

**REAUTHORIZING THE HIGHER EDUCATION ACT:
EVALUATING ACCREDITATION'S ROLE IN EN-
SURING QUALITY**

HEARING

OF THE

**COMMITTEE ON HEALTH, EDUCATION,
LABOR, AND PENSIONS**

UNITED STATES SENATE

ONE HUNDRED FOURTEENTH CONGRESS

FIRST SESSION

ON

**EXAMINING REAUTHORIZING THE HIGHER EDUCATION ACT, FOCUSING
ON EVALUATING ACCREDITATION'S ROLE IN ENSURING QUALITY**

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JUNE 17, 2015
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WEDNESDAY, JUNE 17, 2015

U.S. SENATE,
COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS,
Washington, DC.

The committee met, pursuant to notice, at 10:01 a.m., in room 430, Dirksen Senate Office Building, Hon. Lamar Alexander, chairman of the committee, presiding.

Present: Senators Alexander, Scott, Murray, Casey, Franken, Bennet, Whitehouse, Murphy, and Warren.

OPENING STATEMENT OF SENATOR ALEXANDER

The CHAIRMAN. The Senate Committee on Health, Education, Labor, and Pensions will please come to order.

This is our fifth hearing in this Congress on the reauthorization of the Higher Education Act. Today we're going to focus on ensuring quality in higher education and explore the role of accreditation in doing that.

Senator Murray and I will each have an opening statement, then we'll introduce our panel, and after the witness testimony Senators will have 5 minutes of questions. I'll ask the witnesses to summarize their remarks in 5 minutes. That will give us more time to have a conversation.

We're here today to discuss how we make sure that colleges are offering students a quality education. That's the principal role of accreditation. Accreditation is a self-governing process. Colleges created it in the 1800s. The organizations they created were intended to help colleges distinguish themselves from high school and to credit one another.

As time went along, there was no Federal involvement in higher education or accreditation, and right around the end of World War II only about 5 percent of the American population had earned a college degree.

Accreditation, however, took a new role in the 1950s after the Korean War. Congress went looking for a way to ensure the money spent in the GI bill to help veterans go to college was being used at legitimate, quality institutions. Congress had enough sense to know Congress couldn't do the job of evaluating the diversity of our colleges and universities themselves, so they outsourced the task to accreditors.

Accreditors became, as many say, gatekeepers to Federal funds. The Korean War GI bill of 1952 established this new responsibility first and said veterans could only use their benefits at colleges that were accredited by an agency recognized by what was then called the Commissioner of Education. After that it was the Secretary of Education.

The Higher Education Act of 1965 used this same idea when it created Federal financial aid for non-veteran college students. Around this time, 1965, only about 10 percent of our population had a college degree. However, the 1992 Higher Education Act amendments were the first time the law said much about what standards accreditors needed to use when assessing quality at institutions of higher education.

Today, current law outlines 10 broad standards that federally recognized accreditors must have when reviewing colleges. They include, among others, student achievement, curriculum, faculty, facilities, fiscal and administrative capacity, et cetera. Colleges and accreditors determine the specifics of those standards, not the Department. For the student achievement standard, for example, colleges and universities define how they meet that standard based on their mission. The law specifically doesn't let the Department of Education regulate or define student achievement. In fact, in 2007, when the Department of Education tried to do that, the Congress stopped them.

Still, Congress spends a lot of money helping students choose colleges and attend, \$33 billion for Pell Grants each year. Congress lends over \$100 billion in taxpayer loans that students have to pay back. We have a duty to make certain we're spending the money wisely.

I believe there are two main concerns about accreditation. No. 1, is it helping to ensure quality? And No. 2, is the Federal Government guilty of getting in the way of accreditors doing their job? The Task Force on Government Regulation of Higher Education, which was commissioned by a bipartisan group of Senators on this committee, told us in a detailed report that Federal rules and regulations on accreditors have turned the process into Federal micro-management.

In addressing these two concerns, I think we should look at five areas, and I'm going to place my comments in the record rather than go into detail in each of the five. They are, in summary: No. 1, are accreditors doing enough to ensure that students are receiving a quality education? Chief academic officers seem to all think yes. Many business leaders aren't so sure. No. 2, would more competition and choice among accreditors be one way to improve quality? No. 3, do Federal rules and regulations force accreditors to spend too much time on issues other than quality? No. 4, do accreditors have the right tools and flexibility to deal with many different kinds of institutions? And No. 5, should consumers and the public generally benefit from more information about accreditation?

It's important to find a way to make accreditation work better. I have had a hard time thinking of another way to do this, although Ms. Neal has some interesting thoughts in her testimony that I'm looking forward to hearing more about; that is, to monitor

quality. If the accreditors don't do it, I can assure you the Congress can't, and Department of Education I don't believe has the capacity or the know-how. It could hire 1,000 bureaucrats to run around the country reviewing 6,000 colleges, but you can imagine what that would look like. They already try to rate colleges, and no one is optimistic about those efforts. I think they will collapse of their own weight.

I'm interested in new ideas, as all the members of our committee are, as we move toward the reauthorization of the Higher Education Act.

Senator Murray.

OPENING STATEMENT OF SENATOR MURRAY

Senator MURRAY. Well, thank you very much, Chairman Alexander.

I want to thank our witnesses for being here today to talk about how to improve quality at our Nation's colleges and universities.

Expanding opportunities for more Americans to further their education is, of course, an important investment for our students' future. It's also an important investment for our country. It will strengthen the workforce we'll need to compete in the 21st century global economy. It will help us grow our economy from the middle out, not just from the top down. We should work on ways to help more students earn their degree and gain a foothold into the middle class.

We can't deny that higher education is out of reach for too many aspiring students. As we continue our conversations on the Higher Education Act, I'm going to be focused on several priorities. I want to make college more affordable and reduce the crushing burden of student debt, because I believe all students should have access to that learning. I want students to have access in a safe learning environment. Strengthening protections for students and preventing sexual violence and assault and bullying on campus is a priority for me, as I know it is for families across our country.

We need to make sure students from all walks of life have strong, clear pathways into and through higher education. Our accreditation system plays an important role in making sure colleges and universities are providing a quality education, so I'm glad that we have a chance today to talk about strengthening that quality assurance.

Without accreditation, a college or university is not eligible for Federal student aid. Accreditors, States, and the Federal Government have a responsibility to make sure that that gatekeeping role is working effectively. It's also important for both students and taxpayers who expect to get a return on their investment in higher education.

Recently we have seen far too many examples of students and taxpayers facing the consequences of poor oversight. There is, without a doubt, room for improvement in the current system to better assess an institution's quality and student outcomes.

First we need to modernize the system to make sure it is responding to the changing landscape of higher education. A new wave of online courses and programs can occupy a gray area for accreditors, but online programs also present new opportunities to

evaluate quality. It's time to update the accreditation system to respond to those needs and better protect consumers.

Second, we need to promote best practices across regions and across accreditation systems. I also recognize accreditors have to wear many hats. They have to assess the quality of a school and increasingly enforce compliance for several Federal laws and regulations. That can distract accreditors from indicators of quality, like student learning and success.

I'm open to a conversation on refocusing accreditors' role, but that should never come at the expense of foregoing the enforcement of important Federal protections like student safety on campus or ensuring a college is financially sound. The Department of Education should receive the resources it needs to enforce that compliance.

Accreditors also need to be thinking about how to assess quality and educational excellence, both by developing new tools to assess national online programs and by more rigorously evaluating student outcomes.

Third, we need more transparency and consistency from the peer review accreditation process. There is great value in peer review, and we've seen it work in many sectors—medicine, law, engineering. We need stronger protections to prevent conflicts of interest.

And finally, I applaud the recent effort by some accreditors to strengthen the focus on student success and to more rigorously verify the claims made by institutions. We need more of that. Accrediting bodies have sometimes certified colleges where there is a pattern of extraordinarily high student loan defaults or where colleges use false job placement information. The collapse of Corinthian College shows that we all need to do more for students to ensure that quality is verified, students are protected, and taxpayer dollars are well spent.

As I said before, we need better consumer data around student outcomes like retention, completion, and transfer rates. That would go a long way in helping students and their families as they shop for college options. It would also be a powerful tool for accreditors to assess quality at a given institution.

I'm looking forward to hearing from all of our witnesses today on their experience and their perspective on how we can best strengthen the accreditation system. Students, families, and taxpayers trust accreditors to ensure colleges and universities in our country offer a good, quality education, and we need to make sure the system is worthy of that trust.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Murray.

Senator Bennet, would you like to introduce our first witness?

STATEMENT OF SENATOR BENNET

Senator BENNET. Thank you, Chairman. I appreciate it.

And thank you, Ranking Member, for holding this hearing.

I'm honored this morning to introduce to the panel Dr. Peter Ewell. Dr. Ewell is the vice president of the National Center for Higher Education Management Systems in Boulder, CO. The center is a research and development organization that focuses on improving management decisionmaking in higher education.

Dr. Ewell's work focuses on institutional effectiveness in assessing student outcomes. He's consulted with over 475 colleges and universities and more than 30 State or national governments. Dr. Ewell has authored several books and numerous articles on improving undergraduate instruction.

Previously, Dr. Ewell worked at Governors State University and was on the faculty of the University of Chicago.

Thank you, Dr. Ewell, for joining us here today, and we look forward to your testimony.

The CHAIRMAN. Thank you, Senator Bennet.

Our next witness is Dr. George Pruitt, president of Thomas Edison State College in Trenton, NJ. He's served in this role since 1982. He has a distinguished background, including some time in Nashville as professor at Tennessee State. We welcome him here.

Our next witness is Dr. Albert Gray, president and chief executive officer of the Accrediting Council for Independent Colleges and Schools, over 25 years of experience directing accreditation professional and technical membership programs.

Our final witness, Ms. Anne Neal, president of the American Council of Trustees and Alumni. Ms. Neal co-founded this organization which has a mission of expanding academic freedom, excellence, and accountability at colleges. Since 2007, she's served on the National Advisory Committee on Institutional Quality and Integrity, which has a primary purpose of advising the U.S. Secretary of Education on accreditation.

We look forward to your testimony. We can start and go right down the row, and if each of you could summarize your remarks in about 5 minutes, we would appreciate it because that would allow more time for questions.

Mr. Ewell.

STATEMENT OF PETER T. EWELL, Ph.D., VICE PRESIDENT, NATIONAL CENTER FOR HIGHER EDUCATION MANAGEMENT SYSTEMS, BOULDER, CO

Mr. EWELL. Thank you, Senator Bennet, for that generous introduction.

I should mention, and I should have told Senator Bennet this as well, I worked for all seven of the regional accreditors as a consultant in one way or another, and I've written about this issue since the 1992 amendments that were referenced.

My testimony is based on 11 reform proposals that I am not going to have time to go over, but they're in the written testimony. They are anchored in two fundamental convictions. I, like many, I think all of us on this panel, am very concerned that accreditation has some severe shortfalls in measuring the job that we're asking it to do, accountability for a good deal of Federal funds. Senator Murray, you mentioned I think the more important thing in some respects, although money is important, and that is ensuring the future of the country with regard to quality degrees. I think that there are a lot of improvements that can be made.

The second conviction I think is equally important, that I think fixing accreditation is a whole lot more preferable to blowing it up, than to starting again. Like you, Senator Alexander, I can't think of a viable alternative. I've consulted abroad for quality assurance

agencies in many countries. I assure you, they are not cheap. They are difficult to put together from government. I don't think Congress can do it, either. I think that what we need to do is come to a conclusion that a number of changes around the edges can all add up to fundamental change is the way to go.

My specific ideas are based on these 11 proposals. For the most part, they're not new. I and others have been advancing them since at least 1992. I think they haven't been put together in terms of one large, coherent reform agenda that we can pursue consciously across the board.

The proposals are independent and they're specific, independent meaning that action on one of them does not depend on actions on the others. We can take them one at a time. We can do some of them and leave others for later. They can be undertaken without a substantial infusion of Federal funds. They are things that are not that difficult to do. I think most important, they can be done without disturbing accreditation's historic role since the late 19th century of improving institutions and allowing a platform for this to happen.

I divided in the background paper these proposals into three tiers or levels of challenge. As I say, I don't have time to go into all of them, but I'll give you a sampling from either end of the continuum.

Some of the most straightforward. Senator Alexander, you mentioned public reporting. For a long time, all you could get of the results of an accreditation was whether or not an institution was accredited. We've made substantial progress, and I think the accreditors are to be commended for that, now that we have action letters and team reports as a matter of public record in many of the regions, and so on.

I think we need to go farther than that. We need to come up with standard reports that summarize the challenges and strengths of institutions that are revealed as a result of the review. That's one of them at the most straightforward end.

Another one at the straightforward end is language. Accreditors call things a whole lot of different terms across accrediting organizations, and they really mean the same thing in many cases, but the public doesn't know that. We need to come up with a language which is reasonably standard across accreditors. Nowhere is this more important than in describing what students have learned as a result.

Let me, because time is limited, skip directly to a couple of things at the high end, if you will.

One of them is what's been termed a risk-sensitive approach to accreditation. Accreditation has historically tended to treat all institutions the same. The idea here is based upon a track record and statistical data to say that some institutions deserve a lighter touch than others, and that would concentrate review attention on those that are really in trouble.

I'm running out of time, so I will stop there. I think that these don't have to occur in any particular order. They don't have to be according to the actor assigned. I think that in 2025, if we pursue these ideas systematically, we'll have a much more effective system.

[The prepared statement of Dr. Ewell follows:]

PREPARED STATEMENT OF PETER T. EWELL, PH.D.

SUMMARY

The ideas that I want to share with you this morning are anchored in two central convictions. First, I believe that the practice of institutional accreditation currently falls *far short* of the model that we as a nation should possess for a credible and consistent guarantor of educational quality. But second, I believe strongly that *fixing* accreditation is far preferable to scrapping it in favor of an unknown, untested, and assuredly more expensive alternative operated by the Federal Government or the States.

The substance of my testimony is organized around 11 specific reform proposals that involve a combination of Federal efforts achieved through legislation and the Department of Education, and changes enacted voluntarily on the part of accrediting organizations themselves. They include:

- *Public Reporting.* Accreditors should develop a standard report on the results of their reviews that lists the strengths and challenges of each institution determined in the course of a review.
- *Language.* Accreditors should adopt common terminology that describes key terms, as well as the learning outcomes that they expect of graduates of the institutions they review.
- *Purpose and Focus.* Accreditors should not be required to “inspect” institutional compliance with Federal regulations and should focus their reviews on the quality of teaching and learning.
- *Standard Dashboard Measures.* Accreditors should develop and adopt a standard “dashboard” of commonly defined institutional performance indicators for use in the accreditation process.”
- *“Disciplined” Peer Review Processes.* Peer reviews used in accreditation should be supplemented by expert review panels to examine such areas as assessment and fiscal condition.
- *Conduct of Review.* Visiting teams should augment interview-based onsite evidence-gathering with methods like mini-surveys, focus groups, audit methods, and field observation.
- *Role of Students.* Accreditors should explore including students on peer review teams.
- *Multiple Levels of Recognition.* Accreditors should establish additional tiers of recognition for institutions that perform at exemplary or “above standard” levels of performance.
- *A “Risk-Sensitive” Approach.* Accreditors should adopt a review process in which the amount of scrutiny involved is proportional to an institution’s track record of past performance.
- *Revised Scopes for Regional Accreditors.* The scopes of regional accreditors should be revised to better distribute the number of institutions among them and institutions should be allowed to choose which accreditor to use.
- *Accreditation Governance.* Congress should create a free-standing federally chartered body like the Federal Reserve or the Federal Trade Commission to oversee and coordinate accreditors.

These actions do not have to occur in a particular order or be necessarily performed by the actor described. Moreover, the reforms that they describe will most realistically occur over a long time period, perhaps as long as 10 years. But if only a few of these proposals are enacted, institutional accreditation for the United States in the year 2025 will be both more efficient and more effective in assuring quality in higher education than is currently the case.

Thank you Mr. Chairman and Members of the Health, Education, Labor, and Pensions Committee for giving me the opportunity to share some of my thoughts on how the process of institutional accreditation—our Nation’s principal quality assurance mechanism for higher education—can be markedly improved.

I am vice president of the National Center for Higher Education Management Systems (NCHEMS), a policy research and analysis organization based in Boulder, CO. By way of background, I have worked with regional accreditation for more than 30 years and have consulted with all seven regional commissions on topics related to standards development and the design of effective institutional review processes. I have written numerous policy papers and monographs on accreditation dating back to the 1992 Reauthorization of the Higher Education Act (HEA) and served as

a member of the American Council on Education's Task Force on Accreditation in 2011–12. I most recently completed a white paper on accreditation reform entitled *Transforming Institutional Accreditation in U.S. Higher Education* that is centered on 11 specific reforms. These reforms constitute the substance of what I want to talk with you about today, and are directed at improving the accountability and public information functions of institutional accreditation without damaging its established function of improving institutional and educational effectiveness.

The ideas that I want to share with you this morning are anchored in two central convictions. First, I believe that the practice of institutional accreditation currently falls *far short* of the model that we as a nation should possess for a credible and consistent guarantor of educational quality. The Federal Government, at last count, invested \$138 billion in postsecondary institutions and depends upon them to produce graduates who have the levels of knowledge and skills needed for the Nation to remain internationally competitive with an informed and competent citizenry. Assuring the quality of our colleges and universities is therefore critical. But second, I believe strongly that *fixing* accreditation is far preferable to scrapping it in favor of an unknown, untested alternative operated by the Federal Government or the States. I have had a good deal of experience with national quality assurance systems for higher education in other countries—principally the United Kingdom and Australia—and I can assure you that while these systems are of high quality, they are not cheap. Only a few of our State oversight authorities, meanwhile, have the requisite capacity to discharge this function; most are understaffed and undercapitalized and would have to be beefed up considerably (again at significant public expense) to discharge this responsibility adequately. Accreditation currently performs the quality assurance role imperfectly, to be sure, but at no cost to the public. It is far better to systematically improve it than to embark upon an entirely different road.

