintelligible) --

(Simultaneous conversation.)

CHAIR KEISER: Please mute yourselves.
Okay, Claude, go ahead.

DR. PRESSNELL: Thank you. I guarantee this only one motion, not multiple repeats.

Anyway, I move that NACIQI accepts the staff's recommendation that ACICS be found out of compliance with the criterion cited in the final staff report of the Reagan National University inquiry.

And if we could get a second, we'll have Elizabeth come up and explain that one.

CHAIR KEISER: Is there a second?


It's Paul.

CHAIR KEISER: Paul seconds it.

Elizabeth, explain it.

MS. DAGGETT: Yes. So, this one is particular to five areas that ACICS failed to demonstrate compliance with section 602.15(a)(1), 602.15(a)(2), 602.17(c), 602.18(c), and 602.19(b).

And I'm going to start at 602.15(a)(2) is that they failed to demonstrate that they have
competent and knowledgeable individuals trained for their roles as site visitors, members of the decision-making body, or other agency representatives in their review of RNU.

They also did not provide information or documentation regarding the training of those agency representatives.

For 602.17(c), ACICS failed to demonstrate that it had obtained sufficient information to determine compliance with the standards during its onsite review of RNU.

602.18(c) is that ACICS failed to demonstrate that it based its accreditation decisions on published standards in its review of RNU.

Section 602.19(b) is that ACICS failed to demonstrate that it has effective monitoring and evaluation approaches in the review of the RNU.

And then 602.15(a)(1) is related to the administrative and capabili -- administrative
and/or fiscal capabilities and that the numerous worker site failure or the review of RNU did not demonstrate that they had the accreditation review and monitoring processes that are adequate to identify compliance issues.

CHAIR KEISER: There's a motion and a second.

Is there any further discussion?

MR. MAYES: I have a question. I also would like to go back, did we miss 602.2(h) of the capacity report that has to -- Gosh, where did it go? I had it up there.

Had to do with regards to a decision to state whether -- were we supposed to break that one out, too?

MS. DAGGETT: That, that was not found as a non-compliance issue in the final staff report.

MR. MAYES: Because of technicality.

Okay. My question's answered. Thank you.

CHAIR KEISER: Okay. We'll call the question.

Anne.
MS. NEAL: Just a question on this. So this was not a Title IV decision. Correct?

MS. DAGGETT: No, it was not.

CHAIR KEISER: Anne? Yes, no?

MS. NEAL: Yes.

CHAIR KEISER: Claude?

DR. PRESSNELL: Yes.

CHAIR KEISER: David.

DR. EUBANKS: Yes.

CHAIR KEISER: Jennifer?

MS. BLUM: Yes.

CHAIR KEISER: Jill?

DR. DERBY: Yes.

CHAIR KEISER: Kathleen?

DR. ALIOTO: Yeah.

CHAIR KEISER: Mary Ellen?

DR. PETRISO: Yes.

CHAIR KEISER: Paul.

DR. LeBLANC: Yes.

CHAIR KEISER: Rick?

MR. O'DONNELL: Yes.

CHAIR KEISER: Robert?
MR. MAYES: Yes.

CHAIR KEISER: Steve?

DR. VanAUSDLE: Yes.

CHAIR KEISER: Wally?

DR. BOSTON: Yes.

CHAIR KEISER: Okay. We go to the last one. This one's a different, different motion.

Claude?

DR. PRESSNELL: Yes.

Mr. Chairman, in light of the reports received and in light of the actions on the first one, the compliance report, the monitoring report, the capacity report, and the RNU inquiry, I hereby move that NACIQI recommend that ACICS' recognition be terminated on the grounds that ACICS did not comply with the criteria for recognition identified in, again, the compliance report, in 601.19(b) of the monitoring report, and the capacity report, and of the Reagan National inquiry. And there is sufficient evidence that the agency did not bring itself into compliance in a timely manner.
CHAIR KEISER: Okay. There is a motion.

Is there a second?

DR. ALIOTO: Second.

CHAIR KEISER: Kathleen?

DR. ALIOTO: Second.

CHAIR KEISER: Thank you again.

Is there discussion? Anne?

MS. NEAL: Again I just want to make sure I understand. Is this the final that we're looking at now?

CHAIR KEISER: Yes.

DR. PRESSNELL: It is. It's the final motion on the agency.

MS. NEAL: So this is the terminate or not?

CHAIR KEISER: Yes.

DR. PRESSNELL: That's correct.

CHAIR KEISER: Jennifer?

MS. BLUM: I have two things, one's a technical.

I think we voted down one of them.

Didn't we vote something down?
DR. PRESSNELL: We did. And I did not include it in the motion.

MS. BLUM: Oh, okay. So, I'm missing that.

DR. PRESSNELL: Yes. On the second, on the monitoring report, that's where I cited the 602.19(b).

MS. BLUM: Got it.

DR. PRESSNELL: Only I did not -- Yeah, thank you.

MS. BLUM: Got it. Sorry. I just needed to make sure I understood that.

And then I guess I want to, I guess I just want to say that -- I just won't say it. I was going to say that I really respect the department on what they've been having to deal with. I wish there weren't so many concerns about the process. I'll just leave it at that.

CHAIR KEISER: Any further discussion?

I'm glad I'm not voting.

Anne.

MS. NEAL: I'm going to vote yes because
I have spent many years demanding that accreditors do a fantastic job of ensuring educational quality to protect students and taxpayers, and have found almost all of them wanting.

I am concerned that there have been some process issues here which have been less than fair. But having said that, I think we need to hold our accreditors to a high standard.

But I'm also, in voting yes, calling on all of this body, and Congress for that matter, to insist that we apply the same standards of rigor that we are applying to ACICS, that we do to everyone else that comes before us.

And since 90 percent of our schools are accredited by other bodies which have been given an easy run in the past, I'm hoping that this is the start of a new, more rigorous application of standards to all of the accrediting bodies.

And I'm hoping it's also a start of Congress taking a look at what seems to be a system that does not do a very good job of
protecting students and taxpayers.

CHAIR KEISER: Claude?

DR. PRESSNELL: Yes.

CHAIR KEISER: David.

DR. EUBANKS: Yes.

CHAIR KEISER: Jennifer?

MS. BLUM: I'm going to vote yes. But I also want to a little bit echo Anne. I really hope that this is a decision that is a final decision, because I really am concerned that the students are once again going to be in a yo-yo situation. And I want to echo Anne about that. But I am going to vote yes because there is a long history of concerns there, and so I am voting yes.

CHAIR KEISER: Kathleen?

I'm sorry. Jill?

DR. DERBY: Yes.

CHAIR KEISER: Kathleen?

DR. ALIOTO: My eyes filled up with tears when Anne was speaking. And I hope that we not only look for this kind of action with others,
but also with ourselves as a body. And I think we are doing that today.

Yes.

CHAIR KEISER: Mary Ellen?

DR. PETRISKO: Yes.

CHAIR KEISER: Paul.

DR. LeBLANC: Yes.

CHAIR KEISER: Rick?

MR. O'DONNELL: I am voting yes.

And to echo some of the other comments, I also hope that what I believe is a double-standard that certain institutions and their creditors are treated differently based on their tax status or ownership structure ends, and that double-standard, the whole process is gone, all institutions, including publics, and private non-profits and their creditors, are held to the same rigorous standard.

