U.S. DEPARTMENT OF EDUCATION
OFFICE OF POSTSECONDARY EDUCATION

NATIONAL ADVISORY COMMITTEE ON
INSTITUTIONAL QUALITY AND INTEGRITY
(NACIQI)

MEETING

WEDNESDAY
JUNE 18, 2014
8:30 a.m.

Holiday Inn Capitol
Columbia Ballroom
550 C Street, S.W.
Washington, D.C.
COMMITTEE MEMBERS PRESENT

SUSAN D. PHILLIPS, Chair
ARTHUR E. KEISER, Vice Chair
SIMON J. BOEHME, Student Member
JILL DERBY, Member
ROBERTA L. DERLIN, Member
JOHN ETCHEMENDY, Member
GEORGE T. FRENCH, Member
WILLIAM E. KIRWAN, Member
ANNE D. NEAL, Member
RICHARD F. O'DONNELL, Member
WILLIAM PEPICELLO, Member
ARTHUR J. ROTHKOPF, Member
CAMERON C. STAPLES, Member
CAROLYN WILLIAMS, Member
FRANK H. WU, Member

STAFF PRESENT

CAROL GRIFFITHS, Executive Director, NACIQI
HERMAN BOUNDS, Director, Accreditation
SALLY WANNER, Office of the General Counsel
PATRICIA HOWES, Management/Program Analyst
ELIZABETH DAGGETT, Staff Analyst
JENNIFER HONG, Staff Analyst
CHUCK MULA, Staff Analyst
STEVE PORCELLI, Staff Analyst
RACHAEL SHULTZ, Staff Analyst
KAREN DUKE, Records Management
CATHY SHEFFIELD, Staff Assistant

PRESENTERS

JAMIENNE STUDLRY, Deputy Under Secretary,
U.S. Department of Education
CLIFFORD ADELMAN, Institute for Higher
Education Policy
JUDITH EATON, Council on Higher Education
Accreditation
TERRY W. HARTLE, American Council on
Education
SUSAN HATTAN, National Association of
Independent Colleges and Universities
SALLY JOHNSTONE, Western Governors University
PETER MCPHERSON, Association of Public and Land-Grant Universities
BEN MILLER, New America Foundation
GEORGE L. PRY, Association of Private Sector Colleges and Universities
Welcome and Introductions
Susan Phillips, Chairperson, NACIQI

Consent Agenda
Susan Phillips, Chairperson, NACIQI

Accreditation Commission for Education in Nursing (ACEN)

Action for Consideration: Petition for Renewal of Recognition Based on a Compliance Report

NACIQI Primary Readers:
Cameron Staples; Frank Wu

Department Staff:
Chuck Mula

Agency Representatives:
Dr. Sharon Tanner, ACEN
Dr. Mary Lou Rusin, ACEN
Letitia McDonald, Attorney,
King & Spalding

Third Party Commenter:
Dr. Judith Halstead, Immediate Past President, National League for Nursing,

Puerto Rico State Agency for the Approval of Public Postsecondary Vocational, Technical Institutions, and Programs (PRHRDC)

Action for Consideration: Renewal of Recognition Based on a Compliance Report

NACIQI Primary Readers:
Art Keiser; Cameron Staples
Department Staff:
Rachael Shultz

Agency Representative:
Ann Mockford, Executive Director, PRSAA

National Association of Schools of Dance
(NASD)

Action for Consideration:
Renewal of Recognition

NACIQI Primary Readers:
John Etchemendy; Anne Neal

Department Staff:
Elizabeth Daggett

Agency Representatives:
Karen Moynahan, Executive Director,
NASD
Mr. Richard F. Mann, Legal Counsel,
Keller and Heckman

National Association of Schools of Theatre
(NAST)

NACIQI Primary Readers:
Simon Boehme; William Kirwan

Department Staff:
Jennifer Hong

Agency Representatives:
Karen Moynahan, Executive Director,
NAST
Mr. Richard F. Mann, Legal Counsel,
Keller and Heckman

National Association of Schools of Music
(NASM)
Action for Consideration:
Renewal of Recognition

NACIQI Primary Readers:
Jill Derby; William Pepicello

Department Staff:
Herman Bounds

Agency Representatives:
Karen Moynahan, Executive Director, NASM
Mr. Richard F. Mann, Legal Counsel, Keller and Heckman

Introduction of the 2014 Policy Agenda
Susan Phillips Chairperson, NACIQI,
Carol Griffiths, Executive Director, NACIQI

PRESENTATION:
Jamienne Studley,
Deputy Under Secretary,
U.S. Department of Education

Introduction: Invited Panels
Susan Phillips

Panel A: Policy Perspectives
Clifford Adelman
Judith Eaton
Sally Johnstone
Ben Miller

Panel B: Perspectives of Institutions
Terry Hartle
Peter McPherson
George Pry
Susan Hattan
Closing Comments

Susan Phillips, Chair

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CHAIR PHILLIPS: Good morning and welcome to the June 2014 meeting of the National Advisory Committee on Institutional Quality and Integrity. I'm Susan Phillips, the Committee Chair. I'd like to ask us to begin by introductions throughout the members, and I'll start with Art to my right.

VICE CHAIR KEISER: Arthur Keiser, chancellor at Keiser University, Fort Lauderdale, Florida.

MR. ROTHKOPF: Arthur Rothkopf, president emeritus of Lafayette College.

DR. DERLIN: Bobbie Derlin, associate provost, New Mexico State University.

DR. DERBY: Jill Derby, former regent of the Nevada System of Higher Education and consultant with the Association of Governing Boards of
Universities and Colleges.

DR. KIRWAN: Brit Kirwan, chancellor of the University System of Maryland.

MS. NEAL: Anne Neal, president of the American Council of Trustees and Alumni.

MR. STAPLES: Cam Staples, president of the New England Association of Schools and Colleges.

DR. ETCHEMENDY: John Etchemendy, provost, Stanford University.

DR. WILLIAMS: Carolyn Williams, president emeritus, Bronx Community College, City University of New York and university professor.

DR. PEPICELLO: Bill Pepicello, president, University of Phoenix.

MR. BOEHME: Simon Boehme, recent graduate of Cornell University just a few weeks ago.

MS. WANNER: Sally Wanner. I'm with the Office of General Counsel at the
Department of Education.

DR. BOUNDS: Herman Bounds, director of the Accreditation Group.

MS. GRIFFITHS: Carol Griffiths, executive director for NACIQI.

CHAIR PHILLIPS: I think we've got everybody there. A special welcome to Herman Bounds for his first meeting as the director of the Accreditation Group, and birthday wishes to Rachael Shultz.

(Applause.)

We've recently received notices of resignation from NACIQI from two members, Larry Vanderhoef and Bill Armstrong, so they won't be joining us today, but we do expect some of the other members in the course of the day.

The overview of our meeting today -- first let me begin with a very special thanks to Carol Griffiths for her leadership in putting together not only the meeting but the policy agenda prior to the meeting. Very special thank you.
And let me also invite Frank Wu, as he catches his breath, to introduce himself.

MR. WU: Frank Wu, chancellor and dean at the University of California Hastings College of Law.

CHAIR PHILLIPS: Thank you. A reminder to each of the Committee members and staff at the table: if you speak, please press your mic. The red indicates that you're on. If you can say your name when you begin to speak that will help the recorder. And I'll ask your indulgence, if you don't say your name, I will, in order to make that accurate. So remember that.

**CONSENT AGENDA**

We begin today with our consent agenda. And this is actions for consideration, renewal of recognition based on compliance reports. We have a list of the agencies who are listed currently on the consent agenda.

They include:
1. Accreditation Commission for Midwifery Education;

2. Accreditation Council for Pharmacy Education;

3. American Physical Therapy Association; Commission on Accreditation of Physical Therapy Education;

4. Association for Biblical Higher Education, Commission of Accreditation;

5. Commission on Collegiate College Nursing Education;

6. Liaison Committee on Medical Education;

7. Maryland Board of Nursing;

8. Middle States Commission on Secondary Schools;

9. Missouri State Board of Nursing;

10. National Association of Schools of Art and Design; and

11. Southern Association of Schools
and Colleges.

Did I miss any?

Okay. I understand we have a few recusals on this. Recusing from CCNE is Pepicello and Derlin. Recusing from SACS is Neal, Keiser, and French.

MS. NEAL: Susan, before I recuse today, I would like to put a protest into the record. I have been asked to recuse. So I would like to enter into the record a protest and a general statement of concern regarding extensive conflicts of interest that abound here and in the accreditation community.

I was notified by the NACIQI executive director, Carol Griffiths, in late May that I would be recused when it came to the matter concerning SACS. SACS had, I have now learned, had requested my recusal. And the Department attorney duly responding to this request had concluded that I could not participate ever again on the NACIQI when it came to SACS. If I did so, she
claimed, I would be violating a criminal statute.

This finding was not supplied to me until I requested it. I have never seen the SACS complaint and I had no opportunity to respond to the request for recusal or to the legal opinion before it was issued.

Quite frankly, I feel that the ruling is flawed. As I read it, it amounts to little more than criminalizing policy differences. The regulated entity has run to the regulators to ask them to oust a critical voice.

Recusal puts me, I think, in a position very similar to those parties that are accredited under the current regime. If I push back, I find myself accused of criminal behavior.

In the case of institutions that wish to push back against accreditors, something even more terrifying and coercive is threatened: the potential loss of Title IV money. This allows the accrediting
agencies to hold a gun to the heads of our higher education institutions.

Ironically, it is an objection to accreditors' arbitrary and coercive exercise of power that puts me in this position today. In December of 2012, the independent nonprofit organization of which I am president, which receives no Title IV money, no money from colleges and universities, and which is wholly independent of the accrediting system, filed a complaint with the Education Department against SACS for wrongfully interfering with the institutional autonomy and governance powers vested under the UVA Board of Visitors by the state legislature.

The complaint, which is publicly available, asked for the Department to review this action, in accordance with Section 602.33 of the regulations, which permits review upon credible information that raises issues relevant to recognition.

In other words, in filing this
complaint my organization played by the rules and raised questions about the appropriate behavior of the accrediting body, much as I am charged to do in my capacity as a member of NACIQI.

I think it is noteworthy that this major complaint does not find itself anywhere in the materials presented to us as we are asked to decide whether SACS' recognition should be renewed. As far as our record goes, we do not and will not ever know that these issues were raised and adjudicated up to the level of the Secretary, matters deemed so serious by the accreditor and DOE as to recuse me, but not so important or relevant as to be placed in your preparation materials. What else might be missing in our files?

The active complaint raises questions about inappropriate intervention in state jurisdiction and intrusion into institutional governance. And the Department concluded that when it comes to standards
outside the statutes, such as governance, it had no power to review the accreditors' actions at all. In other words, the Secretary and all of us here are impotent to review, override or disagree with SACS when it comes to any standards they apply to schools not required by the HEA.

And it's not just SACS. This is true for all the accrediting bodies. Surely as Congress considers the reauthorization of the Higher Education Act, and as we today consider the Department's and our review authority, we should keep in mind this troubling, unreviewable, blank check authority that is provided accreditors under the HEA. This authority now allows accreditors to intrude as never before into the autonomy of our colleges and universities, autonomy, I might add, that has been central to the success of higher education.

Today, of course, my colleagues are being asked to review SACS' compliance
report regarding specific criteria under the statute, but I am nevertheless being forced to recuse because of my earlier question about SACS' overreach. Again, how ironic that I am being banned from ever addressing matters with SACS even when the so-called conflict is one that has been exhaustively adjudicated.

So I will recuse. But in doing so, I want to ask a broader question. If I cannot judge impartially, then who can? A majority of the committee has a financial interest in the existing system. One is the CEO of a regional accrediting association. We have and will potentially vote on policy matters concerning the future of the accrediting system, and most especially the future of regional bodies.

Conflict? These kinds of conflicts on NACIQI are, sadly, not too much different from the conflicts that abound in the accreditation process itself. No one gets accredited without first paying dues to
the accrediting association. On top of that is the cozy nature of review bodies, which are largely made up of faculty and administrators that benefit from the accreditation system as well.

I do not in any way seek to impugn the ethics of any of my colleagues here, all of whom I respect and admire and who are operating with the approval of counsel. But in the interest of getting real, isn't it time to admit that systemic conflicts of interest abound in the accrediting process? Just one more reason that accreditors are questionable choices to be gatekeepers of federal funds.

I appreciate the opportunity to make the statement and I will now recuse myself.

CHAIR PHILLIPS: Thank you, Anne.

Dr. Rothkopf?

MR. ROTHKOPF: This is the first I've heard about this recusal and the circumstances, and I really just want to
address the circumstances of the recusal, if
I might.

And I say this as someone who
many years ago was the general counsel of a
cabinet agency. I don't understand a
process -- and I might ask Sally to comment
on this, or anyone else who would like to --
as to how a accrediting agency files a
complaint about one of the members of this
group, the complaint is not furnished, as I
understand it, to that member -- and correct
me if I'm wrong -- an opinion is issued
without consulting with the member of NACIQI
and she has no knowledge of this until
informed by Carol. And then what happens is
the decision has already been rendered.

So I guess what I'm saying is I
think this is a very odd process. It's one
that is, in my view, just from what I've
heard, and maybe there's something to be
added here, highly questionable, and I just
wonder how high up within the general
counsel's office this decision went.
CHAIR PHILLIPS: If I could just pause for a moment. We have a recusal on an action item. I do think that we've opened the door to a how-we-operate question about how the Committee operates. But we do have an opportunity to take that up in some detail as we get to the policy agenda this afternoon and tomorrow.

So unless you're questioning the recusal itself on this action item, what I'd ask is to defer this conversation until we finish that.

MR. ROTHKOPF: I guess what I'm questioning is whether it's a proper recusal. I mean, is this decision a final decision of the Department? Is the circumstances they followed the rules in not permitting so-and-so? And I guess I'm saying is it a proper recusal?

CHAIR PHILLIPS: Fair question for now.

MS. WANNER: I need to make it clear that I'm not the ethics attorney. I
did not handle this. I know nothing about it. What I heard today was the first I knew.

CHAIR PHILLIPS: Brit?

DR. KIRWAN: Brit Kirwan. Could someone explain the authority for requiring a recusal? Is that the Department's decision or the NACIQI's decision?

MS. GRIFFITHS: I'd like to provide some input into the first question, and then to answer your question. Every Committee member, when they are nominated, before they're appointed, go through a vetting process. That is part of the process to determine whether there may be conflicts of interest, as well as just all kinds of, I guess, other factors as well.

Now, before every meeting, every member basically is, I will use the word "vetted," but reviewed again for potential conflicts of interest with the review of every agency on the agenda, okay? And you know that on more than one occasion each
meeting I ask you for your input into whether or not you feel a need to recuse yourself.

But that is not the level that it stops. It goes to the General Counsel, to the ethics side of the General Counsel, who makes the final determinations of recusals. The Department is required to act on any information it gets from any source.

And I think perhaps that might help answer your question. And so therefore that is the process. That has been the practice for every meeting that I have ever attended since 1997. I can't go back before then. But I hope that helps clarify for you that it was a process that wasn't new or different.

DR. KIRWAN: So just to be sure I understand, you're saying that the legal office in the Department of Education has the final say on whether or not someone must be recused. Is that correct?

MS. GRIFFITHS: To my knowledge,
that is exactly who is charged with the
authority and responsibility to do that,
yes.

DR. KIRWAN: Thank you.

CHAIR PHILLIPS: Frank.

MR. WU: I just want to make
three very quick comments. The first is I
think this is worth further discussion,
including on the issue of the process
followed, who makes the final judgment call,
but perhaps in the afternoon or later when
there is a chance to consult with the ethics
counsel.

The second point I wanted to make
is I think our colleague, Anne Neal, is
correct that this system does have
inherently many situations that could be
perceived of as conflicts.

If we were to hold everyone to
the strictest standard and ask are any of us
affiliated with any institution that's
affected by the process, there would be no
one eligible to serve.
So while I think it is true that everyone does have some vested stake, anyone associated with higher education will have that problem unless the entire system were to be dismantled.

Third and finally, I did want to say, from what has been said today, and this is the first I'm hearing of this as well, I do not find it objectionable that a member of this body be asked to recuse himself or herself if he or she is adverse to an agency that's being reviewed. I think that's entirely appropriate. If one of us were to make public statements against a particular agency, I think it would be difficult for us to sit in judgment then of that agency. However, I do believe that the process does have some significant problems, as has been noted. So it's worth, certainly, discussion at some point as we look at these policy issues.

CHAIR PHILLIPS: Cam?

MR. STAPLES: I don't want to
prolong this. I'm sorry. Cam Staples. I know we'll talk about it later, but I'm curious about the fact that the information, if I heard Anne correctly, that she has not seen the complaint or information provided to the Department staff. It seems to me that that's a strange occurrence, but also that the full Committee ought to be privy to any legal opinions relating to the subject since we all have potential conflicts.

I don't what the Department's policy on that is, but it seems that this should not be secret information. This is all very vital to all of us to make sure that we're on the right side of whatever the analysis is for a conflict.

So I just throw that out there for later conversation, but I guess I'm surprised by the lack of disclosure, both to her and to the rest of us. Aside from the opinion itself, I'm surprised we don't have the information before us.

CHAIR PHILLIPS: Let me suggest
at this point that we have two points of information and discussion that we should be pursuing as we get into our policy discussion later.

One is the process by which recusal comes to be, and to request a clarification on that. And second is access to information about complaints that may be filed. They're separate issues but important to be mindful of, even if it is for our own edification, but certainly also possibly for policy consideration and discussion.

With that said, I have made notes on both of those. I do note the recusal of Anne Neal, Bill Pepicello, Bobbie Derlin, George French, and Art Keiser. Because of recusals on one of the items on the consent agenda, it means that you're recused for all of the items on the consent agenda.

And so at that point, I would ask if there are any agencies to be removed from the consent agenda?
Okay. Seeing none, I would welcome a motion to approve.

MR. WU: So moved.

CHAIR PHILLIPS: Thank you, Frank Wu. And second?

MR. BOEHME: Second.

CHAIR PHILLIPS: Simon Boehme.

Any further discussion?

Those in favor, by hand, say aye?

(Committee votes.)

Those opposed?

Any abstentions?

And the recusals will just simply be. Okay, thank you very much.

**NACIQI RECOMMENDATION**

**NACIQI recommends that the**

Assistant Secretary accept the recommendation as stated on the Consent Agenda

Moving to our standard review of the agencies that are before us at this
meeting, just to remind all that we begin
each one with an introduction of the agency
petition by the primary Committee reader.

We'll have a briefing by the
Department staff, remarks by the agency
representative, presentations by any third
party commenters that may be present, agency
response to those commenters, agency
response to agency and third party comments,
and Committee discussion and voting.
Accreditation Commission for Education in Nursing, ACEN

So with that in mind, yes, we begin with the Accreditation Commission for Education in Nursing, ACEN. This is a petition for renewal of recognition based on a compliance report.

I understand we do have one recusal, Bobbie Derlin, and we do have one third party commenter. The procedure for recusals is to actually leave the table, and you're welcome to stand in the back of the room. But just so that you're aware.

So with that up, the NACIQI primary readers for this agency are Cam Staples and Frank Wu. Which of you is going to -- Cam is going to start? All right, Cam Staples.

MR. STAPLES: Thank you. I'll be happy to start. Thank you.

The history of the National
League of Nursing, a precursor to the NLNAC, was that it was recognized initially as a national accrediting agency in 1952 for the accreditation of associate, baccalaureate, and higher degree nurse education programs. It has been continuously recognized since that time.

It was reviewed in 2006 by NACIQI and there was a scope expansion to include distance education, but then was withdrawn. Ultimately, they came back in 2008 and the request for including distance education to the scope was approved.

Our most recent meeting in 2012 with this particular agency resulted in a motion that was approved by this body, and ultimately by the Secretary, to provide 12 months for the agency to come into compliance with a number of issues that were raised during the course of their review. Most significantly, issues around the question of whether they were separate and independent from the parent organization.
Many of those issues remain for us to be addressing today and hearing about today, as do many issues around very extensive legal maneuverings that were displayed at our 2012 meeting concerning a couple of jurisdictions and lawsuits in two different jurisdictions. I think at this point, Madam Chair, rather than expounding on those more, we might want to hear from Chuck Mula and then dig into the details of that of where we stand today. Thank you.

CHAIR PHILLIPS: Wonderful. Thank you. Chuck Mula, staff.

MR. MULA: Good morning, Madam Chair and members of the Committee. My name is Chuck Mula and I will be presenting a summary of the compliance report submitted by the Accreditation Commission for Education in Nursing, ACEN, formerly the National League for Nursing Accrediting Commission, hereafter referred to as the Commission.
The staff recommendation to the senior Department official for this agency is that she accept the report and that the agency be granted an extension of its recognition for good cause for a period of six months. That the agency submit a report demonstrating its compliance with the cited criteria within 30 days of expiration of the six-month period, with reconsideration of recommendation status thereafter, including a review of the report and appearance by the agency at the NACIQI meeting to be designated by the Department. And the agency's report must include a completed plan and timeline toward achieving full compliance, any agreements made between ACEN and NLN that have been developed, and that bylaws addressing the deficiencies under 602.14(a) and (b), which preclude NLN from being involved in the agency's independence going forward.

This recommendation is based on my review of the agency's petition and
supporting documentation, specifically documentation demonstrating the Commission's progression towards meeting the Secretary's separate and independent requirements.

My review of the Commission's compliance report found the Commission to be substantially in compliance with the remainder of the Secretary's criteria for recognition. And while the agency remains noncompliant with requirements of this section, the Department has encouraged and commends ACEN and NLN in the progress it has made so far in resolving issues between the two agencies. The Department is also confident that ACEN will be able to come into compliance within the time-frames extended to the agency for good cause.

As stated earlier, we are recommending the senior Department official accept the report and that the agency be granted an extension of its recognition for good cause for a period of six months. That the agency submit a report demonstrating its
compliance with the cited criteria within 30
days of expiration of the six-month period,
with reconsideration of recognition status
thereafter, including review of the report
and appearance by the agency at a NACIQI
meeting to be designated by the Department.

Agency representatives are here
today. This concludes my presentation and
I'll be happy to answer any questions that
the Committee may have.

CHAIR PHILLIPS: Thank you. If
you'll just hold on one moment. Can we get
the correction on the mic? Just say a few
test words.

MR. MULA: Sorry. Just testing
to see if it's working. Does it sound like
it's okay for now?

CHAIR PHILLIPS: We're going to
give it a shot.

Questions for the staff from the
Committee or from the readers first? Yes,
Cam?

MR. STAPLES: Just one question.
And Chuck, you and I had a brief conversation before the meeting. There's been some recent developments. Is that something you prefer to have the agency describe and try to shed light on that, or is that something that makes sense for you to let the Committee know about?

MR. MULA: I believe that the agency's better — has more knowledge and better equipped to provide information to the Committee. We have learned of this information only recently and it was in an unofficial capacity.

MR. STAPLES: Okay. All right, thank you.

CHAIR PHILLIPS: Again, could we get a sound check? Again we're getting a feedback and -- thank you. While we're waiting for that, other questions for the B-

MR. STAPLES: I've got just one question. I note that those of us who sat through the hearing a couple of years, I think, recall it was a very complex scenario
which almost looked like it could never work out, with litigation pending in two different jurisdictions and a lot of money being spent on counsel, and a real feud between two organizations.

So I guess my understanding from your analysis is that significant progress has been made and at least you're relatively confident that the opportunity to resolve all outstanding legal issues is there if we provide a six-month extension.

And I guess it would be useful for us just to hear that, since it's hard to imagine that that was going to be the case when we saw it a few years ago. So if you could give us some sense of what you think remains that they can address, I'd appreciate that.

MR. MULA: I will. Thank you, sir. The Committee and the Department's concern was basically the requirements, meeting the requirements on separate and independent, the Secretary-set separate and
independent issues. All the other agency's criteria is in line with the Secretary's criteria and all their standards are substantially met.

But since there was legal issues that the agency was involved in, the Department was not made aware of those. So the information that we had was the only information we were getting from the agency when it was required from them. We didn't ask them or get involved in trying to get from them any information on a legal proceeding.

So when it was made public or the agency provided us information, in taking that information and analyzing it this year, what we had, we saw that there was a lot of progression towards the two identities actually coming to some kind of a closure on legal issues and suits and whatever, and that they could come to some kind of an agreement that would clarify the agency's, the current agency's separate and
independent compromise.

So we were very, very pleased with the information we received from the agency. It brought us to this decision.

MR. WU: May I follow up?

CHAIR PHILLIPS: Frank Wu.

MR. WU: I just wasn't clear from what I read that that was in the record that we have. Is it in what the members have?

MR. MULA: No. Basically what we did is we summarized the information we were receiving from the agency. Any kind of documentation, which I had required that they bring forward at the next -- after the good cause is up, time frame is up, you would be able to see that information.

We have not seen it, and of course when we talk to them after this meeting we will ask them, giving them guidance on what to provide at the next meeting, we will ask for these documents.

MR. WU: Thank you. I'm actually eager to hear from the agency and from the
adverse party. And it may be that this is a
case where setting a deadline will be
helpful to the parties and encourage them to
resolve these matters, because this has been
kicking around now for several years.

CHAIR PHILLIPS: Other Committee
questions for staff? Okay. Thank you, Chuck. Inviting the agency representatives
to come forward.

DR. TANNER: Good morning.
Hearing you say you would like for this to
be over, you just can't imagine. I am
Sharon Tanner, the CEO of ACEN. This, to my
left, is my board chair, Dr. Mary Lou Rusin
from Daemen College in New York, the great
state of New York. And to my right is Tish
McDonald.

On your agenda it says that Pat
McKee would be here with us but he had a
conflict and he is not. And that is the
legal counsel that you heard speak the last
time we were before you.

Before we get into the questions
that you all want to ask, let me tell you that the agency is alive and well and very grateful to the guidance from the staff. We are in compliance with all of the regulations. There's just this little separate and independent problem.

And, yes, it does seem like it's been an eternity. You ought to have lived in it. I will tell you that we are continuing to grow and serve the nursing community. We have 1,300 accredited programs, with 200 more in the pipeline.

We are a huge agency. We do about 200 to 250 reviews a year, and I think we serve the nursing community very well. We're the only agency that accredits all six types of nursing programs, something we're very proud of and I think we do very well.

So even through this time that sounds very bleak, the agency has been growing and doing extremely well, and hopefully will continue to be healthy and well.
So I don't want to take any more of your time because I know you have questions. And I will tell you that most of the legal things that I feel that you will ask, Mr. Wu and Mr. Staples, I am going to defer to legal counsel. I am feeling like an attorney these days, but I am not, so we will share the mic and try to address your questions.

MR. WU: If I may, two questions. The first is what happened to the other lawsuit? I have information here on the New York case, but if I recall there was a different case. So there were two proceedings. So my first question is what happened to the other one?

And the second is, as I understand the present status of the New York case, your adverse party, which is your parent, prevailed at the trial court and you've been enjoined from taking the actions you would need to take to come into compliance, but the matter's on appeal.
And I just want to make sure that I understand that correctly. So, number one, what happened to the other case, and number two, you lost at the trial level but it's on appeal. Is that correct?

MS. MCDONALD: These are good questions.

CHAIR PHILLIPS: Please identify yourself. Thank you.

MS. MCDONALD: This is Tish McDonald. And as Dr. Tanner indicated, I am one of the lawyers representing ACEN in connection with this matter. I'm with the law firm of King & Spalding. I am based in Atlanta.

And while Mr. McKee could not be here, he's outside general counsel, I am the lawyer who has been primarily responsible for trying to resolve this matter within NLN's counsel. So it's appropriate that I address the remarks to your questions, Dean.

Number one, to keep in mind there are three pending actions. The first action
is in Georgia Federal Court. It has been stayed for quite some time. And the reason why is the parties have ultimately consented to litigate in New York, but there are some funds being held in Georgia in registry. So technically the Georgia federal action has to be open to keep those funds in place. But we are in the process of hopefully resolving issues surrounding two of the contracts, and hopefully we'll be able to reach agreement with NLN on that. I'm very hopeful of that. So then we will have no Georgia action.

So that turns to New York, and there are two separate proceedings in New York. One involves the matter you just mentioned, Dean, and that is the efforts for us to come into compliance with the separate and independent requirements and get our bylaws amended and things of that nature.

The status of that matter is as follows. We had been unable to reach agreement. We did exercise what I will
affectionately call a nuclear option. We tried to amend our bylaws without NLN's consent. The New York court did enjoin us. We made several arguments, one being a prevention argument, for the benefit of the lawyers in the room. That argument would be that these federal regulations would trump a requirement of New York nonprofit law. The New York court did disagree with us. We are currently enjoined from amending our bylaws. That matter is on appeal.

In the meantime, the New York court in its order directly recognized that we don't think NLN wants to jeopardize our recognition, so he encouraged us and asked us to try to work together. So the status of that is as follows.

We are continuing to try to reach some sort of accord on the bylaws. This Department has said several times, in fact Mr. Mula, in the transcript I looked, said that the Department's primary concern about
the bylaws that are in place for us are the provisions that require written consent from NLN to make any amendments. And that seems to be the linchpin of our concern as well as the Department's concern.