The specific ideas that I propose are, for the most part, not new. I, together with many others, have advanced many of them since the Reauthorization of the HEA of 1992. But they have not, I believe, been put forward together in the form of a concrete, long-term, action agenda. They involve a combination of Federal efforts achieved through legislation and the Department of Education, and changes enacted voluntarily on the part of accrediting organizations themselves. These proposals are *independent* and *specific*. Action or lack of action on any one of them does not depend upon acting on any of the others. And in each case, the proposal is quite concrete, avoiding major displacements in the current regulatory landscape or significant changes in the roles and responsibilities of institutions, accreditors, and Federal or State authorities. These proposals, moreover, can be undertaken without a huge infusion of additional resources. Finally, as I emphasized earlier, they can be undertaken without fundamentally disturbing the historic, and I believe largely effective, role of accreditation in inducing quality improvement.

I have divided these reform proposals into three categories of ascending difficulty or challenge with respect to their prospects for enactment. Each proposal begins with a “presenting problem” associated with current practice that has been widely cited and needs to be addressed. Each then consists of a series of specific actions intended to do so.

The first set of actions is straightforward. There is widespread agreement with them expressed through documents as diverse as the upcoming NACIQI report on the Triad, the report of the ACE Task Force on Accreditation, and Senator Lamar Alexander's policy paper, *Higher Education Accreditation: Concepts and Proposals*. They are as follows:

- *Public Reporting.* Until recently, accreditors did not provide much information on the results of institutional reviews other than whether or not the institution under review maintained its accredited status. Such reporting has improved considerably in the past decade and most accreditors now require institutions to report this kind of information directly to the public. But public reporting might be further improved through the development of standard reports listing the strengths and challenges of each institution determined in the course of a review, as well as through the use of standard statistical performance indicators. Progress to date has been achieved as a result of voluntary efforts by individual accreditors. But these efforts could be better coordinated through collective action on the part of the Council of Regional Accreditors (C–RAC) assisted through Federal incentive grants for this purpose made available from the Department of Education.

- *Language.* There is considerable variation across accreditors with respect to the language that they use to describe things like the standards against which they examine institutional condition and performance, the review processes they operate, or the outcomes of reviews. As a result, it is difficult for outside observers to determine whether or not different accreditors are referencing the same things when they

use different terms or are looking at different things altogether. This problem is particularly acute with respect to student learning outcomes. To address this, accreditors should be encouraged by the Department of Education through NACIQI to voluntarily adopt aligned terminology for key features of the review process and to map or otherwise justify their learning expectations for students to some kind of external reference point like the Essential Learning Outcomes proposed by the Association of American Colleges and Universities, or the Lumina Degree Qualifications Profile (DQP).

- *Purpose and Focus.* As currently framed, accreditation is about the quality of everything that an institution does. But this is far too broad a set of topics for accreditors to effectively examine. A first step here would be to cut significantly the number of items that accreditors are currently required by regulation to “inspect” and move this responsibility to the Federal Government and/or require it of states as part of their processes of licensing institutions to operate. Meanwhile, accreditors should place the primary focus of their quality review processes on the effectiveness of teaching and learning. This would mean conducting more intensive and in-depth examinations of curricula and pedagogies, and engaging in a much more thorough look at student learning outcomes. This renewed focus could be significantly aided by making changes in the language of Part H, Section 496(a) (5) (A) of the Higher Education Opportunity Act (HEOA) to emphasize “student learning” in addition to “student academic achievement.” A final ingredient here would be to extend accreditation’s reach beyond institutions entirely to embrace the growing number of alternative routes to earning credits and credentials such as credit by examination, priori learning assessment, and outsourced provision in the form of Massive Open On-line Courses (MOOCs) or StraighterLine.

Proposed actions in the second tier are more challenging, but all four have them have been widely discussed—especially in the wake of the Secretary’s Commission on the Future of Higher Education (popularly known as the “Spellings Commission”). Four proposals comprise this category:

- *Standard Dashboard Measures.* The body of evidence currently considered in accreditation focuses mainly on written documents prepared by institutions and reviewed by accreditors. But much information about institutional condition and performance can be succinctly presented—and, more importantly, **compared**—in numeric form. Accordingly, accreditors should develop and adopt a standard “dashboard” of 10 to 12 commonly defined statistical performance indicators for use in the accreditation process. Because alignment is important in such efforts, the development of these indicators should be undertaken collectively through an organization like C–RAC. Again, accreditors could be encouraged to develop such displays voluntarily through incentive grants provided by the Department of Education to C–RAC and suggestions by NACIQI.

- *“Disciplined” Peer Review Processes.* Peer Review is central to the accreditation process and should certainly remain so. But peers are good at some things and not so good at others. For example, peer reviewers frequently lack expertise in important matters like the assessment of student learning outcomes, the examination of institutional financial condition, and the interpretation of complex statistics on retention and graduation. Accordingly, peer review should be “disciplined” by expert panels operating alongside the regular accreditation process in these areas. This is largely a matter for accreditors to undertake voluntarily, perhaps encouraged by grant funding provided through the Department of Education. These actions can be undertaken by accreditors individually, because alignment across efforts is less critical than in such areas as developing a common language or standard dashboard indicators.

- *Conduct of Review.* Most accreditation visits rely on only one approach to gathering evidence during their site visits to institutions: group interviews of institutional staff by one or more team members. But many additional evidence-gathering approaches are available to teams, drawn from organizational consulting or the social sciences. These include mini-surveys, focus groups, audit methods, and field observation. Using such tools could result in a better body of evidence on which to make accreditation decisions. As above, because coordinated action is not necessary in this arena, such actions can be undertaken by individual accreditors, encouraged by incentive grants and NACIQI.

- *Role of Students.* In contrast to quality review elsewhere in the world, students currently play almost no role in U.S. accreditation. Yet they sit at the heart of the teaching and learning process at every institution. Not only could accreditation put more focus on examining student experiences as part of a site visit, students could also usefully be included on visiting teams and could help accreditors develop new standards and review processes that are focused more explicitly on the student ex-

perience. Efforts to pursue this are best undertaken by individual accreditors, but could again be stimulated through incentive grants and could be explicitly specified in the language of the HEOA.

The third and final tier of proposed actions involves more basic changes in current accreditation practices and/or the regulatory and policy environment that surrounds them. Four proposals comprise this category:

- *Multiple Levels of Recognition.* Currently, accreditation results in only one all-or-nothing outcome: an institution is either accredited or it is not. Establishing accreditation recognition at multiple levels would allow accreditors to recognize above-standard performance and would provide the public with more information than the current approach. Doing this would certainly require initiatives on the part of individual accrediting organizations but would probably also require language changes in the HEOA to allow institutions to be treated differently.

- A *“Risk-Sensitive” Approach.* In the name of “equity,” the current accreditation process treats all institutions the same. This means that institutions with good track records get the same level of attention from accreditors as problematic institutions. The alternative is to adopt a “risk sensitive” approach in which the amount of scrutiny directed at any given institution is proportional to the its track record of past performance. Such an approach could render the accreditation process far more efficient. Putting such an approach in place, however, will require explicit changes in the language of the HEOA to allow accreditors to treat institutions differently, as well as voluntary adoption of such processes by accreditors themselves.

- *Revised Scopes for Regional Accreditors.* The scopes of the seven regional accrediting commissions vary substantially in the number of institutions they examine. The largest has review responsibility for more than 1,300 institutions and the smallest for fewer than 200. This means that they are able to devote quite different amounts of attention to any given institution in a review. An alternative way to organize accreditation that has been proposed is by type of institution. Unfortunately, it is hard to delineate institutional types in a way that makes unambiguous distinctions among them. As a result, the best proposal is probably to retain the current scopes based on geographic region but to gradually and voluntarily redistribute the number of institutions within each region so that there is greater balance across commissions. This would require modifications in the scopes specified in the HEOA to allow voluntary changes in geographic boundaries among the regional accreditors. Additionally or alternatively, the term “regional” could be dropped in statute such that all accreditors have a national scope, with institutions allowed to choose among them.

- *Accreditation Governance.* The current governance arrangements of accreditation make it very difficult for those involved to speak with one voice in matters of policy. As independent membership organizations, moreover, accreditors have a hard time—and possibly even encounter a conflict of interest—when they must discipline their own members. A possible reform here would be for Congress to create a new free-standing federally chartered (but not federally owned) body to oversee and coordinate accreditors similar to the Securities and Exchange Commission, the Federal Trade Commission, or the Federal Reserve Board. This could also be accomplished through Reauthorization.

These actions do not have to occur in a particular order or be necessarily performed by the actor described. Moreover, the reforms that they describe will most realistically happen over a long time period, perhaps as long as 10 years. But if only a few of these proposals are enacted, institutional accreditation for the United States in the year 2025 will be both more efficient and more effective in assuring quality among the Nation’s colleges and universities than is currently the case.

SUPPLEMENTAL

Thank you, Senator Alexander and members of the committee for the opportunity to testify about accreditation reform at the Hearing last Wednesday, June 17, and for the invitation to submit additional testimony within 10 days. I am availing myself of that invitation today to briefly mention a matter which I brought up at the end of my verbal testimony. Much of the discussion during the Hearing concerned the alleged failure of the accreditor of the troubled Corinthian Colleges—the Accrediting Council for Independent Colleges and Schools (ACICS)—to revoke or limit the accreditation of these institutions in the face of what appeared to be clear evidence that they were not performing effectively in serving their students. While it is proper for the committee to point this out, I would like to draw your attention to a case in which the *opposite* situation applies—a case in which a recognized accreditor at-

tempted to sanction an institution that it found in violation of its standards, but was blocked from doing so by threatened liability and a variety of additional legal actions. I refer, as you may know, to the action against City College of San Francisco by the Community and Junior College Commission of the Western Association of Schools and Colleges.

As relatively small, free-standing membership organizations, regional accreditors lack the resources required to sustain the kinds of onerous lawsuits or drawn-out legal actions that can be brought against them by the institutions that they sanction. As a result, they can be understandably reluctant to sanction institutions in the first place, even though they may have a good case for doing so. I am not a lawyer, so I cannot recommend the specific actions that might be taken to address this unfortunate condition. But I do know that it is not an isolated situation. The answer may be indemnification of accreditors through Federal action or a similar limitation of liability by other actors. I merely wanted to take this opportunity to call the situation to your attention. Accreditors might well be more willing to act as they ought to, and as you wish them to, if mechanisms were in place to stiffen their backbones.

The CHAIRMAN. Thank you, Dr. Ewell.

Dr. Pruitt

**STATEMENT OF GEORGE A. PRUITT, Ph.D., PRESIDENT,
THOMAS EDISON STATE COLLEGE, TRENTON, NJ**

Mr. PRUITT. Thank you, Mr. Chairman, members of the committee. I serve as president of Thomas Edison State College in New Jersey, chair of the Middle States Commission on Higher Education, and member of the board of the Council for Higher Education Accreditation, or CHEA. I also served for 19 years as a member of the National Advisory Commission on Institutional Quality and Integrity, otherwise known as NACIQI. In that capacity, I served under five secretaries of education, under three presidents of both parties.

I share this with you because I bring to my testimony the perspective of someone who, as a college president, is subjected to accreditation; as an accreditor, someone who does accreditation; and, as the longest serving member of NACIQI, someone who has been deeply embedded in the Federal oversight and regulation of accreditation.

I'd like to share a series of brief summary statements I'd be glad to elaborate on during the question and answer period.

While there are some important things to be done to make it better, at its core reasonable accreditation is effective and enjoys broad support from the higher education community as the best approach for quality assurance in higher education.

Accreditation is dynamic. It is constantly changing and evolving to respond to contemporary circumstances.

Middle States recently went through a total reconceptualization of its accreditation standards and processes to focus primarily on the quality of the student learning experience and educational outcomes. This was not an updating of the previous standards but a soup-to-nuts rethinking of it.

At its heart, the most valuable elements of accreditation are self-study and peer review within the context of each institutional special mission and purpose. While metrics are important, they are only useful when normed against peer institutions as defined by institutional mission. Rating systems are not indicators of institutional quality but descriptors of student demographics. The original quality assurance triad of State licensure, Federal oversight of Federal programs, and quality assurance by accreditors is still a sound

model, but it has never been implemented consistently or effectively.

The biggest impediment to the quality assurance role of accreditation has been the accumulation of Federal regulations that has franchised the Federal obligation to oversee Federal programs to the accrediting bodies, thereby distorting the quality assurance role in favor of compliance enforcement.

Educational quality assurance and compliance with regulations governing Federal resources are two separate and distinctive obligations and should be acknowledged as such. Many of the complaints from institutions of higher education on regional accreditation are, in fact, an objection to the behaviors forced on accreditors to enforce Federal rules. As part of the Middle State standards revisions, we have clearly separated the quality assurance functions associated with accreditation from the compliance work required by the Congress and the Department of Education. We want institutions to clearly understand the difference between the accreditation functions we should be performing and the compliance reviews that we are required to perform.

High-quality academic institutions can suffer periodic lapses in their compliance obligations and academically weak institutions can have immaculate compliance protocols. We should not confuse the two functions. We do support a continued link between participating in Federal programs and accreditation simply because it is logical that participants in Federal programs have a reasonable assurance that their institutions meet the appropriate standards of quality and integrity.

Accreditation occasionally gets criticized as a barrier to innovation. There is some validity to this observation. The impediments we faced in respect to creativity and reasonable experimentation by our institutions is the rigidity of the Federal regulations that do not permit us the flexibility and the nimbleness to support innovation by our members. The strength of American higher education lies in the diversity of its institutions, with differential missions serving various populations. The biggest threat to the ongoing viability of this national treasure is the one-size-fits-all template.

Members of the triad—State licensure, Federal oversight, and quality assurance by accreditors—can best serve our Nation's interests by working together, cooperating, collaborating, and communicating, but staying in our respective lanes.

Thank you for this opportunity. I'd be glad to elaborate further during the question and answer period.

[The prepared statement of Dr. Pruitt follows:]

PREPARED STATEMENT OF GEORGE A. PRUITT, PH.D.

SUMMARY

My testimony focuses on the role of accreditation in ensuring quality in higher education with emphasis on what is working well. Remarks will also identify some current issues in accreditation and will provide suggestions for improvements that could enhance accreditation, making it more valuable to students, the public and policymakers.

Regional accreditation is fundamentally sound and effective, and it enjoys broad support from the higher education community, as the best approach for ensuring quality in higher education. It is dynamic, evolving to meet the changing needs of contemporary circumstances. It is focused on student learning, achievement and assessment. It provides for regular reviews and allows for differentiation in reviews

and monitoring activities, as warranted by specific circumstances. Signature elements of the regional accreditation process that should be maintained include peer review, a focus on institutional improvement, and attention to institutional mission.

While accreditation is fundamentally sound, the reauthorization process provides a forum for considering improvements that would increase the value of accreditation. The following accreditation issues are identified, and suggestions for improvements are offered:

- Regulations and Compliance;
- Accreditation and Innovation;
- Transparency/Disclosure;
- “One-size-fits-all” Templates, Metrics and Bright Lines;
- The Triad; and,
- The Continuum of Accreditation.

Mr. Chairman, members of the committee, my name is George Pruitt and I serve as president of Thomas Edison State College in New Jersey, chair of the Middle States Commission on Higher Education (MSCHE) and member of the board of the Council for Higher Education Accreditation or CHEA. I also served for 19 years as a member of the National Advisory Commission on Institutional Quality and Integrity, otherwise known as NACIQI. I served in that capacity under five secretaries of education, under three presidents of both parties. I share this with you because I bring to my testimony the perspective of someone who, as a college president, is subjected to accreditation, as an accreditor, someone who does accreditation, and as the longest serving member of NACIQI, someone who has been deeply embedded in the Federal oversight and regulation of accreditation.

This written testimony will focus on the role of accreditation in ensuring quality in higher education with emphasis on what’s working well. My remarks will also focus on some suggestions concerning improvements that could enhance accreditation, making it more valuable to students, the public and policymakers.

WHAT’S WORKING IN ACCREDITATION

As noted above, I have a relatively long history of working on accreditation for my institution and in both regional and national organizations. I believe in it and I believe that individual institutions and American higher education benefit from the self-study, peer review and related processes. Further, I believe that accreditation is a fundamentally sound system and will offer some observations supporting this conclusion.

- As Senators, the likelihood is that you most frequently hear about accreditation from institutions that are unhappy about some aspect of recent interactions. That is only one side of the story. The common criticism of accreditation is that it takes too long, costs too much, and doesn’t have enough value. However, evidence from MSCHE’s accredited institutions suggests different conclusions. Unsolicited comment from MSCHE institutions engaged in the accreditation process continues to emphasize that accreditation is beneficial and valuable. In the current round of reviews, one institution wrote in its response to the evaluation team report that:

“At a time when peer accreditation is the object of intense government skepticism and increased public scrutiny, our experience would argue that this process can, in fact, work effectively to hold institutions accountable for continuous improvement in serving our students, other relevant constituencies, and the larger society.”

Many institutions have echoed these sentiments.

- All of the regional accrediting agencies, including Middle States, continue to develop and improve accreditation. Many of the agencies have recently been engaged in revising accreditation expectations and standards. Middle States has just completed a thorough reconceptualization of its standards for accreditation to focus on the quality of the student learning experience and educational outcomes. In the process, we have reduced the number of accreditation standards from 14 to 7. Agencies are also reviewing accreditation processes to make them more streamlined and to emphasize analytical, evidence-based approaches that are driven by an institution’s own stated mission.

- Peer review, a focus on institutional improvement, and attention to institutional mission are signature elements of the U.S. accreditation system that should be maintained and that promote the diversity found in American higher education.

- Peer review works. Our corps of peer evaluators and team chairs take their work very seriously, producing thoughtful insight on what works and what could be

improved to foster quality in our member institutions. If ever there was a “kinder-gentler” time when institutions were simply given a pass by colleague-evaluators this is not the case now.

- Accreditation is not a “once and done” activity. MSCHE maintains continuing contact with member institutions not only through decennial self-study and peer evaluation, but through followup activities as may be warranted, annual reporting, requests for information, and through institutional submission of applications to have substantive changes included in the scope of the institution’s accreditation. The agency comes to know its constituency well in the course of these contacts.

- Accreditors are focused on student learning, achievement, and assessment. NILOA (the National Institute for Learning Outcomes Assessment) has found that accreditors are the primary driver of assessment work.

- The Senate committee’s white paper on *Higher Education Accreditation Concepts and Proposals* addressed the usefulness of “risk-adjusted” or differentiated reviews. MSCHE and other regional accreditors already recognize the usefulness of this approach in the way that it monitors institutions. Some institutions require special monitoring and followup, while others do not.