CHAIR KEISER: Robert?

MR. MAYES: This is a tough one. We had the, we had the Obama administration denial, the one that was in first. The OIG report just came
out, and ultimately what's considered the DeVos
decision was correct. And the items that have
come up in this compliance report, others are
somewhat subjective.

There are some definite areas that are
issues that we have just voted yes on here in the
past. In the context of all of it, and the fact
that there is a review will be coming up mid-year
that can look at the whole thing, I have a little
hard time today voting no and from the
recommendation based off these reports and the
totality of the whole situation.

   So, I'm going to vote no.

CHAIR KEISER: Steven?

DR. VanAUSDLE: I just want to say, Anne,
I appreciate your statement. And I agree with
you.

   And I vote yes.

CHAIR KEISER: Wally?

DR. BOSTON: I concur --

CHAIR KEISER: Wally?

DR. BOSTON: I concur with Anne and
Rick's statement, and I vote yes.

CHAIR KEISER: Okay. The motion carries.

We are at 12:31. If you don't mind, I'm going to give you a half hour for lunch. And we will convene at 1:01, if that's okay with you.

Thank you very much. We'll be back at 1:01.

(Whereupon, at 12:35 p.m., the above-entitled matter went off the record, and reconvened at 1:05 p.m.)
CHAIR KEISER: Well, welcome back from lunch, everybody. We have one more recognition to do. The recognition is for the renewal of recognition by the National Accrediting Commission of Career Arts and Sciences Inc., NACCAS.

The primary readers are Wally Boston and Jill Derby, and the department staff is Karmon Simms-Coates.

Jill, I understand you are going to be the one leading off?

DR. DERBY: Yes. So, let me introduce the agency. We are going to be reviewing the National Accreditation Commission of Career Arts and Sciences which is the acronym is NACCAS, for brevity.

And it is the national accreditor. So, the scope of recognition is the accreditation throughout the United States of post-secondary schools and departments of cosmetology arts and
The agency reports that it currently accredits 1,210 institutions, offering programs in the cosmetology arts and science and/or massage therapy. Several of the schools which are accredited by NACCAS use the agency's accreditation to establish eligibility to participate in the department's Title IV programs.

And just a word of history. The department has been accrediting NACCAS since 1970. And most recently in 2015, the NACIQI and the ED staff recommended continuing the agency's recommendation for five years. And that was approved by the SDO as well.

So, I welcome Karmon to give us the staff review.

MS. SIMMS-COATES: Good afternoon, Mr. Chair, and members of the committee. My name again is Karmon Simms-Coates, and I have a summary of the review of a petition for renewal of recognition for the National Accrediting
Commission of Career Arts and Sciences, or NACCAS.

The staff recommendation for the senior department officials for NACCAS is to renew the agency's recognition for a period of five years. This recommendation is based on our review of the agency's petition and its supporting documentation, as well as two observations, which were a site visit and a virtual board meeting in 2020.

The department received one complaint from a petition during the recognition period regarding the agency's decision to withdraw an institution's accreditation. After conducting a thorough investigation, the department determined the agency's (unintelligible) were consistent with the secretary's recognition criteria.

There were no third-party comments submitted to the department during this review.

There are representatives from the agency that are here today to respond to your questions.
CHAIR KEISER: Any questions for Karmon?

DR. DERBY: Karmon, let me ask you this:

I know in the draft report I read there were many, many, 18 or 19 citations. And I wondered, given now you're recommending quite a clean report, do you feel satisfied that they met all those citations?

MS. SIMMS-COATES: Yes. In the draft report it was mostly information that needed to be clarified or missing documentation. There was no (unintelligible) --

(Telephone interference.)

DR. DERBY: Okay. Thank you.

CHAIR KEISER: Please mute your phone. Please mute your phone if you're not speaking.

Are there any other questions for Karmon?

(No response.)

CHAIR KEISER: Sensing none, I'd like to invite the agency representatives to come forward, Dr. Tony Miranda and Darin Wallace.

DR. MIRANDO: Thank you, Mr. Chairman and
NACIQI committee members.

Good morn -- or good afternoon now. On behalf of NACCAS' chairwoman Commissioner Stimmer, the other members of our Board of Commissioners, and myself, I want to thank every member of the NACIQI, Executive Director Dr. Smith, and the Department of Education officials for the work you do, especially during these complex times.

I would also like to offer a special thank you to our analyst, Karmon Simms-Coates, who was just so amazing during this process. Karmon was effective and available whenever we had any questions and/or concerns that required clarification.

And a special thank you as well to Herman Bounds, the director of the accreditation group, for his assistance throughout our whole petition process.

It was a tough process, but as many of you know, also rewarding and insightful process.

As you know, I am Tony Mirando. I have
been the executive director for the National Accrediting Commission of Career Arts and Sciences for the past 13 years, and began my 14th year just yesterday.

On the call with me today are Darin Wallace, who is NACCAS’ Director of Government Affairs and Legal, and from our Re-recognition Committee we have Therese Vogel and Louis Starita, both whom are former NACCAS commissioners. Ms. Vogel is a former chairwoman of the commissioner.

I would also like to knowledge Mike Bouman, another former commission chair, and current chair of the NACCAS Re-recognition Committee. Unfortunately, he was unable to be here today due to a personal matter.

These are trying times, and I appreciate your willingness to meet virtually. Many of you don’t know me well, but I am generally an optimistic individual. But it has been a hectic 12 months. And I am sure you will agree with me when I say that I am looking forward to the day...
when we can all meet in person again and resume
some form of normalcy in everything that we do.

As I just mentioned, I am in my 14th
year now with NACCAS. And I know many of you
either from a prior re-recognition process or
from my service as a primary, non-federal
negotiator in two previous negotiated rulemaking
meetings, one back in 2009 and '10 on program
integrity, and then again in 2017-'18 on gainful
employment.

For those of you who I have not met
before, it is my pleasure and honor to do so
today.

I am a non-nonsense leader, with
effective day-to-day processes in place to ensure
NACCAS' success as an accreditor, and for the
success of the students enrolled in the schools
we accredit. I am known by the schools we
accredit, the different regional Department of
Education offices, and the licensing boards
across the country as a very tough but fair
individual. I have a professional and personal
belief that right is right, and wrong is wrong.

I also believe that there is no better gift to give another human being than the gift of knowledge.

Providing for an environment which enables students to enroll at NACCAS accredited schools, to obtain the knowledge and the skills they need to pass their state boards so that they may go out and earn a living as a trade professional, is essential. There is no better career. I am a very lucky individual to work for an agency in a leadership position that embraces those tenets.

To have a job that ultimately helps over 100,000 students annually change their lives by the education they receive is truly a humbling experience.

I also have a strong commitment to building and maintaining crucial relationships with the Department of Education officials throughout the different regions of the U.S., and in Washington, D.C., and with state regulatory
agencies. NACCAS takes this responsibility as one of the legs on a three-legged stool very seriously.

I once again believe this is a win/win for the students we serve and protect.

This has been a very long few days for all of you. And I'm sure you are looking forward to completing the important work here this week. With that said, I have been listening to your deliberations over the last two days, and it is clear to me that many of you have questions concerning two important topics: public members and student outcomes.