That's the primary area of dispute. NLN does not want to give up that right. They would like to continue to have the ability to, I have to use the word "control," control our bylaws.

We are committed to trying to work, continue to work with NLN's counsel and NLN to try to reach some sort of accord on that issue, and barring that we believe we have to return shortly to the New York court. And, Dean, I very much was heartened by your suggestion of a deadline for the parties to come to some sort of an agreement, in your mind. We would appreciate the six-month extension to continue to try to work that out.

I do want to be complete in our presentation, however, about the status of
the third case that has been involved in this matter, and that involves an effort to dissolve us.

NLN filed a petition with the New York court seeking our dissolution for various reasons, but mainly the New York court declined to dissolve us and found specifically that the NLN's purpose of seeking dissolution was to return the accrediting function to NLN. And the court specifically found that the Department of Education could not provide the assurance, of course it couldn't, but this wouldn't be disastrous, on our recognition and, you know, the commensurate effect on, you know, hundreds of nursing programs and thousands of students.

This matter is on appeal. I am hopeful, I'm very hopeful, and I would love to hear from NLN on this, if they would just dismiss that. I don't think there could be any real dispute that continuing to seek our dissolution absolutely will deliver a death
knell to us and jeopardizes our separate independence from them.

So those are the three components. We are committed to trying to work diligently with NLN and its counsel to try to reach some sort of accord. We would appreciate the six-month extension and any guidance the Department can give.

Yes, sir?

MR. WU: So I just wanted to make two observations then and ask a further question. The two observations are, first, this litigation shows our relative powerlessness as NACIQI, because it's clear that staff and this body have found that this agency is out of compliance because of its parent and that it has to be separate.

But we have no capability of making that. So, and indeed from what we've heard, although I haven't read what the state court wrote, the New York state court does not believe that the federal regulations in this regard trump New York
nonprofit law. So it's just an observation that we lack the capacity to actually have our decisions and those of the Department be meaningful.

The second observation is a question for us. Do we, does the Department of Ed either intervene formally or file a briefing in matters such as this when NACIQI decisions are directly involved in state or federal court and should we do so?

It's just a question, because it would seem to me that NACIQI and the Department have a stake here in protecting certain legal positions. The question I have for you is actually two questions.

The first is, I seem to recall, in addition to NLN wanting to reclaim this function, there was some property involved. There's some money. There was some fight over whose money it was. And so I'm wondering, are you still fighting over money as well, because it would be easier, it seems to me, to resolve this matter if there
were just one issue.

And the same question I have about all of this is just to make sure I'm clear on what's happening. It's your position that NLN is still attempting to put you out of business, in essence, through these cases? Okay, I just wanted to make sure. Do we have NLN appearing here today?

CHAIR PHILLIPS: We do have somebody from NLN as a third party coming.

DR. TANNER: I will address your question about the finances, and if I don't answer it please tell me and I'm sure Tish can help.

There was an unusual agreement. When NLN was originally the accrediting body, and I won't take you back too far, it appeared before this board many years in a row trying to deal with this separate and independent issue.

And one of the ways that was finally resolved and NLNAC was made the separate agency was there was a royalty
agreement between the two agencies, and NLN received 16-1/2 percent of every fee that was collected from this agency.

Over the course of the last 15 years that has, 13 years, that has amounted to over $10 million. And at one point this agency was quite in dire straits, because imagine trying to pay that amount of money and run an agency the size of ours. And I came on the scene in 2005 when there was no money at all.

And so we have worked very hard to continue to pay that royalty no matter what, the 16-1/2 percent, but that was an area of dispute. We of course through the litigation had that reviewed, and we were told in no uncertain terms that that royalty was excessively high and it should never have been set at that level.

But we've continued to pay it all this time. The money that is in the court right now is $1.7 million and it is the royalty that I have continued to place,
because that is a monthly payment, aside. So your question about are there funds involved, absolutely. Because if, and they have appealed the dissolution, they are still trying to dissolve us and if they do, as the parent they would then assume all of our assets including not only the money in the court but all the assets of the agency.

And one thing you didn't bring up that I thought you were going in that direction is in the meantime, of course, there have been all the press releases and public statements that they are beginning their own agency and they will be in direct competition with our agency and the other nursing accrediting agency. They intend to, and they've already begun that process. So that's in a nutshell that's the money situation, if that's helpful.

MR. WU: Yes. Just one last question. So it seems there are two issues then between the parties. One is, they want to assert a level of control which would not
be consistent with the regs that we are charged with dealing with upholding. That's number one.

Number two, alongside that there is a fight over money. There is just a fight that you see all the time in civil cases. There are millions of dollars that flow and they want the money. Okay. I just want to make sure I understand. It's not just control, there's also money at stake.

MS. MCDONALD: And I want to make sure that the record is clear on that and I want to be candid to this body. The legal court has ordered us to make payments under the two contracts at issue and we have appealed that.

But we are in very active settlement discussions, and I'm going to be careful on confidentiality about this because at least just concerning the contracts and some of the discussions are confidential. But we've made a very generous offer to avoid any appellate
hassle, quite frankly, and avoid paying the lawyers. They have made a counter proposal and that response is due today. I'm hoping that that issue will be put to bed. I'm hoping.

But to make another comment, Dean, that you pointed out. You said it appears that the Department lacks the capacity to force NLN to amend the bylaws. And that is exactly the position they took with the New York court. They said the DOE cannot tell us what to do.

I actually would encourage the Department's counsel to consider the possibility of intervention to give its interpretation of the regs. We continue to give our interpretation but it seems to be consistent, number one.

Number two, on appeal of that issue, if we're forced to continue to appeal this decision again, we will argue preemption. We will argue that deference should be given to the United States
Department of Education regulations over New York nonprofit law.

So were there any other questions?

CHAIR PHILLIPS: Cam Staples?

MR. STAPLES: Thank you. This doesn't sound like it's close to resolution. It sounds like it's very much the status, maybe even with the settlement discussions aside around funds, very similar to the status it was two years ago. So maybe I'm missing something.

But you still have three court actions. You have no settlements. You're fighting over money. They may create a competitor. They may dissolve you. Doesn't sound like you're within six months of reaching a resolution.

And the only reason I say that is because six months is what the Department is recommending, but we're not bound by that time limit. And it's something we can at least as a committee make some
determinations ourselves as to whether that's sufficient time.

I think to Frank's comment, I think the limit of our authority, we can't order anybody to do anything. We can just say you're not recognized any longer because you're out of compliance.

And one of the questions I have in my mind, if we've given you two years, and I say "you" collectively, and are maintaining the status quo, the recognition we've done we've had no effect because we've given everyone a pass for two years.

So it argues for a deadline, as Frank said, but I don't think it's really our place to dictate what the outcome is. I mean in the sense that if you're dissolved you're dissolved.

If there's a new agency created that competes with you that's not our business either. If that agency seeks recognition that would be the Department's purview. I don't think that's necessarily
our concern as to whether there are multiple agencies in the same field, it's just, do you meet our standards. And right now, the fact that we haven't drawn a line in the sand has allowed this fight to continue.

So I guess I would just ask you, my sense is that that deadline is important not because you're close but because it might make you get to a resolution. And perhaps you can tell me I'm wrong that you're as far apart as you sound.

DR. TANNER: I would never tell you that you're wrong. And I will tell you that yes, we are closer than we were because there was no settlement discussions at that time. There hadn't been no action taken on the dissolution there had been, so it has moved along.

I would like to tell you that we can make it move faster, but there's a very slow docket in New York and those of you who are familiar know that. And so we're somewhat at the mercy of that.
But this agency is absolutely committed to the hundreds of thousands of students we serve and all the programs, and I mean, you know, and a couple of things have changed.

The other thing I will tell you is I think most of you know that I was personally named in all of the litigation from NLN, and so I have decided to step aside this summer. And I think, you know, that itself may help in the situation. I can't really tell you why or how but that's just how, you know, these matters work.

And so I do think we're closer than we were the last time we appeared, absolutely. Are we where we would like to be? No. Because there is nothing worse than having your agency leave money to legal counsel. And I'm sorry to say that Ms. McDonald, but that's not the purpose of collecting the small fees that we do. It is to offer a service that protects those students that are going to go out and
provide your health care.

So I think there's a true recognition on the board that there needs to be resolution and there is certainly the willingness to compromise. But there is no question that the compromise has to work both ways and they have to be willing to remove some of the terminology out of the bylaws such as the written consent and being able to remove the board members on a whim.

And having control over the CEO of the agency, those kind of things do not meet the regs. They'll never meet the regs. We all know it, we understand that. I would also like to think that an agency with the mission statement of serving the nursing education community would not continue to seek to dissolve this agency after all the good that it does every day and continues to do simply because they are also in the nursing education business.

And that part I don't understand and I can't explain to you. Why would you
continue to appeal the dissolution and try
to dissolve? The one thing you need to not
forget is that we are recognized as a Title
IV gatekeeper, and all of the programs that
we serve they have publicly stated that they
do not intend to seek that recognition
because they don't want the new agency to be
separate and independent.

So what happens to all those
programs and all those students? There is
no other option in the accrediting world for
those programs. So please do not forget
those programs and that purpose we serve.

So I hope there will be
recognition that, I'm not disagreeing with
what you're saying, Mr. Staples, in terms
of, you know, it's not your purview to say
if there's three or four or five and you're
just to decide if we meet the standards.

But it is your purpose to make
sure, and I listened very carefully to what
Ms. Neal said earlier, as I do every
meeting, about accreditation and Title IV,
but right now we are the path for those students and we have been for many years and we take that role very seriously.

MS. MCDONALD: And finally, Mr. Staples, to your point. One reason why I think some sort of deadline for NLN and ACEN to get together is helpful would be because I believe the New York court would find that persuasive if we had to go back to the court and say we've been unable to reach agreement. I think it would be a helpful signal to the court as well as to us and NLN. So it's a good idea.

CHAIR PHILLIPS: Any further committee questions for the agency? Thank you. I believe that we do have a third party commenter, Judith Halstead. I'd ask you to come forward.

DR. HALSTEAD: Good morning. Thank you for the opportunity to appear before you today on behalf of the National League for Nursing. My name is Judith Halstead and I am the immediate past
president of the National League for Nursing, serving from 2011 to 2013 in that capacity. Prior to that I was president-elect for two years.

My years of service in these two leadership roles corresponds with the time period associated with bringing both the NLN and NLNAC, now ACEN, bylaws into compliance with the Department of Education's regulations.

My purpose for being here today is to reiterate the NLN's strong and continued commitment as the parent organization of ACEN, for supporting ACEN in the revision of their bylaws to bring them into compliance with DOE regulations. The mission of the National League for Nursing is to promote excellence in nursing education to build a strong and diverse workforce to advance the nation's health.

As part of our mission to promote quality in nursing education, we have been involved in accreditation since 1952. I
know that NACIQI is aware that there are ongoing legal actions involving NLN and ACEN which you've just discussed.

As a brief update on the status of those legal actions last year, the New York Supreme Court ruled in a summary judgment motion that the contracts between the two organizations were valid.

And in another motion heard at the same time declared the NLNAC 2005 bylaws too to be valid. Over the past few years the NLN has been made aware that language in both the NLN and ACEN's bylaws were not compliant with DOE regulations.

In both 2010 and 2012, and with the guidance and support of the Department of Education, the NLN has removed language from their bylaws to bring them into compliance and to reflect current practices.

The NLN does not interfere with ACEN's accrediting activities and has no role in the composition and election or removal of ACEN's board of commissioners,
the creation or approval of their budget, their personnel activities or any administrative functions. In 2011, after discussion with DOE, the NLN formally requested that then NLNAC revise their 2005 bylaws to reflect current practices and to bring their bylaws into compliance with the DOE. The NLN also understands that the DOE regulations do not dictate corporate structure.

We are fully supportive of ACEN revising their bylaws to be compliant with the DOE while still remaining congruent with New York corporate laws in recognizing NLN's legal status as the parent organization. Again I thank you for the opportunity to provide these comments and I will be glad to answer any questions that you may have of me that I am able to provide an answer to.

Thank you.

CHAIR PHILLIPS: Thank you very much. Frank Wu?

MR. WU: So thank you. I have
three questions. First, I'm not sure I heard you right, but I want to make sure that I did. Did you indicate that NLN would allow the agency to revise its bylaws to comply with the regs?

DR. HALSTEAD: Yes.

MR. WU: But it hasn't yet been done.

DR. HALSTEAD: No, it has not been.

MR. WU: Okay. So that was the first question. The second question. We just heard that NLN is seeking to eliminate the agency in order to start its own new agency. Is that so?

DR. HALSTEAD: I think to put the two together would be inaccurate. It's my understanding there's been a dissolution action, and I am not a lawyer so please do not hold me accountable for any words I use and those languages.

That's been in the court for some time. It is true that the NLN has
undertaken the beginnings of a new 
accrediting organization which would be 
Category 2, as my colleague Dr. Tanner has 
said, a non-gatekeeper, Title IV gatekeeper.

We have a consultant, an analyst 
assigned to us from the Department of 
Education. We have begun those operations 
as a result of significant requests from the 
nursing profession for options in 
accrediting activities.

MR. WU: Okay. So it is both 
true that NLN is seeking to dissolve the 
agency, and it's also true that NLN is 
creating a non-Title IV gatekeeper agency. 
But those are distinct, so you just don't 
want the --

DR. HALSTEAD: It is true that 
there is still action in a New York court 
that's been sitting there for some time 
around dissolution of which I cannot address 
from a legal perspective. It is true that 
these years later that we are seeking to 
initiate and have had the approval of our
membership to initiate a new accrediting division.

MR. WU: Now just, sorry to press you on this. I'm not asking for, you know, a legal judgment. But if a dissolution action is in the courts that would suggest that NLN would like to see the agency go out of existence, that is, to dissolve.

DR. HALSTEAD: What we would like to see is that ACEN, formerly NLNAC, become compliant with the bylaws to meet the Department of Education's regulations.

MR. WU: Okay. And the last question. In your view, if NACIQI were to recommend and if the secretary were to impose a tight deadline, would that be helpful in bringing the parties to resolution on all these issues including the money issue that's out there?

DR. HALSTEAD: It is my personal opinion that such a deadline would be of help. Again I'm here to reiterate that NLN is fully supportive of ACEN, or ACEN,
bringing the bylaws into compliance.

They do not reflect current practices which are in compliance, and we would like to see the bylaws corrected to reflect current practices. NLN, as I said, became aware of the inconsistencies some years ago, and in 2010 and 2012 put our bylaws before membership to remove any language that may have been not in compliance.

So we have taken care of our bylaws, and we would like to continue and do continue to support ACEN in resolving their bylaw noncompliant issues.

CHAIR PHILLIPS: Cam Staples?

MR. STAPLES: Just one question. Have you, I'm assuming your, the new accrediting agency that you're establishing isn't seeking recognition for a number of reasons including that you want them to remain within your association.

But also have you made a determination that a large number of the
programs that are accredited already have access to Title IV funds through another accreditor B-

DR. HALSTEAD: May I ask about the question about not seeking recognition?

MR. STAPLES: Oh, you mentioned that you're not looking to have your new accreditor be a gatekeeper.

DR. HALSTEAD: Oh, for Title IV. I was going to say we are definitely seeking or will be in the process of seeking recognition from the Department of Education as a Category 2.

MR. STAPLES: Oh, okay, but not as a gatekeeper. Because many of the nursing programs already have access to Title IV funding --

DR. HALSTEAD: Many of the nursing programs do have access. There are a small number, I don't have an accurate number right now in terms of those who need Title IV, but the last I heard it was around 80 or less. But again I do not have
accurate numbers.

But in the grand scheme of things, the large number of nursing programs that seek accreditation do not need the Title IV gatekeeping.

MR. STAPLES: All right, thank you.

CHAIR PHILLIPS: Any committee questions of the third party comment? Thank you very much. We'd invite the agency to return if you would like to respond to the third party comments? This is Tish McDonald.

MS. MCDONALD: Yes. Thank you, Madam Chairperson. I wanted to respond briefly to just a couple of points that Dr. Halstead made and I want to be sympathetic. She does not have legal counsel present.

And I don't mean to contradict her, I mainly mean just to clarify for this body a couple of misstatements. First of all, in connection with the dissolution action, Linda Christensen who is affiliated
with NLN submitted an affidavit which said
or indicated that the purpose of seeking the
dissolution is to bring, get rid of us and
bring accrediting functions back in-house.

So in answer to your question
that was a stated purpose of the dissolution
action, which we hope the appeal of that
will be dismissed by NLN in connection with
these proceedings.

Second, Dr. Halstead said, and
she's been consistent on this and her
counsel has been consistent that, okay, NLN
would like to amend our bylaws to comply
with the separate and independent
requirements. The problem has been there is
a disagreement on what those amendments look
like.

And just to reiterate, NLN's
position has been stated to me as recently
as a couple of days ago that as long as the
bylaws are amended to let us select our
board, do our budget and things of that
nature then we should be okay.
But this Department and this body has said otherwise. It has said that. A number of comments. One, we need to have the sole ability to amend our bylaws. That's been made clear. They're not agreeing with that. They still have the power to remove our board. They still have the power. They want us to be accountable to them, give them our financial information. We still believe, fundamentally, and the earlier 2012 staff reports are consistent with this that that violates separate and independent.

I think again I'm harking back to Mr. Staples' comment that we do seem far apart. I think though we are at the crux of very, very, very important deadlines and decisions here. A deadline from this group would be helpful as well as, and I'm grateful that Dr. Halstead is here and can communicate the concerns of this body back to her group, and we will do the same with ours. But again I just wanted to clarify
those two points.

CHAIR PHILLIPS: Thank you.

Department response to agency and third party comments? Chuck? Chuck Mula.

MR. MULA: I think staff believes, and Dr. Bounds could help clarify this, but we would be willing to discuss what our requirements are and what the requirements say that the bylaws must contain if everybody would sit down to talk to us.

But we don't get any information because of course it is in legal limbo, but we will provide the guidance necessary so that they can understand exactly the Department's position on the separate and independent requirements and what kind of outcome would be if this agency lost its recognition.

There is a lot of federal student aid money out there, and that is our main concern of the students being able to get the kind of education they want, the federal
money that's out there.

CHAIR PHILLIPS: Thank you.

Herman Bounds?

DR. BOUNDS: Yes, Herman Bounds.

And that's correct. It is a concern of ours with the issue that was raised about having to get approval to change the bylaws. So that is a significant violation. Maybe violation's not the right word, but that's a significant concern with meeting the separate and independent requirements.

But as Chuck has said, we would be willing to sit down and provide guidance to the agencies to try to get this problem resolved. But as it is right now that is a significant issue for us.

CHAIR PHILLIPS: Any further questions for the Department staff? I'd invite discussion and/or motion if you're ready to go to that point.

MR. STAPLES: I think personally the staff recommendation makes sense, and I would suggest it as a motion that the, and I
can read it. I don't know if you have that prepared to upload, the staff recommendation?

CHAIR PHILLIPS: Just have to get our projector up and running.

MR. STAPLES: There it is. Perfect. I think that's quite comprehensive. It gives them six months with some very specific direction including review and report and appearance back at a future NACIQI meeting which I think is important. So I would recommend that we adopt the staff recommendation.

MR. WU: I concur on that. I would add the following observation. If we aren't prepared though to take some more drastic action and if everyone knows we're not prepared to take more drastic action this will just keep going and they'll just come every six months and we'll hear an update on these cases.

I would like us to signal that as a body we will not shy away from at some
point pulling the trigger, because otherwise we're just sitting here in a hotel conference room listening to people talk at us every six months and that doesn't seem to serve a great societal purpose.

So I think at some point we have to say to the agency and to its parent, if you don't straighten this out we will put the agency out of business. And we say that in a non-hostile way in order to get you to work it out. So that's just my gloss on this language.

CHAIR PHILLIPS: Cam Staples?

MR. STAPLES: If I could maybe make sense for the members, I was not aware of the extraordinary circumstances, you know, just cause types of extensions. We've already exceeded the 12 months that we've always known were the limits of our capacity, so this is a very specific finding the secretary has to make that there are extraordinary circumstances in this case.

So I think to Frank's point, I
think the fact that we're doing it is unusual. We have not done this, as far as I know we have not done this before. And it would be very unlikely to find extraordinary circumstances and just cause twice. So I would just, it's in support of Frank's point.

CHAIR PHILLIPS: So would you be interested in inserting language into the motion that would communicate that, or do you think it communicates that by itself?

MR. STAPLES: I think the message, and people are present, I think the message is probably pretty clear.

MR. WU: And it's in the transcript. So I don't think the agency or its parent are unaware that we are prepared to do something, and they're the audience that really needs to hear it.

CHAIR PHILLIPS: So I'm going to assume that a motion has been made and seconded. Further discussion? Okay, let's call the question. Those in favor of the
motion as shown on the screen raise your hands.

Those opposed?

Abstentions?

Thank you very much, the motion carries.

**NACIQI RECOMMENDATION**

NACIQI recommends that the agency be granted an extension of its recognition, for good cause, for a period of six months and that the agency submit a report demonstrating its compliance with the cited criteria within 30 days of expiration of the six-month period, with reconsideration of recognition status thereafter, including a review of the report and an appearance by the agency at a NACIQI meeting to be designated by the Department.

The agency's report must include a completed plan and timeline toward achieving full compliance, any agreements made between ACEN and NLN that have been developed, and (a revision of the) By-Laws
addressing the deficiencies under 600.14(a) and (b) which preclude(s) d NLN involvement and the impingement on the agency’s independence going forward.

We're scheduled for a short break at this point. I would ask that those who are reviewing the dance, theatre and music agencies, if you would just have a brief huddle with Carol up here for a moment before our break, we would appreciate it. We expect to come back by about 10 o'clock.

(Whereupon, the above-entitled matter went off the record at 9:44 a.m. and resumed at 10:03 a.m.)

CHAIR PHILLIPS: Calling us back into order, I have a quick note from the microphone police. If we sit up straight and speak from that position, our mics will be compliant with our voice. If we lean forward or slouch, we'll have some problems. So therefore, the microphone police request proper seating.
Puerto Rico State Agency for the Approval of Public Postsecondary Vocational, Technical Institutions, and Programs (PRHRDC)

Thank you very much for coming back. Our next agency before us is the Puerto Rico State Agency for the Approval of Public Postsecondary Vocational, Technical Institutions, and Programs (PRHRDC). The action for consideration is renewal of recognition based on a compliance report.

I believe we have a recusal of Bill Pepicello, and our primary readers I believe are Art Keiser and Cam Staples.

Which of you two will begin?

(No audible response)

CHAIR PHILLIPS: Art Keiser?

VICE-CHAIR KEISER: This is Art Keiser. The Puerto Rico State Agency for Approval of Public Postsecondary Vocational,
Technical Institutions, and Programs; I think we have a little different acronym, PRSAA, is the state agency in Puerto Rico for accrediting public postsecondary vocational education programs and institutions in the Commonwealth of Puerto Rico.

The agency currently accredits programs located in seven vocational technical schools located in Puerto Rico with one institution awaiting institutional approval.

The PRSAA was granted with the authority to approve public postsecondary vocational technical education institutions and programs in Puerto Rico in 1982 by Puerto Rico's secretary of education. The agency has granted initial recognition as the state approval agency by the U.S. Secretary in 1983 and has received continued recognition since that time.

The agency's most recent petition for continued recognition was reviewed in
the spring 2012 NACIQI meeting. Following that meeting the secretary continued the agency's recognition and requested that it submit a report on its compliance with certain issues, and the report is the subject of our discussion today.

CHAIR PHILLIPS: Rachael?

MS. SHULTZ: Good morning. I'm Rachael Shultz and I will be presenting information regarding the report submitted by the Puerto Rico State Agency for the Approval of Public Postsecondary Vocational, Technical Institutions, and Programs, and the acronym I will be using is the PRSAA.

The staff recommendation to the senior department official is that the PRSAA be granted an extension of its recognition for good cause for a period of six months and that the agency submit a report demonstrating its compliance with the cited criteria within 30 days of the expiration of the six-month period with reconsideration of recognition status thereafter, including a
review of the report and an appearance by
the agency at a NACIQI meeting to be
designated by the Department.

Although the agency was unable to
completely address the findings cited in the
spring 2012 petition in its current report,
it did take substantive steps to begin
making changes to address the earlier
findings. The agency hired a bilingual
consultant who traveled to Washington to
meet with Ed staff and many of the agency's
policies and procedures had been revised as
a result of her input.

While not all of the
documentation that we had requested has been
supplied, we feel that the language barrier
may have added some confusion as to what
information or materials the Department was
requesting. Because it appears that the
agency has made a good-faith effort to bring
itself into compliance with the regulations,
we feel that an extension for good cause is
justified.
Of the eight remaining issues it should be noted that five require only additional documentation of the implementation of the agency's revised policies. One issue requires information related to the agency's standards review cycle, and two issues require additional information and documentation pertaining to the agency's policies and procedures. It appears likely that the agency will be able to provide the requested information once additional documentation is translated from Spanish into English.

So to reiterate, the staff recommendation to the senior department official is that the PRSAA be granted an extension of its recognition for good cause for a period of six months and that the agency submit a report demonstrating its compliance with the cited criteria within 30 days of the expiration of the six-month period with reconsideration of recognition status thereafter including review of the
report and appearance by the agency at a NACIQI meeting to be designated by the Department.

That concludes my presentation.
The agency's new director is here today and we will be happy to answer the Committee's questions. Thank you.

CHAIR PHILLIPS: Thank you, readers. Art Keiser?

VICE-CHAIR KEISER: Rachael, thank you for the long report. Some of the issues require policy and a demonstration of the policy being enacted. Will they be able to do that in six months or would we back here with -- instead of eight; because last time it was -- I don't remember how many, it was so many -- will we be back down to four?

MS. SHULTZ: I think that most of the issues that we've identified this time pertain to needing additional documentation as opposed to policy changes. We do need to know how often their reviews are conducted and how they're collecting information
related to substantive change. Most of the rest of the information is related to additional documentation.

For instance, for the site visitor pool, their advisory body and their Board of Examiners, which is their decision making body, we need to have more information about the membership, the selection, their qualifications, training, things like that. I think that there was probably a problem getting a lot of résumés translated to provide additional information about qualifications in the instance of these three bodies that work with the agency.

There are also three findings that are related to appeals and mainly we are asking for additional documentation related to the appeals process. For instance, we need to know that they continued the status of an institution or program during the appeal period and we need to have letters showing the reason for the
appeal's decision. So I think that in most instances we're just going to be asking for additional documentation.

And Mrs. Mockford had contacted me prior to the meeting and has asked to meet after today's meeting, so at that point I think we can go into more specifics about the documentation that we're looking for. Hopefully that will clear things up and it won't be a problem getting it in in six months. I hope.

CHAIR PHILLIPS: Other Committee questions for the -- Arthur?

MR. ROTHKOPF: I just wanted to be sure my recollection is right. Is this the agency that came before us and where NACIQI either recommended that they not accredit any new institutions or we said they ought to be put out of business, and that judgment was reached by NACIQI, and then the secretary did not adopt it, or is this a different place? Because I don't see that -- at least I haven't heard, but is
MS. SHULTZ: This is an agency that has a lot of turnover in staff. We rarely work with the same director two cycles in a row. When they submitted the initial petition most of the petition, rather than providing information, consisted of the statement "nothing has changed since the last petition." Obviously we needed more information than that. So at that point we asked them to come back with a report. For all intents and purposes the report was a full petition because they hadn't responded to the questions the first time. So the report looked pretty bleak because there were an awful lot of findings.

At that meeting the staff recommendation was to ask for the report. The Committee recommendation was to deny. The deciding official went with the staff recommendation and allowed them to come back with the report.
I misspoke. When they submitted
the petition very little information was
there. We sent the draft back. They had to
respond to the draft as if it was a full
petition and then that resulted in a current
report.

CHAIR PHILLIPS: Art Keiser?

VICE-CHAIR KEISER: To follow up
on Arthur's question, considering they were
at a hair's breadth of being withdrawn from
recognition, why do you think they came back
in two years without having all of the
issues addressed?

MS. SHULTZ: Well, obviously I
don't know the answer to that. I will say
that they totally revised their policy
manual, so I think that they made a good
faith effort to update their policies and
address deficiencies. I think that there is
a problem with either time or staff involved
in getting documents translated, and I think
they tend to be rather thin in their
documentation because it's such a problem, I
would assume, to get everything translated.

So I would think that the problem
is more with providing the depth of
documentation that we typically require at
this point as opposed to having gone back
and having revised their policies and
procedures, which they did hire the
consultant who came in and spoke with me at
great length to get the polices in place,
but then they don't have the documentation
showing the implementation of the policies
that have been revised in some instances.
So that's the problem at this point.

CHAIR PHILLIPS: Cam Staples?

MR. STAPLES: Just a question
about documentation, and it does seem like
that's largely the issue. And I'm curious.
I know we the Department or the Congress has
changed the standards a little bit over the
years, but they've been recognized since
1983. Has documentation always been an
issue, or is it that we are now requiring so
much more in the way of documentation? I'm
just curious if this is a new issue for them or an old issue.