- Accreditation reviews and actions are arrayed along a continuum. We can have great colleges and universities that may not be appropriately attending to some aspects of compliance with standards and expectations, and accrediting agencies ask for followup and improvements in these cases. We can also have smaller, special purpose or non-traditional institutions that are found to be in excellent health regarding accreditation standards and expectations.

- The regional accreditors are working together to better align policies and processes. Two examples of this are the 2014 Council of Regional Accrediting Commissions statement: *Regional Accreditation: Warning, Probation, Withdrawal of Accreditation* and the very recent 2015 Council of Regional Accrediting Commissions *Framework for Competency-Based Education*.

- The regional structure of accrediting agencies such as MSCHE continues to be useful and should be maintained. As noted previously, the regional structure allows for continued, meaningful connections and enhanced knowledge about member institutions. In addition, the 2012 American Council on Education Task Force report addressed the issue saying that it would be better to build on the current structure and role of regional accreditors.

- We support a continued link between accreditation and participation in Federal programs. This link allows higher education participants and the public to have reasonable assurance that institutions meet appropriate standards of quality and integrity.

SUGGESTIONS TO IMPROVE ACCREDITATION

While accreditation is fundamentally sound, it—like most things—could be improved, and the reauthorization process provides a forum for considering improvements that would increase the value of accreditation. What follows is an identification of some of the current issues in accreditation together with suggestions for addressing those issues. In order to be effective, some of the solutions might belong in the legislative language. However, many of the suggested solutions do not require that level of attention, and should be accomplished through effective partnerships within the Triad or through other non-legislative means.

Regulations and Compliance

- One of our biggest problems is the shift in which accrediting agencies have had to devote increasing time, attention and resources to compliance with the accumulation of Federal regulations. This shift has come at the expense of our original mission centered on quality and institutional improvement. The focus should be where our expertise lies, on quality and improvement. MSCHE and some of the other regional accrediting agencies have begun to separate traditional quality assurance functions from compliance aspects that are required by Congress or the Department of Education in order to clarify the difference in these separate roles.

- There are numerous instances where accrediting agencies have been asked to take on too much responsibility for enforcing compliance with an ever increasing list of Federal regulations. Substantive change provides an example. Accreditors must now devote substantial attention to all manner of large and small substantive changes. Most regional accrediting agencies are dealing with hundreds, and in one or two cases thousands of substantive change requests each year. Decisions need to be made about which substantive changes are really related to educational quality and therefore require careful review by accrediting agencies.

- There clearly does need to be a careful approval process for accrediting agencies. However, recognition of accrediting agencies through NACIQI has become a

burdensome and bureaucratic process. Under the Department of Education's *Guidelines for Preparing/Reviewing Petitions and Compliance Reports*, accrediting agencies are subject to a total of approximately 100 separate requirements. We are cautiously optimistic about recent efforts to limit reviews to the most important of the requirements and hope that the changes will become permanent. We also believe that there has to be a better way to determine whether an agency is worthy of recognition—perhaps one that would emphasize self-study and improvement rather than compliance.

Accreditation and Innovation

- Accreditation occasionally is criticized as a barrier to innovation, but the most serious impediment we face with respect to creativity and reasonable experimentation by our institutions is the rigidity of the Federal regulations that do not permit us to be flexible and nimble in supporting innovation by our members.

- It should be our responsibility to accommodate innovation while assuring that appropriate levels of quality are maintained. One way to do this might be to allow accrediting agencies some form of waiver or authority from the Department to allow for experimental programs/innovation outside the Department's own experimental sites programs. This could have the benefit of speeding up the process of finding new "best practices."

- At this point, there does not seem to be anything even approaching consensus about how to deal with third-party providers of education. Institutions are increasingly turning to arrangements/partnerships with such organizations and while regional accrediting agencies do engage as necessary, further discussion among all constituencies and a search for agreed-upon approaches would be beneficial to all. We need to determine whether appropriate quality review structures are already available (e.g., regional accrediting agencies working with institutions that accept credit offered by third-party providers, or via organizations that allow providers to have their courses evaluated for recommendation as to whether academic credit should be considered by receiving institutions), or whether new pathways to accreditation might be best.

Transparency/Disclosure

- The issue of transparency or disclosure is a thorny one in accreditation. The prospect of full disclosure of self-study documents probably would fundamentally change the nature of those documents. Additionally, while public institutions are used to operating in conditions of greater public access to information, the issue represents a special problem for private institutions. We should focus on the purposes of disclosure—the what, how and when—before making decisions. Perhaps the right balance is that the work product of accreditation should remain protected while consideration should be given to making team reports (or summaries of those reports) public. Full disclosure of accreditation actions has been the practice at Middle States for many years and we believe this is essential.

"One-size-fits-all" Templates, Metrics and Bright Lines

- We must recognize that a single set of bright lines or metrics will never replace a thorough analysis by peer reviewers of quality in higher education. We need to answer questions about whether our institutions are doing a good job and how we know that they are, but these questions require thoughtful use of data rather than the application of simple metrics. We must be concerned with making decisions about data—What data, collected how and by whom? For what purposes?

- Rather than being satisfied with a number like a graduation rate, wouldn't it be better to determine why students either do or don't complete programs that they start, or to consider available/alternative data about student success? For example, for Thomas Edison State College, a graduation rate statistic is the wrong metric. Graduation rate statistics assume a standard progression through higher education programs and can be more descriptive of a traditional demographic. Alternative information such as pass rates on professional licensure is more meaningful for my institution and the non-traditional student population that it serves . . . and would reveal a high level of success!

The Triad

- There should be greater collaboration among the members of the Triad. At present, there are only informal arrangements, and at some level these have not worked well. Improvement here will be essential in order to accommodate innovation.

- Many States have decreased funding for and the "footprint" of governmental agencies that authorize/license institutions of higher education. In some cases, the States have come to rely on the work of the accrediting agencies.

- Without some system or form of incentive to collaborate, the members of the Triad will continue to operate in individual silos.

The Continuum of Accreditation

- Many see the accreditation process as binary—an institution is either accredited or not. However, there actually are a number of gradations in accreditation decisions. Actions range from accreditation through followup to warning, probation, show cause and then to withdrawal. In 2014, the Council on Regional Accrediting Commissions worked to provide a common understanding of sanctioning actions, and it might now be a good time to broaden this discussion.

- Most of our accredited institutions are judged to meet accreditation standards, but some are clearly out of compliance with those standards. However, there is a middle, marginal group where we need to focus our attention to encourage improvement and quality for the benefit of students and the public. Accrediting agencies need flexibility and an appropriate amount of time to work with these institutions.

- The merit of an accrediting agency should never be based on the number of instances accreditation is withdrawn. There are times when there is nothing more an accrediting agency can do and withdrawal of accreditation is necessary, but each time an agency is forced to withdraw accreditation, it represents a kind of failure.

- The revocation of accreditation is an incredibly disruptive and expensive process—for the institution and its students, and for the accrediting agency as well. In the actual event, institutions are likely to close, merge or be sold; the accreditator is likely to be sued; students are displaced; and, in the most disruptive situations, the Federal Government may have to forgive significant amounts in student loans. Once again, the accrediting agency should have flexibility in dealing with the situation and an appropriate amount of time to work with institutions.

Thank you for this opportunity to testify regarding Accreditation's Role in Ensuring Quality in higher education.

The CHAIRMAN. Thank you, Dr. Pruitt.

Dr. Gray.

STATEMENT OF ALBERT C. GRAY, Ph.D., PRESIDENT AND CHIEF EXECUTIVE OFFICER, ACCREDITING COUNCIL FOR INDEPENDENT COLLEGES AND SCHOOLS, WASHINGTON, DC

Mr. GRAY. Thank you, Chairman Alexander and Ranking Member Murray, for the opportunity to contribute to this important and relevant discussion regarding the reauthorization of the Higher Education Act and reforms to the independent, voluntary system of accreditation.

As CEO of a large national accrediting organization of primarily degree-granting institutions in the United States, my remarks are in the context of the quality assurance of colleges offering professional, technical, and occupational programs that lead to employment.

ACICS derives its authority from the U.S. Department of Education and the Council of Higher Education Accreditation, CHEA. We were last reviewed by the Department and CHEA in 2011. We will again confront that process in 2016. More than 900 institutions are accredited by ACICS, serving 800,000 students in 47 states and a dozen international locations. ACICS has developed standards to review new and emerging educational modes, including online instruction, international education, and competency-based education.

As the colleges adapt new methods of serving students, ACICS is poised to respond with flexibility and innovation. I'd like to offer three considerations regarding the initiative to strengthen the system of voluntary quality assurance known as accreditation.

First, know the students. That is, understand their unique needs and circumstances, and use that knowledge to shape higher edu-

cation policy, as ACICS uses that knowledge to shape requirements and expectations for assuring quality and institutional effectiveness.

Second, inventory the depth of rigor and review that is applied through the existing quality assurance process, and then build on those strengths to make the outcomes of accreditation that much more valuable.

And third, encourage the accreditation community to play a broader role in defining the measures of value incorporated in the price/value proposition.

First, regarding knowing your students, students enrolled at ACICS colleges are typically working adults. They're financially independent from their parents. Some have one or more dependents at home. Many are the first in their families to have attempted college. More than half of them live, work, and attend institutions located in secondary and tertiary markets; in other words, communities with populations less than 500,000, in many cases with populations less than 150,000. Compared with traditional students, they tend to have lower income levels. They are looking for enrollment opportunities that fit their lifestyles, such as close proximity, classes at night or on weekends, classes taught by instructors with practical as well as academic experience. They require a level of student services that may not be commonly available at more traditional institutions. They're looking for terminal credentials. In other words, they want a diploma, a certificate, or a degree that converts to employment.

ACICS is committed to the importance of a quality educational experience for all students, and that's our value statement. In the sense of that value statement, we consider student services and student needs to be a critical aspect of accreditation of our institutions.

Second, I mentioned considering the strength of existing programs of accreditation. ACICS must demonstrate that strength, and it has done so through standards and a program of applying those standards that comply with the 10 categories of the Department's regulations, which include more than 90 individual requirements, and we've mentioned and talked about those a little bit.

ACICS, as I mentioned, must also demonstrate that it complies with CHEA's 12 explicit standards.

I'm running out of time here. I did want to mention, third, that ACICS importantly acknowledges the price/value proposition. But recognize that accreditors do not prescribe, at least ACICS, or review the affordability or pricing levels. We don't have the purview, the expertise to do that, or, frankly, the authority under our accreditation authority.

However, the denominator of the price/value ratio, the value of education, is of intense interest. ACICS accreditation represents prominence and activism regarding value. Peer review not only ensures that the college is meeting minimum standards when it operates at its optimum, it pushes institutions to attain excellence.

In summary, I'd like to say that the reforms to accreditation accomplished in reauthorization should be based on the strong awareness of the students served by private independent colleges and schools. They must reflect an understanding of the existing

strengths of the accreditation program. And finally, accreditation is capable of playing a broader role in defining and disclosing measures of value that are to be applied to the price/value proposition.

In closing, to the degree reauthorization emphasizes the quest for academic quality, reduction in regulatory complexity, and avoidance of overreach by the Federal Government, it will advance the cause for students. Thank you.

[The prepared statement of Dr. Gray follows:]

PREPARED STATEMENT OF ALBERT C. GRAY, PH.D.

SUMMARY

Establishes the history of ACICS (since 1912), the number and types of institutions it serves (900+, providing programs in professional, technical and occupational fields), the number and types of students enrolled (more than 800,000, mostly working adults, part-time students, and other non-traditional enrollment characteristics). Reviewed and recognized by the United States Department of Education (since 1956) and Council of Higher Education Accreditation (CHEA).

Describes ACICS's quality assurance of innovative and emerging education delivery modes, including distance education, international education and competency-based education.

Offers considerations of reforms to accreditation through the Higher Education Act, including knowledge of the students enrolled; complete inventory of depth and rigor of current programs of accreditation; and emphasis on quality review as a contribution to the price/value proposition of higher education.

Acknowledges value of strengthening accreditation through emphasis on quest for academic quality, reduction in regulatory complexity and avoidance of overreach by the Federal Government into academic matters.

On behalf of the Board of ACICS, our more than 900 colleges and schools throughout the United States and internationally, and the more than 800,000 students enrolled, my appreciation for the opportunity to contribute to the Senate's sincere efforts to strengthen the system of post-secondary education in the United States through the reauthorization of the Higher Education Act in general, and through the thoughtful reform of the system of accreditation in particular. As the Nation's community of learners and employers has evolved, so have the methods for delivering effective post-secondary education; so too must the discipline of quality assurance evolve and reform.

Founded in 1912, ACICS is the largest national accrediting organization of degree granting institutions. ACICS is authorized to accredit professional, technical and occupational programs through the master's degree level by the U.S. Department of Education and Council of Higher Education Accreditation (CHEA). ACICS has been continuously recognized by the U.S. Government since 1956 as a reliable authority on institutional quality and integrity.

As a recognized national accreditor, ACICS is not constrained by geographic boundaries or territories. Currently we assure the quality of colleges and schools in 47 States and more than a dozen international locations. ACICS has developed standards and the capacity to review new and emerging education delivery modes, including on-line instruction, international education and competency-based education. As the colleges and schools adapt new modes of serving a dynamic student population, ACICS is poised to respond with flexibility and innovation in the quality assurance discipline.

Today I offer three considerations to inform the legislative task of reauthorizing the Higher Education Act and strengthening the system of voluntary quality assurance known as accreditation:

1. **Know the students**, understand their unique needs and circumstances, and use that knowledge to shape higher education policy, as ACICS uses that knowledge to shape requirements and expectations for assuring quality and institutional effectiveness.

2. **Inventory the depth of rigor and review** that is applied through the quality assurance process and build policy that empowers and strengthens the value of that process.

3. **Encourage the accreditation community** to play a broader role in defining the measures of value incorporated in the price/value proposition. This role is

uniquely the obligation of accreditation, and when it is played effectively, the relationship between price and value is kept in balance.

Regarding the consideration of knowing the students: The more than 800,000 students served by the more than 900 private, independent colleges and schools accredited by ACICS represent an important and growing subset of the overall population of learners who enroll in post-secondary education across the United States. They are typically working adults, financially independent from their parents, with one or more dependent children at home, and many are first in their families to have attempted a post-secondary education. More than half of them live, work and attend institutions located in secondary and tertiary markets: communities of population less than 500,000, and in many cases less than 150,000. (2015 ACICS Eligibility Application to CHEA).

Compared with students enrolled in traditional higher education, students enrolled at ACICS colleges and schools tend to have lower income levels and come from more modest means. They typically are looking for enrollment opportunities that are compatible with their lifestyles: campuses in close proximity offering classes at night or weekends taught by instructors with practical as well as academic experience in the field. They also require a level of student services—help with transportation, day care, social services and educational support—that may not be commonly available at other institutions. Many will suspend their post-secondary education due to changes in their life circumstances, such as the demands of their family or their workplace.

Typically students enrolled at ACICS accredited colleges and schools are seeking terminal credentials; that is, their goal is to complete the requirements for a diploma, certificate or degree in a timely manner, then convert the credential into employment. Due to aspirations for higher credentials by many students, ACICS works closely with other institutions and accreditation agencies to maximize the opportunities for the transfer of academic credit. The CHEA “Framework for Transfer of Credit Responsibilities” and the “Joint Statement on the Transfer and Award of Credit” are important declarations which provide guidance to the accreditation community and to all accredited colleges and universities.

Students attending ACICS colleges and schools rely heavily on relationships and first-hand knowledge to make decisions about their lives and opportunities. Word of mouth is typically the most important method by which they gain information for making enrollment decisions: that is, they ask their friends or relatives or other trusted sources to recommend a post-secondary school. (“Bridges Out of Poverty: Strategies for Professionals and Communities,” Ruby K. Payne, Philip E. DeVol, aha! Process, Inc. 2006)

Of the cadre of more than 1,100 peer evaluators deployed by ACICS to perform onsite reviews, more than 130 have extensive expertise in the field of student services. They are diligent in applying the requirements that express the Council’s expectations for serving students appropriately, regardless of their background or circumstance (“ACICS Accreditation Criteria,” Sections 3–1–410 thru 414; 3–1–441, 442). At their disposal are more than 30 discrete items of inquiry that produce information the Council can utilize in reviewing the sufficiency of student services.

The accrediting council reviews information on a recurring basis derived from team reports, student complaints and adverse information from third parties to analyze the sufficiency of its standards and requirements regarding student services. When an analysis indicates patterns of deficiency, Council clarifies or strengthens its written standards and enforces the expectations through the accreditation review process.

Recently, the Council reinforced its focus on the experience of students, including those derived from student services. The Council’s published value statement declares: “ACICS is committed to the importance of a quality educational experience for all students.”

The Council declaration deliberately focuses on the experience of students, as well as the quality of the academic content; it reinforces an emphasis on students who are currently enrolled, including the support they receive from the institution. This emphasis reflects a strong awareness of the type of students enrolled at member institutions and the unique circumstances and challenges they confront in completing a post-secondary education.

Regarding the strength of the ACICS accreditation program: As is true for all accrediting entities recognized by the U.S. Department of Education through the statutory authority of the Higher Education Act, ACICS stands for review every 5 years. The agency must demonstrate that it has standards and a program of applying those standards that comply with the 10 categories of section 602.16 (a) of the Department’s regulations. Those regulations are comprised of 19 discrete sections and more than 90 individual requirements.

In addition, ACICS is recognized by the Council for Higher Education Accreditation (CHEA), which applies its expectations through 12 explicit standards and requirements. CHEA recognizes most of the regional accrediting bodies and more than 50 programmatic and specialized accrediting entities. ACICS has voluntarily stood for recognition and review by the Texas Higher Education Coordinating Board (2009); the National League for Nursing Accrediting Commission (now the Accrediting Commission for Education in Nursing, 2009); and the American Registry of Radiologic Technologists (ARRT, 2015). In all cases the independent reviews produced formal recognition of ACICS's ability to effectively assure the quality of institutions and professions of interest to those entities.

At the core of the ACICS program of accreditation are strong, explicit standards; a diverse and experienced cadre of peer evaluators; and an independent, professional Council whose composition reflects close ties to various community interests.