So, to save some time, I am going to address those issues now.

NACCAS' Board of Commissioners has 13 members, of which two are public members. Both of our current public members have a bachelor's degree and a master's degree. Both truly understand their crucial role of representing Jane and John Doe.

I say this because at every meeting one
or both of our public members is singled out and asked: As a public member, what do you think?

The commission believes that keeping our public members' perspectives as representatives of the public is a vital component of the commission's decision-making process.

One of our public members has over 32 years of experience in secondary education, and provides vital perspective to the commission, in addition to being outsider representing the public.

Our other public member also has experience in education as a teacher. However, he also brings experience to the commission as a trade professional, specifically as a professional bartender. These two commissioners are true public members and they take their positions on the commission very seriously, as they should.

As many of you know, NACCAS is a very busy accreditor. On average, our commissioners, including our public members, spend a minimum of
45 to 50 days a year on NACCAS business.

Their time commitment ranges from 3-hour monthly commission calls, to multiple monthly committee calls of similar length, to full-day, multi-day participation in NACCAS workshops, the commission's quarterly face-to-face meetings, and service on its final review committee. And that does not count the endless hours spent reviewing files and agendas in preparation for all of those meetings.

Our commissioners are volunteers. None of them are compensated as employees.

With that said, NACCAS does provide all commissioners, including our public members, when they put in a full day of deliberation, with a modest $250 honorarium to compensate them for their time and potential loss of earnings.

In addition, if any of those 8-hour days takes place in a face-to-face environment, meaning away from their home, NACCAS provides them with an additional $100 per diem for meals and similar away-from-home expenses. Both the
honorarium and per diem policies are reasonable
and in compliance with applicable IRS regulation
governing the operations of a non-profit agency,
and the department's regulations governing
recognized accrediting agencies.

With respect to NACCAS' student
achievement outcome rates requirements and how
they were developed, I have been asked this
question before, but unfortunately had the same
answer: those rates were first adopted by the
commission long before I joined NACCAS, and I
have no insight into how they were originally
developed.

However, I can say that over the past 13
years NACCAS, as required from the department,
has had frequent and many more informal meetings,
discussions, and evaluations pertaining to those
standards and rates. Those thresholds have been
considered in light of how our institutions are
faring in relation to their mission of providing
new students the tools they need to obtain a
license to practice their new profession.
Obtaining this license gives their students the confidence, the power, and the opportunity to launch into an exciting new career, the career they signed up for. I can say our institutions are doing a great job in achieving that goal.

In the past three years, NACCAS' Advisory Committee on Standards has twice reviewed this issue and concluded that NACCAS's current minimum required rate of 50 percent for graduation, 70 percent for licensure, and 60 percent for placement are appropriate for the schools we accredit in light of the programs they offer and the student populations they serve, and are consistent with the requirements of accreditors serving comparable schools, taking into account differences in the calculation methodologies.

Notwithstanding those conclusions, NACCAS' commission had planned a comprehension evaluation discussion of these issues during its summer 2020 meeting. But because of COVID, that
was put on hold to deal with more pressing issues.
That discussion is now planned for the commission's summer 2021 meeting.

I would like to add that, as you know, NACCAS is a specialized national accreditor, accrediting for the most part institutions' working programs in the study, in the field of cosmetology and barbers. Most of you might say this seems very straightforward. Actually, the population of students who attend NACCAS accredited schools is made up of a very diverse set of cohorts, with complex student living environments, and for whom an array of personal and socio-economic factors play a huge role in their ability to succeed.

All of these factors in turn have been, and will continue to be, important in the commission's evaluation of whether its current threshold rate remains appropriate.

We all need cosmetologists and barbers. These important fields are a part and feature of our lives. NACCAS plays an important role in the
success of these students.

In closing, NACCAS continues to strive towards being the best it can, taking every day's challenges as a vehicle for growth and improvement. I can personally say everyone at NACCAS works as hard as they do in order to make a difference to every student who is in one of our accredited institutions.

It was a very challenging year for NACCAS to go through both the re-recognition process and COVID. So, when we received the department's notification stating that the staff recommendation for the senior department official was to renew the agency's recognition for five years, we were happy to see that our hard work did not go unnoticed.

Thank you again for allowing us to present today. We are available for those of you who have further questions.

Thank you, Mr. Chairman.

CHAIR KEISER: Thank you, Mr. Mirando --

Dr. Mirando.
Would you turn your camera on if you can, sir.

DR. MIRANDO: Sure. There we go. Thank you.

CHAIR KEISER: Jill or Wally, do you have particular questions of the agency?

DR. DERBY: Yeah. Let me start off.

I was struck by your 50 percent graduation rates. And pleased to hear you are planning for this next summer an intense kind of discussion about student success standards that you have.

But I wanted to ask particularly because there's been a lot of concern about student debt ratio to their earnings when they get out. You know, and speaking particularly about cosmetology programs, it seems that, you know, they cost maybe 19, 20 thousand, 21 thousand, somewhere in that range. And you can correct me if I'm wrong about that.

But there has been some publicity about the amount of debt that students have upon
graduation and their inability to pay that off comfortably because they go into a marketplace of earning maybe $9 or $10 an hour. And, eventually, over years can work up to much higher salaries.

But, there are too many accounts of students that struggle after graduation. And I wonder, your 50 percent graduation rate concerns me, I'm wondering about those students that have taken out loans and then do not graduate, and can imagine their situation.

But I want to ask, zero in on one particular issue. And this relates particularly to the cosmetology schools.

And that is about their standards required that the students spend so many hours in their salon with chair time. And during that period it's part of their training, the students aren't paid but the salon's charge their customers who come in for lesser rates, and so make a good profit on that.

Because of some questionable practices
stretches the hours required for these students
to work in the salons, quite a few members, quite
a few states, actually, have introduced
legislation to lower the number of hours required
for the certificate in cosmetology.

Understandably, the salons do well, and
it is part of students' training, but there's
quite a variation with some salons requiring
maybe, say, 1,000 hours of floor time -- this is
separate from the rest of the instructional time
they have -- is adequate.

And then some schools, I know Iowa has
been noted as having excessive requirements of
over 2,000 hours.

And I wondered if you could speak to
that. Is that something you look at?

And, generally, I'm curious about your,
the whole issue of debt to earnings and the loan
debt that students have upon graduation. Is that
something that you look at?

DR. MIRANDO: Okay. Well, I'll start
with the first one and then you might have to
remind me again of the other, the other question.

So, yeah, so this is, as I was
mentioning in my report, the student graduation
rate and student placement is a very complex
process. And I wish that it was, as Member Blum
had said, was a little bit more scientific. We,
too, would love for it to be a bit more
scientific.

Unfortunately, there are lots of
extenuating circumstances that are way beyond the
schools' control that create a process of keeping
students in their programs. And, unfortunately,
there's not much anyone can do about it,
including students.

We receive, you know, complaints from
students. They love to complain to their
accreditor. And we address them all the time.
And I've got to say, that's at the bottom of the
list.