MS. SHULTZ: We were in sort of an awkward position when I came to review the agency in 2012 because the analyst who had had them on the previous cycle, who is no longer with the Department, was totally bilingual. And so materials were submitted in Spanish, which we had not accepted in the past, but which this person, because she could read them, accepted. So I think that put both the Ed staff and the agency in a kind of awkward position when it came time for the current petition because what they had submitted in the past had been acceptable to the analyst who's no longer here. But I don't speak Spanish and we require all of our documentation to be in English since it becomes part of the record, since it's submitted into the system. So I think that kind of factored into the --

MR. STAPLES: Okay.

MS. SHULTZ: -- problems with the
MR. STAPLES: So it's not a lack of documentation necessarily. It's a lack of English language documentation?

MS. SHULTZ: Correct.

MR. STAPLES: Okay. All right.

Thank you.

CHAIR PHILLIPS: Other Committee questions of staff?

(No audible response)

CHAIR PHILLIPS: Thank you for now. If we could invite the agency representatives to come forward.

Thank you very much. If you could press your microphone. Thank you.

MS. MOCKFORD: Thank you for the opportunity to be here today. My name is Ann Mockford and I'm the executive director. I may ask excuses because in Puerto Rico we speak Spanish always. We don't have the opportunity to be speaking English. We read and understand and write it, but my fear is to speak English.
(Laughter)

MS. MOCKFORD: So here I am trying to do my best. Okay.

First of all, my main objective here is to establish and certify as the agency director that our main commitment is to continue with the job and tasks that the agency is supposed to perform and is doing. Also, I want to certify that in the last year we have made all the adjustments, changes, updates and reviews to enter into a full compliance.

Our engagement is with the students of the institutions that we approve. Much of them come from socioeconomic disadvantaged communities and have no more options that they can afford. I would like to state that the only alternative Puerto Rico has to approve the state public institutions is the USDE.

Our failure to fully comply with the approval process is caused by our whole revision process that doesn't allow us full
implementation because the due date haven't arrived yet. Also, although it's not an excuse, it's our reality that our main language is Spanish and all the processes, documents, policies and trainings are in Spanish and that we have to produce them and pass through the translation process. That takes time and it's expensive. We have that role to fulfill all the compliance aligned to the Higher Education Act.

That's what I have to say up to now.

CHAIR PHILLIPS: Thank you very much. Readers, questions for the agency? Art Keiser?

VICE-CHAIR KEISER: Do you believe that the six months that is being afforded to you; it's six months plus one month, I think that's the way it reads, will be sufficient for you to meet the standards?

MS. MOCKFORD: Yes.

CHAIR PHILLIPS: Other questions, readers or Committee?
(No audible response)

CHAIR PHILLIPS: Thank you very much.

MS. MOCKFORD: Thanks to all of you.

CHAIR PHILLIPS: Yes, Arthur Rothkopf?

MR. ROTHKOPF: Are there any pending applications for recognition before your agency, or is any school applying for new recognition?

MS. MOCKFORD: Not new.

MR. ROTHKOPF: What?

MS. MOCKFORD: Not new.

MR. ROTHKOPF: No new ones?

MS. MOCKFORD: No new.

MR. ROTHKOPF: Thank you.

CHAIR PHILLIPS: Thank you very much.

MS. MOCKFORD: Thanks to you.

CHAIR PHILLIPS: I don't believe that we have any third party comments for this agency. Department would like to --
would you like to respond to the agency? Rachael?

MS. SHULTZ: I don't have any further comments. Thank you.

CHAIR PHILLIPS: Thank you. Committee discussion? Frank?

MR. WU: Just two observations. First, given that the agency isn't looking at any new programs, and I would guess isn't likely to look at any other new programs, probably restricting it in that manner would not have any consequence other than to signal concern, which we might want to do. So it might be an effective way to signal concern without harming anyone.

The other observation I have is also a question. It's my understanding that agencies such as this that are associated with a state, or commonwealth here, are treated the same as other agencies. Is that right? There isn't a separate set of guidelines and regs if there's a governmental association? And I wonder if
there should be some way of looking at these differently. It just seems to me that they sort of occupy a different place in the world, you know, the New York one and any others.

CHAIR PHILLIPS: Let me ask the director of the Accreditation Group to respond.

DR. BOUNDS: Yes, there are a different set of criteria for the recognition of state agencies. Yes, there is.

MR. WU: And on the whole they're easier to meet, is that right? They're not as onerous?

(Simultaneous speaking)

DR. BOUNDS: Yes, fewer. A lesser amount to comply, to address.

CHAIR PHILLIPS: Art Rothkopf?

MR. ROTHKOPF: Yes, I mean, the point of my question; and Frank I think saw it, is this is an agency that, at least the last time around, really had no clue as to
what they were doing or how they were going
to go about it. Now I think they've
improved to some extent. But I think it
would be useful, and I'd ask the readers to
comment on that because they're more
familiar with the agency and the history, as
to say, all right, well, let's give them
more time, whether it's six months -- I
think realistically it probably ought to be
a year, you know, but say in the motion that
they are not permitted to accredit any new
institutions during that period until they
get approval from NACIQI. So I'm really
asking Art and Cam whether they think that's
a good idea or not.

CHAIR PHILLIPS: Art Keiser?

VICE-CHAIR KEISER: Well, this is
a very small agency. They accredit only
seven schools and they're all kind of small.
They're vocational technical schools. If we
didn't send the message the last time, which
is one of the few denials I think we've ever
done that I remember, and they -- you know,
it's still -- I can't understand how they couldn't get it all right in two years. But we can send whatever sanctions, but it looks like that's not going to make a difference here. So let's see if they can bring it in compliance for the next six months.

They have a tiny budget; it's not really well funded by the commonwealth, and they struggle apparently each budget cycle to get the money they need. Frankly, I don't understand why they even exist for only seven schools, but when you have a group like COE or some of the others who could accredit them, the vo-tech centers. But that's not for me to decide.

Cam, I don't know, what do you think?

CHAIR PHILLIPS: Cam Staples?

MR. STAPLES: I tend to agree with that. I'm not sure that it makes -- I think that we now know that this is an extraordinary extension, and I think we're not aware of a situation -- I know it puts
on the staff on the spot, but I think we're not aware of a situation where the Department has done two of these successively for an agency. So it's a pretty strong message to this agency that they have this extension and then that's the limit for the Department's reach.

And I think I guess I'm slightly less concerned, although there was a lot on the plate last time, if it's largely documentation at this point and it was largely because it's -- they may have it in the Spanish language but not in the English language. To me it's not as egregious as it was two years ago. I know there are other issues, but I'm just saying I think my sense is six months and a drop-dead deadline, they'll get the message, and there's not much more else we can say about that.

CHAIR PHILLIPS: Art Keiser?

VICE-CHAIR KEISER: Well, I agree. Obviously, they've made a lot of progress. I mean, it was so bad before, you
know, any progress would have been a lot of progress. However, they're still going to have some issues in terms of demonstrating, because I think our staff tends to require that they demonstrate the policies are in place and have been acted upon. And some of those over a six-month period I think will be very difficult for them to do. So I think we'll be back here with a couple more with -- at the next meeting. So, but that's above my pay grade.

CHAIR PHILLIPS: Rachael Shultz?

MS. SHULTZ: I'd just like to point out that in instances where they've developed policies but haven't had a chance to implement them yet that we allow the agency to say we haven't had an instance where this has been implemented and therefore we have no supporting documentation. And in those cases we would just accept the revised policy and not find them out of compliance. So that won't be an issue. If they haven't had a chance to
implement something, that's not their fault
and we don't penalize them for it.

CHAIR PHILLIPS: Anne Neal?

MS. NEAL: I just wanted to
follow up briefly on just a point that Frank
made. And I think NACIQI, we're looking at
these accrediting bodies to determine
whether or not they're ensuring educational
quality and are abiding by the terms of the
statute. And I think there's sometimes
implicit this idea that we can't close them
down because that would harm students. And
in fact, that would suggest that with the
large accrediting bodies they're too big to
fail because we might harm students, because
Title IV money might not lend to them.

And I question that premise, and
I think it's something that we should -- to
think about, because if in fact the
accrediting bodies; and I'm not singling out
this one, I'm just looking at them broadly
-- if they're not doing a good job of
protecting taxpayer dollars and ensuring


educational quality, we're not doing those students a service in allowing them to continue. So I just think that that sometimes is an implicit premise in why we can't do things, and I think we should think twice about that.

CHAIR PHILLIPS: Thank you.

Other Committee questions or comments? Or alternatively, readers' motion, if you're ready to make a motion.

MR. STAPLES: Make a motion. I would accept the staff recommendation; let me just pull that up, which is -- you can put it up on the board, which is they be granted an additional six months for good cause to demonstrate compliance and that they would also -- I'm just paraphrasing because the language is up there -- they would also appear before NACIQI at the next meeting after their submission of their report.

CHAIR PHILLIPS: Second?

VICE-CHAIR KEISER: I'll second
that motion.

CHAIR PHILLIPS: Further discussion?

(No audible response)

CHAIR PHILLIPS: Ready for vote?

The motion is on the screen. Those in favor, signal by raising your hands.

(Show of hands)

CHAIR PHILLIPS: Those opposed, same signal.

(Show of hands)

CHAIR PHILLIPS: Abstention?

(Show of hands)

CHAIR PHILLIPS: Motion carries with one abstention.

Thank you very much, readers.

NACIQI RECOMMENDATION

NACIQI recommends that the agency be granted an extension of its recognition, for good cause, for a period of six months and that the agency submit a compliance report demonstrating its compliance with the cited criteria within 30 days of expiration of the
six-month period, with reconsideration of recognition status thereafter, including a review of the compliance report and an appearance by the agency at a NACIQI meeting to be designated by the Department.
National Association of Schools of Dance,

National Association of Schools of Theatre,

and National Association of Schools of Music.

Our next agency is a set of agencies, three affiliated actions for action for consideration, being renewal of recognition. This is the National Association of Schools of Dance, the National Association of Schools of Theatre, and the National Association of Schools of Music.

I don't believe we have -- we have one recusal for Bobbie Derlin from Music.

Bobbie, we're going to be doing these partly together and partly separate, so when we come to the vote on Music, we will invite you to step aside.

Our plan here is to ask one of the readers to do an introduction for all of
the agencies, and the staff will also provide a singular summary staff report. I believe it's Simon Boehme who has been nominated to take the lead on this.

So, Simon Boehme?

MR. BOEHME: Thank you and good morning, Madam Chair. The National Association of Schools of Dance Commission on Accreditation, NASD, the National Association of Schools of Music Commission on Accreditation, NASM, and the National Association of Schools of Theatre Commission on Accreditation, NAST, are all both programmatic and institutional accreditors.

The agencies are requesting recognition for their accreditation of their freestanding institutions within their specialty accreditation. The freestanding institutions accredited by each agency may use their accreditation to establish eligibility to participate in Title IV HEA financial aid programs.

Currently three NASD-accredited
institutions participate in the Title IV programs, as do five NASM-accredited institutions and six NAST-accredited institutions. NASM has been granted periodic renewal of recognition since its initial recognition in 1952, NAST since 1982, and NASD since 1983.

The last full review of the agencies was conducted in December 2007 at which time the National Advisory Committee on Institutional Quality and Integrity, us, recommended and the secretary concurred that the agencies' recognitions be renewed for five years and that their scopes of recognition be expanded to include programs offered via distance education. The staff analysis will provide a brief summary of the Department's review. Thank you.

CHAIR PHILLIPS: Thank you very much. Chuck, are you the spokesperson for the staff?

MR. MULA: I am, Madam Chair.

CHAIR PHILLIPS: Wonderful.
MR. MULA: Thank you. Good morning, Madam Chair, Members of the Committee. My name is Chuck Mula and I am providing a summary of the review of the petitions for re-recognition for the three agencies: National Association of Schools of Dance or NASD; National Association of Schools of Music or NASM; and the National Association of Schools of Theatre or NAST. The reason for the joint presentation is that these agencies are associated and that the findings are substantially similar.

The staff recommendation to the senior department official for these agencies is to continue each agency's current recognition, revise each agency's scope as requested, and require a compliance report in 12 months on the issues identified in the staff report for each agency. This recommendation is based on our review of each agency's petition and its supporting documentation, as well as observation of activities in the first half of 2014.
Our review of each agency's petition found that each agency is substantially in compliance with the criteria for recognition, however, there are some outstanding issues that each agency needs to address. In brief, most of the outstanding issues require demonstration of revision of policies, procedures and information in each agency's handbook.

We believe that each agency can provide satisfactory documentation and demonstrate its compliance in a written report in a year's time. Therefore, as I stated earlier, the staff is recommending to the senior department official to continue each agency's current recognition, revise each agency's scope as requested, and require a compliance report in 12 months on the issues identified in the staff report for each agency.

Each of the analysts who conducted the petition review for each agency is here to address any specific
questions you might have. And I believe that representation from the agency is supposed to be present, but I don't see anybody here right now.

CHAIR PHILLIPS: Thank you, Chuck. We've got a bit of a different choreography for this set of reviews, so bear with me. We'd like to invite any reader questions for the National Association of Schools of Dance. That would be, I believe, Anne Neal and John Etchemendy.

MS. NEAL: Nothing to add.

CHAIR PHILLIPS: Nothing to add?

Any Committee questions for the Schools of Dance staff member?

(No audible response)

CHAIR PHILLIPS: Same procedure for Schools of Theatre. Opportunity for the readers to inquire. I believe this is Brit Kirwan and Rick O'Donnell, but it's somebody else.

DR. KIRWAN: I have nothing to
CHAIR PHILLIPS: Simon Boehme, nothing to add?

MR. BOEHME: I have one question. Will they be able to be in compliance with this given one year?

MS. HONG: Yes, I mean, all of the non-compliance findings are related to just providing final revisions to policy, which they should easily be able to remedy.

MR. BOEHME: Thank you.

CHAIR PHILLIPS: That's Jennifer Hong.

And finally, any Committee questions for Theatre?

(No audible response)

CHAIR PHILLIPS: Reader questions for Music? This is Jill Derby and Bill Pepicello.

DR. DERBY: Well, just really the same question that Simon just asked. There are just quite a list of issues of non-compliance. Will they be able to come
MR. MULA: Yes, the staff worked together on these four agencies. One of them has already been approved through the consent agenda, and we all agreed that they would be able to come into compliance within that period.

CHAIR PHILLIPS: Thank you. Any Committee questions for Music?

(No audible response)

CHAIR PHILLIPS: I'd like to note for the record that we've been joined by George French, Committee Member, NACIQI Committee Member, who has just arrived.

Thank you for joining us.

Okay. If there are no further questions for the staff, we'd invite, if there is an agency representative in the room, which we --

MR. MULA: Madam Chair, we have found out that they are walking in the door right now.

(Laughter)
CHAIR PHILLIPS: Perfect. We welcome the agency staff to come to the table. This is the same staff for all three agencies. And let them catch their breath. Welcome.

DR. MOYNAHAN: Good morning.

CHAIR PHILLIPS: Good morning.

DR. MOYNAHAN: We're pleased to be here this morning. We extend to you good wishes this morning and thank you for your consideration and review of the petitions of NASM, NASAD, NAST and NASD. We offer appreciation to USDE staff members for their assistance.

In particular, we offer special thanks to Chuck Mula and Jennifer Hong for their careful and studied attention of the materials we submitted. These individuals took the time to get to know our agencies, they studied our materials diligently, and initiated opportunities for further and informative dialogue which assisted the agencies in the preparation of materials.
Given the hours of hard work and dedicated work by our staff, their interest in our process and conscientious desire to know and understand these complex agencies was welcomed. Mr. Mula and Ms. Hong exhibited extraordinary examples of dedicated public service. We extend our deepest appreciation to them both.

We are pleased to have the opportunity to be reviewed. Any successful review results in a strengthening of procedure and process and enhances thought and dialogue, all with the resultant benefit of institutions, and particularly to their students.

These agencies with seriousness of purpose have embraced secretary reviews for decades. As an example, NASM has been recognized since 1952. Each review has challenged the agencies in appropriate ways, deepening the focus on rigor and effectiveness.

This round of review offered new
and unexpected challenges. In January of 2013 the four agencies submitted petitions for review. We learned months later that the Department had resources to review only one application and that the remaining three would be postponed a year, that the petitions, now due in January of 2014, would need to be substantially rewritten. Further, as we entered this round of review, decade-long-held designations regarding agency scope and standing as separate and independent were modified multiple times in mid-process.

These events steered our minds and our efforts away from the important forward-looking work needing to be accomplished. However, with the assistance of staff we were able to navigate the challenging landscape and to finalize our petitions.

We look forward to offering these materials now required to complete the process for NASM, NAST and NASD, and as well
we look forward to continuing to participate in a conversation that centers its focus on and helps us to consider and address the important issues that face higher education and our fields today.

I would be pleased to address any questions that have arisen with regard to our agencies at this time. Thank you.

CHAIR PHILLIPS: And I might ask you to state your name.

DR. MOYNAHAN: Indeed, and I should have done that at the beginning. May I first introduce to my right Richard Mann, our agency's counsel. And my name is Karen Moynahan. I'm the associate director -- sorry, I'm the executive director of the National Association of Schools of Music, the National Association of Schools of Art and Design, the National Association of Schools of Theatre, and the National Association of Schools of Dance. Thank you.

CHAIR PHILLIPS: Reader questions for the agencies? Bill Pepicello?
DR. PEPICELLO: Good morning.

DR. MOYNAHAN: Good morning.

DR. PEPICELLO: I'm just wondering what the rationale is for the request in change of scope from units offering music to just the freestanding institutions.

DR. MOYNAHAN: We did not request that change of scope. The Department staff suggested it to us. NASM, as an example; the other three as well, but I'll use NASM as the example, has a membership of over 600 institutions. The great majority of those are multipurpose institutions which use any of the regional bodies as their gatekeepers. There are freestanding schools of music, that if they hold both regional and our accreditation, specialize -- in this case institutional accreditation, can choose one of the two accrediting bodies as the gatekeeper for federal funding.

So what we have done in the case of freestanding institutions is that all the
standards apply to all the institutions, but there are additional standards from the law that are applied to -- must be applied to any freestanding institutions. So we have applied those standards to all institutions for which we serve as the gatekeeper. And the Department has suggested now that we apply those standards to all freestanding institutions for which we accredit. And I believe that that's the history of the request for the change.

It would still be appropriate for the associations to -- it would always be appropriate for the associations to apply all of the standards to all the institutions, but we'll work with the Department staff to craft wording and study the issue of applying all of the standards, the gatekeeper standards to the institutions that don't choose us as their gatekeeper.

DR. PEPICELLO: Okay. Thank you.

DR. MOYNAHAN: You're welcome.

CHAIR PHILLIPS: Other reader
questions or Committee questions for the agency?

    (No audible response)

CHAIR PHILLIPS: I'd like to add one question of my own for you. You've been doing a lot of thinking and reanalyzing where you've been -- needed to be in compliance with the regulations. Are there things that you have run into in the course of this process that you've discovered you'd like to try, but you haven't been able to in terms of recognition?

DR. MOYNAHAN: I'm not so sure in terms of recognition, but I think there are always issues that the associations wrestle with, contemplate, consider that could be of better furthering assistance to the member institutions. And we participate in ongoing dialogue with each of the four organizations, their boards, their executive committees, if they indeed have them, their commissions and the memberships to try to ascertain that which they hold important
now, that which they think is important in
the future and that which we should be
speaking about as organizations. That for
us is a particularly important conversation
and an ongoing one.

CHAIR PHILLIPS: Can you give any
information about what kinds of things you
are hearing about that institutions are
interested in trying that they're considering?

DR. MOYNAHAN: Indeed. Well, let
me give an example. Let's take the Art and
Design Association, which was on the consent
agenda this morning and is not before you
right now, but it's a very good example.

Art and Design started in the
'40s, the accrediting body started in the
'40s. If you look at the standards that
were written or put together in the '40s,
you won't find standards for animation,
design, digital media, not specifically as
they're written today. And so as the field
progresses, we have to consider how we would
consider standards that would progress with the field. So are we trying those things? And the answer is I'm not sure we're trying them, but we're aware of them and we are desirous of being current with the field and its activities to assist the institutions by developing standards that speak to majors and new areas of emphasis within majors that we didn't see in 1940 or 1950, or earlier than that.

So the initiatives tend to be -- they tend to bubble up from the work of the associations, the activities in the field, the progression of the disciplines in Music, Theatre, Art and Design and in Dance.

CHAIR PHILLIPS: Thank you very much.

DR. MOYNAHAN: You're welcome.

CHAIR PHILLIPS: Any last questions? Simon Boehme?

MR. BOEHME: Simon. Thank you, Madam Chair. Why were the standards not applied to the freestanding institutions
previously?

DR. MOYNAHAN: They were.

MR. BOEHME: They were?

DR. MOYNAHAN: Yes. Yes. Indeed they were.

MR. BOEHME: Thank you.

CHAIR PHILLIPS: Anne Neal?

MS. NEAL: Along that same line, can you explain for me again your statement that applying those same standards to the Title IV and to everybody else but potentially not applying the same standards to those that are not using you for Title IV purposes -- what's your druthers there? I mean, what would that entail if you had different standards depending on whether it was for gatekeeping purposes or not?

DR. MOYNAHAN: Well, our druthers would be to be comprehensive to all institutions to ensure that any institution that gained accreditation met all of the standards and did so in a comprehensive nature.
But let me give you an example:

This is a matter I think to a certain extent of two different agencies. Let's take conservatory A, and conservatory A exists in state A. And this conservatory has a few options with regard to accreditation. It could seek the accreditation of NASM, and because NASM is secretary-recognized, it could use that accreditation as its ability to tap into federal programs. But the conservatory also has the ability to choose a regional body as well. And many of them do.

A good number of our institutions that are freestanding in music, in art and design, in theatre and in dance -- and there are very few in music, very few in dance and very few in theatre, and maybe 30-some-odd in art and design. The grand majority of them do indeed choose to have two accreditations, two accrediting bodies accredit them. So many times what we'll see in our institutions is conservatory A will
be recognized by NASM, accredited by NASM, but also accredited by one of the six regionals.

So in this case, it would be -- and the institution will choose, and typically they'll choose the regionals. Not always, but typically. In this case it would be the regionals that would pass through the requirements with regard to teach-out and some requirements with regard to student services, as an example, so that, as I believe the law suggests, that you don't have two accrediting bodies serving in the same role.

And so it's not that we don't want to apply those. It's that we're trying to look at the institution and ensure that the institutional accrediting body or the accrediting body that's been designated as the institutional body take the lead role in that.

So we don't have different standards for different institutions, but we tack onto the
application those standards if we are the sole accrediting body.

MS. NEAL: And your standards are over and above what the regionals are applying?

DR. MOYNAHAN: No, I don't think I would say that. I think with regard to curricular programs that would be true -- obviously so. But, no, I don't think so. No, not at all. I think they're very complementary. As a matter of fact, the agencies have a long history of conducting with the regional associations, all six of them, joint visits where our procedures, to a certain extent, and our standards dovetail and we help the institutions to conserve their resources by bringing both processes together at the same time. And we've been able to do that successfully because the standards are very complementary. Thank you.

CHAIR PHILLIPS: Other questions for the agencies?
(No audible response)

CHAIR PHILLIPS: Thank you very much.

DR. MOYNAHAN: You're welcome.

Thank you.

CHAIR PHILLIPS: Department want to make any further comments, Department staff?

(No audible response)

CHAIR PHILLIPS: No? Okay.

We'll have separate motions for each of the agencies, and I'll start with the Dance agency. That one is Anne Neal and John Etchemendy. Your motion would be?

MS. NEAL: This is Anne Neal. Let's see, that NACIQI recommend that the assistant secretary accept the recommendations as submitted by the staff for, let's see, continuation -- I have the wrong sheet. That's for continuation -- I apologize. I'm looking for the -- wrong motion. Can somebody help me here? On the screen? Oh, there we go. Without my
glasses, I'm not sure I can see it. For
compliance -- oh, let's see. Oh, within 12
months. That's right. Hold on. Let me
just get it.

CHAIR PHILLIPS: Motion's been
made as on the screen. Second? John
Etchemendy second. Discussion?

(No audible response)

CHAIR PHILLIPS: Calling the
vote. Those in favor, signify by your
hands?

(Show of hands)

CHAIR PHILLIPS: Those opposed?

(Show of hands)

CHAIR PHILLIPS: Abstention?

(Show of hands)

CHAIR PHILLIPS: Vote carries
unanimously. Thank you.

NACIQI RECOMMENDATION

National Association of Schools of Dance
(NASD)

NACIQI recommends that the
agency’s recognition be continued and that
the agency be required to come into
compliance within 12 months, and to submit a
compliance report that demonstrates the
agency's compliance with the issues
identified in the staff report.

Our next one will be Music, and
I'll invite the recusal to recuse. This is
Brit Kirwan and Simon Boehme. The
recommendation motion would be?

DR. PEPICELLO: This was Jill and
myself. Bill Pepicello.

CHAIR PHILLIPS: Oh, I'm sorry.

DR. PEPICELLO: We would support
the staff recommendation you see on the
screen, and I would so move that that be the
recommendation of the NACIQI.

CHAIR PHILLIPS: Okay.

DR. DERBY: I second the motion.

CHAIR PHILLIPS: Motion's been
moved and seconded. The recommendation is
on the screen. Those in favor, signify by
raising your hands.
(Show of hands)
CHAIR PHILLIPS: Those opposed?
(Show of hands)
CHAIR PHILLIPS: Abstentions?
(Show of hands)
CHAIR PHILLIPS: Thank you very much.

NACIQI RECOMMENDATION

National Association of Schools of Music (NASM)

NACIQI recommends that the agency’s recognition be continued and that the agency be required to come into compliance within 12 months, and to submit a compliance report that demonstrates the agency's compliance with the issues identified in the staff report.

Last is Theatre.

MR. BOEHME: Simon Boehme.

Motion that the agency's recognition be continued and that the agency be required to come into compliance within 12 months and to
submit a compliance report that demonstrates the agency's compliance with the issues identified in the staff report. So moved.

CHAIR PHILLIPS: Second?

DR. WILLIAMS: Carolyn Williams. Second the motion.

CHAIR PHILLIPS: Carolyn Williams second. Any further discussion?

(No audible response)

CHAIR PHILLIPS: Call the question. Those in favor, signify with your hand.

(Show of hands)

CHAIR PHILLIPS: Those opposed?

(Show of hands)

CHAIR PHILLIPS: Abstention?

(Show of hands)

CHAIR PHILLIPS: Thank you very much. Motion carries.

All right. Thank you very much.

DR. MOYNAHAN: Thank you.

NACIQI RECOMMENDATION

National Association of Schools of Theater
NACIQI recommends that the agency’s recognition be continued and that the agency be required to come into compliance within 12 months, and to submit a compliance report that demonstrates the agency's compliance with the issues identified in the staff report.

CHAIR PHILLIPS: So as we shuffle our paper, we find ourselves in the surprising situation of being ahead of schedule. We were set to conclude our agency review business, adjourn for lunch and resume at 1:00. We do have the deputy undersecretary joining us after lunch around 1:00, 1:15, but we would like to at least start our policy agenda, frame the discussion that will occupy our agenda for the rest of today and tomorrow. Start that before lunch. Then we'll take a lunch break
and come back with the larger part of the
agenda, if that works for folks.

OVERVIEW OF THE 2014 POLICY AGENDA

So in designing our policy
agenda, as many of you know, we had a small
subcommittee work with what kinds of things
we needed to do to get the Committee
thinking again about the policy
recommendations that it had made in 2012, as
well as to consider -- now, here we are
different time, different place -- what
kinds of things we needed to take up now,
and also what kinds of things we might be
prepared to think about our own processes in
the recognition process.

And so we put together a series
of opportunities for learning and
discussion. We had a Webinar, a training
Webinar for the Committee Members to get
some updates on what has been on the
legislative and executive scene for the last
several years and also have designed a series of panels for later on this afternoon to speak to the kinds of perspectives that we might want to consider as we take up our policy agenda.

We thought we would start today with a basic reminder about NACIQI's charge and then also where we left off in 2002. So very briefly I asked Carol to speak to the question of the legislative mandate to NACIQI, our charter, the value of NACIQI, what it does. And I'll turn the mic over to her as a starting point. So this is our context.

MS. GRIFFITHS: All right. Thank you. And, yes, this is a context for the policy.

The NACIQI is established by law, and that law of course was the Higher Education Opportunity Act, and Section 114 specifically, that calls for the establishment of a committee to assess the process of accreditation and institutional
eligibility and certification of
institutions of higher ed under Title IV.

Basically, there are two broad areas, but
those broad areas are listed as six
different functions in the law.

So your function specifically is
also mandated by law. Those six functions
were lifted and placed within the
regulations -- I mean, in your -- and in
your charter. I think it's really in your
charter. I'm not sure about the
regulations. Excuse me.