The 125-page ACICS standards, evolved over more than 102 years, tend to be more explicit and prescriptive rather than general or aspirational. Among other characteristics, the ACICS standards emphasize student-focused outcomes, including standards for retention, placement, and licensure exam pass rates. Institutions also are required to demonstrate how they engage the local community in developing and shaping their education programs; the satisfaction of employers with the graduates they hire; the satisfaction of graduates with the educational experience; and other indicators of student learning, such as cumulative grade point average, graded externships, portfolios and other capstone projects. On average, the typical ACICS colleges will be subject to a full team review every 3 to 5 years; the maximum grant length is 6 years, reserved for only those institutions that demonstrate strong compliance with all standards and requirements. In addition, institutions are required to file every year a report on student achievement factors and financial stability.

ACICS evaluators on average have nearly 6 years' experience serving as a peer evaluator; more than a third are drawn from colleges and schools unaffiliated with ACICS, including many that are accredited by regional entities. Indeed, many perform accreditation reviews for regional accreditors as well as ACICS. The primary tools they use to review colleges and schools onsite are the published standards and more than 425 discrete questions that are answered through interviews, direct observation and review of documentation.

Finally, the ACICS Council is composed of 15 individuals with substantial experience in post-secondary education. Four of the fifteen have no affiliation with any ACICS college or school; four have experience primarily in faculty roles; many have served on accreditation review teams for other accrediting bodies. All have a strong commitment to quality assurance that enhances the experience of students currently enrolled; the Council understands that students who have a strong experience today or this week or this semester stand a greater chance of completing the program and converting their financial, intellectual and emotional investment into economic opportunity.

ACICS acknowledges the focus on the price/value proposition of post-secondary education in various policy arenas, and respects the initiative behind reducing student indebtedness and the costs of attendance. While the Council collects and analyzes information regarding the average tuition and fees of programs at member institutions, ACICS has not developed standards regarding affordability or pricing levels. The numerator of the price/value proposition is outside of our purview, our area of expertise, and the authority granted by the U.S. Department of Education.

However, the denominator of the ratio—the value of the education received—is of intense interest to ACICS and the broader accreditation community. The program of quality review carried out by ACICS represents prominence and activism regarding the value of education delivered at member institutions. The discipline of peer review not only ensures that the college or school is meeting minimum standards of eligibility for participation in Federal Student aid programs; when it operates at its optimum, accreditation pushes institutions to pursue and attain excellence. Accreditation collects, scrutinizes and shares the best practices of high-performing institutions with other institutions, empowering the education enterprise to deliver greater value and quality, irrespective of prices charged.

ACICS's accreditation program places great emphasis on the discipline and practice of institutional effectiveness planning and management. The scope and robustness of the plans are subject to review by evaluators with administrative and institutional data expertise during the recurring accreditation cycle. Data regarding retention, placement and licensure exam pass rates are reported and reviewed on an annual basis by the Council to ensure institutional effectiveness is maintained or enhanced in between accreditation reviews. The aggregate data is disclosed through the ACICS website and published in the annual compendium of key oper-

ating statistics, so that the public, policymakers and students may review effectiveness on their own terms.

The outcomes of the ACICS accreditation review are not provided in comparative terms; the institution is either granted accreditation or it is denied. The value of the review for the student is knowledge that the quality for their investment has been assured by an independent, third-party organization with the expertise and authority to ascertain deficiencies and prescribe potent, immediate remedies. Enhancing the ability of accreditation to play that role is worthy of the Higher Education Act during congressional reauthorization.

In summary, the reforms to accreditation accomplished through the reauthorization of the Higher Education Act should be based in part on a strong awareness of the students served by private, independent colleges and schools. The reforms must reflect an understanding of the existing strengths of the accreditation program as it is applied today to those institutions. And finally, the accreditation community is capable of playing a broader role in defining and disclosing measures of value that are to be applied to the price/value proposition. The persistent, prominent presence of accreditation on college campuses, when coupled with the quality review process, represents a unique opportunity to advance and strengthen the balance between price and value.

ACICS acknowledges the daunting but important task Congress faces in strengthening accreditation through the reauthorization of the Higher Education Act. To the degree the effort emphasizes the quest for academic quality, reduction in regulatory complexity and avoidance of overreach by the Federal Government into matters that are primarily academic in nature, it will advance the cause of students currently enrolled, and those who enroll in coming semesters.

Thank You.

The CHAIRMAN. Thank you, Dr. Gray.

Ms. Neal.

STATEMENT OF ANNE D. NEAL, PRESIDENT, AMERICAN COUNCIL OF TRUSTEES AND ALUMNI, WASHINGTON, DC

Ms. NEAL. Thank you, Mr. Chairman and members of the committee.

The mere mention of accreditation typically evokes a glazing over of the eyes, so I am very, very happy to all of you for understanding that accreditation is not just an obscure policy issue. Accreditation is a regulatory policy whose application is having real and negative consequences in the lives of students and taxpayers. It is self-referential, conflicted, burdensome, and opaque. Even as we spend nearly two times the per-student average of any industrialized country, our graduation rates are below OECD averages.

As you reauthorize the Higher Education Act, the quality assurance system must be strengthened to enhance academic quality, promote competition, and provide accountability. To do that, I submit that you must end accreditation as a gatekeeper for title IV.

While the accreditation system has been in place, quality has gone down, debt has gone up to record highs, and the quality of American higher education is being questioned more than ever before. Accreditors have done precious little to stop this decline because accreditors are not and cannot be reliable authorities as to the quality of education or training offered as required by statute.

Accreditors are membership bodies funded, operated, and made up of the very people who benefit from title IV, faculty and administrators. Accreditors are good at encouraging self-improvement but not so good at quality assurance and refraining from unwarranted regulation. I cannot think of a single college in the last 60 years that has ever been closed down solely because of quality concerns.

Accreditation standards are guild-like, often privileging inputs and expenditures; for example, tenured professors or limited online

learning. They give lip service to academic freedom and a coherent general education but have allowed the proliferation of speech codes and diffuse curricula. They require essentially the same thing of every institution whether high risk or low risk.

With apologies to my fellow panelists, there is no “there” there. Accreditation often provides no threshold standard, especially when it comes to the non-profit institutions. It offers no data about individual programs or departments, no comparability in assessment of student learning. What we have, in the words of professor Milton Greenberg, is a confidential process that hides an institution’s advantages and disadvantages.

Accreditors insist only that colleges and universities devise their own means of assessing their institutional effectiveness, and tweaking the existing system will not make a difference because accreditation will remain largely a self-referential, membership-driven exercise.

Accreditation is also a failure because it is an opaque process. All students are hurt when institutions do not provide clear information about quality and financial stability, but the negative impact is the greatest on those students who typically have the most limited financial means and are least familiar with how higher education works. It isn’t that they just don’t graduate. It’s often that they often leave with lots of student debt and few employment prospects. This is morally indefensible, and the blame can be placed on colleges and accreditors.

Finally, the process is costly. Even vastly wealthy institutions like Princeton and Stanford are complaining. It is worse for small colleges with limited operating budgets, particularly in these challenging times in which our colleges and universities find themselves. A modern system of quality assurance would deregulate, and it would provide audited, clear, consistent, and comparable information annually about financial stability, price, financial aid, demographics, success, grad rates, and student learning gains to help inform parents and students. It would not overwhelm colleges with counter-productive and costly red tape. It would free accrediting agencies to focus on their original mission of self-improvement through peer review by ending one-size-fits-all regional monopolies. At a minimum, it would give institutions a choice and allow experimentation with different approaches.

The American Council of Trustees and Alumni encourage you to consider three commonsense reforms.

No. 1, create a direct, expedited recognition for title IV using risk-adjusted scrutiny. This is a parallel track. It is not blowing it up. It is for low-risk schools, and it would not end accreditation.

No. 2, end regional monopolies and return to true peer accrediting agencies.

And No. 3, eliminate the existing blank-check provision in the statute that encourages accreditors to intrude upon institutional governance.

America’s colleges and universities have long been the finest in the world, and we want them to remain that way. As they seek to meet the demands of a modern workforce and economy, it’s vital that the quality assurance process modernize as well.

I thank you for this opportunity and I look forward to fleshing out these ideas with you.

[The prepared statement of Ms. Neal follows:]

PREPARED STATEMENT OF ANNE D. NEAL

SUMMARY

Accreditation is a regulatory policy whose application is having real—and NEGATIVE—consequences—in the lives of students and taxpayers. It is self-referential, conflicted and opaque. Even as we spend nearly two times the per student average of any industrialized country, our graduation rates are below the OECD average. The HEA quality assurance system must be strengthened to enhance the quality of colleges and universities, promote competition and innovation and provide accountability. To do that, we must end accreditation as a gatekeeper for title IV.

While this system has been in place, quality has gone down; debt has gone up to record highs; and the quality of American higher education is being questioned more than ever before. This decline is because accreditors are not and cannot be “reliable authorities” as to the quality of education or training offered, as required by statute. Accrediting bodies are membership bodies, made up of the very people who benefit from title IV, faculty and administrators.

Standards remain guild-like, often privileging, for example, tenured professors or mandating a limit on online learning. They give lip service to academic freedom, a coherent general education and student learning, but have allowed disturbing speech codes to proliferate, diffuse curricula to abound, and enforce no minimum quality thresholds. They require essentially the same thing of every institution, whether high-risk or low-risk. Tweaking the existing system will not make a difference because accreditation will remain a self-referential, membership-driven exercise.

Accreditation is also a failure because it is an opaque process. Students need clear information about quality and financial stability to have the best chance for success—yet accreditation fails to provide that information. And the process is costly. Even vastly wealthy institutions like Princeton and Stanford are complaining. It is worse for small colleges with limited operating budgets.

A modern system of quality assurance would: (1) Provide clear, consistent—and comparable—information *annually* about price, financial aid, demographic success and grad rates to help parents and students make decisions; (2) Not overwhelm colleges with counterproductive and costly red tape; (3) Free accrediting agencies to focus on their original mission of self improvement through peer review by ending one-size-fits-all regional monopolies; (4) Allow high-quality, innovative forms of higher education to emerge.

We encourage you to consider three commonsense reforms to meet the above goals.

1. Create Direct, Expedited Recognition for Title IV using Risk-Adjusted Scrutiny.
2. End Regional Monopolies and Return to True Peer Accrediting Agencies.
3. Eliminate the existing “blank check” provision in the statute.

America’s colleges and universities are among the finest in the world. As they seek to meet the demands of a modern workforce and economy, it is vital that the quality assurance process modernize as well.

The mere mention of accreditation typically evokes the glazing over of eyes and a rapid escape from the room.

That is why I am so grateful to the Chairman and members of the committee for understanding that accreditation is not just an obscure policy issue—important only to a few insiders. Accreditation is a regulatory policy whose application is having real—and I will argue NEGATIVE—consequences—in the lives of students and taxpayers. We must redesign and reform quality assurance to strengthen the quality of colleges and universities, promote competition and innovation and provide accountability. To do that, we must end accreditation as a gatekeeper for title IV.

As you all know, accreditation was initially a voluntary system helping institutions improve. Teams of faculty paid discerning visits to institutions—generally neighbors in the region—to offer confidential advice. It was peer review at its finest.

In making accreditation a gatekeeper, Congress believed it was ensuring educational value by applying the successful private peer review process to quality assurance. Other countries have educational ministries. With accreditation, they

thought, we can keep the feds out of higher ed by having private membership bodies determine where title IV flows. We can have our cake and eat it too.

I would submit to you: that premise was fundamentally wrong. We have had 60 years of experience with this. While this system has been in place, quality has gone down; debt has gone up to record highs; and the quality of American higher education is being questioned more than ever before. The Department of Education conducts the National Assessment of Adult Literacy and two surveys (1992 and 2003) have shown that a majority of college graduates cannot compare the opinions in two editorials or compute the cost of food items when given the price per ounce.

The groundbreaking report, *Academically Adrift*, by Professors Richard Arum and Josipa Roksa similarly shows that many students at a range of institutions—large and small, public and private, all accredited—are graduating with little or no cognitive gain after 4 (or more) expensive years. All the while we are spending nearly two times the per-student average of any industrialized nation. Put simply, the accreditation system has been a regulatory failure that deceives students and families.

If we want to know why academic quality has gone down, it is because accreditors are not and cannot be “reliable authorities” as to the quality of education or training offered, as required by statute. Accrediting bodies are membership bodies, made up of the very people who benefit from title IV, faculty and administrators.

It should come as no surprise that accrediting standards remain guild-like,¹ often privileging, for example, tenured professors or mandating a limit on online learning. They give lip service to academic freedom, but have allowed disturbing speech codes to proliferate. They give lip service to a coherent general education, but have allowed diffuse curricula to abound. They give lip service to student learning, but enforce no minimum quality thresholds. They require essentially the same thing of every institution, whether high-risk or low-risk. Harvard which has a 97 percent (6-year) graduation rate pushes the same papers as the University of Maine-Augusta, which has a 14 percent graduation rate in 6 years.

The process is costly—in terms of direct costs and opportunity costs—deflecting institutions from innovation and self-determination at a time when higher education needs to be nimble. Notably, even vastly wealthy institutions like Princeton and Stanford are complaining about the cost, intrusiveness, and burdensome nature of accreditation. It is yet worse for small colleges with limited operating budgets.

In their six decades of existence, one can virtually count on one hand the number of schools accreditors have closed down—and virtually none because of academic quality. Accreditors have often told me that they simply cannot shut down a school because it would deprive students of Federal financial aid. The goal has been access—not academic success. By refusing to focus rigorously on educational value, accreditors have allowed students to take out debt when there was little or no likelihood of graduating. Student debt now exceeds \$1 trillion. Those most likely to be heavily in debt are students from disadvantaged backgrounds.

What does a school do if it is being abused by an accreditor? Suffer. Under current law, the accreditors have been able to carve up the country into regions. This effective monopoly gives virtually no choice to institutions; they are stuck, allowing accreditors to hold a gun to their head. There are more than a few high-profile cases of accreditors bullying universities on matters of governance and management, far outside the realm of traditional academic peer review. Trustees at the University of California, the University of Virginia, and Tiffin have found themselves spending time responding to accreditors’ second-guessing of their oversight and management, when they might more profitably have focused on instruction and student success.²

¹ Campbell University in North Carolina was placed on probation because its standard faculty teaching load was 15 hours per week. The accreditors insisted that 12 hours was the maximum acceptable load, so the school solved the problem by consolidating class sections. Instead of the relatively small classes students had come to expect, after accreditation, students found themselves in classes of 60 or more. George C. Leef and Roxana D. Burris, “Can College Accreditation Live Up to Its Promise?”, American Council of Trustees and Alumni, July 2002, http://www.goacta.org/images/download/can_accreditation_live_up_to_its_promise.pdf.

² Administrators at the University of California system, for example, wanted to get a handle on rising administrative costs. But when the Regents attempted to investigate and address runaway administrative costs, they found themselves accused by accreditors of being “unnecessarily harsh” with administrators. Rather than being allowed to focus on student needs, the trustees had to expend countless hours responding to the accreditors who were operating as nothing more than defenders of the status quo.

When the trustees fired and then rehired a president at the University of Virginia, they found their institution placed on warning by accreditors because of trustees’ alleged failure to consult with the faculty. Never mind the fact that the Virginia legislature—not to mention Thomas Jefferson—had reserved plenary authority to the board on matters of appointment and oversight of the president. See H. Brown, *Protecting Students and Taxpayers: The Federal Government’s*

NO THERE THERE

With all due respect to my fellow panelists, when it comes to accreditation there is no there there. Accreditation provides no threshold standard. It offers no ranking, no data about individual programs or departments, no comparability in assessment of student learning. What we have, in the words of Professor Milton Greenberg, is a “confidential process that hides an institution’s advantages and disadvantages.”

Accreditors do not ensure a certain level of educational quality; instead they insist that colleges and universities devise their own means of assessing their “institutional effectiveness.” The statute and regulations require accreditors to address

“success with respect to student achievement in relation to the institution’s mission, which may include different standards for different institutions or programs, as established by the institution”

Given this system, it is no wonder that academic quality has declined under accreditors’ watch.

Paring back the existing regulations—even insisting that they focus only on matters that are clearly related to educational quality—will not make a difference because the accreditation system will remain a self-referential, membership-driven exercise.

FAILURE TO PROVIDE TRANSPARENT INFORMATION

Accreditation is also a failure because it is an opaque process. Students need clear information about quality and financial stability to have the best chance for success—yet accreditation fails to provide that information.

All students are hurt when institutions do not provide transparent information and do not deliver good outcomes. But the negative impact is greatest on those students who typically have the most limited financial means and are least familiar with how higher education works. It isn’t just that they don’t graduate; it is that they often leave with lots of student debt and few employment prospects. This is morally indefensible, and the blame should be placed squarely on colleges and their accreditors.

As you prepare for reauthorization of the Higher Education Act, we encourage you carefully to examine the system of quality assurance established by Congress to protect the use of taxpayer funds. Last significantly changed in 1965, the current gatekeeping process—accreditation—that provides colleges and universities access to Federal title IV higher education student loans and grants no longer meets the needs of higher education in 2015.

A modern system of quality assurance would:

- Provide clear, consistent—and comparable—information *annually* about price, financial aid, demographic success and grad rates to help parents and students make decisions.
- Not overwhelm colleges with counterproductive and costly red tape.
- Free accrediting agencies to focus on their original mission of self improvement through peer review by ending one-size-fits-all regional monopolies and letting them once again become organizations of peer institutions.
- Allow high-quality, innovative forms of higher education to emerge.

We encourage you to consider three commonsense reforms to the quality assurance mechanisms in the Higher Education Act to meet the above goals.

1. CREATE DIRECT, EXPEDITED RECOGNITION FOR TITLE IV USING RISK-ADJUSTED SCRUTINY

In an effort to protect taxpayer dollars, weed-out diploma mills and bad actors, and reduce red tape on good actors, regulatory resources should be focused on the highest risk institutions. Congress should create a mechanism for colleges and universities which have a low financial risk as currently determined by the U.S. Department of Education’s Financial Responsibility Standards to register with the Department proof of (1) learning gains using a nationally normed assessment and/or professional certification and licensure exams, and (2) that they measure and accurately report price, financial aid, graduation and student learning outcomes. Inde-

Failed Regulatory Approach and Steps for Reform, PP. 5–6, Sept. 2013, http://www.goacta.org/images/download/protecting_students_and_taxpayers_report.pdf.

When the trustees at Tiffin University decided to improve their bottom line by providing low-income students an affordable quality education through an online branch, they found their decision being second-guessed by the accreditor, and ultimately shut down. The accreditor’s action has resulted in a lawsuit for tortious interference with contract. <https://www.insidehighered.com/sites/default/files/files/2015-05-14%20Complaint.pdf>.

pendent third-party audits of this information would need to be submitted and the Department could impose stiff sanctions for false reporting.³

Upon registration, the Department would expeditiously certify eligible institutions as recognized by the Secretary for purposes of receiving title IV funding.