It typically isn't that they are not
receiving the education they want, and so, you
know, when I speak to, when I speak to my schools
-- because I teach a class in how to improve student outcomes. And it's a pretty aggressive class, and we hold it all the time and our schools really enjoy it. But what I hear a lot is exactly that, is that, you know, students come in, they can't afford to stay there. They're single moms. They don't have anybody to watch the kids. They have transportation problems. And they just can't finish the program.

They want to. They beg all kinds of ways can we figure out. They just can't get through the program.

The good news is our schools do very well when they get them through the program in passing their boards, so, their mission to get those who can go through the program out to the world and working. And we find that the most important factor.

And so, if you look at the 50 percent graduation rate and, you know, you compare it to others, you know, we have very few exemptions. You know, some institutions through other
accreditors are given, you know, other exemptions
to take out of the number. We don't. It's
pretty straightforward.

And we have a couple, you know, one of
who which, unfortunately, the student died.
Nobody wants to hear that but, you know, again,
can't hold the institution responsible for that.

We have a 50 percent. And, again, we're
going to be looking at this again this summer.
And we hope to get some kind of a rubric that's a
little bit more scientific. But what we're
hearing is, again, you know, you look at some of
these institutions and if you raise that bar too
high, then you're really preventing many students
from being able to attend their institution. You
know, the institution then won't be in compliance
to meet their accreditation. These students
won't have those opportunities.

And it's an important opportunity to
give these students a way to find alternative
ways to make a living for their families. It's a
very complex process. And I wish there was an
easier solution.

   Again, we're going to look into this.

And I hope that we will be able to come up with something a little bit more scientific. I wish there was a better metrics, and I think we have a problem with that metrics.

   I think your second question had to do with on the rounds of gainful employment. You know, they come to school. Our institutions charge anywhere in the, you know, $11,000, $12,000. We have some that are, you know, $16,000, $17,000. And then some are in the 20s. And the reason for, I believe -- and again very anecdotal -- is because we have a variety of different number of hours.

   You know, in New York, New York state law for cosmetology and sit for the exam is 1,000 hours.

   Where we then look at, you know, Utah or Oregon and it's up closer to 2,000 hours.

   And I say, hey, what's the difference between the two? We're an institutional
accreditor, we're not a programmatic accreditor. We don't set those hours. That's set by state law.

And so our job is to ensure that the institution is providing the education in accordance with their state law. We look at the institution to say, hey, these are NACCAS' standards, these are our criteria, these are our outcomes. And we absolutely expect you to adhere to not only NACCAS' standards and criteria, but we absolutely require you to follow your state law.

And so there's that variation. But when you look at the student outcomes with respect to the debt and the gainful employment situation, as I just mentioned, I was on the negotiated rulemaking on gainful employment, and so I'm very familiar with that. And I was very, very vocal at the time. And probably, you know, there's probably very few people who don't agree that, you know, gainful employment is an important issue.
You now, nobody wants to see a student, especially me, especially my commission, I can tell you that, go through a program, put themselves in debt, and then get out into the real world and not be able to afford to live and pay off their debt. Can't have the problem. We still have the same thing, it's a very complex problem. And the accreditor is not going to solve this. I'm not even so sure that the Department of ED can solve this, take gainful employment off the table.

And, of course, we all know there is lots of politics in this, and there's lots of reasons why this happens. But I want to believe that the members at the last negotiated rulemaking made a point, and that is the metrics that they were using, right, which basically goes by the BLS numbers of what the students claim on their income taxes, right. And, again, I said this more than once, right is right, and wrong is wrong. And if the metrics sets that were being used, which is based on what an individual
actually claims on their income taxes is what is going to be used to determine an institution's, you know, ability to show that this outcome is an issue.

Well, if the student isn't claiming their income, and, you know, there's a lot of underground problems going to students working, and booth rentals, not claiming their tips, there is a lot of problems. And so, you know, I was very vocal in saying, hey, gainful employment is important, but you're going to have to come up with a scientific metric, just like everything else we do, right? I mean, that's what accreditation should be about and, you know, setting a standard, being able to validate it.

But if you can't validate the metrics you're using, then we have a problem.

I hope that answers your question.

DR. DERBY: Thank you. I appreciate it.

I'll invite my -- Wally, do you have any follow-ups? And from there, any other of my colleagues?

DR. BOSTON: Yes, I do, Jill.
So, I noticed in the report that your agency accredits over 1,200 institutions, and actually 18 of them offer programs using distance education. And I clearly understand why those programs don't comprise more than 50 percent of the clock hours offered.

But I'm a little curious. I, you know, tried to find the qualifications that were cited for the expertise of your members. And I just I'm curious if you have data that separates the outcomes for the graduates of those programs offering distance education?

By outcomes, you know, are they similar or greater in terms of pass rates, in terms of licensure rates, and in terms of employment, placement, so?

DR. MIRANDO: So that's a really good question, a very excellent question as a matter of fact. And I would say again, my answer is going to be somewhat anecdotal, because yes, we are actually collecting that data. But it has not yet been, it's actually in this year.
We really had very limited schools doing the distance ed. And it literally was just a minimal amount of hours, because state boards don't allow or didn't, you know, things have changed, right, did not allow for distance education.

So yes, when we visited the schools, we did actually request and require them to follow our policy on distance education which included making sure teachers understood and they were trained to do so.

But I could say right now, in those few schools, we did not notice any difference in the student outcome rates and, of course, the performance that these students did on their licensure.

We have a very high licensure rate with our graduates which, again, leads us to believe that not only the institution is going well but, of course, we want to pat ourselves on the back. Because we require the students to adhere and the institutions to adhere to our standards and our
criteria.

CHAIR KEISER: Wally --

DR. BOSTON: In other words, those schools have the same standards, they meet the same standards as everybody else and, at the same time, you haven't collected, as yet, and aggregated the rates for those institutions that offer distance education programs.

DR. MIRANDO: I can say to you, yes, in the past that was the case. But during 2020, the Commission had a comprehensive review of our distance education and we have begun a separation of that.

We're also going to be, and we've implemented this already, where institutions will now have to separate out their programs via distance education from that of brick and mortar. So we will have that information, but we just don't have it as of right now.

DR. BOSTON: Then lastly, do you have qualifications for people on your staff with distance education experience?
So on our staff, I would say we have
some people here who have, you know, personally
themselves, including myself, have taken
education, via distance education. But I can say
to you on the individuals who make the decisions,
which includes our Commission, yes, we have quite
a few of our commissioners who have extensive
experience in distance education.

In 2020, all of our commissioners were
required to be present during a week-long
distance education training. And so, yes, we
feel very confident that we have the training
necessary to make the appropriate decisions on
distance education.

DR. BOSTON: One last question, who
provided that training for distance education to
your commissioners?

DR. MIRANDO: So we had two individuals
from DEAC who, as you know, was an accreditor on
distance education. One of them is the current
executive director, and the other one was a past
board member and is well respected throughout the
country in distance education qualifications.

DR. BOSTON: Okay, thank you.

CHAIR KEISER: Okay, Anne Neal, then Bob Shireman. Anne?

MS. NEAL: I don't have any questions.

No questions.

CHAIR KEISER: Bob? Bob Shireman?

MR. SHIREMAN: Yes, thank you, Tommy.

Do you have a lobbyist, or do you hire a lobbying firm?