The first three of those
functions deals specifically with the
recognition review process; so that's 50
percent of your work specifically has to do
with the recognition process, to advise the
secretary on the establishment and
enforcement of standards for accrediting
agencies under Sub-part 2, which is the
recognition criteria, to advise the
secretary with respect to individual
recognition of individual agencies, and
third, to advise the secretary with a list that he publishes each year regarding which agencies he deems by listing are reliable authorities as to the quality of the education and training of the institutions and programs that they accredit. That's a pretty heavy lift and a very, very critical part of your work.

The last three functions deal more broadly with accreditation, certification and eligibility and the relationship between the institutions and the state and the federal government. They include advising the secretary regarding eligibility and certification processes that enable institutions to participate in Title IV. And you might recollect on the Webinar there was a briefing on the various policy initiatives taking place in the Department regarding regulations affecting institutions who choose to participate in Title IV under program integrity, gainful employment, those kinds of issues. Secondly, to advise the
secretary with respect to the relationship between the institutions in that perspective that they have with the certification process and with the state licensing responsibilities. So you're looking broadly. And then any other advisory functions that the secretary seeks from you.

As you recollect, back in 2010 the secretary invited and asked for a report of recommendations as we go forward in evolving the eligibility process and the accreditation process and the reauthorization of the HEA.

That, too, is 50 percent then of your charge and something that is very critical to the Department that you participate in and that your voices are heard, as your voices are representative of many different perspectives. So we're glad to have you here and participating in that part of the process as well.

Let me digress back to the recognition process. The Department relies
and the secretary relies very heavily on your independent judgment from your experience and your perspective. Just as negotiated rulemaking calls on the community to participate in the process of making rules, so too the NACIQI is charged with providing that independent assessment. It keeps the process transparent, which is why you're an advisory committee. It's part of being an advisory committee is that your process is transparent and open to the public.

It also provides the Department an assurance of a fair and equitable review because of the NACIQI's role in doing this function, but also because of the various perspectives you bring to the function. So not to lessen that portion of your job and what you volunteered for at all.

I hope I've set the context there. If there's anything else or if you have questions about any of the six functions that are outlined in your charter,
please don't hesitate to inquire.

    CHAIR PHILLIPS: Questions for Carol?

(No audible response)

    CHAIR PHILLIPS: Okay. So let me take the next couple of steps in framing our discussion. As Carol mentioned, and many of you know, when we convened, when NACIQI was reconvened in 2010 the secretary asked us specifically for recommendations about the higher education reauthorization. Obviously, that was now four years ago. It took us about a year, a little over a year to walk through the process of developing recommendations. A long process. After we did a lot of listening, a lot of reading, a lot of learning, a lot of discussion, a lot of debate, the final report was accepted and I'm going to speak to both the report and the alternative report.

    The final report was accepted in a bipartisan vote of nine to two in favor, and it began with a recommendation to retain
accreditation as an element evaluating institutional eligibility for Title IV funds. It also spoke to the Triad of actors in educational quality assurance: federal, state and accreditor, that they can and should work better together. It raised questions about whether state or regional recognition processes made sense in a world where cross-state and indeed cross-nation educational activity was increasingly the norm.

It encouraged more flexibility and nuance in the recognition and accreditation process directing more attention to where it was needed and providing expedited options for where it wasn't. It argued for relief from existing regulatory criteria to make them less intrusive, prescriptive, costly and granular while maintaining essential quality controls of gatekeeping.

It spoke to the need to contain the voracious appetite for data that has
grown through statute and regulation across accreditation state and federal agencies.

It argued for a minimum set of data that would address federal interest and/or institutional improvement without imposing due burden or undue intrusions. It advocated for greater transparency in the accreditation process. And it recommended that its own work continued to consider how quality assurance processes might be improved.

The minority report was also voted on in a bipartisan way. It was a vote of four to seven opposed. It recommended breaking the link between federal student aid and accreditation citing concerns about the quality of the accreditation and quality assurance system with the note that accreditation was both costly and intrusive, impinging on institutional autonomy and full of conflicts of interest among accreditors.

It also recommended a new simplified and consumer-friendly expedited
alternative cost-effective system of quality assurance that was comprised of indicators of financial solvency, as well as public disclosure of a basic set of information such as costs, retention, graduation rates, default rates and student outcomes. It argued that accreditation raises costs, undermines institutional autonomy and argued against the current system of regional accreditation.

Much has happened since 2012. The Department has advanced expedited agency review options. Regional accreditors are beginning to explore common terminology. Worries about affordability of higher education have grown enormously. The House and Senate have made a number hearings on the topics of higher education, and there is even a congressional panel perhaps that Brit Kirwan will fill us in on the reduction of regulatory burden.

In the context of these past two years, where we were and the past two years
now, our question becomes for us of the 2012
observations, the main report and the
alternative report, what are the significant
changes that have occurred? What needs
revising, simplifying, clarifying, updating?
What areas were not addressed in 2012 that
warrant new policy recommendations now? And
are there some areas of NACIQI role and
operation that could better serve the goal
of assuring quality in higher education?
Not a small task.

As we approach our conversations
this afternoon, we've introduced three sets
of panels. Two will be this afternoon and
one tomorrow morning. One on policy
perspectives, one on institutional
perspectives and one on accreditor
perspectives to help us address that set of
questions. What are the significant
changes? What needs changing from our prior
positions? What hasn't been addressed that
should be addressed now? And how can we as
a body be more effective in advancing the
goal?

So that casts a frame for our policy conversations coming up. Our goal for the meeting is to arrive at the end of our work tomorrow with a set of areas in which we'd like to develop further policy. Depending on how that looks, we'd invite a smaller group to work on that over the summer and into the fall, come back to the larger group with a set of recommendations for us to consider. There's a period of public comment in that. And then final action on whatever it is we choose to take action on in our December meeting. So that's the overall arching -- it's a bit of a faster paced schedule than we did last year, but that's the overall as we look at it.

Now, those of you who were in the policy conversation in 2012 might want to add your perspectives. I would invite you to do so and would even -- if Brit would tell us a bit more about the policy
deregulation initiative, we'd welcome that as well.

DR. KIRWAN: Brit Kirwan. Fine. Happy to do so. First I have a question: Could you speak a little more to one of the items you mentioned, that the Department is sponsoring or has sponsored an expedited review process that I guess the regionals are considering? Or have they any implemented -- what exactly did the Department -- what is this expedited review process?

CHAIR PHILLIPS: The "expedited" is my word, I think, not the Department's. As you know, there are something on the order of 95, 96 criteria that are currently in place. Last year the Department identified a subset of 25 that would be focused on -- I'll ask Herman Bounds to fill in the pieces on where the Department is with that.

DR. BOUNDS: Yes, Herman Bounds. Yes, that process was started by Kay
Gilcher. And as Susan said, we identified 25 criteria that we thought would speak closely to educational quality. The way that it's supposed to begin is once all the agencies have been reviewed and satisfied and we've looked at the 95 criteria for Title IV gatekeepers, their next review would then be of those specific 25 items.

We still expect agencies to be in compliance with all of the criteria, but once they do that initial review, we're going to start the detailed review of just the 25. And of course if we receive information say through a complaint process or from the public of any other means that would question their compliance in any other areas, then of course the analyst would look at those specific areas.

DR. KIRWAN: So the expedited review is of the accrediting bodies, not in the expectations of the institutions?

DR. BOUNDS: Right, it's of the accrediting bodies themselves.
DR. KIRWAN: Okay.

DR. BOUNDS: That's correct.

CHAIR PHILLIPS: And further, for the Title IV function it's --

DR. BOUNDS: Right. Yes, the Title IV function will still be reviewed. Right. Yes.

CHAIR PHILLIPS: Just to clarify further, the regionals have responded to a different set of concerns in their interest to work together to see if they could come up with common language. It's a separate initiative altogether from what the Department has been working.

DR. KIRWAN: Did you want me to make just some brief comments?

CHAIR PHILLIPS: That would be wonderful.

DR. KIRWAN: Okay.

CHAIR PHILLIPS: Thank you.

DR. KIRWAN: So back about six months ago the U.S. Senate, sponsored by Senator Mikulski and Senator Alexander,
established a commission to look at the
deregulation of higher education. The idea
was they heard consistently about the
onerous burden of regulations on higher
education institutions across the board, but
specifically those emanating from the
Department of Education. And so they
invited me and Nick Zeppos, who's the
chancellor of Vanderbilt University, to co-
chair this commission. And the commission
members consist of representative presidents
of institutions across the United States
representing the variety of types of
institutions. The American Council of
Education is providing the staff support for
this work.

So we've been hard at work now
for quite a few months and our aim is to
issue a report early in 2015. And the
Senators' interest is in using this report
as they go about the process of
reauthorizing higher education.

Senator Alexander, in his typical
colorful language, said I want to know the top 10 most onerous regulations and how to fix them. And so we are taking that seriously. We're looking at that particular aspect. But there's also a feeling on the commission that we don't want to try to fix 10 regulations and then have 10 more come along down the road that are equally problematic.

And so we're also looking at the policy creation, regulatory operation, modus operandi to how can that process lead to a more streamlined focused set of regulations?

Oh, I should have said at the outset everyone on the commission has said obviously higher education needs to be held accountable. We need to have oversight. The federal government spends a lot of money on higher education. It has every right to have regulations and have accountability. But I think everyone agrees the process could work better, could be streamlined and respecting the need for accountability, but
hopefully reducing the cost and other burdens associated with the regulations.

Now accreditation is coming into this mix. It's not about accreditation, but that is a part of the process that is coming into the mix. So that is something the commission will take a look at it. But it's not, as I say, the primary focus.

What also is interesting is that you may remember that the National Research Council issued a report two years ago on the future of America's research universities, and in that report there was a call for a review of the regulatory burden that faces research universities. So there is a second effort at work.

The Board on Higher Education in the Work Force in the National Research Council has been charged at looking at the regulatory burden across higher education somewhat parallel to what the Senate has asked the commission Nick Zeppos and I co-chair are doing. However, a difference is
that it's clear in the case of your commission that we are focused on the Department of Education. And so the National Research Council, the Board of Higher Education in the Work Force is looking more broadly and undoubtedly will focus more on the research regulation. In the irony of ironies, I happen to chair the Board on Higher Education in the Work Force. So I'm involved ironically in both reviews. So I would say we're off to a good start. We have terrific staff support from ACE, and Nick and I have volunteered staff from our institutions to help with this effort. And I'm optimistic that we're going to produce a hopefully useful report.

CHAIR PHILLIPS: Thank you. I'm sure that every institution is rooting for you.

DR. KIRWAN: Well, we have put out calls.

CHAIR PHILLIPS: Yes.

DR. KIRWAN: Terry Hartle from
ACE and I made a presentation at the American Council on Education meeting, AAU is -- and other major association meetings. Letters have been sent out to institutions asking for their guidance and advice on these matters.

A major focus of the effort is on the financial aid process, so we are collecting best thinking on how to streamline that process.

CHAIR PHILLIPS: Thank you. Art?

MR. ROTHKOPF: Yes, a couple of thoughts. One, Brit, I'm not sure -- I mean, it's good to hear this report, because I think it's an important subject that the two senators have got you on, but I'm not sure where if at all accreditation fits in. You go back to the -- well, the majority report of two years ago had things in there about not just reducing excessive data and regulation, but it also talked about expedited reviews, risk-adjusted decisions that accrediting bodies would make basically
saying -- and also saying the regional -- or there ought to be sector-related accrediting bodies, more transparency. There was a whole series of recommendations, much of which seemed to have landed with a thud, but -- because I don't know that anything has ever happened on any of them.

But my question really is- is your group looking at those recommendations in any way or is -- where does accreditation fit in, because it's obviously a regulatory burden of some consequence onto the institutions that are being reviewed?

DR. KIRWAN: So the answer is, yes, we are looking at accreditation because it is part of the charge to -- I mean, it is a regulation, so it's part of the charge. And we are certainly doing a considerable research effort to find various reports and recommendations that have come from any number of different bodies about how to streamline or improve the accreditation process. So I'm sure the information you
just described will be included in that that
is reviewed as we make -- assuming -- and
it's not a given, that we make any
particular recommendations on accreditation.

But so, I'm not sure I completely
understand your question, but we are
definitely looking at accreditation.

MR. ROTHKOPF: I guess my
question is to whether -- as you look at
accreditation there were a series of
recommendations that were included in the
majority report that went to transparency,
restructuring the regionals, including maybe
treating the research universities in a
different way, I mean, a whole series of
ideas and also lessening the burden on
institutions that are doing what by all
accounts a very good job. I mean, we heard
testimony from Shirley Tilghman and others
about the process they were put through.
And I guess my question is is this something
you're going to think about or is this
something that we ought to be still dealing
with here in NACIQI?

       DR. KIRWAN:   Well, I would say both. We will definitely -- and if there's further guidance from NACIQI, that would be much appreciated. So, but I think the commission I co-chair won't be bound by looking at only the recommendations that come from NACIQI.

       MR. ROTHKOPF: Oh, I understand that.

       CHAIR PHILLIPS: Frank Wu?

       MR. WU: I just have a question about the policy work that we're going to do. It may be that nobody here knows the answer. It also may be that the answer won't affect what we do. But I'm just curious. And if someone does know the answer, it might change how we go about our work. Hearing about what Brit's working on makes me wonder how many other official federal government efforts are there that are parallel to, similar to, or maybe overlapping with what we're doing. I'm just
wondering so that we can provide maximum value and make the best use of our time.

Although maybe we want to do this, I'm not inclined to duplicate other people's work, but it may be that there is value to multiple reports. But, if for example, Brit and his group is already doing something, I would imagine Brit doesn't want to do it in that forum and also here. I may be wrong. So I'm just wondering.

The question is how many other of these efforts are underway at this time? I mean official federal government Department of Ed or congressional efforts to do things similar to what we're about to do.

CHAIR PHILLIPS: So the devil is in the details of how you define "similar." So many people wonder if the Department's development of a rating system is similar to the recognition process. I don't believe that there are any other officially constituted entities to focus specifically on accreditation and recognition. That
would be us. But it would be a good question for Jamie Studley as she comes, since she would certainly be aware of those.

And if one imagines the connections between what I'll call the Deregulation Commission and our work, obviously the deregulation is about all matters concerning institutional regulation, not just the accreditation process, and certainly it could be argued that there is no other body than this that knows the recognition and accreditation better. So I could say that that Venn diagram is not particularly strongly overlapping. Some, but not strongly.

I'd welcome other questions or comments if people have different knowledge of other bodies than I'm aware of. Sally?

MS. WANNER: I agree with what you said. I don't think there's any other federal group that's focusing of recognition and accreditation in the Title IV arena.

CHAIR PHILLIPS: Frank?
MR. WU: If I may follow up. So it seems as if the one effort that might overlap or conflict is to develop a ratings or score card system. I wonder if we might hear more about that sometime, if we could invite whoever is in charge of that effort to come and tell us about it so that presumably -- I may be wrong, but presumably if that is moving along, as it seems to be, what we're going to do is something that should be compatible with that. But I may be wrong. It may be that this body wishes to say something about the ratings effort. Maybe we praise it, condemn it or make observations or suggestions. But whatever it is we do, it would be helpful to hear from them in some way so we have some coordination.

CHAIR PHILLIPS: Cam?

MR. STAPLES: Thank you. Yes, I think Frank raises a good point, and I guess part of it to me is who is our audience, and we -- you know, whereas the work Brit is
doing may be for a very broad audience and specifically seems to be charged by Senate leaders of the Education Committee, the HELP Committee. I don't know. It's a congressional audience generally.

We're the Advisory Committee to the secretary, so it's potentially a different role, a different process. And I was always under the impression that our advice was intended to impact the Department's internal work around the development of its higher education authorization proposal as opposed to -- doesn't mean we wouldn't share it with outside groups and Congress, but that we are advisory to the secretary; he asked us to do this, and that our job is to try to help him in his development of a department agenda around that.

And I guess this gets ahead of what Jamie is going to say to us, but I think that to your point, Frank, my question would really be how can we help the
Department? I mean, we all have opinions about everything; in fact, I think we do, but how do we in our role on this Committee help the Department in its revisions or approaching its development? Because I don't know if it's done. I don't know what status is completely of the Department's work, but my sense is it will continue to evolve. And that's where I think we'll have the greatest impact is on their legislative program as opposed to the rest of the debate.

CHAIR PHILLIPS: It's certainly the ears that are -- that we're assigned to speak to are the ears of the secretary. But did you want to say something?

(No audible response)

CHAIR PHILLIPS: Okay. Anne?

MS. NEAL: I appreciate what Cam just said, but I also think in the nature of an advisory committee where we are to bring independent perspectives that if I do not view my job as assisting the Department -- I
think my job is to provide an independent perspective on issues before us. They may or may not assist the Department. But to suggest that I am here to facilitate whatever the Department is doing, I think would undermine the very purpose of this body, which is bipartisan, it is appointed in very different ways, it presumably should be bringing diverse perspectives on it. I think it would be a marvelous opportunity to address some of these issues and to allow us to bring different perspectives, but not necessarily on the premise that I need to be agreeing with or helping the Department.

MR. STAPLES: If I could. Not to engage in a debate over that. That certainly wasn't what I was intending. I think we're advisory. We have our own opinions. We've already differed from the Department in various ways. Just that our primary audience by virtue of our constitution is the secretary. That's all.

CHAIR PHILLIPS: Art Rothkopf?
MR. ROTHKOPF: Yes, I just want to follow up on Frank's point about the rating system. And Jamie's in charge, so we'll have the person in charge here in a couple of hours. But I guess my question is -- and it's very murky in light of what was in the background materials to the President's State of the Union message, I guess, in 2013 suggesting that the ratings somehow were related to accreditation. And we've never gotten any further amplification or clarification of that.

And so I guess the point I'd make is I think that when we as NACIQI look at accreditation and what -- is it good, bad or indifferent, I think we almost have to include the rating system within it because unless someone's going to say, gee, it's got nothing -- you know, some definitive statement, it's got nothing to do with accreditation -- and we certainly haven't heard that in the last 18 months. So I think ratings should be on the agenda.
CHAIR PHILLIPS: I've alerted Jamie Studley that we'd like to hear about ratings when she gets here this afternoon.

Other comments or questions or observations on the policy agenda as we go forward?

(No audible response)

CHAIR PHILLIPS: Okay. With that in mind, I'd like to call us out of session, adjourn for about an hour and 15 minutes. See if we can be back here at 12:45 ready to take up -- it's a little bit earlier than we'd anticipated. Don't go too far. And Jamie Studley will be joining us we hope at that time. See you at 12:45.

Actually, for those of you Committee Members who wanted to eat at the Capitol Bistro, I reserved a table for 10, if you'd like to just do that. There may also be places outside the building that I'm not aware of.

(Whereupon, the hearing was recessed at 11:29 a.m. to reconvene at 12:45)
p.m. the same day.)

CHAIR PHILLIPS: Good afternoon and welcome back. I trust that all of you have survived that wilderness of heat and humidity outside the walls.

We begin, as I mentioned before our lunch break, our policy conversation this afternoon. Before we do that, I wanted to just do a quick follow-up to the question that was raised this morning about the process of recusals and the complaints against an agency. We've asked for the folks who are the policy people at the Education Department to be available if possible tomorrow. And so we'll hold off on that. I'm filling in the pieces of providing ourselves with an education on the policy until tomorrow. We're not sure if that's going to work or not. But nonetheless, it's on our list of things to take up. So look for that. We're hoping for first thing tomorrow morning.
So back to the other parts of the policy agenda. We are fortunate today to be joined by somebody who's very familiar to you, Jamie Studley, who, gosh, if I just moved over, she could move from this chair to that one in the Department. She has been heavily involved obviously in the accreditation process, in the recognition process, and also in the work that the Department is doing in the college score card and rating system.

So we've invited her to come bring the Department and her perspective on the policy questions that we might tackle. And I did alert her to the interest that the Committee had expressed just prior to lunch about learning about the role of the rating system relative to the accreditation work that we do.

So with that as an introduction, I will turn the mic over to Jamie Studley. Moving the mic here.
PRESENTATION:

JAMIENNE STUDLEY,
DEPUTY UNDER SECRETARY,
U.S. DEPARTMENT OF EDUCATION

DEPUTY UNDERSECRETARY STUDLEY: Oh,
I don't need two mics. One is more than
enough.

CHAIR PHILLIPS: Thank you for
being here.

DEPUTY UNDERSECRETARY
STUDLEY: It's my pleasure and it is very good
to be back with NACIQI. I know that the
phrase "revolving door" has a mixed
reputation in Washington, but for me the
chance to have served on NACIQI is actually
a very helpful perspective to have as I now
am asked to look at the landscape/
waterfront as a whole for higher education.
And it's good to see all of you with whom I
served and those of you who are new, and I
understand equally wonderful. So that's a
terrific situation to be in. And
congratulations to Susan and Art for taking
on leadership roles in NACIQI.

I'm going to be relatively informal and leave lots of my short time for conversation with you.

Carol, the handout that I gave you, I didn't mention, has already been around, so I will assume -- I know you all have different levels of familiarity with the conversation about the college rating system, but I thought that would be a helpful primer at least. And I believe I brought some extra copies for the audience, although perhaps not enough for everyone.

The Department is looking at a very big vision for all the kinds of education that we are involved with. The frames of higher better standards, preparation for career and life, and meaningful ways of measuring those are central to how we're thinking about these issues. And I think each of those elements is familiar to anyone thinking about accreditation.
The administration has a goal of returning the United States to world leadership in college completion. And when I say "college," I include career technical preparation and the whole universe of post-secondary education opportunities.

The President has asked us all to address how college value and affordability fit into the nation's potential for achieving that goal. We have a special focus on access, and also at the same time on meaningful outcomes, especially for low-income students, first generation college goers and others for whom college is the path to opportunity, and, if I might use the word, for "agency," for the sense of control in their lives that is increased by post-secondary education.

The President talks very movingly about how post-secondary education accomplished this for him. And the First Lady does the same in regard to her own life story. And we think about those as we think
about the much more technical nuance levels of how to make sure that the education that is available in this country actually is available to all, and that it is affordable, and that it means something, that when people get a degree or certificate, it actually carries with it content and learning.

And sometimes when we have these conversations, the particular roles that each of us have in that mix becomes very apparent. So the Department has an important role that we all recognize; in some ways the simplest to describe, although quite difficult to execute, of helping move the national investment in funding post-secondary education to people in terms of dollars to allow them to afford a form of post-secondary education, but there are lots of other pieces that I'll come back to as well.

Accreditation has a critically important role in helping us understand the
learning aspect of that complex set of issues. And in our country's system, what Sylvia Manning described at the last HLC meeting as of a uniquely American creation, we ask accreditation to help us understand what the outcomes of learning are to be and whether the institutions that purport to provide the skills and knowledge that people are seeking are actually effective in doing so.

We talk a lot about values when we get to this, and value has at least two important meanings in this conversation on a broad level. And then I will become more specific both about accreditation and about the rating system to help answer your questions.

When we talk about value, we sometimes mean quality and affordability, the combination of what we get for what we invest, whether it's time or money, or a combination of the two. We also talk about; and many people have wanted to be very sure
that we have these front and center at the
same time, values, with an S on the end, the
public good of having a more educated
citizenry, the civic engagement and lifelong
learning and ability to be leaders or
interrogate leaders, the economic growth
potential that's captured by people having
as much education as they can use to fuel
innovation and imagination.

Today at the White House there is
actually something going on that I very much
I'd been invited to, but wasn't, called the
Maker Faire, F-A-I-R-E. Maker Faires have
been happening around the country. The ones
I'm familiar with are a combination of
technological and craft and art creativity.
And it's one way of expressing how people
can use the education and broad learning
that they get to put to work, to create, to
innovate, to see connections and to make new
things happen.

We also know that there are
tremendous individual rewards, individual
value that sometimes are front and center in
the conversation about what's important
about higher education. Resilience, health,
the sheer joy of inquiry and mastery, as
well as greater chances of being employed,
especially in tough times, and income
advantages that follow advanced education
beyond high school.

So all of those play a part in
what you do and what we have to think about
when we consider the best ways to invest in
higher education, the important ways to see
whether we're getting what the taxpayers
ought to get for that investment. The
country is now spending about $150 billion
on post-secondary education support and
Secretary Duncan often says that it's one of
the bigger expenditures that anybody makes
that is relatively untested in terms of the
outcomes. We are very clear about the
qualifications going in to be able to
participate in that program, but all of us
are learning to be better at understanding
the results of post-secondary education.

I'd like to touch on a few themes related to accreditation that I would love you to be looking for as you listen to the expert panels in the next couple of days and as you have your conversation tomorrow.

I think we did a good job with our report in 2012, and to the extent that we did, it's a credit to everyone's thoughtfulness to the comments and suggestions that we got, and to Susan's leadership on developing that report. But we also did it at a time when most of us were quite new on NACIQI and just starting to sink our teeth into the role that NACIQI played in the accreditation process and understanding the process itself.

Some of you are new and are in a particularly good position to ask fresh questions, and I hope you will. Some of you have probably been thinking back to the recommendations we made and saying, you know, we could go further, or now my
experience tells me I want to come at it at a different way. So I think Susan would join me in saying have at it. Go deeper or criticize ourselves. And it may be a useful platform. There may be some ideas you like, but I think that NACIQI's additional experience and two more years of incredible change in the landscape of higher education may mean that there's a lot more that you can do to suggest how this might work.

I gather that there was a little bit of discussion about some other activities that are going on, not just the college rating system, but also the commission that Brit is chairing, about regulation, and burden reduction, and making good use of the information, and questions that we ask of higher education, but it seems to me every day I receive more than one interesting thing on the subject of how we can do higher education better.

So the sense of information and recommendations coming at all of us and
trying to master, sift, use what's useful and be in all of the conversations that are potentially useful is an incredibly tough job. And to the extent that you can help point people to some of the most compelling solutions, some of the most cogent critiques, that is also an important part of the work.

We also expect that there may be a conversation to be joined with the Hill on the Higher Education Act, at least coming from the chair, given Senator Harkin's own timetable for leaving the Senate soon. So that's another venue in which the opportunity for suggestions for change from modest to radical also invites your and our best thinking.

Susan and I have talked about this before. We had not known each other before NACIQI, and now we find ourselves continuously wanting to talk about these issues. Some of things that we anticipate coming up in your conversation and in the
many others that I've mentioned start with
the desired outcomes of higher education.
NACIQI and accreditation and the Department
in its role on accreditation -- well, let me
say that again. NACIQI is in a position to
challenge accreditors to deepen their
thinking about learning outcomes.

Accreditors in this uniquely
American system have a tremendous
responsibility to help us understand what is
quality, what is sufficient; both the
minimums and what excellence looks like, and
that becomes more and more essential as the
forms of education delivery, the range of
providers grows and as we challenge
assumptions about both. How it can be
delivered and how we might be able -- the
sheer capacity to understand when people are
actually learning in both skills and
knowledge, what we need, they want -- I
mean, there are an infinite number of
variations of this -- what a program
purported to provide them, what the people
who will employ or be served by those people expect of them.

And you are very much at a critical pivot point for helping improve that conversation with accreditors to lift up that which is most thoughtful and imaginative. And if there are enterprises that are lagging in that, to help enrich that conversation and set clear expectations so that accreditors both bring their best to the forum in which they can exchange it and meet the standards that you set for them.

I think many of us agree that a second thing that NACIQI, the Department, accreditors and many other players can do is better inform and educate the public about what accreditation means, does and stands for. There's a fair amount of discussion whenever these conversations come up about what people should understand by the fact of accreditation or by which accreditor accredits a program. Or we get questions sometimes about why some other controls or
constraints are necessary or not fully effective.

If accreditation is supposed to set a minimum floor for quality, why would we need some of the other regulatory or statutory kinds of conditions? Shouldn't that take care of it, is the way people ask us. And I think helping us all deconstruct that answer, which is not a simple one, would be very helpful. What are each of our respective roles in setting minimum criteria and helping people understand what that means?

Flexibility. And I would add to flexibility burden reduction because there are some natural links in that combination. Are there ways that accreditors can be more nuanced in their determinations? Right now the public answer is not exactly a pass/fail, because in the areas of concern there are variations and nuances if an enterprise is on show cause, subject to a termination order, if there is a finding of
concern, there are ways to communicate that.

NACIQI raised the question two years ago about whether there should be an upside that would allow accreditors to signal a higher quality bar and ask whether that might be connected to burden reduction or to regulatory flexibility. As we think about experimentation and how you, we, accreditors and others can provide greater flexibility to allow people to pursue new ways of delivering educational program and content, moving in that sort of direction may be part of the foundation for allowing flexibility sooner than we can move through a full statutory, regulatory and implementation process.

Let me talk a little bit about ratings. You are all expert on accreditation and can speak to that, but I seem to have gotten the ratings outreach baseball hat to wear. And I passed out the very short blog that I did because it's a quick summary and it would probably save me
a little time in telling you about what's going on in ratings, but I will do a synopsis.