This Direct, Expedited Recognition process is analogous to companies which file for an IPO with the SEC—they make public key, audited information and then are free to conduct their business. This would be an *option* only for low-risk institutions using financial scrutiny already performed by the Department. It would require a modest certification fee, thus needing no new taxpayer funds for the Department to administer.

Utilizing risk-adjusted scrutiny would allow the Department and accrediting agencies to spend more time on bad actors while placing lighter burdens on high quality institutions which would no longer need to go through the lengthy and cumbersome traditional accrediting process in order to be eligible for title IV funding. This system would NOT result in more direct Federal involvement. Accreditors would not be second guessing mission. There would be no Federal requirements about standardization of student learning outcomes and assessment.

In this system, schools could have different standards and different programs. They would voluntarily provide basic information about grad rates, retention rates, repayment rates and employment. New institutions with limited financial resources could, in turn, provide protection by posting a surety bond.

In this system, proof of educational value would release title IV funds.

Would this disadvantage schools with underserved populations? No. It would actually elevate those that are doing a good job. The nationally normed tests like CLA, CAAP, and Proficiency Profile are based on the cohort of students served. In other words, these tests take the students where they find them. This would not be a one-size-fits all solution, not a single kind of exam, like NCLB. Institutions using other forms of nationally normed assessments (including trade certifications) could also present those results in fulfillment of this requirement.

Accreditation could be continued, even mandated—but *not as a gatekeeper* for Federal funds.

2. END REGIONAL MONOPOLIES AND RETURN TO TRUE PEER ACCREDITING AGENCIES

Accreditors do not sell their services in competition with other firms. Rather, for the vast majority of colleges and universities, six regional accreditors operate as monopolies, overseeing nearly every school in their region—from the local design school to a top five world-renowned research university. This creates incentives to adopt standards and processes that focus on the lowest common denominator and may be meaningless in many contexts. The American Council of Education (ACE) convened a taskforce from colleges and accrediting bodies that concluded: “the current regional basis of accreditation is probably not the way America would structure the system if starting from scratch.”

Congress should eliminate any explicit or implicit anti-trust protection from accrediting agencies that allows them to carve up the country into monopolistic regions. Congress should explicitly direct the Secretary of Education only to recognize for title IV gatekeeping purposes accrediting agencies that either are very specialized—i.e., serving a specific type of institution such as community colleges or a very narrow geography (such as one State like the New York Board of Regents already does) or operate nationally. Finally, Congress should eliminate from statute any requirement that an institution wishing to join a new accreditation organization must first notify and/or get approval from the Department or Secretary.

Ending regional monopolies will encourage more innovation among accrediting agencies and free colleges and universities from being stuck with an agency that may be ineffective, overly costly and unresponsive.

Accreditors could develop important differentiation (i.e., liberal arts, research) and perhaps even a highly sought-after top-level certification for outstanding schools. Look at LEED Certification in architecture—gold, platinum and silver—it is a perfect example of a private system that sets a real marker of quality!

³Notably, 22 top education and civic leaders raised concerns about the immense financial burdens of accreditation and urgently called on Congress to consider ending accreditors' gatekeeping role. See Governance for a New Era: A Blueprint for Higher Education Trustees. The group was chaired by former Yale University president Benno Schmidt and included Business Roundtable president John Engler, Maryland Regent Thomas McMillen; former U.S. Senator and University of Colorado president Hank Brown; former Lafayette College president Arthur Rothkopf; and former University of Northern Arizona president Clara Lovett. http://www.goacta.org/images/download/governance_for_a_new_era.pdf.

3. ELIMINATE THE EXISTING “BLANK CHECK” PROVISION IN THE STATUTE

The existing Higher Education Act limits the Secretary of Education’s authority to establish criteria for accreditation agencies outside the scope of statute, but it provides that accreditors may adopt additional standards outside the realm of the statute. This “blank check” provision has effectively permitted private nonprofit entities to interfere in governance and management matters—raising serious Constitutional concerns. The elimination of this provision would ensure that accreditors are focused on matters of academic quality, which are properly and historically the focus of peer review.

America’s colleges and universities are among the finest in the world. As they seek to meet the demands of a modern workforce and economy, the sweeping changes technology is bringing to learning and pedagogy, and changing demographics of students, it is vital that the quality assurance process modernize with them as well.

Thank you.

The CHAIRMAN. Thank you, Ms. Neal.

Thanks to all the panelists.

We’ll now begin a series of 5-minute rounds of questions. We’ll begin with Senator Murray.

Senator MURRAY. Thank you very much, Mr. Chairman.

Dr. Ewell, let me start with you. Accreditors play a very critical role as the gatekeepers for \$150 billion in Federal financial aid that is distributed every year. But, as I’m sure many of you are aware, last year a GAO analysis found that colleges and universities with weaker student outcomes were no more likely to have been sanctioned by accreditors than schools with stronger student outcomes. That means that the schools that aren’t serving students as well are just as likely to be accredited as those that are, and the GAO report said that the Department of Education doesn’t consistently use sanction information for oversight.

It seems clear that quality assurance needs some kind of improvement. What do you think the Federal Government’s role is in improving the accreditation process and making sure it works for our students and our institutions and our taxpayers?

Mr. EWELL. Well, I think that the GAO report does make an awful lot of very good points, most of which I agree with. The things that I’m proposing are intended to tighten the system a good deal. In fact, I agree with my colleague, Anne Neal, on a number of the proposals that she’s making of introducing more competition among accreditors so that institutions have a bit more choice in what they go after, a lot more in terms of statistical reporting, as has been put forward. We know how to measure things a lot better now than we did 50 years ago.

We need some triggers, and the accreditors are beginning to hear that message. The HLC, the Higher Learning Commission of the North Central Association, recently put in a number of threshold criteria for talking to institutions. They don’t say you don’t get accredited if you fall below this threshold, but we certainly notice you, and you are going to have to answer a whole lot more questions.

Let me also address the—I like to call it the “blood on the floor” issue, that there aren’t that many institutions that don’t get accredited. First of all, I think that there should be more, and statistical criteria would help inform that. I think what is often overlooked in accreditation is the candidacy process, that many institutions do fail candidacy when they come forward, and they are es-

essentially asked not to apply. It's essentially like saying the flunk-out rate at Harvard is very, very low, but not very many people get in.

I think that you have to look at both sides of it.

Senator MURRAY. I understand, OK.

Dr. Pruitt, student success is really important to me and to many members here. Some accreditors, like the one you chair, recently revised their standards to place a new focus on educational quality. Others are launching efforts to better track student outcomes. I think those are great steps, but it seems like we need to be doing more.

What actions are your organization planning to take in the future to do a better job of measuring student outcomes?

Mr. PRUITT. Well, I wish the metrics were simple, and some of the discussions imply that they are. A problem is what are the metrics and what should the metrics be? They aren't as simple as the public thinks they are. Something like attrition and retention, retention assumes that there's a normative pattern of progress, and most people assume retention means that you enroll as a freshman, you go 4 years later and you graduate. That's true for about 40 percent of the students in American higher education.

How do you measure attrition and retention when you have most of the students in America going part-time? The last time I looked at it, the average time to graduation for a part-time student was about 9 years.

I made a comment earlier that the data tends to reflect a descriptor of the demographics of the student body and not measures of quality. There are some measures of quality that you can kind of count on. If there's a licensure exam for a program that a student is taking, a student should assume that if they graduate from an accredited institution, it should be assumed that they're going to pass their State licensure exam. If they can't, that's a problem.

Those are some fairly good indicators. Graduate school acceptance rates, self-evaluations. Our students have very strong consumer views. They're very good at telling us what does work for them and what doesn't work for them. The fact of the matter is, we have a lot of data about whether the students feel that the money was worth it, that the experience was worth it, and it's pretty celebratory.

I'm not trying to duck the question, but the problem is that we need more differentiated metrics that are more focused on the particular demographics of the students and the mission of the institution, and there is going to be variation on that, and we have to learn to be comfortable with that variation. It can't be a byline indicator.

Senator MURRAY. I'm out of time, so I'm sorry to cut you off. I do have additional questions I'll submit for the record, and I really appreciate the accommodation, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Murray.

Your testimonies are full of interesting ideas, so I'm just going to ask three questions and give the four of you a chance to answer all three and hope that we'll keep it within about 5 minutes. They come from your own recommendations.

The first is treating some of our 6,000 institutions differently than others. Dr. Ewell, you called it a lighter touch. Ms. Neal, I believe that's what you mean when you talk about the direct recognition by the Department.

What's the best way to treat some institutions differently than others?

Second, why should there be regional accrediting agencies? Why shouldn't they all be national or specialized according to the specific functions? That's a recommendation several of you made.

And third, what about the Federal regulation that our commission told us was micro-managing accreditation that, Dr. Pruitt, you talked about and several of you mentioned, that Congress got into the business 20 years ago of saying, do all these things, and suddenly you're involved in a lot of things other than quality? What about that?

When it gets to you, Ms. Neal, I hope you'll say a word about whether your direct recognition wouldn't just give the Department a license to start becoming what we call in K-12 a national school board and start trying to tell Harvard what to do about everything in exchange for. That's what it typically does when given an opportunity.

Let's go to Dr. Ewell down to Ms. Neal.

Mr. EWELL. OK. Very briefly, the risk-based kind of accreditation, the determination of a lighter touch can be made basically on two criteria. The first criteria is a trouble-free history of interaction with the Federal Government and other regulators. Essentially, they stayed within the law, there isn't a lot of controversy and so on.

Another one of my proposals which echoes another one of Anne Neal's proposals is a much better set of statistical indicators. Institutions that have very good graduation rates, that have good graduate school placement rates, that have good licensure passage rates, et cetera, et cetera, that would be consideration as well.

I will mention there is a risk associated with a risk base, and it's illustrated by the University of North Carolina's recent scandal. You can really have a fine track record and still go off the rails.

The CHAIRMAN. I'll have to ask you all to summarize a little bit or we'll be way over time.

Mr. EWELL. OK. I am very intrigued by the sector-based accreditation instead of regional. I just can't figure out how to draw the boundaries of it. We've talked about this since 1992. The regional concept is clearly, in a certain sense, dead because we have global and online education. I can't think of a better way to do it because it's very, very hard to draw the sectorial lines. If somebody can show me how to do it, I could support that.

In terms of the Federal regulations, no contest. I certainly believe that accreditors are not at all equipped to inspect Federal regulations. It distracts them from their main purpose. I think that there are other ways to get that done.

The CHAIRMAN. Dr. Pruitt.

Mr. PRUITT. Quickly, risk-based accreditation is a good idea. We should have the flexibility to treat institutions differently based on their strengths. We have to monitor all of them, and there's certain kinds of baseline data we get, particularly the financial stuff. We

get audited reports; that's easy to track. But, yes, we should have differential accreditation based on the strength of the institution and the aspirations of the institutions. Remember, this was created by institutions because we wanted to be reviewed by our colleagues and peers, so I believe in that.

The reason why we need regionals, there are real differences in the regions. Accrediting associations, yes, they are membership organizations, but they are also learning communities, and most learning communities vary around the country. Institutions like mine were all pretty much created in the Middle States region; it's no accident. They couldn't have existed in the southern association because at that time the regimens and the culture of the southern associations was different. Our kinds of institutions are throughout the regions. Otherwise it would be too big, too. You need a size where you can have a community and work through problems.

The final one about the regulations, I can't say enough. They are strangling what's made this system great. We need to simplify, deregulate, and decentralize.

The CHAIRMAN. Thank you.

Dr. Gray.

Mr. GRAY. Thank you. I'll be brief.

With respect to risk-based accreditation, ACICS already has a risk-based model in the sense that we've based the length of our accreditation cycle on the confidence that our council has in the institution that we're accrediting. Accreditation cycles can vary from as little as 2 years to as much as 6 years, again depending on the confidence that the council has during the review process.

Second, on the issue—and also, I might add, higher-risk institutions are visited more frequently and monitored more closely for a number of parameters than those that we consider to be of lower risk.

Second, no comment on the regional issue because we're a national accreditor. We are not regional. We cover, as I mentioned in my testimony, the entire United States, as well as a dozen foreign countries.

With respect to Federal regulation, we have said on the record—you have it in our written testimony—that the Federal overreach is a problem for accreditation and maintaining quality assurance, and we think it has to be reduced.

The CHAIRMAN. Thank you.

Ms. Neal, I'm a little over, but I want you to take time to answer the question.

Ms. NEAL. Thank you. As we look at the lower-risk approach, this is going to be available to anyone. Essentially, any institution that can show that it's financially stable, that it's willing to offer various metrics in terms of demographic success, graduation rates, retention rates, and can also show student learning gains, this would be available to any institution. It doesn't privilege a Princeton, it doesn't privilege a Stanford. It actually will help elevate those schools that are doing a good job of offering educational value. It could be deemed a parallel track so that the existing system could remain for those that need greater attention.

In terms of the regionals, quite frankly, I think the regional accrediting bodies are nothing less than cartels. We've allowed these

bodies to carve up the United States and to basically have a captive market of those schools that are in their region. I think when we're looking at global higher education today, it makes no sense to have regional restricted bodies. In fact, many of them are busy accrediting international entities and others. Even in their own operations, they don't view themselves as regional.

Your last question in terms of would this direct approach where institutions would provide information and ensure financial stability mean that the Feds would become more intrusive and more involved, I would submit to you that it would be less. Accreditors in this regime would not be second-guessing mission, as they do now. There would be no Federal requirements about standardization of student learning outcomes and assessment. In fact, what we would do is free up the schools to have their different standards and to have their different programs, and they would voluntarily provide basic information about how they are doing and whether or not they are adding value in terms of student learning gains.

I think that this actually frees up the institutions to pursue their own interests and to reach educational quality in their own ways, as opposed to having an external body that is empowered by the Federal Government as a gatekeeper to push them in ways they may or may not want to follow.

The CHAIRMAN. OK. Thank you, and thanks to my colleagues. I thought that testimony would be interesting to all the Senators.

I have Senator Franken next, Senator Scott, Senator Warren, Senator Murphy, Senator Bennet.

STATEMENT OF SENATOR FRANKEN

Senator FRANKEN. Thank you, Mr. Chairman. Thank you.

Dr. Gray, ACICS, your organization, was one of the organizations that accredited many of the Corinthian College campuses. Corinthian recently filed for bankruptcy and closed many of its campuses. This has left over 16,000 students without a degree and with a ton of debt. I know there are a lot of different factors that caused the downfall of Corinthian, but I want to just focus on the accreditation piece here, and I'd like to get Ms. Neal's thoughts on this as well because, Ms. Neal, you said that in—I don't know what it was—60 years, not one school has been closed because of quality.

Dr. Gray, in your role as an accreditor, what could you have done to prevent the closing of the Corinthian campuses or prevent it from putting the students in this position? Ms. Neal, is this symptomatic of something?

Mr. GRAY. Thank you, Senator Franken. As an accreditor, we were working with Corinthian for years. You mentioned we accredited roughly 55 Corinthian campuses, and they varied in terms of what's been characterized as risk here, from outstanding performers, medium performers, and in some cases we were monitoring them because we were concerned about their outcomes. None of those campuses, at the time that the change occurred, was mandated by the Department—the change of ownership, were actually out of compliance with accreditation criteria. In fact, student satisfaction surveys were high. Students were indicating high satisfaction with their experience in terms of educational outcomes with the Corinthian campuses.

In the final analysis, Corinthian had some 120,000 students. There are currently 90,000 students whose education at Corinthian was not interrupted by the process. The process was not really a closing down, as you know, of Corinthian. It was a change of ownership of Corinthian from a for-profit institution to Zenith Corporation, which is a non-profit institution that now operates virtually all of the Corinthian campuses without interruption to students, with the exception of California.

Senator FRANKEN. That is not the case, and there are students who are being left in the lurch there. I've talked to Zenith, and they acknowledge that, and they are going to be trying to make sure they do everything they can to give them some options. That's not the case—

Mr. GRAY. Well, they are giving them options, options to continue their education or to get refunds. My understanding is that's the case.

Senator FRANKEN [continuing]. The education may be providing them.

Ms. Neal.

Ms. NEAL. I would have to agree that, as best I could tell, looking at the problems there, at the State level you had some allegations of fraud. I think the fundamental issues were financial, cash-flow issues. Actually, I believe that the direct expedited recognition for title IV might actually more adequately address these kinds of concerns because we need to be looking at the financial status of these institutions and see how they're doing. That was I think what fundamentally occurred there.

Senator FRANKEN. Weren't there courses that students would take and they wouldn't be able to get a job after? It was presented to them that they could get a job after? We've heard testimony in this committee of people who go through these courses and at the end of the day they were misled on what jobs they could get and were left with debt and no job prospects.

Ms. NEAL. I think that's certainly the case. That may very well be a consumer fraud issue that can be best addressed at the State level. Certainly, students that go to for-profits are not the only ones who get out of college and sometimes do not get a job. I think that's why—

Senator FRANKEN. Yes. If you're told that this is accredited to do sonograms, and then at the end of that no one who hires for sonogram technicians will hire you, that seems to be a little different than someone who graduates in the liberal arts and doesn't get a job right away because they don't necessarily have a degree that applies to an open job. Isn't there a difference there? Isn't that a very big difference?

Ms. NEAL. I think there are a number of nuances there. I think the important thing is to be able to ensure the student, as well as the taxpayer, that institutions are financially sound, that they are not basically committing fraud, and in this instance I don't believe accreditors can be expected to catch fraud. If you have a situation of a cash-flow problem and basically not enough money, which I think was the case here, that can be addressed by looking more at the financial situation than looking necessarily at the academic quality.

Mr. GRAY. Senator, can I make one more comment? Because you asked about the role of accreditation. One thing I did want to point out is that ACICS, part of our accreditation role is to monitor this change of ownership and see that the 90,000 students who are continuing through the Zenith process, that that change in ownership properly assures the quality of education and the outcomes are achieved. We have a process of reviewing the capabilities of the new owners, as well as a 6-month quality assurance review of every campus under the new system to assure that what's in place is a quality educational experience.