DR. MIRANDO: No, we do not.

MR. SHIREMAN: Okay, thank you. I wanted to suggest that, in response to Jill's questioning, you said that there was nothing you could do about some of the excessive hours that some states have, seat time, that add to the amount of student debt that they take on and then have trouble repaying their loans.

One step that you could take, and there are things that you could do, one step you could take would be to lobby. And you don't need to hire a lobbyist to do that. You can write a
letter or have the Commission take an action in
support of some of the efforts to reform those
numbers of hours.

Have you tried to take on those kinds of
actions to kind of try to address the excessive
debt that students are taking on in relation so
the amount that they earn?

DR. MIRANDO: That, again, is also a
very excellent question. I would say, Bob, that
again NACCAS, you know, we try to stay out of the
politics.

As an institutional creditor, our job is
to ensure institutions, as you know, and it's
probably not the answer you want to hear, that
they receive the education that they signed up
for, that they are in compliance with the state
laws, that they are afforded the opportunity to
go before the state boards for their
opportunities to get the licensure and get out
there in the real world.

Again, I'm not hearing a lot of
complaints about students who put themselves into
debt, $15,000 over, you know, whether it be a
one year program or whether it's an 18 month
program, or whether it's a two year program. And
then they get out into the real world making
decent money.

Again, a lot of what people are hearing
is what the BLS is being published. And that
isn't necessarily what we're hearing and seeing
based on our conversations with salon owners, and
some of the salon chains out there, and so on,
and so forth.

MR. SHIREMAN: Could you track, in
regard to that, you know, one indication would be
default rates, but not just default rates,
because a lot of schools game those rates by
putting people on forbearance. Do you track
forbearance rates along with default rates on
student loans for your institutions?

DR. MIRANDO: I don't feel like I know
that answer. I don't know. Mr. Wallace, you
might actually have a little bit more to say. I
don't think we do. I think we really just follow
the cohort default rates. But, Mr. Wallace do
you want to say something on that?

MR. WALLACE: I'd be happy to. And the
answer is pretty simple. No, we don't. We
obtain cohort default rate information directly
from the U.S. Department of Education every year
when they announce their rate.

I don't believe we have the capacity to
track that information, because it relates to
payments being made by students on their federal
loans. That's not documentation we have. We
can't require students to provide us with that
information. And U.S. Department of Education is
not about to do that for privacy reasons. So we
can't really track that.

What we do do is monitor whether or not
the Department has determined that an institution
has unacceptably high cohort default rates, in
which case we then have a process for monitoring
what they are doing to come back into compliance
with the Department's requirements.

MR. SHIREMAN: Okay. So rates of
delinquency and forbearance are available. So I do recommend that that's something that you should take a look at.

I gather, Tony, you said that you teach a class on student outcomes. And you said your focus is on education. Do you not consider the ability to repay loans, and earning a good living, and tracking that in your students, do you not consider that to be an outcome? Is that part of your class or not?

DR. MIRANDO: No, not really. But, you know, again, I'm a teacher at heart. And so I do think it's an important aspect. And when I am given the opportunity to get on my soapbox, I actually tell our schools that, that they need to balance out what they're charging their students, and they need to balance out what they know they're going to make when they get out there in the real world.

Again, I think you all would be surprised, and there are probably many of you there who go to a cosmetologist, you get your
hair done, you give them a great tip, even the
barbers, you know, I go get my hair cut. I pay
20 bucks for a hair cut, and then I give them an
extra $5 that goes right into their pocket. I
mean, it's just a reality.

MR. SHIREMAN: So a few minutes ago on
your soapbox, you said that students love to
complain to their accreditor. I realize you may
have been kidding a little bit, but I have to say
that my experience with students, by the time
they complain, two things are true.

One is the number who actually complain
is a very low percentage of the number who are
struggling and having problems, that many, many
more never figured out who to complain to. They
don't know what an accreditor is. They don't
know who to complain to.

And anyone in that situation actually,
if they even have gotten to complain to an
accreditor, they're in a tough situation. They
are struggling. Their lives, in any case, they
feel have been messed up by a school.
And I am concerned that you would joke about students complaining to their accreditor in the context of the kind of students who are, as you said, trying to improve their lives, and the importance of helping them to do that and being, you know, vigorous in our efforts.

I wonder, you know, it made me wonder if you've been there too long and have become insensitized to what students are actually facing.

DR. MIRANDO: So, again, these are very important topics. And I apologize if you took my smile about students complaining. I was meaning we get quite a few complaints about institutions. And we handle every one of them very, very seriously. I mean, we literally have a full time person. That's all they do.

And I could tell you that, no, I don't think I've gotten desensitized to it. Because if you call our institutions and you have them tell you, they'll tell you I'm very tough on them. I pick up the phone myself, literally myself, and I
will get the student on the line on another
phone, and the institution, and I definitely
bring everybody to the carpet.

And no, I think that's not a fair
representation of who I am as a person. I think
my reputation, for those who know me, and I know
that you don't really know me very well, Bob, I
hope one day you will get to know me, you'll know
that I am definitely a student-centered type
individual, that I go to bat for students all the
time, every day, all day long.

MR. SHIREMAN: Thank you. So thank you
for predicting the other question I was going to
ask about. So your financials indicate that you
pay all of your board members upwards of $15,000
a year which is far, far, far out of proportion
to anything paid by, as far as I'm aware, any
other accrediting agencies, and that includes
your public members.

I am not alleging that such is a
violation of any particular law. But I think it
does raise questions about whether your board
members are really, in the case of public board members, whether they can serve as representatives of the public raising the kind of questions that Jill, and I, and others perhaps, raised today as opposed to seeing their positions as a bit of extra income.

Especially given that, at least in the case of the public board member who, by his own claims, is a full-time bartender, the $15,000-plus is, I'm guessing, a pretty large proportion of his total income.

Do you feel, so you provided resumes that are available to us as members, resumes of your board members. The resume of the board member who is a full-time bartender says educator, educator, educator, educator. It mentions licensed bartender somewhere in there.

Do you feel that the resume that you provided us was an accurate depiction of the person who serves as your public board member?

DR. MIRANDO: Yes. So again, I would like to first address the money that we pay them.
I can tell you, I belong to a group of
accreditors, and we get together all the time.
Everybody on the phone, everybody when we get
together realizes NACCAS is one of the most
active accrediting agencies in the country. Our
board members meet very, very often.

There's been more time, you know,
working with NACCAS and doing the work of NACCAS
far beyond, I think, most of the other
accreditors that you may be alluding to spend
with their boards.

And so again, for the amount of hours
that they put in, we're very, very picky. Trust
me, I have a reputation of being very, very picky
on giving out money, because that's our
institutions. And for the amount of time that
they're putting in, we do not feel like that is
exorbitant and well beyond what they deserve.

With respect to our board members, the
pubic members, yes, I believe that what they told
us is the truth. I have no reason to think
differently. The gentleman that's a bartender,
or that said that he was a professional
bartender, no longer is a bartender. He's now
retired. He's an older gentleman.

And we appreciate his effectiveness on
the Commission. He asks the greatest questions,
representing, like I said, John and Jane Doe,
asking good, solid questions, why NACCAS does
this, and why did NACCAS do that? And is this
really effective? So no, I actually stand by our
public members. I think they do an awesome job.
And I am very proud of them.