Back in August, President Obama asked the Department of Education; and we are working in conjunction with the White House, to design a rating system that would allow us to better measure access, affordability and completion in ways that would help advance quality education and opportunity with a particular focus on the population for which we have designed a financial aid system, people who would otherwise be least likely to have an opportunity to secure post-secondary education.

That led us to embark on a listening conversation. We made the choice to listen first and draft second. That makes it a little harder because there's no target, no clarity about what we are thinking about, but we thought it would be better to co-design with the public broadly.
So beginning in September with a group of student leaders and then with open forums around the country in four different regions we have been listening to stakeholders ranging from parents and counselors, particularly counselors of low-income students, businesses, philanthropy and especially higher education subdivided in many ways. Faculty, presidents, trustees, institutional researchers, admissions folks. I say faculty again because we have come back through many different clusters and associations in order to get a rounded picture. Just because metrics are so important, 80-plus meetings, 4,000-plus participants, 450 or more written comments about how we might do this.

We find ourselves with lots of great ideas, a few critically important considerations that I want to mention, and then I will talk a bit about how accreditation and ratings actually come together. And you may see lots more
opportunities for alignment or specialization as you have your conversations.

We have heard a number of people who tell us that a rating system done well could be helpful for both of the potential purposes, accountability for quality education defined as good results at an affordable price in ways that reach the breadth of our population. They see room for positive change in both sharing information for consumer purposes and for accountability about how we spend that very substantial investment, or how we defend making that investment at all.

I'm not telling any of you anything new when I say that the environment of concern about the cost of education and people's fears about whether education will be accessible for them and their children puts pressure on that investment in the first place. In order for taxpayers to feel that they are willing to make that
investment, they have to think that it's generating results, that it's a good use of public money. So that's part of why we want to make this information clearer and to focus it on a set of values that we and the people we're consulting with think are important. Again, it's almost a mantra. Access, affordability and real meaningful outcomes in educational results.

We have been reminded loud and clear that it's important to avoid destructive incentives or to point people in the wrong direction. And I think everyone certainly at this table has lived in an environment in which incentives that move in the wrong direction create behaviors that are unfortunate or pathological. And we are very sensitive to those.

Most specifically, on the notion that not only do we take as a centerpiece of whatever we do, the responsibility to avoid reducing access, but in fact to reward access when it is coupled with completion to
both make it known when schools are providing access to quality education to students who are the least able to afford higher education, or had the least educational preparation when they began.

And that will include some version of looking at the characteristics of the students in ways that let us make a determination about the work that the college has done. We will make this as simple as it can be, but as subtle as it has to be. That's an easy thing to say, but a very hard thing to deliver on.

Three quick points that I've started to make lately: I was yesterday at a forum of community college institutional researchers talking about the rating system. And the president of Johnson County Community College in Overland Park, Kansas introduced the event by saying we use data to make ourselves better. And that really is the simple description of what we are trying to do here.
This ratings process is not -- in proposing a rating system, we were, and the President was, by no means the first to observe that you get what you measure. And the states have recently started to make the kinds of linkages that the rating system would make. Many of them have worked on performance-based models, and it is interesting and no accident that the institutions that we hear from who see the most positive potential for a rating system are public institutions, and always with the caveat done in a smart way and a thoughtful way and using data that makes sense and avoiding those unintended consequences. The state institutions that are the most familiar with these kinds of discussions are the most comfortable with the positive good that they can do.

We already measure an awful lot of things in higher education. What we want to do through the rating system is measure the right things. Frank I know has been --
his school is rated by a system that measures primarily wealth, reputation and rejection and it drives institutions in directions that are not very helpful.

We count lots of things. We count how many programs a school offers, although we don't really know whether numerosity of different program headings is good for students, bad for students or irrelevant. Wouldn't it be better to measure what the programs are leading to and which one are most effective?

So I've already seen a lot of value. Admittedly, I am an optimist and I am inclined -- and I'm listening hard for this. Simply raising these questions and asking people to have this conversation seems to me to have improved the conversation. There are more thoughtful questions at meetings of trustees and presidents about what people can do to increase persistence. Who graduates, why do they graduate, and if they don't, what can
we do about it? What tools are available?
What are other people doing? How should we evaluate our programs? How can we borrow innovations from other places and how can we accelerate them in our institution? I think there is already positive movement in that regard.

So a quick list of things I thought of about how ratings and accreditation have different jobs but complement each other. One is that they are both designed to honor effectiveness, encourage improvement; that's the peer aspect of accreditation, and to set minimum standards. Both systems draw attention to results, accreditation to learning and the rating system to whatever outcomes we choose. But the possibilities include, for example, whether people secure work, whether they secure work that pays better than minimum wage, better than -- we're thinking about how you wisely would measure earnings, whether that has a place in a rating system
and how you might do it in a way that answers the question that we hear from students, which is will I be able to have work that lets me pay back my loans, carry out my responsibilities and support my family?

They are not as concerned about minute variations amongst schools, and schools are very concerned about both minute variations and any metrics that would drive us to think that a school was better if it graduated more investment bankers than early childhood teachers, or more law firm partners than public interest lawyers. And we've gotten many different interesting and thoughtful suggestions about how we can meet the understandable interest in knowing something about people's capacity to work and earn without being so precise as to create unfortunate incentives in admissions, in career placement, in individual and institutional behavior around those issues.

Both of us have potential for
advancing transparency and public understanding of educational quality and differences, I think, that speaks for itself as accreditation thinks about how much to share with the public and as our 2012 report asked the question about the role for transparency.

Convergence on common metrics and data across federal, state and accreditation. The states are hungry for that conversation. Accreditors have raised it with me. And we are all mindful of the NACIQI recommendation from two years ago that we can enrich that conversation. And I know that the federal government has a particular opportunity to do that, and we are initiating those conversations because the definitional convergence has some very practical potential for freeing up effort that people now spend, but also letting us understand what's going on. If you want to actually know what's working or where people are able to serve populations or what ways
of educating people or supporting them through student services make a difference, you find yourself foundering if everything is defined in different ways and nothing can come together.

Both of us can invite and reward innovation better. And when I say "innovation," I don't just mean things that have plugs in the wall. I mean all kinds of innovation and change. What are the smartest ways that people are keeping students -- renewing their enrollment when they face life crises or financial situations? How long do programs really need to be to achieve the competencies that a program or institution want to have? How can we learn better from each other? And some of the most interesting things that I've seen under the heading of innovation relate to student services and counseling or a linkage between financial aid and other human services elements.

Ratings do have affordability at
their core and the President issued a challenge for accreditation to think about affordability. And Susan Phillips has been very clear in reminding accreditors of that challenge and suggesting that it's an important element to think about and to shape so that academia and institutions and accreditation see that conversation develop in a way that seems thoughtful and meaningful and that is constructive in just the way the President intended.

Some of that probably assumes that we're all in the same conversation and some of it may have been much less sophisticated than ideas that you already have had.

So why don't I just pause there and spend whatever time Susan has planned to see if you've got questions about these issues.

CHAIR PHILLIPS: Let me pose the question that nobody's saying but everybody said before you walked in, which is, so, is
the rating system going to replace accreditation?

DEPUTY UNDERSECRETARY STUDLEY:
Excellent question, Susan. I hate when people say that. I should have included it because it is one of my favorites. I see them as having different purposes, and I use that word "complementary" intentionally.

Under our system, accreditation is skilled, experienced and expected to help us understand learning outcomes. And of all the things I said that ratings might include or has been asked to include, you did not hear a reference to direct student learning outcomes.

We have some proxies that we might consider. If you think of employment as a crowdsourcing understanding of whether people are learning, then maybe there is an element of learning outcomes that's possible in the rating system. If you think of ability to repay loans as similarly connected to whether you got educational
value, that too might follow.

This may be going deeper than you were looking for. I will come back to the main chain, but it's also a very fair question whether employment earnings and loan repayment tell us more about preexisting family connections, social capital, and financial capital to help you get through the tough times if you're struggling to repay your loans than they do about value-added for an education.

So we have outcome-related measures or proxies, but not a direct measure of whether people actually are learning what they came for, or what their field expects people with that degree or certificate to know.

So I think of them as having side-by-side capacities. And it may be literally that in the ultimate presentation of information that comes out of the ratings process we have some -- for anybody here, I'm holding up both hands -- I have no idea
what it will look like. I genuinely don't have in my back pocket a draft of anything.

But if ratings information is my right hand, then it's possible that there could and should be a way to say, what else would you want to know about at the same time, because only some of it is included here? What would an institution, or an accreditor on behalf of all of its institutions, like to say about the source of information about learning outcomes? Is there something that an institution wants to say about its educational philosophy that goes beyond -- or its areas of specialization that complement what can be included in a universalized rating system, but that round out that picture?

So we are not trying to answer those questions. And every time I think about it, I think of it as useful but not sufficient, and that accreditation has a lot to offer to expand that picture and into a whole set of intangibles that a rating
system could never capture and that institutions or groups of institutions may want to explain in some way that builds off it or in parallel.

CHAIR PHILLIPS: So that prompted all sorts of questions. I have Brit, Frank, Anne and Arthur.

DR. KIRWAN: So I assume that we're talking about a rating system, not a ranking system.

DEPUTY UNDERSECRETARY STUDLEY: Yes.

DR. KIRWAN: Okay. And so what is --

DEPUTY UNDERSECRETARY STUDLEY: What's the difference?

DR. KIRWAN: You can count me in the cadre of people who think we need something other than U.S. News & World Report to do --

DEPUTY UNDERSECRETARY STUDLEY: You're counted.

DR. KIRWAN: So there's the
concept that there would be sort of -- let's take Standard & Poor's or Moody's. They give you a AA+, AAA. I mean, is the concept that institutions would be put into buckets of performance based on some metrics? So that's one question.

And a second one is how do you address the mission -- I mean, the mystery, the difficulty in the U.S. is the great diversity of our institutions. So how do you have a single rating system that includes Stanford, if I may cite John on the one hand, and some open admissions institutions?

And then thirdly, this has been in the ether for so long, you know, 18 months, whatever.

DEPUTY UNDERSECRETARY STUDLEY: Oh, yes, I forgot to tell you the process going forward.

DR. KIRWAN: Yeah, so when will people actually see something that they can, you know --
DEPUTY UNDERSECRETARY

STUDLEY: Kick the tires of?

DR. KIRWAN: -- talk about more than in abstract terms.

DEPUTY UNDERSECRETARY STUDLEY:

Thank you.

DR. KIRWAN: All right.

DEPUTY UNDERSECRETARY STUDLEY:

I missed the page that will -- let me start with the third question first, but I have all three.

We are processing all of that thoughtful input that we received and we are digging very deep into the subtleties of the possible answers. It's both more complicated to do than I certainly recognized at the outset, but also benefits from thinking about much more subtle, analytic approaches than -- you know, it's not one plus two plus three equals something.

We had a technical symposium in February with a large number of people who
do this kind of institutional research. Many people, including a number in this room, provided us with everything from fully-developed possible rating systems using existing or not-yet-available data to comments on the process.

We are now pursuing some of the more technical and specific questions, data source questions, data matching questions, with the idea that we want to come to the public with something that would allow institutions to know where they would fit in a rating system so that we could have both philosophical and real reactions to the success of a draft system.

We plan to do that by fall and feel that we are on track to have a rating system available by the academic year that starts a year from September. Within that, we would be deciding what the nature of the -- the way that we would share it, what kind of consumer-student-community-institutional interface would there be and how would the
information be visible to others. But we want to be thoughtful.

I'll just say there are some people who are very aware of the complexity of the questions that we are grappling with and the issues relating to diversity of institutions, diversity of student population, the kind of discussion I mentioned about earnings. Are there ways to be informative without being damaging or destructive as we look at that? What sources of data are there that go beyond IPEDS, but that are appropriately useful and available to us without increasing burden on schools, without asking schools to collect any new information required for this?

And some people think that we're going to take a look at graduation rates, multiply them by price, and don't anybody dare take that quote of context that that's what we're going to do. We are actually asking ourselves whether enough people know how nuanced and deep this discussion is.
On the question of diversity of institutions, there have been a number of suggestions about how we might do that, and they range from using familiar existing buckets -- there are two kinds of schools in the world -- which could be by type of degree, or by open or selective, or chunks, along that kind of array. There are others that have mentioned the Carnegie classifications, but there are also lots of other ways to do it based on either of the input measures or the results internal to the system.

And I don't have an answer for that question as we continue to think about what would be most useful for this purpose, and fairest to the institutions and their differences, but not create so many little teacups that it doesn't work for an evaluative purpose.

And your first question about ratings and types. Not as many subcategories as Moody's. If I recall, that
has As and AAAs and Bs. And the thinking is that this is broad bands of information and people, in commenting to us, have raised reasons for either combining different elements, like affordability, access and outcomes, into a single measure or obviously advantages of keeping them separate and allowing people to see who is strong in each of those dimensions. I am not going to compare this to other ratings because I've gotten in trouble for that, or been quoted in a narrowing sort of way, but there are lots of things that we rate. And bonds are one, energy efficiency is one that is a single measure and has driven public behavior. There are ratings of institutions that provide the full array of characteristics and have let people make their own kinds of judgments.

To the extent that we have a consumer audience, there's a tremendous advantage to keeping it as simple and clear as possible, but I think there's a very good
question about whether a single element is what we would ultimately do.

Just to mention something that many people have asked, one way that many systems of data are operating these days is that if we got to a point where we shared a system that had the values that the Department, the government, wanted to incorporate, which for example would have a very substantial priority on access. Once we do that, there could be room -- and some people consider this a real positive and others find it makes them nervous -- for others to use the data in other ways to tell different versions of the story, to make it accessible to students in different kinds of ways, to let it be individualized to a person's own set of comparison institutions or priority on what they were looking for. And whether we should do it to that degree, or whether that's better left to an infinitely imaginative field after we have done a more basic system, is a real
practical question that's down the road for us.

DR. KIRWAN: Thank you.

CHAIR PHILLIPS: So that was a three-for. I have Frank, Anne and Arthur.

MR. WU: I also have several questions.

First, with respect to this body, NACIQI, on a spectrum of, on the one hand, we just ignore what you're doing and proceed merrily with what we're doing, to, on the other hand, we invite you to come visit us every time we meet and keep you apprised and in the loop at all times. Which do you prefer?

So that's the first question. You touched upon that, what you're doing as compared to what we're doing. But in concrete terms, how coordinated should we be? That's the first question.

Second question. You mentioned common terms, and I think there's a consensus, maybe unanimity, that it would be
desirable in the world if higher education institutions, accreditors and the government had some common definition of some terms, like "credit hour," or something like that. I wonder if you could just expand on where that is going, because I imagine, when you have a rating system, your terms and your definitions of those terms will become prevalent, if not prevailing.

Third and finally, you may have said this and I might have missed it, is the rating system applicable to all institutions of higher education, or is it undergraduate-focused? Or is every institution that's receiving Title IV monies? What's the total universe? Or will it roll out with colleges and then expand from there?

DEPUTY UNDERSECRETARY STUDLEY: How coordinated? I would like to be as coordinated as is helpful to you. I would benefit from the knowledge and will try to be here as much as I can and read the papers that you've gotten so that we can move
toward insight as efficiently as we can without intruding on NACIQI independence, which is important.

I don't want you to feel that you have to link up with anything that we're doing, but I think we can benefit from what you're thinking about, and that the more we can exchange, as I said, you know, what are the really good ideas, what are the really controversial ideas that we should all grapple with from our different perspectives?

Common terms. I know this is something you've been interested in for a good while. I know Arthur has long been interested it. Obviously, it is incredibly challenging, because people come from different policy places and practical places when they think about those terms.

Let's use an example other than credit hour, because I personally would like the phrases "credit hour," "two-year school," and "four-year school" to disappear
in our lifetime, because I think we can do
better. But it's a very serious question.
As we think about it, we have every
incentive to use definitions that already
exist, because if we're going to do
something that requires existing data, we
have to pick some set that's been collected
according to a definition.

Yesterday at that meeting I
mentioned of community college institutional
researchers, they had some particular
questions. When asked what they thought was
most important out of a three-hour
conversation, common definitions, or
definitions where there were none at all,
was the first thing that they mentioned,
even before some of the deep, philosophical,
how are you going to think about the half of
our students who are adult learners and so
forth? So I think what we do
will help move definitions in some
direction, and we're trying to be
collaborative, coordinated and smart about
the ones that we use. To the extent that states are also in this space, a lot of the information that one might want is collected by some or many states, and they don't always have to have the same definition. The multiplication of that challenge is enormous.

But we're very sensitive to both how hard it is for people to collect data, collect data on different dimensions -- and I'll just say it before somebody else does: the more complicated that task is, the more it competes with the affordability objectives that we have, or the ability to rotate resources to using the information. Even if you keep the investment in institutional research and metrics, you want them to be able to actually support the work of the institution and not just the collection.

All institutions, at this point, we're talking about not graduate programs, but with respect to the rest of your
question, TBD.

CHAIR PHILLIPS: Okay. I have now Anne, Arthur, Bobbie and Simon. And I'm going to call it at Simon.

MS. NEAL: I talk really fast. First, Jamie, it's great to see you. Appreciate your being here, and I think we all appreciate very much the work that we did before on this issue, and I think we produced some very good reports.

And I guess in chatting today about a sensible college rating, which you are pursuing, I would urge you and the Secretary to look at the alternative, which this body came up with before with bipartisan support, which I think would empower a very sensible rating for consumers but that would not require the federal government picking and choosing. Because I think as you'll recall, in the alternative, one of our hopes was to allow the accrediting bodies to be set free so that they could be more than the lowest common
denominator and could really provide a more robust system of voluntary ratings, like LEED, which we heard from during our previous policy discussions.

And I guess, certainly from my perspective, I think one of the greatest aspects of American higher education is that we do not have a federal ministry. And so I think if you all can pursue non-governmental ways to rate schools where consumers can be the rating bodies, I would urge you to do that. And I think the alternative proposal was designed with that very much in mind, to ensure financial stability, which the Department of Education currently does, and then to develop a set of key metrics along the lines of what you just articulated that would look at cost, that would look at the success of schools vis-à-vis various demographics, that would allow schools to show if they utilize assessments and how they do, if they use them, and that would look at economic success. And so that this
would be a very transparent, consumer-oriented system that would allow consumers
to make their own ratings.

So I thank you and I hope you'll revert back to what we've done before.

CHAIR PHILLIPS: Thank you, Anne. Arthur?

MR. ROTHKOPF: Yeah, thank you, Jamie, for actually that really excellent exposition here.

The one thing I'm not clear about are the consequences of the rating system. And I don't know whether it's A to F, or what's the difference if you're an A or if you're a D-minus. What are the implications? And how do you view those in terms of the current funding that goes on, whether they're Pell grants or loans or whatever else may be on the table? And does it mean, or is your thinking at this point, that the current pot of money would continue and this would be, assuming you were an A school, that you would get additional
funding and that students who went there
could get additional funding, but the
existing programs would remain the same? Or
would it be a zero sum game where the money
would come out of the existing pot?

DEPUTY UNDERSECRETARY STUDLEY: You've done a
terrific job, Arthur, of describing the$options. And we have not framed what kind
of proposal we would make to Congress, in
part to see what the ratings support, what
kind of differentiations we think they
reveal. But it is definitely part of the
President's objective to link ratings to
some form of both incentive and smart
investment in quality activities.

Let me tweak what you said. Even
A through F is more specific than we are
likely to be, or likely to be in early
iterations. But picture high, medium, low;
red, yellow, green; more like three or four
bands than a lot.

I think you've laid out some of
the ways that we could think about what the
consequences might be, whether it's primarily to reward and draw people toward the best behaviors, what degree of withdrawal or exclusion might make sense. Some of that depends on the objective nature of the weakest institutions. If accreditation is successful in setting a floor that is strong enough, maybe we won't have anybody doing a really bad job.

There's another way in which accreditation is somewhat different, because I could envision -- some people have asked this question of me, let me digress just one second. Accreditation, because it has not been asked to think about affordability or about a concept like need for training in a particular program -- it's not National Defense Act grants like we used to have, or right now we're saying there are certain foreign languages our country needs to teach people, and so we're going to provide that training.

Accreditation looks at the
quality of an institution, but not whether we need more of fill-in-the-field. And this would get at that. So that's a way in which you could be perfectly eligible to be accredited under current educational quality standards, but be a very weak value in terms of affordability relative to employment and loan repayment outcomes.

Whether it is additive money, incremental investment or not also depends completely on Congress. Whether it would be possible to demonstrate that all the money currently being spent is being spent wisely and this should be more, whether the system is under pressure and we use this to hold the investment that we've got, is up to Congress. And we envision designing the system first and then having that conversation with people about whether Pell or core student aid should be effected, whether programs that meet particular kinds of purposes or incremental funding should be the model that we propose.
The other day I testified before the Senate Indian Affairs Committee and Senator Franken asked me why a certain sum that is in law had not been appropriated for the benefit of Tribal Colleges and Universities and I'm sorry, in retrospect, that I didn't say, "With all respect, sir," but I said, "I believe you are in a better position to answer that question than I am."

Because it was, why hasn't it been appropriated?

So we can all suggest about that, but none of those changes could be made until there was legislation to drive that.

MR. ROTHKOPF: So let me ask, Jamie, how can you get the program rolled out a year from now, really, unless you know what Congress wants to do with it? Or are you assuming that somehow Congress will deal with these very tough issues you're talking about?

DEPUTY UNDERSECRETARY STUDLEY: Our sense is that the first round would both set
the stage for a proposal to Congress and provide additional information on the consumer side. The President, I believe, also specifically said that the kind of timetable that he suggested would give us a chance to work with and improve a rating system so that it could be a more -- and build respect and support for it so that it could be a more reliable indicator that Congress might be willing to accept as a basis for driving investment.

CHAIR PHILLIPS: Thank you. Bobbie?

DR. DERLIN: Hi, Jamie. It's Bobbie, and I'm not supposed to lean, but I'm leaning anyway.

I have a different kind of question. You addressed the issue of having a simple system and not wanting to necessarily talk about some of the competing information that's out there, but my question relates to has there been discussion of how this rating system will in
fact redirect noise for consumers, students and their families? There is already so much competing information about our institutions that is inconsistent. How does this system somehow reduce the volume on all that other stuff?

DEPUTY UNDERSECRETARY STUDLEY:
That's a question that we have thought about, as well. And when I said simple, I said simple and subtle and the appropriate balance between the two. My sense is that we're already well past the point of a manageable flow of information. There's already a huge amount of noise. So then you have to ask the question what would be valuable about doing another one from a federal perspective?

And it comes down to two primary reasons. Some people you talk to this afternoon may have lots of other reasons for and against. One is that the federal government plays a particular role in both capturing values that are driven toward
national objectives for educational achievement, and not sales of a magazine or to advance a particular kind of education. So we have a view, but we think our view has a responsibility to a public and the logic behind our enormous both expectations for education and investment in education.

So we have a distinctive role to play, not to be so crass as to say because it's our money, but because we want, and taxpayers want, to see our money -- our, everybody's, money used well.

And the second is that both the access that we have to knowledge and expertise and the opportunity that we may have to use data either that are not readily available to others, not at all available to others, or to use it in ways that are smart and constructive and fair means that we may be able to do something that has value even within all the noise that's going on.

Unfortunately, I think that the direction in the public sphere is not toward
less noise, it's toward trying to have some voices come through within the noise. Because we're so much the creatures of individualization and everybody having an opportunity to create a different model for how you might understand ratings. But if we can be a clear voice or help drive the conversation, it would mean that somebody else may end up being the portal that students want to go to for information, whether it's the quickest or the prettiest or the one that lets them do things in the way that they most want. But if we have been able to drive the measures of what's important to think about, or ours is the one that because of our other authorities generates attention to the most important questions, to completion by poor students as opposed to rejection of many, many applicants, then I would think that we had made a positive contribution into a very noisy space.

CHAIR PHILLIPS: Thank you.
Simon, last call.

MR. BOEHME: Great. Well, thank you so much for joining us, and it was great meeting you. I have three questions and I'll try to keep it brief.

My first question is how will this rating system factor in the political climate to which -- when we talk about higher education, it's fairly ubiquitous. When we talk about funding lack, state government cuts, the legislators are cutting back on all this funding. So how will this rating system strike that balance, that well-funded private research institutes aren't just at the top, but maybe some of the public institutions that are not as wealthy are being rewarded for their innovations? For example, like SUNY and Arizona State that you mentioned inside your blog. So just how does the political climate and the variation of resources among higher education play into the rating system?
And my second question is the three tenets that you talk about: access, affordability and meaningful outcomes. And as a student, I have gone through a personal and career journey at Cornell that was very unique and I changed along the way. And what I worry about when we talk about meaningful outcomes is whether people have a job or they don't have a job, and how do we factor in when someone finds a new passion or they want to take a gap year?

If it's this big government, or just the federal government looking at students and saying, oh, well, Simon doesn't have a job, and maybe that's not considered a meaningful outcome. And so as a student, and I feel obligated to say this, I think it's worthy of your time to really think about what is a meaningful education and be careful to not be too restrictive in that definition.

And the third question is how will the design, the rating system, empower
rather than punish colleges that don't do well? I have a quote for you. President Obama said, "What we're really trying to do is just identify here are some good bargains, here are some really bad deals."
And so, to me, that's scary, right, these good, bad, positive, negatives and how do we work to really empower these institutions that can make affordability, access and meaningful outcomes really important?

DEPUTY UNDERSECRETARY STUDLEY: It's good to see you using your Cornell education so effectively. My brother is a Cornell graduate.

I think your first question, you may not have realized, was a two-part question, because one specific purpose of the rating system and the affordability elements is to challenge and re-engage states in the historic compact in which the federal government, states, families, institutions and philanthropy or community support helped people go to college, and
state disinvestment from the education of
the 80 percent of our students who attend
public institutions is one of the major
drivers of the escalations in cost, net
price and student debt burden.

So, in that sense, it is
political in that it is attempting to
influence state understanding and state
responsibility for us stepping back into
that role, as some states have started to
do, but to move all of them down that track.

You put it very well. What you
are describing is exactly what we mean to
do, and that is -- people say it in
different ways -- but it's to reward
institutions who do the job that has
historically appeared to be the toughest
job, to take students who don't have a
family experience of higher education, who
come from institutions that probably
prepared them less well, who have fewer of
the financial and experiential resources to
know how to navigate school, or if read the
New York Times story on college persistence, who are more vulnerable to bumps in the road causing them to derail completely.

So this is meant to be the opposite of we take smart, talented people and we graduate them. What we're trying to find are the places that -- to recognize that that's an important and valuable thing to do, but to make sure that we are recognizing the institutions that do the very tough jobs. Whether we end up denominating it as Pell recipients, or Pell plus first generation, or Pell plus first generation plus a number of other characteristics, depending on what information is available, to understand the challenge that institutions take on and how well they do at that challenge.

Your third question about empowering, one feature that I didn't mention was the importance of improvement. This is significant for the President and particularly fits well with Secretary
Duncan's commitment to not just taking a snapshot and seeing where people are now, but using this as a tool to encourage improvement, whether by benchmarking and understanding where you are and that you are not maybe quite as strong in something as others now that you can see the information in a comparable way, to make institutions and us and accreditors' peer support side step up to the challenge once people say, okay, you've got my attention, I want to do better. To take institutions wherever they are and move them forward.

And your third question or comment was about meaningful outcomes for students. I think the best way I can respond to that is to say that we are looking at a wider picture of information, longer time horizons. And by not looking at tiny distinctions between who's 10th and 11th, but who is strong, who is good or acceptable and who is weak, that we can paint a broad enough picture that there's
value in the distinctions, but we're not making too many distinctions. So if you want to take a gap year, go ahead, but if Cornell can't graduate a significant number of people in six years, we should worry.

Using any earnings metrics that we might come to, people sometimes worry that we're going to look at three months after graduation or six months, the way some surveys do. We are doing a much more thoughtful job of trying to understand the point at which earnings become stabilized and are predictive of lifetime earnings. So we may get five years away from school or more in order to allow for what I call way-finding, graduate school-going, business-starting, experimentation, exploration, so that we would use numbers that would be at a point where many of those choices have shaken out and people are actually at a point that we can make more meaningful judgments.

MR. BOEHME: Thank you.
CHAIR PHILLIPS: Thank you, Jamie. I'm going to call time for this part of our policy agenda, but because I'd like us to get some coffee, take a quick break before we go into the next part, what I'd like to do is just have maybe a 5- to 10-minute break at this point.

I suspect that there are some people who would like to buttonhole you before you leave. And I know she's able to stay for some, but perhaps not all of our time.

So let me just call a 5- to 10-minute break. We invite, as we come back from that at 2:10, the first panel to join us at the table. That will include Cliff Adelman, Judith Eaton, Peter Ewell, Sally Johnstone and Ben Miller, if you are here.

DEPUTY UNDERSECRETARY STUDLEY: An all-star team.

CHAIR PHILLIPS: An all-star team. So 2:10 we're back here.

(Whereupon, the above-entitled
matter went off the record at 2:02 p.m. and resumed at 2:10 p.m.)

CHAIR PHILLIPS: Good afternoon. Welcome. I'd like to just make a quick note that Committee Member Rick O'Donnell has joined us, thank you, for the rest of the afternoon on the agenda.