Senator FRANKEN. I'm way over my time. I think that when you're accrediting an institution, there should be some look as to whether they're committing fraud in telling their students what their courses are about and they are, in fact, leading to any kind of licensure or meaningful accreditation that gets them a job.

Mr. GRAY. I believe we do that.

The CHAIRMAN. Thank you, Senator Franken.
Senator Scott.

STATEMENT OF SENATOR SCOTT

Senator SCOTT. Thank you, Mr. Chairman.

Dr. Ewell, I know that in South Carolina the primary accrediting agency is SACS, the Southern Association of Colleges and Schools, and they have as their motto "Students are critical to success." I noted that in your testimony you mentioned several times where you are in agreement with Senator Alexander's options for reform.

Can you speak for a few minutes on how do we reform accreditation so that it provides students better opportunities to succeed?

Mr. EWELL. Well, actually, one very simple idea is to include students in the accreditation process. That's done in Europe. It's not done here. They are the primary beneficiaries of the process. I think they would have intelligent things to say on review teams, and so on.

I think the transparency issue is huge there. I mean, accreditation, whether it likes to admit it or not, does play a very strong public information role, and I think that a lot of the more recent moves that accreditors have made to open the process up are important in that regard as well.

One of my ideas is also—and it's not just mine, others have advocated it—is having multiple levels of accreditation. You can get accreditation with distinction, or accreditation like an A, B, C, D kind of grade. Again, that would provide students and other members of the public with better information with which to make a choice. I think it's a crucial role for accreditors, and it's not being very well fulfilled now.

Senator SCOTT. Yes. Thank you.

Dr. Gray, I think Senator Franken was alluding to my question in some form or fashion. From your perspective, where does accreditation fit into the question of how institutions will be most able to prepare workers for the jobs of the future? The innovations we've seen over the last two decades have changed almost every sector of our economy, yet the accreditation system does not seem to have the right incentives in place to adapt. How do we harness competency-based programs and leverage accreditation so that our fu-

ture innovators, entrepreneurs, and leaders enter the workforce with the high-quality education they need to compete in our global marketplace?

Mr. GRAY. Well, I think that we need to be flexible and we need to work with our institutions and the Department in incorporating innovative educational modalities and techniques. I see us doing that. I think competency-based education, where we and other accreditors have recently again worked with the Department of Education to develop standards that allow institutions to adopt programs of competency-based education, is a start. We need to build on that. We need to do a lot more of that. We need to keep in mind when we're designing programs, just as you've mentioned, that those programs that we approve have to be programs that give employers what they need and for the workforce to benefit from the skills that students learn in these institutions.

The other thing that accreditors do is work closely with employers. We research the employment world. We interview employers directly about their satisfaction with our students, determining where the shortcomings might be so that schools know how to redesign their programs to meet those areas where employers feel there needs to be greater strength.

Basically better communication with the employers, working with the Department to get programs that are innovative approved and approvable are really the best ways that we can be responsive to the needs of the workforce. I think that career education schools, schools that we accredit, are the most responsive right now to the needs of the workforce, the most directly responsive.

Senator SCOTT. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Scott.

Senator Warren.

STATEMENT OF SENATOR WARREN

Senator WARREN. Thank you, Mr. Chairman.

Dr. Gray, as Senator Franken noted, your agency was responsible for accreditation for the campuses of Corinthian College, this for-profit outfit that recently closed down. Before it filed for bankruptcy, Corinthian was under investigation by 20 State attorneys general. Three AG's had filed lawsuits, as did the Consumer Financial Protection Bureau, all alleging that Corinthian lied to its students and defrauded them to get them to enroll. While this was all going on, you renewed accreditation for seven campuses in 2013, and right up to the bitter end you continued accreditation for others, keeping them eligible for Federal money, helping them draw in more and more students.

IIT, another for-profit college chain, is still accredited by your agency. Currently, IIT is being sued by two Federal agencies and one State AG for deceptive practices, and it is currently under investigation by 18 other State attorneys general. Yet, your outfit continues their accreditation, keeping them eligible for Federal money and helping them draw in more students.

So, here's my question. How many Federal and State agencies need to file lawsuits against one of your colleges before your orga-

nization takes a second look at whether that school should be eligible for accreditation and, most importantly, for Federal money?

Mr. GRAY. I don't think that the number of agencies that have an investigation or some type of action going on with one of our institutions is the issue that determines where they stand with us in terms of accreditation.

Senator WARREN. You may not think the number is important, but we know that you didn't do it when you had 20 attorneys general and a Federal agency. I just want to know how much you have to go through.

Mr. GRAY. Thank you, Senator Warren. As you can imagine, that's of great concern to us.

We have a process. We have what we call an adverse file process. Every time any kind of an action by a State or a Federal agency is entered against one of our schools, we track that very carefully. Obviously, we get a response from the institution as to where they stand with respect to that allegation, and we track it very carefully. We have our own methods of investigating whether or not there's compliance with our criteria.

Senator WARREN. OK. You were aware of the fact that all of these investigations and lawsuits had been filed. You were tracking it, and yet you continued to accredit these outfits.

Mr. GRAY. We, as an accrediting agency, have an obligation and do have our own methods of investigation.

Senator WARREN. I'm sorry. Do your methods include if students have been lied to and defrauded by one of your colleges, that that might somehow count as a negative in the accrediting process?

Mr. GRAY. Absolutely. We have criteria covering institutional integrity that we diligently—

Senator WARREN. Then how did these institutions continue with their accreditation? You accredited them right up to the minute they closed.

Mr. GRAY. We accredit them as long as they comply with our accreditation criteria. Allegations—

Senator WARREN. Your accreditation criteria include whether or not they lied to their students.

Mr. GRAY. All of these investigations that you've mentioned are just that, they're investigations. Without outcomes from the investigations, we don't have evidence to take any kind of action. The only evidence we have is what we get from our own investigation.

Senator WARREN. Do you think there was no evidence that Corinthian colleges lied to their students? Is that what you're saying, that you independently investigated and you came to the conclusion that they did not lie, that they did not defraud their students, that the Department of Education now has this wrong?

Mr. GRAY. We consistently, not occasionally but consistently, during the accreditation process, review compliance with our criteria, including representation and/or misrepresentation to students. We come to the conclusion that—

Senator WARREN. How did you arrive at the conclusion that they could be accredited if you say you take into account whether or not they've lied to their students?

Mr. GRAY. Well, I think you have to understand the accreditation process.

Senator WARREN. Yes, I'm trying to do that.

Mr. GRAY. OK, I'll try to explain it. We hear allegations. We investigate those allegations. If there is substance in those allegations, we sanction the institution. If the seriousness of the allegations is sufficient, we put the institution on probation. If it's more serious than that, we withdraw—and the record shows we have—

Senator WARREN. I'm sorry, Dr. Gray. I'm still stuck, then, at the point, are you telling me that you found no evidence that Corinthian lied to its students and defrauded them?

Mr. GRAY. I will say we found no evidence that they lied to their students or defrauded them. We do have evidence, as I mentioned, that for some campuses they were not up to our standards, and those campuses were on monitoring, were on—

Senator WARREN. But you're monitoring them—

Mr. GRAY. Or sanction.

Senator WARREN [continuing]. And they continue to be eligible for Federal funds. For years, there have been concerns about Corinthian colleges. There were exposés, investigations, lawsuits, and yet the accrediting agencies continued to look the other way. Corinthian enrolled more and more and more students. It sucked down more and more and more Federal aid, while private accrediting organizations collected more and more fees. Students and taxpayers are stuck with the bill, while there is no accountability for the private accrediting outfits. I do not understand why they should be allowed to collect their fees and just walk away.

If accrediting agencies aren't willing to stand up against colleges that are breaking the law, colleges that are cheating their students, then I don't know what good they do, and I sure don't know why we would let them determine which colleges are eligible for Federal dollars.

Mr. GRAY. I can only say that our council makes its decisions based on facts, not allegations, and all the decisions they made, if you look at the record, where there is sufficient information that indicates sanctions or accreditation should be withdrawn, that action has been taken. The integrity of the council in that respect has been beyond reproach.

Senator WARREN. Thank you, Mr. Chairman.

The CHAIRMAN. We're going to move on now. Thank you, Senator Warren.

Senator Murphy.

STATEMENT OF SENATOR MURPHY

Senator MURPHY. Thank you very much, Mr. Chairman.

God knows that we are at the top of the list of those that are loathe to admit mistakes, but you'd be better off to admit that this was a mistake. There would be much more faith in the accreditation process if you would just own up to the fact that Corinthian failed its students by every measurement. They failed their students financially. They are out of business today. They failed their students on an educational basis. Many of their campuses had 30 percent of students, if not more, that couldn't repay their loans. The prices for their degrees were often 10 times that of neighboring institutions. Former employees say that, "We were working for the

biggest scam company in the world.” The Department of Education says that Corinthian violated students’ and taxpayers’ trust.

I don’t know, I just think you’d be better off to say we missed this one. Corinthian is out of business. They’re under investigation and in active litigation with every other agency that looks out for students’ interests. This was a bad call. If you’re not willing to pull Corinthian’s accreditation, or at least admit that you should have, then it’s not clear whose accreditation you would ever pull, because I think every other institution within the Federal higher education hierarchy has determined that these guys were the worst of the worst.

Mr. GRAY. OK. I’d be the first to admit that accreditors, like any other organization, made mistakes. This was not one of those mistakes.

Corinthian collapsed, if you want to use that term, because of financial pressure, not because of non-compliance with any regulation, OK? It was financial pressure. Corinthian’s campuses, the institutions that are educating students, all but in California and two in New York, exist in full operation today without interruption. Those same students in those same campuses being taught by those same faculty under the same administrative people at those campuses are in operation today without interruption and are accredited.

Senator MURPHY. I have great respect for what you do. I think you’re living on a different planet than everyone else who reviews the track record of Corinthian, and we can go through the litany of abuses that they are under investigation for today and the Department of Education considered when they shut them down. I think we’ve beaten this dead horse——

Mr. GRAY. I’m not here to defend accreditation. I’m sorry we have to talk about it this long. All I’m saying is I think the accreditation process was not the issue with Corinthian to the extent that, as you put it, they’ve gone out of business.

Senator MURPHY. Ms. Neal, I just want to talk about cost here for a second. Accreditors, I think we’ve heard from the panel, are not in charge of looking at cost and looking at affordability, and it’s kind of unclear to me who is in charge of looking at cost, because we’ve got this triad, and yet it doesn’t appear that either of the other two legs are looking at the issue of cost either.

So what we’ve heard, and I think Dr. Gray mentioned this in his testimony, is that accreditors just aren’t charged with looking at the issue of affordability. Should they be? If they aren’t, and if they’re not going to be in the future, who else in the regulatory system is charged with making sure that these products are affordable for students and matched to the value of the outcome that they’re getting?

Ms. NEAL. Well, accreditors certainly aren’t charged with looking at cost. In fact, what they are doing is they are adding costs. Obviously, you have to pay. It is a membership organization. There are immense costs in terms of the self-studies. Stanford, MI, and others have said that they’re spending often in excess of \$1 million to prepare for these accreditation reviews. They have to hire extra people to come in and help them pull the paper together.

The bottom line is that accreditation is certainly adding to cost, and there is I think very little expectation of value on the part of many institutions who are being forced to push paper and spend money on this kind of a process which has been outlined by many of you as not working in a way that makes no sense.

Could I also just go back—

Senator MURPHY. Sure.

Ms. NEAL [continuing]. A little bit to your first question here? Clearly, you are concerned that the accreditors missed it when it comes to Corinthian. I would submit to you that it's not only this accreditor. It's SACS. We can look at almost any of these accreditors. They are telling students that they are going to get a quality education. They have accredited them. Many of these schools are graduating in single digits or low double digits. While Corinthian can be accused of not doing a good job, there are many institutions that are accredited, non-profit and otherwise, that are not doing a good job either.

I think it basically gets back to the bottom-line issue here, that the accreditors are not doing a good job of ensuring educational quality. No, they don't ensure cost, but they certainly aren't ensuring educational quality either.

Senator MURPHY. I don't think any of us want to suggest that Corinthian is the only bad actor out there or, frankly, hold any one accreditor responsible for the sins of that particular school. It should never get to the point that it got to with Corinthian. There's no reason that we have this system of accreditation if not to stop a college from getting to that crisis point at which students are being failed, en masse, to the point of going out of business. If we're going to fix the accreditation process, then Corinthian should be a bright blinking light as to an example of how this went badly wrong.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Murphy.

Senator Bennet.

Senator BENNET. Thank you, Mr. Chairman. I'm very glad you held this hearing because I came here wondering what the purpose of accreditation was, and now that question is even more fundamentally at issue, I think.

I guess I would start—and I've heard from so many of my university presidents in Colorado who said sometimes we get some value from the peer review part of this, and that's good, and we do a little bit better, but overall the process is unbelievably burdensome, unbelievably un-useful, unbelievably unhelpful to us.

I would start by asking this very fundamental question and ask the panelists just to answer it, if you can, in one or two sentences, which is: what is the purpose of accreditation? I'd start with you, Dr. Ewell, and just come down the panel.

Mr. EWELL. The original purpose was the one you mentioned, to get better. It was a self-evaluation process that, in fact, I would submit and have talked to the Princetons and the Stanfords, they engage in those processes themselves, and they do get better. Accreditation and peer review helps them to do that.

The accountability piece was added on later, and accreditors aren't as good at it as they could be. I'm darned if I can figure out an alternative that isn't going to—

Senator BENNET. We'll come back to that.

Dr. Pruitt, could you, just in a sentence or two, answer that question?

Mr. PRUITT. It's the same. It's quality improvement. Accreditors assess how we do. We just don't accredit institutions in the sense that we subject ourselves to the same process.

Part of the challenge we have is dealing with the sensational anecdotal evidence. We systematically survey our colleges, our presidents, our faculties about what's wrong with it, how do we fix it, and we fix the things that are broken. It has overwhelming support. If you look at the evidence, it has the overwhelming support of the colleges' university presidents that make up the membership of the institutions.

Senator BENNET. Dr. Gray and Ms. Neal, do you have anything you would like to add?

Mr. GRAY. Yes. Accreditation has two basic, two fundamental purposes. One is assuring adherence to some level of minimum standards and judging that through a peer review process; and second, as has already been mentioned and equally important, it's continuous quality improvement through proper planning by the institution.

Senator BENNET. Ms. Neal.

Ms. NEAL. Yes, just quickly. I agree. It started out as a peer review operation. It was self-improvement. It was teams coming in in a collegial fashion to help the institution know how it could do better.

I think the problem that we have and the reason that we're hearing about the deficiencies is that when we then put a quality assurance enforcement obligation onto these peer review teams, that's when we started to have problems. It's a schizophrenic place where they find themselves, and I think they're not able, because they're essentially membership organizations working with each other, to do the hard kind of decisionmaking which actually will shut a school down.

I think it gets back also to their role as guarantors of educational quality. What I think we've heard from everyone today is we don't know educational quality. They don't impart evidence of educational quality. It's a very opaque system. If a student goes to an accredited college, whether it's Harvard or another place, that student has no way of knowing if that school is graduating 90 percent or 5 percent.

Senator BENNET. Right. I guess the way I would think about that is that the customers here ultimately are not the universities and not the university presidents. The customers ought to be the consumers of the higher education, who are the students and their families, who are making the determination about whether or not the place they're going is producing outcomes and whether they are getting the value from their education.

Ms. NEAL. Absolutely. I think the transparency is critical, and I also think it will help free the institutions themselves to be pur-

suings educational quality rather than having to listen to these external bodies who are trying to dictate to them what to do.

Senator BENNET. What would be wrong—and anybody who wants to answer it, I'll start with Dr. Ewell—what would be wrong with Dr. Ewell's suggestion and your suggestion that we collect, whoever is the "we", but we ask schools to provide a handful of statistical data that tells us that they're at a minimum threshold, hopefully not just at a minimum threshold, and that we actually pay attention to the track record of universities, which the chairman was asking you? It seems like an incredibly sensible thing to do, and give a lighter touch to folks who seem to be performing than we do to people that aren't so we can focus our attention on the people that aren't. Why doesn't that get to the place we need to be without all this burdensome compliance that we're requiring, particularly in view of the fact that I guess the accrediting bodies haven't closed a place in 60 years, in your testimony, Ms. Neal?

Mr. EWELL. I guess you were directing that at me.

Senator BENNET. Yes.

Mr. EWELL. Yes, I very much believe in the idea of having open, transparent pieces of information as part of the accreditation process. We are making some progress in that, but not nearly enough. They should be standard pieces of information. I think one of the difficulties is that people count things differently, and there are different ways of reporting things. We need a set of performance indicators as a dashboard, essentially, in all accreditation processes.

Senator BENNET. Thank you, Mr. Chairman. I'm out of time. I appreciate the hearing.

The CHAIRMAN. Thank you, Senator Bennet.

Senator Casey.

STATEMENT OF SENATOR CASEY

Senator CASEY. Thank you, Mr. Chairman. Thanks for the hearing. I appreciate our witnesses being here.

Dr. Ewell, I was going to start with you on two questions. One is public reporting, and the other would involve students.

I noted in your testimony on page 2, under the section headed "Public Reporting," you say, "Accreditors do not provide much information," or I should say, "Until recently, accreditors did not provide much information on the results of institutional reviews," and then you go on later in the paragraph to say,

"Public reporting might be further improved through the development of standard reports, listing the strengths and challenges of each institution determined in the course of a review,"

and you go on from there.

Just on this issue of public reporting and transparency, what do you think is most needed?

Mr. EWELL. As I say, the most important thing about the proposal that I'm making, which is not just mine—it's one that accreditors have, in fact, considered but just haven't gotten around to doing—is to say that as a result of a review, after an institution has engaged in a review, there should be a few bullet points that say basically this place is really good at this, and a few bullet

points that say this place is not very good at this. It would be all backed up in terms of the qualitative findings of peer review, as well as quantitative indicators.

You had another question?

Senator CASEY. I was going to followup on that one, as well. How about the additional question as to what's the best way to release the accreditation information? What do you think is the best format or—

Mr. EWELL. I think there needs to be a fairly standard format so that people can compare across institutions in terms of a set of standard headings. A number have been proposed. One is that it would follow the standards of accreditation that the accreditor has put forward, so a standard of student learning, for example. I wish they all had them. If they did, it would be around that. The difficulty with that is that not all accreditors use the same headings to report things.