And I'm proud of NACCAS for the way we
do our work. You know, we do a lot for what we
take in. We have a very, very active visit
schedule. We have very, very active board
meetings. I mean, they meet every month. Very
few accreditors meet every month.

And, you know, if you talk with our
analyst from the Department who is there for our
board meetings, she could tell you we're very
efficient. We're very, very fluid in what we do.
And I feel confident and comfortable with our
stance on that policy.

MR. SHIREMAN: Thank you.

CHAIR KEISER: Bob, is that it?

MR. SHIREMAN: That's it.

CHAIR KEISER: Okay. Then we have

Jennifer, Kathleen and, Ann, I don't know if your
hand's still up or it's, you would be the third.

Jennifer?


DR. MIRANDO: Hi, Jen.

MS. BLUM: So I'll follow-up just real
fast. Well, I'm going to follow-up on a lot of
what Bob said, but I want to follow-up very
immediately.

In addition to the fact that you all
meet monthly which is actually pretty impressive,
and I think most, if I remember, a lot of the
institutionals, I'm calling them purposely all
now institutional and not regional or national,
all institutional, are more like, you know, a few
times a year, three to four times a year.

So I just wanted to -- but I also had
another question that related. What's your maximum renewal period for one of your schools? Like, what's the best renewal period that one of your school's could get?

   DR. MIRANDO: Six years.

   MS. BLUM: Okay. So, I mean, that's one of the reasons that you're meeting monthly is that you have a turnover, I mean, not turnover but you're constantly reviewing, right. Okay. I just want to, so there is more work involved. I just wanted to mention that.

   And then I wanted to go back to the questions that Jill and Bob, I don't want to go too far down this rabbit hole but, Bob, are you talking -- well, let me just start, Tony, am I correct that NACCAS is non-profit?

   DR. MIRANDO: Of course.

   MS. BLUM: Yes. So asking them whether they have lobbyists is probably not a great question. Because they are very restrictive on what they can do in terms of advocacy. So I just wanted to --
DR. MIRANDO: I sign a quarterly report

(Simultaneous speaking.)

DR. MIRANDO: -- I just wanted to --

MR. SHIREMAN: I am very familiar with the lobbying rules. And non-profits are allowed to lobby, and they do lobby. But in any case it's not really --

MS. BLUM: It's not to lobby, but this will take me to my next point which is the issue that I think Tony was talking about in terms of clock hours and the licensure issue which I'm really, really actually very sympathetic to. And I'll tell you why in a minute.

It's very much the school's issue more than it is an accrediting agency issue and is not just a cosmetology or clock hours problem. I just know from a lot of experience on this that at graduate level, you know, you could take psychology, you could take any number of professions at the graduate level. And you will find the same exact problem where, even at the
course level, licensure boards require a certain number of credit hours and a certain type of courses.

And then you go to the next state. And the next state says, oh yes, we don't need that course, we need a different course. Oh, and we don't need so many credit hours.

So this is a systemic, I won't call it a problem necessarily. It's sort of a state's rights thing. But it's a systemic issue that's not just, A, at the clock hour level, or the cosmetology level. And B, in my view, even though I went down this rabbit hole, not really questions for accrediting agencies but much more of a policy-related question as to how the Department deals with issues around debt, you know, with regard to sort of the institution.

I will say, and ask the question, on the issue of cost to your students, to the students that attend your institution, when you're looking at the financial capacity and administrative capacity of your school, so when you're doing
that, do you look at sort of, you know, not really the cost, because I know that's not really academic, but do you kind of try to put it all together in terms of making sure that, you know, that they're thoughtful about what their costs are and how they're managing themselves at institutions?

DR. MIRANDO: So that's basically a two-part question. The first part is do we look at how much institutions charge the student. No, we do not. We're, again, as an institutional accreditor, our focus is not on how much they charge their students. I think that the fair market on that is it will play itself out. If they're overcharging, they'll have a hard time getting students. I believe that.

But with respect to do we look at how institutions do, with respect to the amount of money they make, absolutely. I mean, it's one of our standards, standards that are in Criterion 1. There's multiple aspects to that. And we're very picky. Those of you who are business
people know, the number one reason why schools and businesses go out of business is cash flow. And we're very sensitive to that.

And we not only are sensitive to that, but we actually have our director of finance, who happens to be an ex-auditor, who's very, very picky, and we have a finance committee. And we actually do look at all of our schools with respect to money. And if there's an issue, you know, then they have to respond to that problem.

MS. BLUM: And my one other comment is, just as it relates to things like cohort default rates and forbearance, I mean, I'm a real believer in the triad, and I definitely think that that's the Department's responsibility.

I appreciated your colleague's answer which was that you track what the Department does with regard to those items. And I hope you do that really, you know, carefully and closely. Because that is, I share Bob's view on cohort default rates and forbearance issues and problems.
But I do also believe that those are primarily, and if you look the triad responsibility, it's primarily the responsibility of the Department. And the accrediting agency is only to pick up after the Department has dealt with the problem.

CHAIR KEISER: Kathleen? You're muted, Kathleen.

DR. ALIOTO: She just finally unmuted me. My question is about distance education which you referred to earlier. But it's not clear to me how you teach somebody to cut hair.

And also, one of my colleagues earlier talked about the difficult distance education period that he and I both find it difficult to learn online. And I know thousands of students in America, they don't have any other choice now.

But are you doing anything with all of your schools to help them, whether it's hair or whatever it is, so that they can get through it and get their certificate or degrees?

DR. MIRANDO: Yes. That's, again, an
awesome question. And I have to tell you, 2020 was a very difficult year, not only for NACCAS but it's difficult for our schools and unbelievably difficult for our students.

And as a result of the Department of Education giving the accreditors some flexibility, you know, we dealt with, you know, allowing our schools to utilize the temporary distance education. And we learned a lot.

I mean, prior to COVID, very, very few schools used distance education, because most state laws don't allow for it. As you just said, how do you give a, you know, provide an education to students about cutting hair when that's very tactile, right. You've got to learn how to do things and work on people. And it was very difficult.

What the Commission decided, because we don't really have distance ed in our scope, and I don't want to get into that. The Department allows you, at least they did, allows accreditors who don't have it in their scope to allow up to
50 percent of the program.

You know, we have ourselves, in our policies, cannot do practical work via distance ed. And that's right now. I mean, there are some experts in the distance ed world who would say no, come on, you got to be more contemporary. There are logistical ways to allow that.

And yes, we have to be open to it. You know, I pride myself in the ability to learn and grow. And I have grown a lot in this past year. If my board was here, they would be telling you that Tony did a good job in learning. Because I'm an in-person, collaborative individual that likes to be in groups. And this whole virtual thing that we're doing even right now, a year ago I would have said there's no way this could work. But I'm watching it. It's working. It's working well.

But I still personally but, you know, I don't make these final decisions. That's what we have a Commission for, who have experts on them, on distance education. Right now the Commission
doesn't believe that allowing for practical work in a distance education environment is to the best interest of the students right now.

DR. ALIOTO: Okay, finished. I'm done.

CHAIR KEISER: Okay. Anne, do you have your hand up? Anne, do you have your hand up?