In our speaking panels this afternoon, what we've attempted to do is to provide opportunities for the Committee to hear the best thinking on a number of topics from people who study and think about policy, from people who represent and think about institutions, and from people who study and think about accreditation.

We have three different panels: policy, institutions and accreditors. We've asked each panelist to speak for five to seven minutes on their views of the current state of quality assurance in higher education, addressing questions such as: of the recommendations in the 2012 report, what do you see as significant changes since that
time? What needs revising, clarifying, simplifying or updating? What areas not addressed in the 2012 report warrant new policy recommendations now? And are there areas of NACIQI role and operation that would better serve the goal of assuring quality in higher education?

I imagine that they might offer us some other ideas as well, but that's what we've asked from them.

So we're going to ask each panelist to present, hold our questions until the end of a particular panel, and then we'll have an opportunity for question and answer discussion with the panelists before we then move to the next panel.

**PANEL A: POLICY PERSPECTIVES**

So with that, I introduce our policy panel. I mentioned that Peter Ewell would be here. As it turns out, he's not able to be here. So our panelists are
Clifford Adelman, Institute for Higher Education Policy; Judith Eaton, Council for Higher Education Accreditation; Sally Johnstone, Western Governors University; and Ben Miller, the New America Foundation.

Thank you all for being here.

We're going to go in the order that appears on the agenda, so I'm going to ask Clifford Adelman to go first.

DR. ADELMAN: Well, thank you very much, and many thanks for inviting me to put some issues on your table today and for placing me among the distinguished company of people who, at my age, I can say I've known for decades, which is also true of Brit, which also true of Carolyn, who disappeared. And Anne, also, I would at least put on a one decade timetable, maybe two, I don't know. Whatever it happens to be. There are plenty of other folks in this room that would follow suit.

I have three items for your consideration. Two depend on NACIQI's
interpretation of its own authority and protocols for recommendations to the Department. I'm unsure of this territory. That's why I'm asking questions.

The third lies in a territory where interpretation, I think, is moot and where the ruling protocol is take no prisoners. It's Jamienne's notion of deeper thinking about student learning outcomes in the face of not thinking at all about them. And that's the take no prisoners territory and I'm going to spend most of my time on that.

Student learning outcomes criteria as promulgated or not in accreditation standards document. In our April 2012 report, you ducked this issue. Frankly, you ducked it. And it's a critical part of public accountability and quality assurance, as Jamienne has emphasized. I'm not urging NACIQI to get into the business of prescribing specific standards for student learning outcomes -- I don't think
that's appropriate, I don't think you do either -- rather to make sure that accreditors require all their member institutions to include acceptable statements on this matter. Right now, my friends, they don't.

In the paper I submitted to you, you have the results of my isolating 47 accrediting organizations, 6 regional, 4 national, 37 specialized, that accredit bachelor's and pre-bachelor's degrees, not the one that accredit graduate degrees only. My reading zeroed in on all sections of the standard statements that had anything to do with student learning, curriculum coverage, learning opportunities, assessment, degree award criteria and outright student learning outcomes.

Now, only 18 out of the 47 accreditation association documents even made an attempt to deal with student learning outcomes. Eighteen out of forty-seven. And of these, only eleven did so
with specific student learning outcome statements governed by operational verbs, which is what you will read in the degree qualifications profile, which is probably the most embracing and convincing model for summative degree qualifying proficiencies to be found in the U.S. higher education system, of which both Peter Ewell and I are co-authors along with Paul Gaston and Carol Schneider. So that's in the interest of disclosure, of course. And we're going to be very defensive about the DQP, particularly as over 400 institutions have adopted some form of it, and four regional accreditors have encouraged that.

Now, 18 out of 47 did something with it. Eleven out of 47 made no attempt to address student learning outcomes at all. At all. Eleven out of 47. The balance, and this is where I'm going to disagree with Jamienne, used one or more types of proxy statements, none of which I find acceptable at all.
Number one, provision of opportunities. All 18 of them did that. The statement made there is because we offered these various features of curriculum, that means students have learned something. @ Give me a break.

The second -- when you think about the logic of these statements -- the second used by nine of these associations as a proxy was completion of curricular segments. Simply to say the student finished the general education program, the student finished the required clinical internship, meant that they learned something. That's a proxy statement. It's not a statement of student learning outcomes.

The third used by five of the associations had to do with student academic standing. That is, our students are required to have a GPA of 2.5 or better, our students are required to have earned at least 60 credits, our students, et cetera,
have reached junior level and therefore they've learned something. I think you're very smart about logic here. None of these are very logical statements.

Another one still is the provision of assessment plans or processes. Simply because we assess, we have a program of assessment, it is assumed students have learned something. Excuse me?

And the last one, which is used only by one, but in my study of international comparison on these issues turns up frequently in professional fields, had nothing to do with whether the student learned anything while the student was enrolled with you, rather had to do with student behavior after they left you. That is, although the student did the following in a clinical or a hospital situation, the student did the following in a civil engineering challenge.

All proxies, my friends, are just that. They are not statements of learning
outcomes and accreditation standards. They are not transparent where learning is on the other side of the window. And that's where I disagree with Jamie. I don't find them acceptable and I don't think you should either. They conveniently bypass the task of expressing clearly, to both students and the general public, precisely what actions are required to demonstrate that students qualify for a degree award from that institution. Therefore, I am requesting that NACIQI put an end to such evasions, that it recommend that the Department of Education recognize only those accrediting associations that require detailed, concrete student learning outcome statements. Not specific language. No, you can't do that. Not interference in local curricula prerogatives. No, you can't do that. But no more proxies. No more indirection and no more avoiding those public markers of quality, which is what they are altogether. And as a matter of
fact, what your April 2012 report refers to as a set of basic information.

There's nothing more basic in higher education than concrete signposts of learning attainment that are provided to students, their families and the general public. When Jamienne spoke of content and meaning, that doesn't mean avoiding the issue or ducking it through unconvincing proxies.

That's my basic item on the table. I'll do the other two very fast. They come of the -- you've got these documents and I know you're going to get them, if you don't.

One has to do with whether, as a matter of data, which you raised in the April 2012 report, you can require institutions to maintain current contact information about their students instead of scrambling to put various items together using the U.S. Postal Service, social media services, to make sure that they've got a
database where they can contact students, tell them when they've qualified for degrees, tell them when they're in danger of not getting degrees, et cetera, et cetera.

That's an issue. I don't know whether you have the authority to include that, but it's a data issue that I think is rather critical if we're going to make sure that we do degree completion appropriate.

The second, very fast, is one of the reasons that we discovered we could not award degrees to people who otherwise deserve to get them. This was in this Project Win-Win report that you'll get a copy of, is that the local degree award policy in two out of three schools in this country is called opt-in, which means the student is required to fill out an application for a degree, pay a fee, a graduation fee, and in some cases be enrolled in the term in which the student is. I don't know if you have the authority to deal with that. And that's a question
you're going to have to answer, period. That's all.

CHAIR PHILLIPS: Thank you very much. We do have available a longer document with Mr. Adelman's comments, so very compelling and persuasive. Thank you very much.

Forgive me for not alerting you to the meaning of different bells and sounds. I'll give you your first bell at five minutes and your second bell at seven minutes. And then I'll start turning on my own microphone.

So, again, I apologize and thank you very much, Mr. Adelman, for your comments and for the paper that you have.

Next on the panel is Judith Eaton, the Council on Higher Education Accreditation. Judith?

DR. EATON: Thank you, Susan, and Members of the Committee. It's a pleasure to be here with you today.

I want to take my time to focus
on the future of, especially, the accreditation-federal government relationship and offer some comments about what that might be and what this body might do.

First, let me point out that we're well-aware of some of the concerns about accreditation when it comes to rigor, when it comes to innovation, when it comes to accountability.

I have to say that Cliff and I go back at least three decades, and over the course of those three decades, we have usually differed with regard to interpretation of data, and this occasion is no different from other ones.

Accreditors do have standards with regard to student learning outcomes. They do implement those standards. They are not evasive. They are not ignoring this vital issues. I say that based on our experience at CHEA with the recognition of accrediting organizations, a process that is
similar to what is carried about by the National Advisory Committee examining standards, examining policies, and indeed seeing if those standards and policies are met. But I won't go any further.

Focusing on the future of accreditation, I think the critical issue is answering the question what role do we want it to play? And to get to an answer to that we can turn to this body. And I'm suggesting that you consider doing three things as you address the 2012 report and updating it and your advice to the Secretary.

First, to take what I call a fresh look at law and regulation with regard to accreditation. Second, to establish some principles to guide that fresh look, a principle that describes the relationship, and a principle that describes what you expect accreditation to do, its role and its relationship with the federal government.

And then, third, to take a look
at, if you've done the work of a fresh look and if you've developed those principles, how that affects the role of the federal government and the role of the states. In short, the triad issue. I don't tend to talk about the triad, because I think I'm talking about yesterday when I do use that.

What am I talking about when I say a fresh look? First, let's not start, with regard to reauthorization or advice to the Secretary, with where we are right now, which is that every word currently in law or regulation is sacrosanct. Let's start with what do we not need, what isn't working, what is just plain duplicative or unnecessary about guiding principles, suggesting that we need, too, a principle to describe the federal government/accreditation relationship.

We need law or regulation that is directly related to holding accreditation accountable for educational quality, not for finance, not for public relations or a whole
variety of other issues. Educational quality is why you hired accreditation decades and decades ago. It still remains a very good reason to have this relationship.

The second principle I'm suggesting with regard to the role of accreditation is that you can describe that role by three things: One, accreditation is here to help students learn, it's here to improve institutional program performance, and it's here to promote quality innovation. To the extent that a proposed or actual law or regulation does not support this role, we either don't need the law or regulation or it needs to be changed in some ways.

Taking a fresh look would mean we stop doing certain things. We are, I sometimes think, engaged in a descent into trivia as we look at the operation of accreditation organizations, regulations and sub-regulatory guidance. And I said "our." CHEA does recognition as well. The accrediting community looks at it itself. I
sometimes think that we are so focused on
the less important that the more important
escapes us.

Let's not allow regulation to
make change very difficult. Right now, it
does in many, many ways. We need to stop
focusing on the processes associated with
accreditation simply for the sake of the
process and is it working effectively.
Process has a purpose. I think in this
instance Cliff and I would be in agreement.

And, finally, we work on the
assumption, many of us, that if the process
is okay, we get quality or we get good
performance. Let's take another look at
that assumption. I think it's highly
questionable, as well.

So, in response to the questions
that the Committee has raised today when
seeking testimony, what about significant
changes since 2012, I think we've reached a
breaking point with regard to the extent and
kind of regulation we have of accreditation
right now. Regulation itself is turning our good intentions, all of us, into activity that is simply not particularly helpful to us. We're trying to do the right thing for students, we're trying to do the right thing about quality, and we are so enmeshed at a level of regulatory review that we simply cannot do it very well. And, again, this is all of us.

What needs clarifying, simplifying or revising? Not just some regulations. I could sit here for an hour and offer up suggestions about changing regulations. Indeed, in the office, we've gone through all the regulations and sub-regulatory guidance and done that. But we need something different. We need to step back. We need that fresh look. We need to say what is important to us here about the role of accreditation?

With regard to areas not addressed in 2012, we've been talking about it, in a way, all day here. The extent of
federal capacity, the growth of federal capacity to judge quality has been marked in the last two years. Jamie mentioned the extent of the change of the landscape. What are the implications of that growth in federal capacity, whether one likes it or doesn't like it? What are the implications for accreditation if, increasingly, the federal government is in the lead with regard to judging quality in higher education? And how can the Advisory Committee better serve?

I'm suggesting lead that fresh look. This is the time. Reauthorization of the Higher Education Act. And you are the body. You are public and private. You're independent, but I've heard a lot of mention of being bipartisan today. Your sole focus is accreditation. No group of people in this country is more expert on the accreditation/federal government relationship than this body, so turning to you for leadership in this area I think is
appropriate and desirable and can be very helpful to all of us. Thank you.

CHAIR PHILLIPS: Thank you very much, Judith.

Our next panelist is Sally Johnstone, Western Governors University. Sally?

DR. JOHNSTONE: Thank you very much and thanks for the opportunity to join you. Many people around the table I have known in other aspects of my life, which has included a lot of policy work, but in the last couple of years I've spent time in public, not for -- well, public state institution, as well as now for the last couple of years at a national private institution, and the perspective is rather interesting.

While I agree with a number of things that both Judith and Cliff have mentioned, I think I come closer to Cliff on not that learning outcomes aren't there, but they could be a lot better dealt with.
In terms of the assignment, I'm just going to go through the assignment, being one of those people that follows directions, sometimes.

In terms of changes that have gone on, one of the things I would point out that I think is changing that is critical when it's in your report and talked about and there's been activities is this whole notion that the states are starting to take some action with reciprocity agreements, and that is a huge step. At a national level it is a little absurd the way in which you go from state to state to state to state to deal with what is supposed to be quality assurance, not just consumer protection as we think of it in terms of protecting students, and recognizing that that state authorization reciprocity agreement is developing, needs to be reflected, because that's a new element that really wasn't there when you produced that report.

I think another very important
part of the landscape that is emerging since that 2012 report came out is the incredible pace at which institutions are trying to take on competency-based education. And it means lots of stuff to different institutions, but the reality is at -- a count that we try to keep track of, we've got at least 200 institutions across the country that represent public, private, for-profit, not-for-profit entities that are moving quickly.

I was at a seminar two weeks ago that people actually paid to come to. We had over 130 people there trying to figure out how they could implement competency-based education. And when you think about competency-based education, it's a Wild West landscape at the moment, but it is mastery-based not time-based. And that means a lot in terms of -- as Judith has mentioned, a lot of the regulatory structures.

Another aspect that I think is significant that needs to be acknowledged is
the growth of technologically-assisted education, and by that I don't mean just exporting the classroom electronically. I mean some of the rather interesting things that are being brought into the classroom, some of the interesting providers that are either public or private that are now being used to provide certain tools within what we think of as a classroom setting. That's a whole realm that gets to be very interesting when you look at it differently.

In terms of clarifying, certainly the federal role - and I see this as the NACIQI role in many ways, of coordinating an increasing communication among the actors is absolutely critical. We're now looking at situations within institutions where the federal and state governments are in many ways - not every way, but many ways, duplicating what accreditors are doing. And to begin to say we're going to hold the accreditors accountable for what they're dealing with in terms of quality and accept
accreditation as the evidence of that quality needs to happen. So the role of the federal actor is, I think as you reflected in your report, to coordinate that process. It needs to get going.

Another thing with regard to the federal roles is -- as I mentioned before, there is a -- in the report you recognized the emphasis on looking at state regulations to incorporate cross-state activities. And I think we have a surrogate for that now, that being the State Authorization Reciprocity Agreement, or SARA. We just don't need to keep duplicating accreditors' efforts.

In the section on accreditation roles there's a lot said with regard to encouraging the accrediting community to be able to take advantage of and/or accept innovative practices. That=s my five minutes? Thank you. Encourage needs to be a little stronger. I'm working with eleven community colleges across the country in
different states and they are doing similar things within their cultures, but they have to progress at different rates because of the vast differences in the way that their regional accreditors are dealing with competency-based education.

I would argue that, as I mentioned, we need to be paying -- or you need to be paying and the accreditors need to be paying a lot more attention to student learning outcomes, how they're established and how they're measured. And auditing that does not mean uniformity, as Cliff mentioned. You can still let it be driven by the institution.

When we think about regional accreditation in terms of what things weren't addressed that need to be, quite frankly I heard a great deal of that just a few minutes ago from Jamie with the notion of certain kinds of outcomes from institutions being gathered and utilized in this ranking framework.
Another area that the NACIQI role and operation might better serve quality assurance is to really strengthen this notion of balancing innovation and quality assurance. When we talk about this shift that just seems to be happening so quickly to competency-based learning opportunities, it means we're looking at a different framework of doing things. And I would suggest that it may be a venue in which we could look to the accrediting communities across the country to at least harmonize their language, which has come up before, their definitions, but I would also suggest some of the processes.

And I do want to acknowledge that I'm very aware of the different governance structures within the regionals. And that doesn't make things easy, but if we can take a new area and let them begin to try and harmonize on that, I think it would be much stronger. Thank you.

CHAIR PHILLIPS: Thank you very
much. I realize we're plowing through this very quickly. I hope you're keeping your notes and comments. We'll come back to you.

And next to Ben Miller, from the New America Foundation. Thank you for joining us.

MR. MILLER: Yes, thank you very much for having me.

I think that since the 2012 NACIQI report we have seen some positive changes, and I'll touch on those throughout my testimony, but I don't think they quite go far enough in that sort of we're still faced with the same couple basic problems here in the accreditation system, which is that on the consumer protection side it's not doing enough because it's essentially too difficult to move people sort of out of the financial aid system by taking away their accreditation.

But on the flip side it's sort of too difficult to get into the system in the first place, which means that it sort of
discourages innovative models either within an institution or sort of innovative providers and that it's all sort of occurring too much in a system that operates sort of out of public sight with not enough transparency.

So I want to touch on sort of three main kind of issues within the system and sort of provide some suggestions of where I think the NACIQI recommendations were good and also where it could go further. And those three are transparency, consistency and then a little bit of an out-there suggestion about ways to think about changing the incentive structure to better encourage quality around student learning.

So on transparency a common critique you hear from defenders of accreditation when accreditation is criticized is that the public doesn't really understand what accreditation does. And I think that's fair. It's an incredibly complicated process, but at the same time
it's very hard for the public to understand it when so much of its work sits behind closed doors. And so I thought NACIQI's recommendation in 2012 that there needs to be more transparency around the actual reports being produced is a very good one and I think it's heartening that some accreditors like WASC have taking the steps to actually start published those things.

But at the same time now if I'm a student attending a WASC school, I can see my accreditation report, or my school's accreditation report, but if I'm attending a nationally-accredited school down the street, I don't get to see anything. And that sort of is unfair to the students and it also means that sort of a lot of the work that goes on just sort of -- no one sees it, especially in the learning outcomes space.

And so as NACIQI sort of reviews accreditors and also thinks about proposals for future work, I strongly recommend you consider looking at the transparency
policies of accreditors and really ask sort
of why if WASC is comfortable published
these the others aren't comfortable going
down the same route.

Next is consistency. I think
that we're increasingly less in a world
where higher education varies a lot by
geography. And so what that means is that
sort of the way you're approved or what you
go through should start to look more similar
regardless of where you're located. I think
this is especially important because we have
seen some schools do things like
accreditation shop where basically they get
sort of a negative result from one
accreditor and they turn around and try to
find another one that might be more lax.

And here I think that again
there's been important first steps here. I
think the work by the Council for the
Regional Accrediting Commissions on trying
to put some common definitions around what
various things like warning and show cause
mean is very important. I strongly urge NACIQI to try to talk to the national accreditors to get them to do something as well.

I do think it's probably important that those are separate with regionals having their own set and nationals having their own, but at the same time if the definitions for sort of the outcome decisions are the same, that's only a partial step, because if the underlying standards and the way that the decisions get made about sort of what met a standard or what doesn't meet a standard vary a lot, then you've got a common outcome, but the way you get to that outcome can still be radically different.

And so I think it's very important that the accreditors really, again separate for regionals and nationals, start to come together and think more about how they can create greater consistency among their processes so that you know that when
someone's getting, say, a warning decision that what prompted it is also coming through a similar process.

But the sort of final part is that what I think makes a lot of this very difficult is that the current accreditation system is not set up to have an incentive structure that really rewards a strong focus on learning outcomes and quality. If I'm an institution and I'm just trying to get access to federal student aid, I can basically go to any accreditor I want and just try to get into the system. If I can get into the regionals, that's probably better for me because it helps with credit transfer, but essentially my access to federal student aid is binary. As long as someone will approve me, I get access to everything.

At the same time, if I'm an accreditor at the national level, being particularly tough on learning outcomes or quality, it could actually hurt my business
model because my revenue is tied to the institutions I accredit. And if I'm a regional, it's a very tough sell to schools to try to ask them to do more when they're faced with so much other burden in terms of what they're asked to report and what's going on. And so I think that what we need to think about is is there a way that we can change the incentive structure to really encourage accreditors and institutions to want to do more on learning outcomes, to be more transparent about this and to place a greater emphasis on it.

And so I would suggest sort of two ways you could think about this, and I recognize that both of them fairly different. One would be, much as there's a discussion about trying to tier the accreditation review process to reflect sort of different levels of risk, start to think about whether there should be different levels of accreditation for federal student
aid purposes.

Right now, again, once you're in the system you get the access to the same amount of aid, but if you're a school and we're really concerned about your learning outcomes, we should probably recognize that not all federal student aid benefits carry the same degree of risk. A loan for a program where a student's not going to learn anything is a far riskier investment than someone who's at a program where they know they're going to learn something. And so you could think about starting to create a system that allows accreditors to offer different levels of accreditation with respect to federal student aid.

The alternative would be to actually treat accreditors differently and recognize and reward the ones that really do want to place an emphasis on learning outcomes and quality. You could do this by trying to take away some of the things that Sally mentioned -- or I'm sorry, that Judith
mentioned as being particularly burdensome.

So if you had an accreditor that was really willing to focus on learning outcomes or quality, maybe they should get more flexibility to not be judged as much on some of the less-important things, or maybe they should have the ability to approve colleges for longer, or do other things that really represent a trade that encourage the accreditor to go down that road and also would reward institutions and make it worth their while to also want to do that additional work.

So I know that's a lot to take in, so I'll stop there.

CHAIR PHILLIPS: Thank you very much.

It's remarkable how short five to seven minutes is. I feel that any of our panelists could go on at much more length to our benefit. However, thank you for containing yourselves into the required time period.
Committee Members, questions that you have of the panelists or, panelists, questions that you have of each other.

DR. ADELMAN: If nobody else does, I'm going to address the argument between Judith and myself, which is not really an argument.

My point is this: look, folks, if you're concerned with learning outcomes, Judith says that even though you said nothing about it in your documents, which is my source of evidence --

DR. EATON: (Off microphone)

DR. ADELMAN: Wait a minute. Wait a minute. You're still doing it.

And my answer to that is what is so difficult about taking what you're actually doing and turning it into a stated explicit learning outcome standard in your accreditation document? There's no great effort there. If you're already doing it, tell people what it is that you expect students to learn in your program, period.
Don't use a proxy. Spell it out since
you're already doing it anyway. Big deal.

I'd also point out --

DR. EATON: Well, may I have
equal time?

(Laughter.)

CHAIR PHILLIPS: If you would
respond, and then I have Frank and Arthur.

DR. EATON: All right. First,
Cliff, you claim I've been ignoring you.
I'm going to invite you to the office and
we'll have a wonderful time sitting down and
going through accreditation standards --

DR. ADELMAN: I agree on that
one.

DR. EATON: -- and take a good
look -- well, you need some help. All
right?

(Laughter.)

DR. EATON: Second, I agree with
you on one point, and that is we can do a
better job with this. There's no question
about it. We can focus more intently. We
can be broader in the information that's available. A lot of what we do is professional work for professionals. We are hearing all around us in accreditation that accreditation has to be more helpful, useful to the general public and to students. And I think that transition is under way, but it also has a long way to go.

And I take Cliff's point earlier on, and you may be going here now, that the way in which we're describing student learning outcomes is something that he'd like to see changed in some way. I see what you're getting at there.

DR. JOHNSTONE: May I make a comment to that, too, to begin the reconciliation of these two?

(Laughter.)

DR. JOHNSTONE: I think if we take Cliff's perspective of a real focus on student learning outcomes, we then can look at Judith's comments and see how they complement that, because then we pull back
on other regulatory structures.

    DR. ADELMAN: Yes, absolutely.
Yes, agreed.

    CHAIR PHILLIPS: Thank you. I have Frank and Arthur.

    MR. WU: Just a question for Judith and also for the benefit not just of myself, but other folks at this table, including people who are new.

    I wonder if you could just give a very short description of what CHEA is, why you were founded, what you do and who you are.

    DR. EATON: All right. CHEA is a non-governmental institutional membership organization of degree-granting colleges and universities. We were established in 1996. Our purpose is to provide national coordination of accreditation. That involves working with the federal government on accreditation issues. It involves recognition of accrediting organizations, membership services, conferences, meetings,
research. And we now have an international arm working with colleagues around the world on international quality assurance issues.

CHAIR PHILLIPS: Thank you.

MR. WU: Thanks.

CHAIR PHILLIPS: Arthur?

MR. ROTHKOPF: Yes, we're sort of dealing with a lot of concepts here. Our paper, or the report of two years ago dealt with concept. Let me talk about a concrete case and ask any of you to comment on it.

I think at our last meeting it was, or the meeting before, we probably heard 40 witnesses from the City College of San Francisco come and tell us why they should not lose their accreditation. And then we took up the recognition of I think it's WASC, Jr. I never quite get the name right. And actually, I voted in favor of the continued recognition even though the 40 or 50 witnesses said they weren't really suitable to be an accredditor, but I thought it was good because, frankly, this was one
of the few cases where an accreditor stood up for saying there were standards there which they were applying. And I thought, fine, we're done with that.

Well, now I learn just from the press that the politicians have gotten in the act and have said, oh, no, you can't take away this accreditation of this great school. And so we've got to continue it.

And I see once again even two days ago that WASC is considering some new status to keep these people in business.

I guess the question is how do you get rid of an institution, which I know virtually nothing about, but which the accreditor said shouldn't continue and yet through their efforts, legal, political and otherwise, continue? So why are we here?

DR. EATON: Well, Art, I think the issue here with WASC, Jr. and City College of San Francisco is not -- first and foremost that is why an action was taken to terminate the institution, but the
institution's accreditation has not been terminated -- has far more to do with the political situation that you described, which has been ongoing both at the state and federal level for some time.

I think the answer lies in, are -- and it's not an isolated case. I can give you a number of other examples where there's been political intervention on behalf of institutions after an accreditor has taken an adverse action. We need something, some assistance either from within the higher ed community or the federal government that provides some kind of protection vis-á-vis the extent of this political influence and we simply don't have it. All right? We need to be looking at how to solve that problem. That is a separate issue from how you judge whether or not the accreditor took the appropriate action. I'm putting that aside and addressing the political dimension of this.

MR. ROTHKOPF: Okay.
CHAIR PHILLIPS: I have John and Simon.

DR. ETCHEMENDY: Yes, I'd just like to throw out a worry that -- and maybe somebody could address it. Maybe Cliff or Sally, in particular. And that is about whether we have any evidence that focus and attention on direct student learning outcomes and measuring these really improves an institution or improves a higher education institution. Let me try to explain where my worry is. I mean it seems so obvious, so obvious that we want students to be learning, and so why aren't we measuring directly what they're learning and making sure that that's actually happening?

Now, we have a very longstanding system of competency-based education, namely the GED, that has been in place since -- basically since World War II, and that's based on competency-based principles where you actually measure to see whether or not the students have a certain set of concepts.
And in fact, given that it's for high school, it's an area where we think we understand pretty well what the important student learning outcomes of high school are. They should know these sorts of algebraic knowledge, they should be able to write competently and so forth and so on. And we have a very good system. I mean, it's actually -- it's a pretty good test and it's well-graded and so forth and so on.

Now, that's been studied fairly extensively by Richard Heckman from the University of Chicago and it turns out that the outcomes of that system bear virtually no relation to the job outcomes, the workforce success and so forth and so on of the students. That is, students who get the GED equivalency look more like high school dropouts than like high school graduates, normal high school graduates.

So it seems like here's a case where it should be perfectly obvious what
the outcomes are that we should be looking at, because it's high school. It's fairly standardized and so forth and so on. We put in place a system that is pretty good at testing those and it doesn't do what it's supposed to do. It doesn't tell us that these kids or young people are actually getting the benefit that they would have gotten from graduating from high school, from staying in high school and completing it in the normal way. And that actually worries me because I don't think we have much information and data and actual research on whether that is useful.

Another sort of observation. Suppose we had a case where we had an institution that was measured very well if you measured directly the set of student learning outcomes that they say are important to them, but their students don't get jobs, they don't do well in the workforce, so forth and so on. Then would we feel good about that institution? Or conversely, if
we had an institution that didn't measure student learning outcomes or whose students did not perform particularly well on those measurements and yet the indirect measures were all very, very good, would we feel less good about that institution?

My view is probably not. I actually think that the indirect measures and the proxies are actually -- could be the most important things to measure and the things that we really should be focusing on. So that's just a musing.

DR. JOHNSTONE: I'll go first and then --

DR. ADELMAN: You go first. We're going to go back and forth.

DR. JOHNSTONE: -- Cliff can disagree with me.

There's a whole host of issues around a GED. It was designed to replicate those academic functions within high school to say, okay, you know algebra, you know how to write, you know how to do everything
else. And we know that the high school experience does a whole lot more than just have some academic framework.