The other alternative would be to develop a standard set of headings that everybody would be very much interested in, if people graduate from this place, do they get jobs, do they go on for further education, what are things like student/faculty ratios, and the quality of the student experience, et cetera.

Senator CASEY. I'll come back to you in a moment. Dr. Pruitt, anything on this that you want to add?

Mr. PRUITT. Yes. I am a little bit disturbed that we ignore the current realities here. If you go on the website of any accredited college or university in the country, certainly ones accredited by the regionals, there are reams of pages of information about the institution, and performance data, and financial data. I believe that accreditation decisions made by an agency should be made public, and in many cases they are made public. Certainly in public higher education, they are all made public.

I believe there should be common language used so that you can understand what they mean. The Council of Regional Accreditation came in and has done that. They are implementing that.

There are many things that you've heard before this panel that just factually are not true. It is not true that accrediting bodies have not revoked accreditation from colleges and universities. You have to excuse me if I have some frustration about that because I think we need to start with what the objective realities are that are actually taking place in the field before we can formulate rational responses to them.

Senator CASEY. I wanted to go back to the second broad question about students and their involvement, or maybe it's their lack of involvement. What's your opinion on the role that students can play in this process?

Mr. EWELL. Is that directed at me?

Senator CASEY. Yes.

Mr. EWELL. OK. As I say, I think that students could be useful included on teams, or at least review the materials. One of the things that I talk about in my testimony is increasing use of expert panels that really know something about what it is that we're dealing with. Students know something. They know something about what the student experience is, and one could constitute the stu-

dents as a separate review panel that would interview other students. There are a number of ways in which it's done.

As I say, in Europe, where of course there are student unions and political involvement and so on, it's a very strong presence of students.

Mr. GRAY. I'd like to add that I know in the ACICS accreditation process, students play an integral part. Students are surveyed. There's a great deal of information derived from the students during the field team's visit, and we use student information to a great extent in doing the evaluation of the effectiveness of the educational process.

Senator CASEY. I'm out of time. Ms. Neal—

Ms. NEAL. If I could just add, I think that rather than putting students on these visiting teams and making them a part of accreditation, let's give them real information. Let's let them know what these schools are doing. Let's look at the graduation rates. It may be an imperfect metric, but it will tell them something which they cannot get from accreditation now. Let's use some of the data that schools are already putting on College Navigator, and let's pull it together and have them put it on their website so that families and consumers can actually find out how schools are doing. Let's rely on metrics that show student learning gains.

When it comes to the accreditation, they are to be guarantors of educational quality. As I think we've heard, they have not guaranteed that. If we allow institutions to show that they are taking students and they are graduating them at or above predicted learning gains, then we can see actual quality, and then a student will be informed and will be able to know this is where I want to put my money as opposed to this institution. That's how I would propose to help students.

Senator CASEY. Thanks very much.

The CHAIRMAN. Thank you, Senator Casey.
Senator Whitehouse.

STATEMENT OF SENATOR WHITEHOUSE

Senator WHITEHOUSE. Thank you, Chairman.

I had another hearing this morning. This topic may have been raised already, so forgive me if I'm re-plowing plowed ground. I note that accrediting agencies receive their funding from fees that are paid by the colleges that they monitor, and that seems to set up a pretty significant potential conflict of interest.

I'm interested in how that arrangement is different than the relationship between the Wall Street banks and the credit rating agencies which they paid to evaluate their products and which the credit rating agencies then gave wildly exaggerated ratings to that led to the financial collapse. It seems to me that where a regulatory body is being funded by the regulated entity, that creates a significant risk, and we've just had that experience in the banking sector. Can you explain why that should be a concern to us in this sector?

Mr. GRAY. In the world of accreditation—and my experience is well beyond education. In public health, for example, public health departments are accredited, and the sustaining of that accreditation comes from fees derived from the public health departments. Many other endeavors which are accredited are funded by the enti-

ties that they accredit. That's not uncommon. In fact, that's the normal model by which accreditation agencies operate and are funded. They're normally not funded by governmental resources. That's a different type of conflict of interest, which they don't want to have.

Also, all the decisions that an accreditation body makes are made by its council. The council is scrutinized very, very thoroughly to make sure there is no possibility of a conflict of interest, and the processes that the council uses in terms of excluding certain members from discussions or decisions regarding certain institutions are very thorough and carefully documented.

You go to great lengths to avoid conflicts of interest, or even the appearance of conflict of interest, and there's no preferential treatment given to any institution because they are paying fees.

Senator WHITEHOUSE. Ms. Neal.

Ms. NEAL. I couldn't agree more. It is a highly conflicted situation, and I think it's largely because peer review, which is colleague to colleague in a voluntary set-up, is fine, there's no conflict. When you make accreditors the gatekeepers, when they then basically become agents of the Federal Government and are responsible for deciding where \$170 billion goes, it does become a serious conflict, which is why I think a direct expedited recognition process more analogous to companies which file for an IPO with the SEC would be a better way. It will take the burden away from institutions, it will provide information for students, and it will get ultimately to what we're trying to find out, whether or not colleges and universities are actually adding educational value, something that we really have difficulty finding out now.

Senator WHITEHOUSE. Let me get to that question. It strikes me that the accreditation has a role to serve as a proxy for direct student information, direct customer information, in the same way that when I look at the underwriter laboratory's label on a toaster, I don't have to be an electrician, I can have some assurance that it's not going to burn up or it gets the Good Housekeeping Seal of Approval, whatever that's worth.

Let's hypothesize that we could create a dashboard of student information that completely replaced the proxy function of the accreditation, hypothetically, so that that function was no longer necessary. Are there other uses of this accreditation process that would still have value, assuming just the badging of it was fully adjusted for by having a really robust, accessible, clear dashboard of outcome measures that many of you have mentioned? Is that really the sole purpose of what the accreditation process is, to provide that proxy seal of approval?

Mr. PRUITT. The confusion you're hearing and one of the things I think we all agree on, although we have very different points of view, is that part of the challenge we have is that there is a conflicted expectation of what accreditation is. You referred to it as a regulator. We are charged to do certain kinds of compliance reviews.

We view our role as an assessor. An assessor behaves differently than a regulator. A regulator prescribes the behaviors of the institution. Accreditation does not prescribe the behaviors of the institution. You indicated a banking regulator—

Senator WHITEHOUSE. By threatening to not give accreditation unless the behavior is changed.

Mr. PRUITT. No. Not the behavior, Senator, not the behavior, the outcomes that we produce, and there is a difference.

Senator WHITEHOUSE. Well, the behavior—

Mr. PRUITT. There is a difference between the outcomes that we produce and the behaviors that we go to produce those. Regulators in banks prescribe the things that bankers can do and cannot do. Accreditors cannot prescribe what academics can do and not do, as long as the results are such that we can demonstrate that they have value to the people that support us and the students who—

Senator WHITEHOUSE. I guess my question was, outside of the proxy function of being a badge that its underwriter laboratories can say this is good, this is a good place for you to go to school, you'll get a good education, outside of that, what's the value of the accreditation process, Ms. Neal?

Ms. NEAL. Well, I think fundamentally the accreditation Good Housekeeping Seal of Approval has been proven not to be a Good Housekeeping Seal of Approval. It does deceive consumers.

Is there a role for accreditation? Yes, I think there is a role for accreditation, to return to its voluntary self-improvement role.

I like to look at the lead certification program in architecture. It's an entirely private certification, and it has revolutionized the way we think about green buildings. This is an example of how a marketplace of accreditors who were no longer burdened by the gatekeeping role could actually create wonderful reviews that would tell consumers something. Right now, it's the lowest common denominator. All we know is that an entity is either accredited or not. If we set them free and we take away this enforcement gatekeeping role, they then can create sector-based. They could have gold, silver, platinum vis-à-vis higher education. They could do ones for research institutions, they could do those for comprehensive. They really could come up with a range of differentiated programs that would actually allow us to understand whether a school was doing a good job at something or was better at another thing.

I think if we took the gatekeeping role away from them, we would end up having a very rich marketplace of signifiers to consumers as to what schools could do and not do.

Senator WHITEHOUSE. Thank you, Mr. Chairman. I've gone over my time. I appreciate your indulgence.

The CHAIRMAN. Thank you, Senator Whitehouse.

And thank you to the witnesses. This has been a lively and wide-ranging discussion of many options having to do with accreditation.

What I'm going to do to conclude the hearing is make an observation or two, and then I'm going to ask each of you if you have any last word that you'd like to make for a couple of minutes, because you've heard a lot and you may have something that you'd like to say, and I'd like to encourage you, if you have more to say. I'd welcome, and so would other committee members, your further written testimony. I think the Senators' participation has been interesting, and your testimony has been interesting.

As I've listened to my colleagues talk, I'm in about the same position as Dr. Ewell is. When we say "we would do this" or "let's do

this,” great. But who is the “we” and who is the “let us?” I think the reason we’ve ended up with the accreditors as the gatekeepers for title IV is because we were pretty sure Congress didn’t have the capacity to do it. We know ourselves well enough to know that. Many of us are very skeptical of the ability of the U.S. Department of Education to take on an assignment like that because it’s one of the smallest departments. It doesn’t have much capacity for this kind of thing. Whenever it has tried to do it—for example, in defining student achievement a few years ago—there was a huge rebellion throughout the campuses.

It’s hard for me to see the alternative to a properly functioning system of accreditation to a validation of whether a university or college should receive title IV funds. Just speaking for myself, there are a number of suggestions here that I think we ought to think more seriously about, and we intend to reauthorize the Higher Education Act later this year. Senator Murray and I hope to have a bipartisan proposal for the committee to begin considering in September, and we’d welcome your specific suggestions, whether they’re the 3 of Dr. Neal or the 11 of Dr. Ewell or some version of the improvements of Dr. Gray and Dr. Pruitt.

The ones that seem to me that I think we hear more consensus about is to the extent the accreditors continue the gatekeeper role, their focus should be on quality and not all these other things that Congress has imposed on the accreditors. I think that has turned out to be a mistake and interferes with what we would hope accreditors would do, and we’re going to address that directly and I hope successfully.

The second idea I hope we will consider, and I know, Dr. Pruitt, you and your colleagues may not agree with this, and Dr. Ewell hasn’t figured out how to draw the lines, but it seems to me there’s a lot less validity today for regional accrediting agencies exclusively. When I was president of the University of Tennessee, I looked at the University of Illinois, the University of Michigan, universities outside our region as peers. I wonder if there’s not some room there for discussion.

There also seems to be a good deal of agreement that a lighter touch for some institutions as opposed to others is a good idea, and we’re going to look at ways to do that. That just makes common sense, and I think there’s a focus on that. Maybe in your final remarks, Ms. Neal, you’ll explain to me how we can trust the U.S. Department of Education to just recognize a college or university without getting enthusiastically into the business of defining what student achievement is at Harvard and whether the Department of Education is really competent to be the one to decide whether you learned more after 4 years at Harvard than you knew when you arrived.

Maybe that’s true. Maybe there needs to be a pilot program that tries that and creates a parallel way for people to get recognition for title IV, see what happens with it.

Those are some of the areas that I think are promising, and this is a chance to improve what we’re doing or change what we’re doing.

Let me thank the witnesses, invite your later comments. We’d like to have them in 10 days if you make them. We’ll have another

hearing on the reauthorization of the Higher Education Act in the July 4th recess, and one of our future hearings will have to do with innovation and all of the new things in our lives today, are there any adjustments we need to make in the Higher Education Act to permit colleges and universities and students to take advantage of the new ways of learning.

That will conclude the hearing after your final comments.

Let me start with you, Dr. Ewell, go down the line. Thank you for being here. I'd ask if each of you would like to take a couple of minutes and offer a last word.

Mr. EWELL. Very, very briefly, because I've gone over my time on many occasions. Let me agree with the idea of pilots. I think that a good deal of experimentation in some of these uncharted areas which are not institutionally based, the kinds of things like badges, MOOCs, other kinds of providers, they're providing a good deal of education at this point. Accreditation should have picked them up but hasn't done so. I'm a little disappointed with that. I think that's something that needs to be done.

Then one other very specific thing. We spent a lot of time on Corinthian. We haven't mentioned one other thing that's being played out right now, and that's the conflict between San Francisco City College and the WASC Junior Commission, who is trying to sanction a very bad institution, the difficulties that an accreditor gets into when they try to actually sanction due to contrary legal action and all kinds of things like that. I think there needs to be some things that stiffen their backbone a little bit in terms of limitations of liability and things of that sort. That's not in my testimony but it's something that occurred to me.

The CHAIRMAN. Thank you, Dr. Ewell.

Dr. Pruitt.

Mr. PRUITT. Very briefly, Mr. Chairman, you've been part of a continuum of activities in terms of the Task Force on Regulation, so this hearing has context. I think, for the sake of time, I pretty much agree with you, where you've come out in terms of your processing of all of this.

The only comment I would have about the issue about the regionals, there's no sanctity in any particular one structure. I would say, though, that regionals do allow institutions to peer reference, and they peer reference to institutions wherever in the world those peers may be. They are not limited. There is nothing in the world that I'm aware of that would have kept the University of Tennessee from referencing and measuring itself against either Illinois, Michigan, Stanford, or Cambridge for that matter. There is that flexibility built into the system.

My final comment is, and as I said earlier, there's a lot of anecdotal stuff flying around that defines the realities that conflict with what the evidence says the realities are. I would hope at the end of the day, as we consider policy, we go back to what the evidence says and give that more weight than some of the anecdotal stories that would otherwise influence it. Thank you.

The CHAIRMAN. Thanks, Dr. Pruitt.

Dr. Gray.

Mr. GRAY. Thank you, Senator Alexander. I would just say that I would hope, as the reauthorization of the Higher Education Act

moves forward, that we continue to consider with respect to accreditation refocusing on the academic quality aspect of accreditation; also, looking for ways, as I mentioned, to reduce regulatory overreach and the regulations related to accreditation.

I would also say, on the subject that I've heard discussed this morning regarding delinking the gatekeeping role from the accreditation role, I disagree. I think what was described by Ms. Neal was kind of a utopian accreditation endeavor that would happen if, in fact, that linking was deactivated. In fact, what I see would happen would be, first of all, a decrease in the motivation to be accredited. That's a bad thing. Second, fewer accredited schools. That's not a good thing for the students, and the students are the benefactors, the customers that we're most concerned about here. Frankly, there would be no good quality assurance resource available to the Department of Education in making their decisions.

Finally, it's perplexing, but I'd like to see a mechanism somehow to better educate policymakers and the public about the role of accreditation. Some of the comments I've heard this morning about Corinthian say to me that there's a lot of misunderstanding about accreditation, in particular with respect to Corinthian, but accreditation in general with respect to its role in the sustainability of educational institutions.

The CHAIRMAN. Thank you.

Ms. Neal.

Ms. NEAL. I want to thank you, and I know I'm the last between you and departure, so I'll try to be brief.

I certainly think we've heard that the system is not functioning well and that it desperately needs improvement and deregulation. I think it's interesting that often, when schools are asked if the accreditation was delinked what would you do, many of them say, "well, I would not want to continue" because they find no value with the existing accreditation process, and I think that's more of a testimony to the way it operates now than necessarily to the value of a good, functioning peer review self-improvement process.

In terms of the direct expedited recognition, lighter touch approach, I submit that it does not necessitate a larger Department of Ed involvement. In fact, the DOE should have a very limited role. It would retain its existing oversight in terms of financial responsibility, but in terms of other actions it could take against institutions, because the institution would be submitting audited data, the ability of the DOE to act would be largely in response to finding that that data was false and acting against an institution that had supplied erroneous information.

I think in terms of the data about student learning, again that would not be the role of the Department of Education. That would be offered by nationally normed tests such as the Collegiate Learning Assessment, the Proficiency Profile. These are tests which I think offer a special opportunity for schools that may not be famous like Harvard to show that they are offering student learning gains because they take the students where they are and they assess whether or not they are at or above predicted learning gains. Not all institutions would be expected to be operating at the same level, but they would actually adapt to the particular population.

I think it offers a wonderful opportunity for schools with varying populations to show whether or not they're doing a good job and to give the institutions the autonomy they need.

The CHAIRMAN. Thank you, Ms. Neal. Thanks to each of you for coming today and for interesting testimony.

The committee hearing is adjourned.

[Additional Material follows.]

ADDITIONAL MATERIAL

ACICS,
WASHINGTON, DC 20002-4223,
June 30, 2015.

Hon. LAMAR ALEXANDER, *Chairman,*
Committee on Health, Education, Labor, and Pensions,
U.S. Senate,
428 Senate Dirksen Office Building,
Washington, DC 20510.

Hon. PATTY MURRAY, *Ranking Member,*
Committee on Health, Education, Labor, and Pensions,
U.S. Senate,
428 Senate Dirksen Office Building,
Washington, DC 20510.

DEAR CHAIRMAN ALEXANDER AND RANKING MEMBER MURRAY: ACICS appreciates the opportunity to appear before the Senate HELP Committee on June 17, 2015. We hope the information provided will help the Senate clarify and strengthen the role of accreditation in the Higher Education Act. As a supplement to the information provided in writing and in person, ACICS offers additional perspective below for the record.

ACICS acknowledges the intense interest of Congress in the current state of post-secondary education, and the discipline of quality assurance that is intended to protect students and taxpayers. The demise of a post-secondary institution is always a source of great distress and displacement, particularly for the students. To the degree the accrediting community, the U.S. Department of Education and appropriate State authorities can collaborate on reducing the incidence of student displacement, ACICS welcomes all constructive ideas. The Council takes its responsibility very seriously, and is committed to improving its effectiveness on behalf of students.

Questions were raised at the hearing regarding the bankruptcy and closure of Corinthian Colleges Inc. (CCi). The limited time and constrained format did not allow ACICS sufficient opportunity to fully answer all of those questions. The information below is offered in that spirit.

Four CCi campuses accredited by ACICS (three in California, one in New York) before revocation on April 27, 2015, served approximately 4,000 students. More importantly, more than 90,000 students enrolled at 37 campuses sold to Zenith Education Group (ZEG) and accredited by ACICS continue today in their studies under a valid grant of accreditation and the approval of State and Federal authorities.

To re-emphasize the oral testimony, all of the 59 campuses owned and operated by Corinthian and accredited by ACICS had their accreditation intact up until the campuses were either sold or ceased operations. All had been subject to at least one full site review between 2012 and 2014. The site reviews found most of the campuses to have few if any quality issues; some had several quality issues and were subject to deferrals and other sanctions pending their demonstration of full compliance with Council standards. In addition, ACICS's review of student satisfaction data indicated satisfactory performance by most, if not all, of the campuses.