MS. NEAL: Obviously out of control.

CHAIR KEISER: You're out of control?

(Simultaneous speaking.)

CHAIR KEISER: Okay, we do have a third party presenter, Mr. Fred Jones. Are you on the line?

OPERATOR: Please go ahead, sir.

MR. JONES: I am, Chairman Keiser.

CHAIR KEISER: Okay, you have three minutes, Mr. Jones.

MR. JONES: Very well. Thank you for this opportunity. My name is Fred Jones. I serve as legal counsel for the Professional Beauty Federation of California. We try to give voice to our over 615,000 licensed individuals, over 53,000 licensed establishments, and a couple
of hundred beauty colleges and barbery colleges. So we are a huge industry here in our state.

But we've been hearing some disconcerting things about NACCAS and their treatment of some of our schools. And so we actually did a couple of mailings nationwide to the well over 1,200 NACCAS accredited beauty colleges in the nation.

And we've come up with some issues that we would have preferred to provide in writing, but there was an abbreviated written testimony window back in May during the height of the COVID lockdowns. And so it wouldn't surprise me that you did not receive any full written comments for this round of hearings.

Over the last five years, NACCAS has published 126 proposed changes to their rules, and practices, and procedures since 2016. Fifty-two of those, or 41 percent, were published under emergency action, meaning they were taking effect immediately without any real notice to schools.

Two percent of those were actually back
dated, so retroactively applied. And then the
remaining 59 percent, or 74 changes, the final
changes actually went into effect anywhere from
25 days to only one day in advance of the public
notice. So from a procedural vantage point, that
has been very difficult for some schools to deal
with.

Now we are dealing with virtual
resubmittal visits. And for some strange reason,
NACCAS only provides up to 30 minutes per student
file to pull the files of NACCAS chosen students
and record and upload those in NACCAS chosen
formats by these very tight arbitrary deadlines
during the actual visits.

And if a school doesn't meet that
arbitrary deadline --

CHAIR KEISER: One minute.

MR. JONES: -- NACCAS will reject all of
the work and will send a new set of student files
they have to pull, and the process repeats
itself. So this is requiring schools to actually
reformat all of their student files so that they
will be ready for these snap audit requests and
be able to get them in on time.

Again, procedurally, these convoluted
time sensitive and arbitrary procedures were
never vetted by schools before they were adopted
by NACCAS. And they never went out for public
comment.

There are a disturbing number of one-off
applications, and each of those with
Corresponding fees. So rather than offer
Systemic reforms to address this unprecedented
COVID crisis, NACCAS has created these one-off
relief applications and new fees associated with
each.

And notwithstanding Dr. Mirando's
statement today that he is institutional
accreditor, not a programmatic accreditor ---
Okay, I'd be happy to provide the
committee more information if given an
opportunity from our communications with over
1,200 schools nationwide. Thank you.

CHAIR KEISER: Thank you. I'd like to
have the Agency respond to the concerns.

    DR. MIRANDO: Yes, thank you, Mr. Chairman. Yes, I've had some communication with
Mr. Jones. And his communication to NACCAS
originally was sponsored by himself and four or
five other state associations where they
requested us to submit answers to a number of
questions with respect to how we're handling
things through the COVID process.

    We answered those. I think our answers
were very, very effective, and transparent, and
ture. And since then, I think that he sent out
notices to all the schools. He included these
other agencies. Those other agencies have
contacted me and said we are not part of that.
We were very satisfied with your answers.

    And so, you know, I tried reaching out
to Mr. Jones and say, hey, how can we have a
conversation? Look, we're trying to deal with
the COVID pandemic just like everybody else. And
I think we've done a really, really good job with
that.
The Commission, yes, has done an enormous amount of changes, but it's again to effectively help students, help institutions get through this process. All of our changes, even if they were under emergency action, went out for call for comments as required by the Code of Federal Regulations, and we responded to those opinions.

You know, I have a meeting actually in two weeks with a large number of state associations. I'm giving them all an opportunity to express their concerns about what institutions are going through right now. But, you know, at the end of the day, we are an accrediting agency that has a set of standards and criteria. And we know that we're going to have institutions that are not going to be happy with what we do.

Our Commission makes decisions based on what it believes to be the most effective methods and mechanisms in order to ensure high quality --

(Telephonic interference.)

DR. MIRANDO: Sometimes that doesn't
make institutions happy. But we have a very
effective methodology of having webinars,
conference calls, and our workshops where we try
as effectively as we can to help institutions
understand what it is that we're doing and why
we're doing them.

I hope that answers, that response.

CHAIR KEISER: That's fine. Thank you.

And if I may call Karmon back. Do you have any
comments on the third party commenter or anything
else you'd like to comment on from the Agency
review?

MS. SIMMS-COATES: No, I do not have any
comments at this time.

CHAIR KEISER: Are there any questions
to Karmon from the committee or from the primary
readers?

MR. SHIREMAN: Yes.

CHAIR KEISER: Bob, is that you?

MR. SHIREMAN: Yes, thank you. Karmon,
thank you. Karmon, you reviewed the resumes of
the members of the Board. Was it clear to you
that Mr. Roddy, that his actual career was as a bartender and not as much as an educator?

       MS. SIMMS-COATES: He does have a bachelor's degree and a master's degree. And yes, he has been (audio interference), however he does have experience as a special needs teacher as well. So I did evaluate that (audio interference).

Again, it's pointed out early on during the committee meeting, I think it was the first day we had a public representative. And as you mentioned as well, there's a lot of things that are prohibited in terms of being a public member, but there's no stipulation as to what a public member should be. So there was no indication that person could not serve as, or wasn't registered (audio interference) as a public member.

       CHAIR KEISER: Okay.

       MR. SHIREMAN: Okay. Yes, I think on this, what I'm interested in, and this may be simply something in the future, is that it
appears that we're basically only doing sort of a check box on the question of whether they are not paid by a school or something like that but not asking how has an agency determined that under 602.15 that they are competent and qualified for the role as a representative of the public.

And I recognize that that is not something that has previously been asked. But it does seems that it, that it feels to me inadequate to only ask the question about the other section of the regulations rather than also the question here about the competence and qualifications for being a representative of the public, mindful of the fact that there are a lot of ways to answer that question. Thank you very much.

CHAIR KEISER: Good question, Bob. Let me speak to Herman. Do you want to address that?

MR. BOUNDS: Yes, I do, real quickly. You know, the Department doesn't define educator, practitioner, academic, you know, or, yes, educator, academic, administrator, there's no
definition. And there's really not a, you know, public member can be a stand alone person. I mean, you can be a public member and then not also serve as an academic, or an administrator, or an educator, or practitioner.

So, you know, without a person being disqualified by our definition of public member, then there would be nothing that we would have in this case to say that this person who was a bartender could not serve in that public member role. He doesn't have to be a public member/educator, or a public member/academic, or a public member/administrator.

CHAIR KEISER: Okay, thank you, Herman. Jennifer, you look like you're the last one.

MS. BLUM: Yes, I just wanted to agree with Bob on this, not for the purposes of NACCAS, by the way, but because from a procedural standpoint, to not change policy or change interpretation on a dime.