Okay. We have a lot of other longstanding examples of competency-based frameworks in our higher education sector. Law is a great example. You have to pass a bar exam. It is determined by the state — it's not uniform, what has to be involved in it. Medicine, the same stuff. That's true now more and more and more in technology fields so that the private sector is actually saying this is what we need of someone who's going to call themselves an X, a computer engineer or whatever. So I think that there are different ways to think about just this notion of competency.

And I would suggest also that it is an enabling function to allow an institution to do a lot of things. I cannot disagree that if somebody scores well on a competency framework and then can't get employed -- then I would say that tells us
that what's going on in the way in which those competencies were determined was faulty. It was not giving the students what they needed. What I'm talking about when I talk about the strength of student learning outcomes, I'm basically saying the institution, the people in the institution, obviously the faculty, need to determine what it is that students need to master. And that could be different by fields. That's fine. But it has to be explicit. And I know that's what our accrediting system now is trying to do, but I also know that it's pretty weak, or I would argue it's pretty weak.

Once there is an explicit process for determining how we're going to define what a student needs to learn, and that can be institutionally specific, and quite frankly, departmentally specific, it doesn't matter, then there has to also be an explicit framework of determining how that's going to be measured. And it can take many,
many forms. We do this already in most of our high quality institutions, but I think what I'm arguing is we need to make it explicit so a student really understands what's going on, and it's more transparent to an employer or a grad school or whatever what that student has actually accomplished, not just based on, oh, it's a Stanford degree. I knew one of those once. Let's go for it. Or Cornell. Or whatever. Which is kind of where we are right now. And we can do better. And if we're going to open up educational experiences to a broader population within the country than have been able to afford it in the past, we're going to have to have ways of making that explicit.

And I would even argue some of our best institutions are not very good at this. And what students learning is how to navigate a very complex process, just as they would in high school instead of the GED.
DR. ETCHEMENDY: To which, Sally, I --

CHAIR PHILLIPS: Excuse me.

Being the clock watcher, I just want to give us an opportunity to respond. I know Cliff you want to respond and I still have Simon and Art on the docket, and Anne. So just be mindful. Thank you.

DR. ETCHEMENDY: I was just going to say that I understand what you're asking, that you're asking that these be made explicit and then somehow or other measured. And I'm actually asking a much more radical question about whether -- first of all, whether they can all be made explicit or even nearly all be made explicit.

And secondly, whether -- and here's the radical part, whether it might actually be harmful to the education system to attempt to make them explicit and focus on them. I mean, this gets back to the worry that many people have about teaching to the test, right? So you make something
explicit. You say here's explicitly what we're looking for. And that can actually be harmful to the educational system.

DR. JOHNSTONE: Are you advocating we get rid of syllabi?

(Laughter.)

DR. JOHNSTONE: That was a joke.

I'm sorry.

DR. ADELMAN: Okay. This is an a-ha moment, maybe some learning. There is something in this world called tuning. Tuning is a faculty-driven project within each discipline that seeks to develop a common template of reference points in the discipline. It started in Europe, went to Latin America. It started in Europe in 2000. Went to Latin America in 2005. Came to the U.S. in 2009. It's in Japan now, Australia, China, Africa and Central Asia. So it's something going on here. It's faculty-driven.

Now does this mean in a business; I'll illustrate it in business, that if --
in the European group if we all sat together around a table, representatives from 15 countries speaking 11 languages, agreed that the core of a -- one of the reference points in any business curriculum is the notion of a firm. Not only a firm, but what a firm is, which we agree is a value chain from procurement to customer service. It has different variations.

Does that mean that the way I teach this at the University of Freiburg in Germany is the same as the way I deliver this at the University of Coimbra in Portugal? No deal. But we're singing in the same key. We're not necessarily singing the same song. And then we go to the next part of your critique. Does that mean we use a standardized test? Hell no. That means that we learn how to write assignments that match the -- you're going to call them competencies and the degree qualification profile dropped that word. We're talking about proficiencies. The phrasing of the
proficiencies would act the verbs that lead
naturally to the better assignments the
faculty give.

Let me give you an example of an
assignment. You want to an a-ha moment. We
have a proficiency -- I give you one in my
paper anyway, but I'll do another one fast
because you'll say, ah, that's what they're
talking about -- about quantitative
literacy, which everybody says that they
want to do. Here's a map of England. You
are flying a certain aircraft, a Hunter
Tornado, or something. Here are all of its
specifications in terms of how much fuel it
burns in different maneuvers. Here are
three air fields. Here's an Intruder.
Here's a refueling aircraft. Your
assignment's -- 3:00, the weather is closing
-- intercept the Intruder coming in from the
northeast, destroy the Intruder, tell me
which air field you're going to land at, at
what hour, how much fuel you're going to
have left and write the algorithms out.
That is a real ad in the London Sunday Times recruiting for the Royal Air Force. We turned it into a type of assignment that would satisfy or -- not satisfy, but that was a logical extension of the way quantitative literacy was phrased in the degree qualifications profile. And it was really the requirement, write out the algorithms for each step of that that made it that way. So you see what we mean by -- the DQP is loaded with those things. And Sally knows this from working with Western Governors. Of course they don't make it public, but that's okay. They do it. They do it. Which is to say that here are what they call competencies. Here are the assignments, which elicit the student behavior that allows you as a faculty member to judge it. Does not pass it over to a third party standardized test at all. And that's the point of DQP. Bye.

CHAIR PHILLIPS: Thank you. I want to move along to make sure that other
people have an opportunity to speak. I have
Simon, Art and Anne.

MR. BOEHME: Thank you, Madam Chairwoman.

Affordability is one of the most important issues in higher education right now. We throw around this $2 trillion worth of debt, or how much it ever is, and access for low-income to middle-income earners is very important to me and I think many members of this body, and obviously to the administration and people across the country. I did not hear it much in any four of your guys' presentations. And so I'd like Ben or Judith to comment on this. And we are in an advisory body, but you guys are here to advise us. So I want to hear your comments about where you see affordability fitting within the broader picture, specifically what NACIQI can do and just your general take on accreditation and affordability.

MR. MILLER: So I think one thing
on affordability is part of it is like the
dollar level, but it's also sort of what are
you buying with your money? And right now
it's very easy to know the dollar level,
unless you're looking at some colleges that
try to even hide that, but it's much harder
to know what you're actually buying with
your money. And so if you want to have any
sort of consumer pressure on sort of
affordability and keeping things more
reasonable, you need some way for people to
know that what they're buying is of any
value.

And I think that's where you have
to start with some greater transparency on
the learning outcome so at least you can
know, okay, maybe this one's actually more
expensive, but I'm going to learn a lot
more, so it's worth it. Or this one's
40,000; this one's 20,000. The $20,000 one
you learn even more, so I shouldn't even
look at that one. Because right now there's
so much less of a sense about what you're
buying that instead -- like reputation dominates, and other colleges know that. And reputation is much more expensive to build than high quality learning. And so I think that's like sort of where it has to start.

If you go beyond that, then you have to start thinking about sort of what other models are there that you could encourage that would sort of reduce the cost of the education, and that's a lot tougher. And that gets into things like sort of how do you use hybrid learning well, how do you consider credit for prior learning or other things like that that can sort of speed time to degree and things like that.

DR. EATON: The federal recognition standard that addresses this talks about fiscal and administrative sustainability, stability in an organization. If we want to go beyond that, and I question whether you would want to go beyond that, as part of the purview of
accreditation, what do we want to know? The theory on which all of this built of course is that you're turning to accreditation as a reliable authority on educational quality because you want the money to buy educational quality. That to me does not take me to the accreditor is responsible for determining the cost-benefit ratio of the education of a college or university.

So I don't know what you want accreditation to do. I'm posing it as a question. With regard to the affordability issue there are so many variables that tie into that and when you're asking an authority on educational quality to address affordability, what are we asking them to do or what should we ask them to do beyond what is currently required by the federal recognition standard we have? And that is a genuine question. I don't have an answer to it.

But I get nervous with the affordability questions. I think that one
of the problems out there for us, a challenge for us to meet is we're increasingly defining the value of higher education in terms of affordability or defining quality as affordability. That's not a comfortable place I think for us to be. I worry about that.

MR. BOEHME: I actually can suggest sort of one thing to consider there, which is the credentialing, because I think -- I mean, there's sort of affordability for the bachelor's degree, which is concern over price, but then at the lower end you've got sort of the creation of a number of especially certificate programs that really even, frankly, if people learn something, it's got no payoff because it's not a regulated profession or there's sort of no reason to really be offering it.

And I think accreditation could do a lot more that when these schools expand at a very high rate of speed, start offering credentials that are sort of different from
what they have been offering or expanding into new areas, actually being a lot tougher about what gets added there. And that would at least fix affordability sort of on the lower end.

DR. EATON: All right. And accreditors do look at what is added, but it is not -- they're looking at it from the perspective of does an institution have a capacity, all right, among a number of other things.

I take your point. I think learning pays off no matter what. Now, I have a bachelor's degree in philosophy a thousand years ago and couldn't get a job for a while, so I understand what you're talking about. But nonetheless, I worry greatly about defining the worth of education solely in financial terms and I worry about expanding the role of accreditation to judge their financial effectiveness, the cost-benefit ratio of colleges and universities. Maybe we need to
do that. I'm not sure accreditation needs to do it.

CHAIR PHILLIPS: Thank you. I have Art and Anne.

VICE-CHAIR KEISER: Yes, I'm going to follow up on that kind of line of questioning, because you take the outcomes -- you know, defining outcomes. Then you take affordability. And then the next term becomes return on investment, which seems to be catching on in a lot of different areas. And it concerns me and I'm curious how you feel that accreditation is going to be able to deal with return on investment. I know the government has certainly jumped in the involvement in that discussion, whether it be called gainful employment or any other discussion that you want to have. How does accreditation -- can accreditation deal with this, especially in the post-graduate situation that that implies?

DR. JOHNSTONE: In a lot of ways I have to absolutely agree with Judith on
this. I'm not sure it's the role of accreditation to go to an ROI. It's important for students perhaps to begin to understand that, particularly the post-graduate level, but I'm not sure that we want to put that burden on accreditation.

VICE-CHAIR KEISER: Well, but if you are the -- your job is to define the quality, and that's operating in a vacuum, it's going to be hard to explain to the public that, well, these are great institutions, but nobody can get a job or the education has no value, intrinsic value. So how do you deal with that?

DR. JOHNSTONE: Well, I think it goes back to something that John brought up a few minutes ago. So if we have just a competency-based program, but people go through that, they get their qualification, whatever it is, but they can't get a job, it points back to there are some problems. And that implies that you can't look solely at learning outcomes, which I didn't say, but I
think it's part of what you were saying, and
you've got to look at these secondary
activities. And it's my sense that that's
what the Department is talking about when
they begin to talk about a rating system.

MR. BOEHME: I think the concept
of sort of gradations of ROI is hard, but
you could at the very least sort of look at
something and ask yourself on its face does
this look like it's destined for disaster.
Is it something that's three times the
length of what it should be? Is it inflated
in credit hours? Is it something the school
would sort of know doesn't fit within the
school's traditional mission? Is it going
to be in an area where it's going to create
an over-supply so that graduates likely
aren't going to get jobs? Is it priced such
that you know that people, best case
scenario, are looking at essentially
subsistence-level wages? You could ask all
of those questions at least and do some more
to sort of check on the front end.
VICE-CHAIR KEISER: Well, in some respects that's nice and easy to say, but who wants to make those judgments when the diversity of the institutions, the diversity of missions, the type of students, the type of education that you're providing all play factors into those discussions? So I asked the question because it concerns me greatly that that's what seems to be where the conversation is going. And I agree with Judith it's not where we need to be, but I'm afraid we may not be moving as quickly as the public.

DR. ADELMAN: Quick, fast on --

CHAIR PHILLIPS: Judith, the very last card.

DR. ADELMAN: -- this one. Very, very fast on this one. I don't think it has any place in the accreditation universe at all mostly because -- well, no, in addition because more than half our students attend more than one institution. It's very difficult if you look at the institutions in
your own family to figure out who is going
to -- which institution was responsible for
what -- and actually it's not the
institution. It's the student and the
individual who is ultimately responsible.
So stay away from it. Bye.

CHAIR PHILLIPS: Judith, last
call and then we're going to go onto to
Anne.

DR. EATON: Yes, I said earlier
we need to take a fresh look at all this.
This conversation leads me to wonder, are we
really fundamentally redefining the role of
accreditation and expectations. Is that
where we want to go? Accreditation is about
affordability. Accreditation is about
grinding out certificates and degrees.
Accreditation is about return on investment.
Accreditation is about earnings.

I'm asking. Is that where we
want to go? Then we have to take an even
bigger step backward and look at that big
picture and what do we mean when we say an
institution is accredited when that 
accreditor is federally recognized? I'm not 
saying go there. I'm not saying not go 
there. You all know me well enough, most of 
you, that I don't want to go there. All 
right.

But nonetheless, that's where we 
are. We're at a point where we can't just 
tweak regulations or change a few things. 
The heart and soul of accreditation as we 
have known it is at stake here and the 
people in this room know more about changing 
that than anybody else around. So we need 
to be very, very careful and thoughtful with 
regard to how we proceed and we're really 
looking to the role that this body plays in 
leading us with regard to this.

CHAIR PHILLIPS: Thank you, 
Judith. Anne, and then I'm going to reserve 
the last question for me.

MS. NEAL: Just quickly.

Obviously we were here in 2012 and you all 
are here helping us now to decide what has
changed or what has gotten better and
whether or not we should change our position
that we had back in 2012. And I guess as I
listen to you, and particularly Cliff and
Peter, who's not here, what I hear you
saying is that the accreditors are not
looking at educational quality, they're not
looking at outcomes, they're not even
looking at proxies of outcomes. And so I'm
left to believe that we have no greater
assurance that accreditors are doing a good
job of ensuring educational quality and
protecting the taxpayer dollars than we were
back in 2012.

And as I listen to you, what I
keep hearing is that there's a fundamental
inability to agree as to what is quality.
And that's understandable. I think that's
why accreditation was a resource-based
exercise. It used to be how many books did
you have, how many buildings did you have.
That's much easier to count and it's much
easier to agree to that's a definition of
something.

So I'm then forced to ask myself, well, if you can't agree on what quality is and it's not particularly transparent, what are accreditors doing? And I come back to what I continue to be deeply concerned about, which is intruding in areas that are not peer review. Peer review is educational quality, looking at that. But I'm hearing you're not doing that peer review exercise.

So I'm fearful that what is happening is that you're looking into management, you're looking into governance, whether it's the Community College of San Francisco, UVA, Tiffin, you name it. If you look at those recent exercises, we've got accreditors that are basically second-guessing management, second-guessing governance and not necessarily focusing at all on educational quality, which is what I thought we wanted from the peer review process.

So I am left with continuing deep
concerns particularly as I see this focus outside the educational area harming innovation and harming entities that are dealing with a very rapidly changing higher ed landscape and who are finding this so-called peer review process getting in their way of change.

DR. ADELMAN: Can I ask a question to follow up on that fast? Do you know anybody who's done -- I mean, I read all these documents, and when -- you could also read these documents and classify statements into default categories of topic, like financial management, or staffing, or whatever it is. Is there anybody that's done any research that you know that's looked across all of the -- or a huge majority of accreditation statements by regional, national, specialized in terms of the types of default statements that are made? If there isn't, then maybe it's time that somebody do it just as a background tapestry for any future considerations.
That's all.

CHAIR PHILLIPS: Thank you. Last question. This one is for Ben. You had mentioned some options about incentivizing doing more about sorting learning outcomes by offering gradations or different varieties of standing relative to access to Title IV funding, but also relative to accreditor status. Could you say a little bit more about the latter, the gradations among accreditors?

MR. MILLER: Sure. I mean, I think if you wanted to encourage accreditors to focus more on learning and outcomes, you need a way to sort of empower them to make the value proposition to a college that it's worth it for them to engage in the extra work that that's going to entail. And you also need a way to sort of make a value proposition to the accreditor itself that it's worth its while to pursue something like that.

So I think you could do something
like say to accreditors right now we look at -- I don't know what the number of things you look at for an accreditation, like 90-something, 100-something. And you could maybe say if you're going to really go deeper on the learning outcomes and the quality, we're going to presume compliance with, say, 85 of those things and we're really just going to look at how well you're enforcing this narrower, more targeted set of things.

I'm not 100 percent sure that's within your sort of purview, but that would be sort of the most basic way to do it, is just assume compliance of some of the things that we all recognize are kind of silly and then focus more on the things we really care about, but really say you're going to be more rigorous on it.

The one that's probably a little bit tougher or sort of the next step down would be to start saying things like, we will sort of give you additional benefits if
these are things you're willing to do. So that would probably mean something like giving them the flexibility to offer say a longer approval period to some colleges. So if they are going to really focus more on outcomes, say to them if you're going to designate someone as sort of a high outcomes performer, maybe you can approve them for 15 years instead of 10, or something like that, so that they can actually offer that trade to the school. Because ultimately they're going to have to sell the school on wanting to continue with its accreditation, unless I guess if it's a regional.

But so I think you could sort of thing about -- the most logical ones would be sort of longer period of review, maybe the need for the school itself and the self-study to also waive some of the things you'll assume compliance on. You could maybe think about if there's other reporting requirements out there that you could sort of just say we're going to assume it's a
good job. I think there's probably not enough flexibility you could offer to change any terms on federal aid access or anything like that, but that's where you'd sort of start.

CHAIR PHILLIPS: Okay. Thank you very much.

I'm working on a timeline that keeps us with about the same number of minutes per panel, but it's shifted back for about a half an hour. That means that our next panel would begin in 10 minutes. Again a quick break to shift.

I wanted to thank you, panelists. You've promoted a lot of really interesting wheel-turning on this side of the table, I'm sure. We really appreciate your sharing information and perspective with us. We hope that you'll continue to do that.

I'd like to call a 10-minute break. We'll switch, and our next panel coming up will be the perspective of institutions. That panel will include Terry
Hartle, American Council on Education; Peter McPherson, Association of Public and Land Grant Universities; George Pry, Association of Private Sector Colleges and Universities; and Susan Hattan, the National Association of Independent College and Universities.

So, 3:30 we're back on.

(Whereupon, the above-entitled matter went off the record at 3:21 p.m. and resumed at 3:30 p.m.)

CHAIR PHILLIPS: Welcome back. These 10-minute breaks are clearly five minutes too short. I apologize for that. We're trying to pack in a lot of ideas and thinking and talking in a very short amount of time.

PANEL B: PERSPECTIVES OF INSTITUTIONS

A final panel for today is the perspective of institutions. We've invited
four perspectives to be offered today, and
we'll go in the order on the agenda. That
includes Terry Hartle, American Council on
Education; Peter McPherson, Association of
Public and Land Grant Universities; George
Pry, Association of Private Sector Colleges
and Universities; and Susan Hattan, National
Association of Independent College and
Universities.

We'll follow the same procedure
as before. We've asked each of the
panelists to speak for five to seven
minutes. Fair warning, you'll get a little
blip at five, and then you'll get another
blip at seven. I realize it's very
difficult to contain magnificent thoughts
into that period of time, but we ask your
indulgence.

We're going to ask each of the
speakers to speak their turn, hold our
questions until the end, and then open it up
for question and answer for the remainder of
the agenda time.
So with that, I will turn over the microphone to -- first up is Terry Hartle, American Council on Education. Terry?

DR. HARTLE: Thank you very much, Madam Chairman. I appreciate the opportunity to be here and to talk with you about issues related to reauthorization of the Higher Education Act and NACIQI's earlier paper about ideas for the reauthorization of HEA.

At the outset I think it's important to note that the Department of Education has two central roles to play with respect to institutional eligibility to participate in federal student aid programs. First, the Department is to ensure through the recognition process that accreditation achieves its statutory purpose of being a reliable authority regarding the quality of education offered by a college or university. And second, the Department is charged with ensuring that institutions are
financially and administratively strong enough to administer the student aid programs and to guarantee that fraud is not taking place.

I think from the perspective of the college and university officials I talked to, the Department of Education has in the last six years since the last reauthorization become increasingly -- the Department has increasingly come to treat accreditors as an extension of the Department. That is to say we believe they're micro-managing accreditors and often inserting themselves into the determinations of academic quality.

Second, we think the Department of Education's process on financial responsibility is flawed. The Department doesn't seem to be following its own regulations on a determination of financial responsibility. Ironically, I know of no school that has been shut down or closed because it failed to meet the Department of
Education's financial responsibility standards, and I know of no school that closed because of financial problems was ever on the Department of Education's financial responsibility watch list.

So I think the Department needs to revisit that. I realize that's not a particular area of concern for this Committee, but since the secretary asked you for your advice, I would call that part of the Department's responsibility to your attention.

Looking at your recommendations, a couple of observations. First, Recommendations 9 and 10 suggest a need for expedited review and systems for varied levels and duration of accreditation review. We strongly support these recommendations. One of the problems here is the creditor is not entirely sure whether they're allowed to do this under current legislation and regulatory authority, but we would strongly support giving accreditors clear and
unambiguous authority to design and implement such systems providing for expedited review.

Second point, Recommendation 12 in your document calls for streamlining the accreditation statute and regulations to make them, quote, "less intrusive, prescriptive, costly and granular while maintaining essential quality controls." We strongly support this recommendation. The number of fairly prescriptive requirements that accreditors are responsible for enforcing grows ever longer.

My favorite, at least my favorite for today is that accreditors under sub-regulatory guidance from the Department are required to review an institution's compliance with local fire codes. Accreditors don't know much about fire codes. Local fire marshals do and they tend to close places down that are in violation of fire codes. But I think this is one of those areas where the accreditors don't
necessarily need to be doing things.

Accreditors are also responsible for examining the institution's record of compliance with Title IV requirements. Most accreditors don't have the expertise to look at the very complicated and detailed Title IV student aid requirements of the Department of Education.

And finally, the Department has elected to impose a credit hour definition on all of higher education. Accreditors are responsible to see if schools are conforming to the federal definition. We think this is another area where the Department has done things that they did not need to do and should not have done without explicit statutory authority.

The third point, your document has a number of recommendations, basically Nos. 13 through 21, on the need for better data for accountability and consumer information purposes. I think the question here that we need to ask ourselves is how
much information is too much information?

We are required right now to give
students, the public, potential students,
parents a truck load of information. And I
think we give them so much information that
few people pay attention to what we are
giving them. We often seem to believe that
giving unlimited information to people is a
good idea. In fact, we think it probably
diverts their attention from the core things
that we might want them to know and
understand about an institution.

Mind you, we can do it. I think
it's just a question of whether it's worth
the cost and whether it's counterproductive
to what it is we are trying to accomplish.
We support the recommendation for
communication and information sharing among
the Triad, assuming that the data are
reliable and useful.

Finally, the report says you want
to ensure that NACIQI adds value to the
recognition process, quote, "exercising
independent judgment and addressing significant priority issues," end quote.

We are not sure that NACIQI has the ability to exercise truly independent judgment because you are totally reliant on the Department of Education staff for your body. We think it might be very desirable to think about a model like the Advisory Committee on Student Financial Assistance, which is part of the Department of Education, but has autonomy from the Department to hire its own staff and to decide how best to carry out its missions.

Finally, it says that you would like NACIQI to play a role in system review, monitoring, dialogue and exchange and policy recommendations to advise the secretary. This role could include developing standards to meet changing realities in education, identifying needed flexibility in accreditation standards and assessing system-wide outcomes and consistency.

I think there will be some
discomfort with the idea of NACIQI defining accreditation standards further, particularly as I just noted, because we don't really see NACIQI as an independent body. We see it totally as a creature of the Department of Education. We think NACIQI has a very key role to play and we would like it to be independent as they play it.

Two comments on the recommendations to the NACIQI report by Anne Neal and Art Rothkopf. They recommend breaking the accreditor monopoly and the current regional accreditation structure. I think the idea of allowing accrediting agencies to consider going to other accrediting agencies is a good one and one that merits some attention. I think the risk here is that you will see agency institutions that get in trouble with an accreditor shopping for a better offer from another agency.

So it would be very important to
make sure that if you allow institutions to move from one accreditor to another that they don't do it because they're about to be placed on warning or notice or have negative action taken against them by an accreditor. That was a problem in the past. It was one reason why Congress prevented institutions from moving from one accreditor to another. Stop at this point. Thank you very much.

CHAIR PHILLIPS: Thank you very much, Terry.

Our second speaker is Pete McPherson, Association of Public and Land Grant Universities.

MR. McPHERSON: Good afternoon and thank you for having me here. Let me make a few critical points.

One is Mr. Hartle was discussing differential accreditation or other descriptions such as that. We strongly endorse that. As a manager of various things, I don't really understand why you spend huge resources on an effort that you
don't expect to have any substantial impact on. I know as far as Michigan State, when I was there, the accreditation process, we calculated it would cost us about $1 million to undertake it. I think figures like that are broadly the case for the big publics and big privates and other figures, but important figures for smaller schools as well.

Next, since this 2012 report has been written, was written the reciprocity proposal for states on distance education, the SARA effort, has gone astonishingly well. We started actually a couple of years ago and it got going. Then Secretary Riley chaired the commission. The report was out. There are -- now SARA is an institution going concern with the resources to do it. Six states have already agreed to undertake this reciprocity. The staff of SARA is expecting about 20 states before the end of this year. Often it takes a change of law. So it's no little thing. As a lawyer I've
been involved in various uniform law procedures, and this by traditional standards is going extremely well. It wasn't in your old report because it wasn't there in going. I hope you can now pick it up in this one.

Next since I've been studying accreditation now for some time, particularly since I've been in Washington, I am struck at how often people in Washington seem to think of accreditors as enforcers, and I don't think they're equipped to do this. The work load difference between the Department of Education, now perhaps the Consumer Financial Protection Bureau at the Fed -- those are the people with the general counsel's office with subpoena power, investigatory authority to really undertake a big chunk of this responsibility. And if there's anything I'd like to see changed -- I mean, there are lots of things, of course, but I really think you need to have
accreditors be responsible for traditional functions, if you will, and look to those with true enforcement powers to go after a bunch of things.

Now this feeds into my view. APLU has in fact proposed an alternative plan, if you will, to President Obama's ranking system where it's much simpler, but one of the key components is to beef up the institutional eligibility provisions in the law to include certain things and essentially look to the Department for some key enforcement functions. We know there's a bunch of problems. Accreditors, again, I don't think structurally have the capacity to do this and I think in Washington that often isn't recognized, and I appreciate this Committee might think about it in I believe a stronger way.

Next, I concur that often we're asked for just too much data, individual institutions, and we need to sort out what we really need. That's IPEDS, it's the
accreditation process, etcetera. But I do think there is some information which needs to be approved or obtained. Clearly when you do an accreditation there ought to be some awareness of default rates which are now available. I'm not sure they're always looked at in the accreditation process, but they're an indication.

I think many of you are aware of satisfactory -- of the student achievement measurement, SAM, which six associations here in Washington have worked out together, which is a much more complete measurement of graduation rates, of completion rates than the IPEDS data. It shows essential -- the key differences. It includes transfer students in and out. If you haven't looked at SAM on your Web site that you can easily look at, almost 500 institutions overwhelmingly public at this juncture, some 87 percent of APLU members have signed up. But I think it's free. Everybody has some data that's missing that make the picture
more complete, and it seems to me that's the kind information that accreditors are wanting to look at. I call to your attention and you may wish to call to the next edition of your report.

I also think, and this will be -- to go to what everyone would agree to to something a bit more controversial. I don't really -- I think it's very important when you look at a school to know what the employment rates are of your graduates. I don't think about -- I know income is a problem for all kinds of reasons, but employment is certainly something immediate perhaps and five years out or something that indicates is important information for you to know, for a school to know for its own drive. Now that would take a unit record. You can't do it state by state. Some scaled back, something focused unit record. As I say, a bit more controversial, but APLU has long supported the unit record.

Those are my comments. I'm going
to give you a couple of minutes, so that gives me a chance to answer more questions.

CHAIR PHILLIPS: Thank you very much, Peter.

Our next speaker is George Pry, Association of Private Sector Colleges and Universities.

MR. PRY: Thank you for allowing me to be here today representing APSCU.

I'm going to give really an institution's perspective as we look at this through, and I'm going to give you just a quick 10-second background on my own self. I've been either chair or executive committee of two national accrediting commissions. I've served on three different state boards over the last 25 years on and off and I've taken three national accredited institutions to regional status: Northwest, SACS, and Middle States. So I have a fairly decent understanding of the Triad.

In this long history of experience I have understood the
responsibilities of each of these members. And as we all know, American higher education is extremely complex, diverse and robust. It is my firm belief that oversight cannot be simplified with so many types of programs and degrees leading to expectations for graduate outcomes of every type of student and demographic. While we face a whole lot of challenges, it is still the best solution. It provides balance, quality assurance and outward affirmation to the public when all three members of the Triad do their part.

Obviously, I am extremely in favor of the accreditation process. It has a rigorous objective peer review process and it provides institutions the ability to look at accreditation that is responsible for the type of programs and missions that they may have and is still the best cost-effective solution in evaluating overall the quality of education.

To suggest that one size can fit
all is a dismal trivialization and fails to meet the needs of today's challenges and I believe would be the direction taken if we would choose a different gateway to financial aid. We believe that moving to a federal system of oversight will damage and diminish the rich complexities, histories and diversity of our education system.