But I do agree with Bob on this, that to me it's a combination of, you know, is the person
a public member, and that is, as Bob states, rightly or wrongly, unfortunately the definition is a negative of what it's not.

But then there is sort of the capabilities piece that, to me, is pretty important. And so I agree with Bob on a go forward basis about, you know, whether there's a way to further this dialogue and conversation. But I'm not going to belabor it today. I just wanted to mention that I agree with Bob on this one.

CHAIR KEISER: Are there any other comments, because we're starting to lose members, and we're going to lose a quorum pretty soon. Any other questions, concerns? If not, I'd ask the primary readers to make a motion if it'd be possible.

DR. DERBY: I move that the NACIQI recommend that NACCAS' recognition be renewed for five years.

CHAIR KEISER: There's a motion, is there a second?
DR. ALIOTO: Second.

PARTICIPANT: I second.

CHAIR KEISER: Second. My number one seconder, Kathleen. Any discussion?

I don't see anybody's hand up. Okay, thank you. I'll do a roll call. Ann?

MS. NEAL: No.

CHAIR KEISER: David?

DR. EUBANKS: Yes.

CHAIR KEISER: Is that a yes? Jennifer?

MS. BLUM: Yes.

CHAIR KEISER: Jill?

DR. DERBY: Yes.

CHAIR KEISER: Kathleen?

DR. ALIOTO: Yes.

CHAIR KEISER: Mary Ellen? Mary Ellen?

I thought we had her. I saw her thing up.

Michael? Michael Lindsay?

DR. SMITH: Michael is out.

CHAIR KEISER: Okay. Paul?

DR. PETRISKO: Mary Ellen said, sorry, Mary Ellen said yes to (audio interference).
CHAIR KEISER: Okay, Paul.

DR. SMITH: Paul's dropped off (audio interference).

CHAIR KEISER: And Rick?

DR. SMITH: And Rick is no longer with us.

CHAIR KEISER: Robert Mayes?

MR. MAYES: Yes.

CHAIR KEISER: Robert Shireman?

MR. SHIREMAN: No.

CHAIR KEISER: Ronnie Booth,

DR. SMITH: Ronnie left early.

CHAIR KEISER: Roslyn?

(NO audible response.)

CHAIR KEISER: Steven? Steven?

(NO audible response.)

CHAIR KEISER: Wally?

DR. VAN'AUSDLE: The answer is yes.

CHAIR KEISER: Yes, yes for Steven.

Wally?

DR. BOSTON: Yes, for me.

CHAIR KEISER: Okay. How many do we
have? Do we have enough for a quorum?

DR. SMITH: Yes, that was two nos and eight yeses. Is that right, Valerie? Valerie, clarify that if you can?

CHAIR KEISER: So it did pass? It passed?

DR. SMITH: Yes.

CHAIR KEISER: Okay, folks. You guys did a phenomenal job. This was a tough one. I have one more item on the agenda that Bob Shireman wants to ask a question or make a comment. Bob?

MR. SHIREMAN: Sure. Yes, a couple of things have come up in this whole process and I really appreciate the learning that I've done with the help of staff, et cetera.

I wanted to suggest that we ask the Department two things. One is to restore the accreditor dashboard, and second to assess the options for making more documents available to the public earlier in the process. We saw a lot of situations where outside folks were kind of
having to comment in a vacuum about agencies,
because they didn't have access to items.

So I'm not asking -- so I guess the
Department could, staff could either just tell
us, you know, yes, they'll do those things. Or
we could, I guess they're not in their power
necessarily to say they'll they restore the
accreditor dashboard.

But I would be open to the idea of us
having a resolution asking that. So would that
be appropriate, Mr. Chairman? In other words, a
resolution that would say the committee requests
that the Department staff restore the, or the
Department restore the accreditor dashboard and
assess the options for making more documents
available to the public earlier in the process.

DR. ALIOTO: Yes.

CHAIR KEISER: I think it's great. I'm
going to just ask George or Herman. Is there any
reason that the Department cancelled that? Or is
there something -- because I have no problem. I
think it's a good resolution with a very helpful
tool.

MR. BOUNDS: This is Herman. I think the resolution is fine. I would just like to say that, you know, currently the new regulatory process requires us to produce the draft staff analysis and all the information that was part of that analysis 30 days prior to the NACIQI meeting. It used to be, you know, it used to be seven days. So that's a big improvement there.

Again, with the accreditor dashboards, that would be a Department leadership problem, I mean, not a problem, a Department leadership decision.

CHAIR KEISER: Bob, I'd entertain a motion if you want to make one to --

MR. SHIREMAN: Okay, great. So my motion is to resolve that the committee request that the Department restore the accreditor dashboard and, okay, I'm seeing a third, and explore and assess making more documents available earlier to the public.

DR. ALIOTO: Yes, I'll second the
motion.

CHAIR KEISER: I just think, is there any opposition to that? Because I just think we can make it unanimous unless there's opposition. Hearing none, it's by acclamation, Bob.

MR. SHIREMAN: Beautiful, thank you.

CHAIR KEISER: And then ---

DR. ALIOTO: Bravo.

CHAIR KEISER: Did Herman's explanation on the 30 day, on the draft document, did that meet your needs?

MR. SHIREMAN: I think that's been enormously helpful. Obviously I can't imagine what it was like for you folks when you had a week instead of 30 days. So that was completely, that was crazy. So I get more of the more documents issue on more agencies earlier.

My thought on that is I think a lot of the documents could be made public basically when they're uploaded by the agencies and that they could take responsibility for any private information. But obviously that takes some folks
kind of thinking that through.

That's the way that the non-profit audits, for example, are handled at OMB where it doesn't require any government person having to go through them and figure things out basically. It's just goes up. And anybody can look at them.

So it seems to me that a lot of the documents could become public or available to the public basically when they are uploaded. But I'm not suggesting that specifically here, but that's the kind of thing I'd like for the Department to consider.

CHAIR KEISER: I think we could ask George or Herman to look into that and see is it's feasible. I don't know if it is.

MR. SHIREMAN: Yes.

CHAIR KEISER: But I would be, as Chair, I would be glad to ask them, which I just did, to see if it is possible. If it's not, that's fine too. It depends on staff time and the equipment that's available, technology too.

MR. SHIREMAN: Right.
CHAIR KEISER: Okay. Is there anything else, Bob?

MR. SHIREMAN: Nothing else for me.

CHAIR KEISER: Anything else (audio interference) order from anybody? Oh, Kathleen?

DR. ALIOTO: I just want to thank you all for your customary leadership.

CHAIR KEISER: This is so hard trying to figure out what's going on just using my mouse. But thank you for all being so effective and cooperative. And I felt that details that we went through this meeting were extraordinarily good.

And staff, thank you, thank you. And, members, have a great, I guess we won't see each other until July or August, whenever the next meeting is.

George, do we know when the next meeting is?

DR. SMITH: Not yet, but of course, I'll poll you within the next few weeks. Thank you all. Have a good weekend.
CHAIR KEISER: Okay, thank you, George.

(Whereupon, the above-entitled matter went off the record at 2:23 p.m.)
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CERTIFICATE

This is to certify that the foregoing transcript

In the matter of: National Advisory Committee on Institutional Quality and Integrity

Before: U.S. DED

Date: 03-05-21

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