In their current form national and regional accreditation affords for healthy and rigorous peer review and really advances the institution standards. Today every institution should have a choice. Accreditation, after all, is a self-directed opportunity and an institution must make the appropriate selection depending on their mission.

This choice should also include choosing any regional accreditor regardless of geographic location. In addition, without those geographic boundaries we should begin to benefit from specialization that may come from each of the current
regional accrediting bodies that typically arise when healthy competition enters into the mix.

Across all accreditors graduate outcomes are the single most universal and critical focus. Now is the time to unite, evaluate and determine what those outcomes should be. Regional accreditors, and this is an extreme generalization, suggest that we teach students to learn as its top priorities. National seems to focus on the students entering the work force as its ultimate focus. Regardless of governance, an institution's programs must have different expectations of success and different ways to define what is considered graduate success.

I contend that career readiness and cost of education must be a shared concern across every type of university, college and school and across all accreditors. In turn, institutional effectiveness, the evaluation of the
learning process and the ability of the graduate to become an ultimate learner is desperately needed with the rapid growth of knowledge in our fields and should be paramount regardless of accreditor.

The outcomes that prove to be our greatest concern are as follows in my opinion: Every institution must consider retaining students through the length of the program. Every institution must consider how many students are graduating from their programs in what is considered a timely rate of graduation for its own population. All institutions must consider what it means to be successful once they leave their institution and how that is measured. Hand in hand with what is being considered a successful graduate all institutions must be measured on their students' ability to pay back for their education through student debt, or for that matter their own investment in education. All institutions must measure institutional quality and its
teaching effectiveness. And last, affordability of the college endeavor is in serious question and must be addressed by all.

To achieve our goals I strongly believe that members of the Triad must become transparent and unified. Students must know what they can expect when they invest in an institution and depend on the seal of approval granted by its accreditation.

I need to make two other points here. The other two members of the Triad must do their part and we cannot continue to expect the accreditor to act as an arm for USDE to do their part. As you look at the changes being made today by many accrediting bodies, more seems to be done to collect information and oversee those areas belonging to the government and to really look at the quality of education, which is their primary task. We have to find ways to achieve universal accountability and
reciprocity between states.

I used to track requirements across 37 different states and understand first hand how different expectations can be. Some have a plethora of regulation and others very few. They must bring to the table the consumer protection and also educational quality of this relationship. And while it can overlap, it is not the sole responsibility of the accreditor, nor pushed on the accreditor because we can. It won't be easy, I know that, but it can work and our students deserve it. Thanks.

CHAIR PHILLIPS: Thank you very much.

Our last panelist is Susan Hattan, National Association of Independent Colleges and Universities. Susan?

MS. HATTAN: Okay. I really appreciate having the opportunity to speak on behalf of NAICU today as you consider your revised recommendations to the secretary on accreditation provisions.
A strong accreditation system is vitally important to the nearly 1,000 private and non-profit institutions that comprise the NAICU membership. We see its effective operation as maintaining both the quality and the diversity of American higher education.

Fundamentally I guess to start with we would say that accreditation is a very dynamic process and one that we believe works. NAICU member presidents have discussed this on numerous occasions and I will say no one has ever argued it's a perfect process and there are lots of complaints, but at the same time the clear message is that it is a viable system and that it continues to get better.

It has very much obviously grown out of academia and the way in which quality can be assessed is kind of a no-holds-barred peer review process, and that essentially is what this process provides.
It also works because of its mission-based focus. The reason that a diverse array of higher educational opportunities are available in this country is due to that focus of our accreditation system. This diversity permits students to find their best fit institutions and maintains the vitality of our system of higher education. I think other means of external review, particularly if conducted by a government entity, really can't match this level of flexibility. It also works best when it basically focuses on quality assurance, which is what it is intended to do. Obviously accreditation started as an academic endeavor. It's been borrowed by the federal government, but that doesn't change its fundamental focus. And one of the big problems, and I know I'll sound like an echo chamber here, but that mission creep is really becoming an important and serious problem in the area of accreditation. There is a constantly
growing list of federal legal requirements that accreditors are expected to see that institutions are meeting. Time that really should be spent on the fundamental quality assurance functions has been used to check on an institution's compliance with federal Title IV requirements. This is a function that is more appropriately handled by federal officials.

I know Terry mentioned this, but one of the more concerning recent examples is the development by regulation of a federal definition of a credit hour and the assignment of the enforcement of that definition to the accreditors. And it's not just an issue of writing the enforcement responsibilities into the regulation, but also the prescriptiveness of the requirements the accreditors are expected to meet.

There is a real need to avoid having accreditation become a check-the-box compliance activity. It's really not about
the granular view of institutional compliance that was addressed in your recommendation No. 12. The review of institutional quality is not a focus on a list of narrow requirements, and reviews of accreditors shouldn't be either. All too often a holistic view of accreditor's performance seems to get lost in a sea of what seem to be minor procedural infractions.

The reviews; and I've sat through a lot of the deliberations of this group, and you get the impression that one needs to score 100 percent on the exam in order to pass -- and so if there is a provision in law or regulation that demands this level of compliance, particularly with the very lengthy list of boxes that gets checked here, I really think it should be modified. I've looked for it myself. I haven't found it, but I would certainly be happy to help in the hunt.

And finally, I think it's also
been mentioned that there is a need for better public understanding of what accreditation does and how institutions demonstrate their quality. It's not well understood by either the public or policy makers and I think, although it is incredibly difficult to explain, efforts to do so should continue.

I don't know that publishing accreditation reports per se is going to do the trick, though obviously know there's a lot of interest in that. As I've discussed with this group before, NAICU's view is that a general disclosure of accreditation reports and the like will substantially change the nature of the process and undermine the frankness and candor that helps make it successful.

We really think that a more productive approach for addressing questions of consumer information would be to develop a tool that kind of helps the college selection process, more comprehensive and
more responsive to interests and priorities of an individual student and his or her family. This kind of resource would basically tell students what they want to know. It would be of some size, but short enough to be digestible. It would include both quantitative and qualitative information about an institution, and then it would utilize some of the volumes and volumes of data that's already collected by the Department of Education.

Our organization has a document known as U-CAN that some may be familiar with which follows this model and was developed out of a focus group process. We're not tied to that, but we do think it's effective in terms of the combination of information that it provides to students and their families.

In closing, again thank you for this opportunity. And I'd also like actually to express my appreciation to all of you who -- it's not just today, but you
spend an awful lot of time mastering the intricacies of all this, and I can only salute that.

CHAIR PHILLIPS: Thank you very much. Committee, it's your turn. Questions that you have. I have Brit, Arthur and Frank.

DR. KIRWAN: Yes, I have sort of a two-part question for you. First of all, I wonder from your perspective if you feel that significant reform in the accreditation process is possible. That is to say, you've got so many players in this. Obviously Department of Education. You've got Congress. You've got people who feel we need to have more rigid definitions of quality. You've got groups who feel maybe we're going too far in that way, etcetera, etcetera.

And with all of these different deeply felt and deeply in conflict views, and given what would have to be -- who would have to come on board to reform the process,
is it possible in your view? And I'm sort of reminded of that great -- I think it's Winston Churchill who said, "Democracy is the worst form of government except for all the others." I mean, is it possible that we have the worst form of accreditation except for anything we could come up with that would get approval? So that's one thought I have and I'd be interested in your observations about that.

Secondly, I just chaired the accreditation visit for an AAU institution, and they produced a 300-page report. And they had 250 faculty and staff involved in developing this report. Cost them over a million dollars. Since I'm on NACIQI I asked them to keep account of what it cost. And then I asked the Middle States folks what would have actually been required in order to be reaccredited, and they said, well, probably 30 pages. So is there a sense in which higher education is its own worst enemy?
Now this institution felt very good. They got all these people involved, they produced lots of reports, they think they're good planning documents for the future, etcetera, etcetera, etcetera. So are the complaints we hear from higher education really because we self-inflict a more onerous process on ourselves than is actually required?


MR. McPHERSON: I think this story is applicable. When I took over AID in 1981, in part because we were trying to reduce FTE, I reduced over a couple-year period the staff of Washington by 10 percent, the overall staff, the agency by 10 percent and touched none in the field with the idea that I would -- that that was key to get power and control out in the field.

I suggest that not infrequently in complex organizations you need to find a
key lever to move things. I think here, for example, if the accreditors were to make clearer that there's not going to be -- if you meet certain standards, there's not going to be visits. There's going to be initial questions. If properly answered, that's it. You would find whatever the school you reviewed, they'd spend a couple hundred thousand dollars. I think you need to kind of cut the knot somehow.

My sense is we shouldn't give up. I know you're not. You never give up. But I think that if we could figure out -- and I'd be happy to tell you what I think they are, but I think there are some key components to a vision on what to do with accreditation. It's to cut back on the rules, on the burdens. It is to get accreditation out of enforcement. And this is a huge deal. The Department and others have to step up if they're out of enforcement. But I do think there are some key principles that this Committee could
grab onto that some of which wouldn't be that controversial. And you have to drive them.

But I think back. I have a story that isn't exactly applicable, but my taking all the reductions in staff that the administration forced me to take out of Washington had a dramatic impact upon where the power was in the agency. And I'm wondering if there aren't similar decisions that could be made here.

DR. HARTLE: I completely concur with Peter on that. Is significant reform possible? Yes, but I think ironically to get to that point we have to be willing to take off some of the strings that we have encumbered accreditors with at the present time. If I talk to accreditors, which I do on a fairly regular basis, about could they do X, or could they do Y, or could they do Z, the answer is, well, no, because federal regulation or federal legislation or some regulatory guidance would preclude it. And
so I think that that's become something of a barrier to get agencies to do different things.

I use the example of expedited reviews. I think most of the regional accreditors I've talked with would love to be able to do that for multiple reasons, but they're not clear they have the authority. And if there's one thing accreditors cannot do it's get cross-wise with the Department of Education. Right now the worst thing an accreditor can do is do something that brings the wrath of the Department down upon them.

So we've gone through a period when our view was if we want accreditors to do different stuff, we have to give them more and more responsibilities and be more and more precise in detail. And it's reached about as far as it can go. It's now become a point where it's sort of strangled itself.

And then, Brit, your second
question, are complaints we hear because we self-inflict a process on ourselves that's more onerous than it needs to be? You bet. You know, self-inflicted problems could be a good definition for higher education.

(Laughter)

DR. HARTLE: And I think we do do that. And a lot of times in some of the work I've been doing with you recently, when we've met with campus officials to talk to them about regulatory burdens they face, they're not entirely sure where the regulation is coming from, whether the problem is coming from the state government, whether it's coming from the accreditors, or whether it's being passed through from the Department of Education and somebody else is merely enforcing it.

So, yes, it's a very complicated process. And we've really reached a point I think where a lot of institutions, particularly big institutions like some of yours and Michigan State where Peter was,
are just doing stuff because they know they have to do it. They don't know who they're doing it for and they might not even know why they're doing it. See fire codes.

CHAIR PHILLIPS: I'm going to move us along to the next question. We may be able to come back and weigh in some more, but I have Arthur, Frank and Cam up front now.

MR. ROTHKOPF: Yes, let me make a couple observations and a couple of questions. One, this whole issue we've been talking about is the accreditors don't want to be agents of the government. Well, they are agents of the government because there's $200 billion at risk here. And the government has outsourced it to the accreditors for better or worse; I think for worse, and that's why Anne, I and a couple of other members of this body two years ago said de-link. And I think it will free the accreditors to do anything they want. And you can thus put data in the hand -- let the
consumer decide and put really good data there.

Second, a point that Terry made, and actually before you were here we talked about who is this body responsible to? Are they responsible to the secretary? Are they responsible to the public? And I'd only say I think they used to be responsible to the secretary and someone decided a few years ago that the Congress ought to be appointing some of our members. I don't know whether the higher education community wanted that because they didn't like what a former secretary was doing and they tried to get it out of her hands, but we have a system where we're not even sure whom we are responsible to.

I guess the two points I'd like to get comment on; and I know the position of NAICU on transparency, but, Terry, when you went through your list, you did not include transparency as something that ACE was for or against. The Committee, I mean
NACIQI in its report strongly endorsed the idea of making reports public, accrediting reports. I think one accrediting body has moved in that direction. I don't know whether others are doing it.

What's the position of ACE on, one, transparency, and then, two, let me throw in a unit record system which we again either endorse or sort of tiptoe in the direction of saying we ought to be taking a look at it for having better information out there?

DR. HARTLE: Well, ACE has not had to take a formal position on either one of those, but I will respond personally to your observations.

With respect to transparency, you're meaning specifically the idea that accreditation materials ought to be made publicly available?

MR. ROTHKOPF: (No audible response)

DR. HARTLE: My personal view is
that's fine. Sure. Go ahead. Do it. My comment would be it doesn't make a bit of difference. Every public college and university in the country has their accreditation materials made public right now. I have yet to see a newspaper story where some reporter went in and tried to wade through it and make sense out of it. And I know some of the Big Ten institutions; Peter's might have done the same thing, simply had their room set available. If anybody called and said we want to see the accreditation materials, they'd say, fine, it's in room 72 of Old Main. Come and help yourself.

MR. ROTHKOPF: Yes, how about the statement of the -- you know, the report of the Review Committee? That's kind of a more interesting document in a way.

DR. HARTLE: Well, I think -- no, but my point is all of the stuff is public now for all public colleges and universities and very few people pay attention to it. I
realize there are some folks, including my friends at NAICU, who are much less comfortable with this idea. I just don't think it makes a difference, because in fact we've been running a natural experiment with this for a very long time and nobody pays a lick of attention to it.

On unit record system, here's the deal: A unit record system would give us much better, much more accurate, more complete information about student performance. A unit record also raises serious privacy considerations. A unit record system will be used for other purposes sure as we're sitting here. And that's the challenge.

This is as much a political question as it is an education policy question. Indeed, when Congress in 2008 decided to preclude the Department from moving forward with a unit record system, it was the Democrats who were controlling the House of Representatives who put that
forward. Congress might decide whether to do that or not. I think it's as much a political decision as anything else.

As Peter mentioned, APLU has put together this project called SAM which works with individual institutions and the National Student Clearing House to calculate accurate retention and graduation rates, and that does show that every institution has higher rates than they do under the current federal rate. That's relatively straightforward.

I think the question is how far do you want to go with a unit record system? How much other data would you want to link to it? How many other databases would you want to bring in? Would you want to bring in IRS? Would you want to bring in Department of Labor work force data? Would you want to bring in HHS data?

You could have either a fairly specific unit record system that just did retention and graduation, or you could have
a unit record system that was the mother of all federal databases. And I think ultimately the question will be do we want to take this step and how big a step do we want to take? And I think that's as much a political question as an education policy question.

MR. McPHERSON: I think those are helpful comments, Terry. It does seem to me that the unit record that was proposed by the Department many years ago appeared to be a huge database, was going to cost millions of dollars to do, a big, big project. And I think that was part of why it got into trouble.

I think it's impossible for big places, or even small places in many cases, to know what happens to their graduates. I remember I tried hard at Michigan State. Now I could always know what the accounting department, some other kind of professionally preparation departments -- what they did, because they kept careful
track of them. But we need to know what happens to our students, otherwise, how do you judge, how do you judge yourself? I mean, that's one of the things, to improve our program, our institution. Forget everybody else. How do we drive improvement?

And as Terry suggests, it would be wonderful if we could have a discussion to get at some fairly narrow things. SAM goes a long way toward taking care of graduation rates. We're going to put part time into it later this year. Now it doesn't include everybody. Clearing house is what, 87 percent of the students in the country or something. Excuse me, 95 percent. So but where we really don't have the data that we need to run our institutions is employment data.

I prefer not to get the income because of all the -- in fact it would be easier to talk about just -- to not having income. Terry is correct, this is in part a
political issue, but, geez, we need help to manage our institutions properly.

MR. PRY: Just a couple comments. One is I believe in transparent data across all institutions and across --

CHAIR PHILLIPS: If you could just bring your mic closer.

MR. PRY: I believe in transparent data across all institutions and across all accreditors. I also believe that the kiss of death would be to de-link accreditation when you look at the future of education, because as I said, one size does not fit all and I'm extremely concerned that if it came to a different gateway that it would be adopted one-size-fits-all. And whatever shortcomings we may have in the accreditation process, I think we understand the various missions and the responsibilities of what we're trying to do which cannot be duplicated or replicated elsewhere and not without great cost. As you could look at other models in other
industries right now without great cost to us. So I truly believe that that's where we should be going.

And I think good transparency and good data, if we could all agree on some numbers on what those data points are. And I think when we lack that data, I believe that's when everybody else wants to come in and give us what they expect us to have. And I think at some point in time we're going to have to agree with what we're going to measure.

CHAIR PHILLIPS: Thank you. I have Frank and Cam.

MR. BOEHME: So this is a question for any of you who would like to take it. It's a thought that has come to my mind as people discuss the need for greater streamlining, for the process to be more customized to different schools and so on.

The question I have is what about the risk that if we make it easier or more streamlined, less onerous, more efficient,
something will slip through the cracks? That is, an institution that an agency should have taken action on won't have that action taken or we, NACIQI, won't act with respect to an agency that we should act on. So the easier it becomes, the greater the risk.

As I say that, it occurs to me that one possible response is, well, the system isn't all that effective anyway, so the risk level won't go up. But I just pose this question, do we have a concern that if we are less punctilious, we NACIQI, and as the accrediting authorities are less punctilious, that something will fall through the cracks?

MS. HATTAN: If I could take that. I think that's an excellent question because I think there's a lot to be said, and obviously the concept has been endorsed because it does seem foolish to spend a lot of time examining things that you already -- that there isn't a problem and it's clear
that there's not a problem.

On the other hand, what's tricky is how do you write that such that that happens as opposed to -- at the top end as opposed to what -- and at the bottom end a lot of stuff happening? So part of it is just being careful, I think, in terms of drafting something appropriate. And I also think that because you get a pass on certain things doesn't mean you necessarily get a pass on what peer review is all about. It would be that you would be looking at different things. And I think that's a component of it that would guard against the kind of abuse -- because you're right you create an exception and you've got to worry about the people who are going to try and game it.

MR. WU: If I could add. So we have a tendency to think, well, at the best schools, at a Ivy League school we never have to worry about this sort of thing, but from time to time even at the best schools
there is some violation, including a federal law, that it would be good if someone were watching and caught it.

And so I just raise this concern that if we stop looking, we'll miss things along the way and we will all be unhappy if it turns out that we didn't look at the fire code, etcetera, and some dorm room burns down and then everyone says, well, why didn't the accreditor look at the fire code and they trace it back to a meeting that NACIQI had in 2014 --

(Laughter)

MR. WU: -- where a decision was made not to do that and then the Washington Post will blame this group of people for the deaths of hundreds of students, right? That's what will happen.

MR. McPHERSON: I know you're being facetious, but of course the point is that you have no control. You shouldn't try to vest responsibility with a party that has no capacity to impact. And I would argue
that if there's a problem at one of the big Ivy Leagues that deals with fire codes or whatever else, that isn't the accredditor's problem probably. In fact, we have -- I think one of the biggest questions, biggest problems here is that the accreditors have become enforcement agencies and we should really back away from that.

They're not the people that should -- that the institution eligibility requirement of Department's decision in my view should be strengthened, should have within it graduation rates and employment, both immediate and longer term, as well as default, and loan repayments, or a cluster like that. And if those were there and if the Department really exercised reasonable but as appropriate aggressive control, then the real problems that you're suggesting is something -- should be picked up there. And they can look at that data all the time as it's -- and pick it up. And the accreditors -- just think of your self as
the head of an accreditation agency and you know everybody's going to sue you when you do this or that and you don't really -- you don't have a general counsel's office. You're not equipped to be an enforcer. And we -- Congress has been our -- has in effect forced -- it's not just the Department. Congress appears to want the accreditors to be enforcers.

DR. HARTLE: I think Peter's exactly right. We all say there are three legs to the Triad. The fact is not all the states want to play the role that they should be playing. Despite the Department of Education's best efforts to bludgeon them into doing it, there are some states that just don't want to help. And the Department's role on the eligibility and certification front I think frankly is uneven. So the accreditors become the default choice for everything that has to be done; i.e., fire codes. And I think if you were to start afresh, you would say
we want accreditors to focus in particular on three things: student learning, educational quality and responsible innovation, or something like that, and other things would be added to that. What's happened is that we've just given them so much to do that everything gets diluted and that their chance to do as much in depth as you want them to do is uncertain.

My view, if the standards were to be relaxed would we run the risk that a bad institution would fall through the cracks and somehow become eligible for federal student aid, sure. It's a risk now. It does happen now. I think NACIQI, frankly, looks at accreditors and potential accreditors so carefully that the likelihood of a slipshod accreditor getting through this body approaches a negative number. I just don't think that that's terribly likely to happen.

But I think the benefit of not being quite as prescriptive is you would
give agencies the opportunity to be more flexible and to try to some things including experimenting with alternative learning approaches that they right now find themselves constrained against doing.

MR. McPHERSON: A great example of where the Department I think -- and the Department is full of really good-intentioned people. I mean, it's not that people are unwilling. But a few years ago a -- this happened to be a public institution actually said -- a president said that his predecessor had given false information concerning a certain rule that allowed that school -- certain students to continue to get student loans and Pell money. They shouldn't have gotten it. One president says my predecessor got this done.

So I was having lunch with a very senior official of the Department that day and I said, gosh, what are you guys going to do? And he said, well, geez, I think the accreditor ought to look into this. And I
thought to myself, having been in the executive branch several times, wait a minute, the state -- the president just stood up and said that the institution committed fraud. Technically, as a lawyer, his words seemed to fit. What in the world would you look to an accreditor as the first line to investigate that? And I think that happens too often.

Now this was a smart thoughtful senior person. Not there any longer. But I -- did a good job I think by the way. I didn't mean to imply contrary. But I think that there's -- this enforcement expectation is just very difficult.

MR. WU: Just one real quick observation.

CHAIR PHILLIPS: Okay.

MR. WU: So much of this conversation is several levels removed in the following way: We want colleges to do something, so we want accrediting agencies to do
something. Then we want NACIQI to do something to get the agencies to do something so that the colleges will do something. So it's really attenuated. And it's just an observation. Because we're always at least one full step away from what's actually going on, because all we can do is get agencies to do things and then they in turn have to get the colleges to do things.

CHAIR PHILLIPS: Moving onto to Cam.

MR. STAPLES: Thank you, Madam Chair. Just a follow-up to that discussion, which is if you separate out the compliance function of accreditors, that's what you're all essentially saying makes sense and I would imagine the accreditors would agree with that, it's hard to imagine the federal government or policy makers backing off of this increasing focus on accountability on measuring non-compliance.

So I guess I would just ask you
where would you house that and how would you suggest if we were to make a recommendation around that that we recommend the Department to house those compliance functions in a way that is productive and consistent with the general focus of trying to get institutions to do certain things that they want them to do without using accreditors as the vehicle for that?

MR. PRY: One aspect could be every institution is required to be audited and there could be basic compliance that is measured in that audit process. The problem with that is that's usually the black and white; it's either there-or-not-there kind of questions, and who's going to make the determination on all the shades of gray? Usually your auditor doesn't do that. But that's where some of that could go. The rest of it, again I'd go back and -- you know, the problem with the Department is it has not been universal across all sectors and types of institutions. And that's my
MS. HATTAN: And I mean in the Higher Education Act it was anticipated that the Department would have a fairly robust eligibility and certification process, and in fact there are criteria and various risk factors that they're to look at. So I think that if you're talking true compliance on particularly non-academic quality issues, that you would look to that section of the law that if those authorities were not sufficient would be the place to beef them up.

MR. McPHERSON: I think that's exactly right. You got this eligibility institution, eligibility process in the law and I think it needs to be strengthened, and that would take a change to the law. But I would include graduation rates and employment, immediate and longer term, as well as default and I'd put loan repayment. Default is to deferred loan payment. I think a few criteria like that that looks --
that the Department uses as part of its eligibility determinations in a way that can't be gamed. Basically we've got probably not a large number, but some number of our institutions that on all three of those things performed terribly and they're unsafe for students. But if we could have something like that, a lot of these other issues that we're talking about I think would fade in importance.

CHAIR PHILLIPS: A follow-up question, if I could add. Perhaps this isn't the right image, but tell me in the ways in which it doesn't work. What you're describing I think is what I call the safety deposit box model of access to aid. One is the academic quality key that has to be turned with a certain set of standards, and the other is the financial eligibility and fire code key, for lack of a better term. And if that were the case, if I have that right, from an institutional perspective then you still have the same number of
masters you need to serve. You just now have two processes by which the door that you're looking for gets opened. So it doesn't reduce your burden at all, but it separates it into two separate entities and doesn't confuse one with the other.

MR. McPHERSON: (Off microphone) -- but that, but it also puts the responsibility where there's greater capability. It seems to me that accreditors aren't really in the position for lots of reasons to be law enforcement agencies.

CHAIR PHILLIPS: Yes, understood.

MR. McPHERSON: And I think you need to divide that.

CHAIR PHILLIPS: Yes. Susan?

MS. HATTAN: Yes, just to add to that, it's not the only issue. The issue isn't that you do this one time and it's a matter of a different key and a different regulator. It's the fact that all three of them are regulating you on the same thing, but slightly differently. So if your
accreditor comes in and talks about your fire code and is at odds with what your fire marshal has told you, never mind what might be a situation of state law, of -- you know, and not only is it a burdensome thing, but often you're in kind of a irreconcilable situation of competing and contradictory instructions.

CHAIR PHILLIPS: Let me go back to Cam.

MR. STAPLES: Thank you. I just had a different question, which was we're observers of this process of NACIQI and obviously in the Department's review, and I'm struck sometimes by how we value the accreditation process, the self-reflection peer review, and yet we don't have anything like that for the way we actually view accreditors. We treat them in very much of a compliance format.

And I guess I'd just ask you what -- if in terms of the value of the NACIQI process, which many of us here questioned
since we were appointed three years ago or since, what do you think about adapting this process to more like the accreditation review process of an institution where the accreditor comes before us, identifies their strengths and weaknesses, how they meet the standards for recognition and is a much more engaged process that is focused on how successful they are at their mission as opposed to whether they modified their appeals policy and filed the right documentation?

I mean we are in the weeds as a body here and I think many of us come away from the hearings not really knowing if the accreditor is a good accreditor. We just know whether they filed the right forms and whether they documented their procedures adequately. I know it's a shift of focus. I'm just curious about your thoughts about how we as an organization, as the NACIQI, which might be different than the Department's review, you know, then because
we have less control over that -- whether we could adapt our process to be more productive and focusing on the quality of an accreditation agency's work as opposed to its compliance.

DR. HARTLE: I think it's a very intriguing model. I think you do what you have to do because the statute is so detailed and specific for what institutions want to do and because the Department has sort of exponentially increased the specificity. And as I said, I think the big issue for any accreditor when they're thinking about doing anything is whether or not it's going to be okay with the U.S. Department of Education.

So I think anything that said maybe we should step back and rethink how we do this particular process -- one of the things we've been talking about within the higher education community is whether there is a way to step back and start with a clean sheet of paper on what the accreditation
statute itself should look like. And I think that would be a very worthwhile question to ask NACIQI itself.

So the general practice and policy making, unless there's an obvious failure of your existing model, is just to take your existing model and to add new stuff onto it. So if I had to guess, I would guess that the next reauthorization we will give accreditors more stuff to do and we will ask NACIQI to do more stuff on top of what it is they're already doing.

And I think as you have pointed out, and as certainly the members of this body know, there are enough uncertainties and disconnects with the way we do things certainly within accreditation and in terms of reviewing the accrediting agencies. Maybe we ought to ask ourselves what would a clean sheet of paper look like if we didn't start with the assumption that we do it exactly as we're doing it now?

MS. HATTAN: Just quickly,
because your question relates I think to a point I made about why do you look at all these things, where is this rule? Because I know in terms of the statute it certainly is not the level of specificity that I've seen reviewed here, therefore it's coming from somewhere else. So perhaps a middle ground in terms of what I think also is an intriguing idea to think about is is there a way to sort of start to figure out some things that maybe aren't as important that would allow then the group to have the time to look at some of the bigger picture?

That may be somewhat more realistic than being -- I mean, it's always good to wipe the board and start over, but just in thinking maybe a start would be to figure out what it is you're doing now that you don't need and start there and move on.

CHAIR PHILLIPS: Thank you very much. We're drawing to the close of our time today. Wanted the Committee to -- let you know if there's any last question that
you have?

(No audible response)

CHAIR PHILLIPS: Okay. Thank you, panelists, very much for your time and wisdom and encouragement for us to think carefully about what we do. We very much appreciate your time here and appreciate also how hard it is to get into five minutes. So again, thank you for coming.

We'll stand adjourned until tomorrow morning at 8:30 when we will pick up with our third panel, which is the perspectives of accreditors. So see you in the morning. Please stay cool in the evening. Thank you very much.

(Whereupon, the above-entitled matter went off the record at 4:38 p.m.)