Students currently enrolled at campuses operated by ZEG have been given the opportunity to continue with their current program, transfer to a different program without financial hardship, or terminate their enrollment and receive a refund. As is the case for every change in ownership of an ACICS-accredited college or school, a team of senior officials from ACICS will review the administrative and academic capacity of ZEG's corporate headquarters this summer. This requirement is applied consistently within 6 months of any change of ownership. In addition, every ZEG campus will be visited in 2015 for quality assurance by experts in post-secondary education.

In acknowledgement of expressed sentiments, ACICS standards, policies, and program of quality review are based on expectations of honesty and integrity in relations with students, education quality that enables completers to pass required licensure exams, and institutional effectiveness that leads to employment. More than 25 explicit standards in the "ACICS Accreditation Criteria" address these dimensions of integrity, and the requirements are tested through more than 50 discrete questions that must be answered and supported through interviews, observations and documents at each campus during each full team review.

ACICS has not concluded its thorough review of the validity of the allegations of misrepresentation contained in numerous investigations by State attorneys general. The evidence available has been general and broad, lacking specificity regarding

time, place, individuals and circumstances. Evidence of that specificity is necessary in order for ACICS to reach an informed and considered decision regarding the institutions' compliance with standards of integrity; relations with students including recruitment; advertising and misrepresentation; and public disclosures. In total, ACICS applies more than 91 standard questions regarding those topics at each campus during each full team review.

Inquiries and investigations by State attorneys general regarding the relations with students at CCI campuses began in December 2012. During the next 2½ years, ACICS was notified of, tracked and analyzed open inquiries by State attorneys general in 15 States. In every case, ACICS required CCI to provide written evidence of their cooperation with the inquiries and any final determination. In all cases, those inquiries were in the discovery phase as of April 27, 2015.

ACICS was meticulously tracking and analyzing student complaints and adverse third party information before, during and after the U.S. Department of Education applied conditions to the company's Federal student aid disbursements beginning in June 2014. The pattern of student complaints has substantial weight with the Council, because accreditation actions that enhance the student experience are a high priority. An analysis of those complaints indicated that for the 4-years preceding the demise of CCI, ACICS received less than one student complaint per campus per year. The analysis also shows that those complaints primarily focused on three issues: financial aid (disputes about account balances), faculty issues, and lack of externship sites. About two-thirds of the complaints concerned the first category. Most of the complaints did not merit action by ACICS because they did not relate to a specific quality assurance standard, or the school was able to demonstrate compliance with ACICS accreditation criteria. Direct surveys of students indicated general satisfaction with the education provided, and a willingness to recommend the institution to others.

Determinations of institutional quality and integrity by Council are based on material information sources and methods of inquiry. Those sources are augmented by information provided by students, faculty, staff, and third parties, including the news media, plaintiff's attorneys and State consumer authorities, such as attorneys general. None of those sources of information are necessarily decisive by themselves in making a thoughtful and comprehensive evaluation of the institution. Rather, the Council takes all of those into consideration, applies its own judgment and experience, follows the required due process protections and makes a final determination.

Schools are required to include in their Institutional Effectiveness Plan goals for employer satisfaction and mechanisms to survey employers periodically. Expert evaluators scrutinize the plan, as well as data collected and analyzed by the institution to make sure that information from the employer community is shaping educational programming. In addition, each program is required to establish a community outreach mechanism, such as a program advisory committee, that solicits from the workforce community its emerging needs and requirements.

One of the conclusions expressed was that CCI "failed its students" in terms of financial stability, in terms of educational quality, as measured by Cohort Default Rate (CDR), and price of attendance. ACICS had diligently reviewed audited financial statements from CCI for each of the preceding 4 years and found no evidence of systemwide financial instability. CCI was subject to additional monitoring and reporting at the corporate level by the Council in part due to the conditional participation in title IV programs imposed by the Department.

Under the financial monitoring requirement, CCI developed and submitted for ACICS's review a teach-out plan to protect the interests of currently enrolled students. When 37 campuses were sold to another organization, the requirement of teach-out plans to serve those students was rendered moot. However, CCI did not fulfill the teach-out requirements for the four Everest campuses which closed in late April; the Council will review at its August 2015 meeting the degree to which students were displaced by the sudden cessation of operations and decide appropriate sanctions to apply to members of the Corinthian leadership team.

Regarding the repayment of loans by students, none of the Everest Colleges had student 3-year CDRs (2014) in excess of 30 percent, the rate at which schools are in jeopardy of losing their title IV eligibility. This CDR information is provided independently to ACICS by the U.S. Department of Education.

ACICS's standard process regarding loan repayment performance is to review the CDR rates of all institutions every year. Schools with a default rate above the Department's threshold are required to submit an improvement plan subject to Council review. The type of students that member institutions serve—many come from disadvantaged socio-economic backgrounds or households—contributes to higher rates of loan default. ACICS is unaware of any evidence that institutions with higher CDRs are necessarily of lower quality than institutions with lower CDRs; ACICS

is aware of numerous studies that show CDR and demographics of the student population to be directly correlated.

Finally, ACICS has developed no standards regarding the prices charged to students by member institutions. Nor has ACICS imposed maximum tuition rates at member institutions. Regulating the cost of attendance is clearly beyond the authority of accreditation and outside the purpose of quality assurance. However, as offered in ACICS's written testimony, the Council has a direct interest in evaluating the value component of the price/value proposition through its program of quality assurance. The Council will continue to refine and enhance its methods of review to ensure that students attending member institutions realize the greatest possible benefit for their emotional, spiritual, intellectual, temporal and financial investment.

To summarize, the primary role of ACICS is to assure quality and promote excellence. A secondary role is to ensure institutions adhere to minimum standards of quality and integrity. When an institution falls below standards, it is subject to sanctions, including deferrals, additional reporting, show-cause directives, probation and ultimately loss of accreditation. The chart below reflects how frequently ACICS accredited institutions have faced sanctions and penalties:

ACTION	Totals	2014	2013	2012	2011	2010
Deferrals	1003	67	171	420	184	161
Show Cause Directive/Probation	97	8	3	11	73	2
Action to Withdraw	4	0	1	3	0	0
Denials	16	3	1	2	4	6
Revocations	31	20	11	0	0	0
Departments	9	4	2	0	0	3
Institution Closings	94	40	27	19	3	5
Voluntary Withdrawals	46	14	18	5	2	7

This chart reflects how frequently ACICS colleges and schools face sanctions and penalties.

In conclusion, more than 90,000 students enrolled at ZEG campuses accredited by ACICS continue in their studies under a valid grant of accreditation and the approval of State and Federal authorities. Whatever deficiencies of accreditation have been enumerated, the facts indicate that while ACICS continues its efforts to improve, accreditation is working and performing the job it was assigned by the Higher Education Act. ACICS welcomes the opportunity to respond to any additional questions or inquiries you may have.

Sincerely,

ALBERT C. GRAY, PH.D.,
President and CEO.

RESPONSE TO QUESTIONS OF SENATOR MURPHY BY PETER T. EWELL, PH.D.

Question 1. When institutional performance and student achievement information is self-reported by institutions, how do accreditors verify its accuracy?

Answer 1. This varies a lot by accreditor, and even by accreditation team. The most rigorous position is probably in teacher education where the Teacher Education Accreditation Council (TEAC)—now merged with the Council for Accrediting Education Programs (CAEP)—performs “audits” of all supplied data to verify the reported results. But this is much more rigorous than practiced by most institutional accreditors. Most ask institutions to supply details of the reported results—what methods were used, how the results were analyzed, etc.—and use the interviews during site visit(s) to try to explore or verify the results reported, but this is not

very systematic. Some are exploring audit methods as above (e.g., WASC Senior Commission) and some use explicit “rubrics” or scoring guides to rate the quality (and presumed veracity) of institution-reported results. But this is a very good question and it should probably be asked systematically during NACIQI’s consideration of each accreditor’s gatekeeping status.

Question 2. In a recent SEC filing, ITT Tech informed investors that 69 ITT locations were not meeting the ACICS threshold for student outcomes and 25 locations were not meeting student placement thresholds. If shareholders need to know this information, should students be made aware of this as well? What role can accreditors play in increasing disclosure of institutional problems?

Answer 2. I believe that all relevant information about institutional *performance* should be disclosed as part of the accreditation process. This includes information about student academic achievement, student success (retention, graduation and job placement), and key student experiences. There may be cases where information about finances (bond ratings reported confidentially by an external rating agent, for example) might appropriately be reported to shareholders not the public. But, in my view, these should be exceptions.

RESPONSE TO QUESTIONS OF SENATOR MURPHY BY GEORGE A. PRUITT, PH.D.

Question 1. When institutional performance and student achievement information is self-reported by institutions, how do accreditors verify its accuracy?

Answer 1. In answer to your question, I am speaking from my perspective as chair of the Middle States Commission on Higher Education (MSCHE).

The Middle States Commission is concerned about appropriate institutional generation and use of both student achievement and student learning outcomes information. Our peer evaluators are charged with responsibility for reviewing institutional self-studies that address topics related to academic performance, including the assessment of student learning; student admissions and retention; and, institutional integrity, including the provision of information on institution-wide assessments available to prospective students, including graduation, retention, certification and licensing pass rates, and other outcomes as appropriate to the programs offered. When reviewers find an institution out of compliance or in danger of non-compliance, those situations are publicly recorded in Commission actions that are listed by institution on the Commission’s website. As warranted, institutions may be asked for further followup in specific areas.

Institutions are also asked to annually submit institutional profile data that is reviewed by Commission staff. Information on graduation and enrollment is included. Staff review the data submitted and will contact the institution if there appears to be any inconsistency in the data or if analysis reveals any concern. Staff may informally request additional information or may request a formal supplemental information report if the situation warrants.

MSCHE also annually reviews institutional Web sites of member institutions to determine whether required consumer information is available. Followup is initiated with the institution if data is not accessible or if there are questions or concerns.

Over the past several years, MSCHE has engaged in an effort to separate and clarify Commission responsibilities related to compliance with Federal regulations. In order to accomplish this, we have developed a separate process addressing Verification of Compliance with Accreditation-Relevant Federal Regulations in which a peer evaluator specifically reviews institutional submissions and provides results for further consideration by review teams and the Commission. Among the data required in the upcoming 2015–16 year, institutions must provide information about graduation and completion, and (as appropriate) licensure pass rates. The peer reviewer assigned is asked to determine:

- Whether the institution appropriately documents and publishes required information and whether it is reasonably accessible to the public; and,
- Whether the methods, policies, and procedures documented by the institution are reasonable for their purpose.

Question 2. In a recent SEC filing, ITT Tech informed investors that 69 ITT locations were not meeting the ACICS threshold for student outcomes and 25 locations were not meeting student placement thresholds. If shareholders need to know this information, should students be made aware of this as well? What role can accreditors play in increasing disclosure of institutional problems?

Answer 2. My answer to this question is informed by my experience as president of Thomas Edison State College, an institution serving non-traditional students as well as my experience as chair of the Middle States Commission on Higher Edu-

cation. MSCHE is not the accreditor of ITT Tech, and I cannot address the specifics of that case.

MSCHE is fully committed to disclosure of important information about the status of accreditation for each member institution. Toward that end, the Commission has for years published on our website a Statement of Accreditation Status (SAS) for each institution. The SAS shows general institutional information as well as details about accreditation actions taken by the Commission, including specific references to standards where non-compliance has been found or followup is required. Further, where non-compliance actions (warning through show cause and withdrawal of accreditation) are taken, a public disclosure statement is posted to further explain the actions taken and the next steps required of the institution.

In my testimony before the committee, I touched on two areas that are relevant to this discussion. Let me first address the concept of one-size-fits-all templates, metrics, and bright lines. I do not know what the thresholds were for ACICS student outcomes or placement and therefore cannot comment specifically about them, but I am thoroughly convinced that it is never a good idea to mindlessly apply a set of bright line indicators without understanding the context, and that it is not a good solution to allow metrics to replace thorough analysis by qualified peer evaluators. For example, I noted that graduation rate statistics are not a good measure of success for Thomas Edison's non-traditional students who do not move through college in the assumed progression. Alternative information such as pass rates on professional licensure examinations is more meaningful for the student population served. The point is that the context is essential and should not be lost in a search for a single, simple measure.

It is also important to touch on the concept of full transparency/disclosure in the accreditation process. As indicated above, MSCHE fully discloses accreditation actions for each member institution. However, the Commission currently does not allow full transparency with regard to all accreditation documents. It is my opinion that doing so would change the nature of the interaction between accrediting agency and institution. Looking toward the future, however, I offered the opinion that the work product of accreditation might remain protected while some consideration could be given to disclosure of team reports or summaries of those reports. I would hope that disclosure of reports/summaries might allow for consideration of all-important contextual information

RESPONSE TO QUESTIONS OF SENATOR MURPHY BY ALBERT C. GRAY, PH.D.

Question 1. When institutional performance and student achievement information is self-reported by institutions, how do accreditors verify its accuracy?

Answer 1. An ethic of trust in self-reported data is made stronger when its accuracy, timeliness and completeness are subject to verification through a series of recurring tests and reviews. During the in-person accreditation review of member institutions, ACICS examines the back-up data and documents that are the basis for annual accountability data reports. Typically, a random sample of student achievement outcomes—such as placements or success on licensure examinations—is reviewed in depth by program specialists. They examine the completeness of the required back-up documentation and interview administrative personnel regarding the manner in which the information was collected, aggregated and reported. Further, the program specialists place calls to employers and graduates to verify the information captured in the institutional records. If a pattern of incongruence manifests, the institution will be required to submit its data to additional tests of veracity and could be subject to sanctions by the Council, including probation or loss of accreditation.

ACICS is piloting a Placement Verification system where at random every claimed placement is directly verified by ACICS through communications with the student and/or employer. The verifications would be applied to data received by ACICS in between recurring in-person accreditation reviews.

As is the case for all institutional data reported by all colleges and universities in the United States, the integrity of institutional data, utilized by ACICS and its accrediting Council to make accreditation decisions, is assumed to be sound. A trust relationship between the quality assurance authority and educational institution is paramount to the effectiveness of the self-governed discipline of voluntary accreditation.

Question 2. In a recent SEC filing, ITT Tech informed investors that 69 ITT locations were not meeting the ACICS threshold for student outcomes and 25 locations were not meeting student placement thresholds. If shareholders need to know this

information, should students be made aware of this as well? What role can accreditors play in increasing disclosure of institutional problems?

Answer 2. ACICS requires all institutions to disclose student achievement information on a regular basis. Most fulfill that standard by posting on their Web sites institutional performance data as reported to ACICS, including retention, placement and licensure exam pass rate data. ACICS is developing enhancements to this standard to strengthen the quality and value of student achievement information that is shared with the public.

Disclosures of compliance risk by publicly traded education enterprises are required by Federal securities law, and fulfill expectations of transparency by the investment community. In this particular case, the institution—not ACICS—determines which findings of its latest accreditation review rise to the level of mandatory disclosure. The principle applies to all publicly traded higher education companies, not just those accredited by ACICS.

The thresholds in question are self-improvement points of reference established by ACICS to encourage an institution to improve performance in certain discrete areas well in advance of its performance falling below minimum quality standards. Disclosing all of those “early warning” indicators to the public or students for every program each year would also require the conveyance of substantial narrative explaining the significance and weight associated with each indicator. The Council uses the “early warning” information to focus its quality assurance conversation with the institution on issues that are most salient and current. In no event would an institution that fell below the improvement threshold for placement or retention, absent any other information, be deemed to be of low quality by the Council or subject to negative or adverse actions. If the sub-standard performance persists, and the institution demonstrates a fundamental inability to meet Council standards, ACICS would impose formal sanctions that would be disclosed publicly, to the U.S. Department of Education and State-approval authorities.

ACICS is always open to considering alternative ways to make available to interested parties the quality findings of its accreditation reviews. As long as the institution has the opportunity to respond to those findings, and the Council’s final decision takes into consideration that response, the final action complies with statutory and regulatory requirements. Disclosures that are not based on the full accreditation process are unfair to the institution, misleading for consumers, and contrary to Department regulations and Federal statute: the accrediting agency is required to provide appropriate opportunities for response to preliminary findings before a negative action is taken or published.

RESPONSE TO QUESTIONS OF SENATOR MURPHY BY ANNE D. NEAL

Question 1. When institutional performance and student achievement information is self-reported by institutions, how do accreditors verify its accuracy?

Answer 1. Accreditors require institutions to write an extensive self-study and to assemble a veritable room full of documentation for the visiting team to examine. These preparations typically require several faculty and staff members dedicated to the task for many months prior to the visit, which is one of the reasons that institutions find the accreditation process highly burdensome and expensive.

Unfortunately all of this work demanded of institutions does not protect students or taxpayers from malfeasance. It took the Southern Association of Colleges and Schools (SACS) 19 years to become aware of University of North Carolina’s fraudulent grades, given in large measure to athletes. Claremont McKenna College inflated its SAT scores and class rank for 6 years. These are hardly unique scandals and underscore the inability of accreditors to monitor the information they receive effectively.

Moreover, the decennial nature of the accreditation process makes the information outdated even if it is accurate. The alternative system proposed by ACTA in our testimony <http://www.help.senate.gov/imo/media/doc/Neal1.pdf> would insist that institutions provide key consumer information annually and have it already audited by an independent third party when it is provided, making the institution then subject to sanctions for misrepresentation. This would be far more effective than the “data dump” of largely unverified information that is the current accreditation process.

Question 2. In a recent SEC filing, ITT Tech informed investors that 69 ITT locations were not meeting the ACICS threshold for student outcomes and 25 locations were not meeting student placement thresholds. If shareholders need to know this information, should students be made aware of this as well? What role can accreditors play in increasing disclosure of institutional problems?

Answer 2. Yes, students, taxpayers, and policymakers need this information to be clearly and unambiguously reported. And for this reason, in testimony from the American Council of Trustees and Alumni <http://www.help.senate.gov/imo/media/doc/Neal1.pdf> and in the NACIQI report of April 2012 to the Secretary of Education, <https://www2.ed.gov/about/bdscomm/list/naciqi-dir/2012-spring/teleconference-2012/naciqi-final-report.pdf>, an alternative recommendation is offered (see page 13) that emphasizes a new set of transparency protocols.

Accreditors, who currently serve as both gatekeepers to title IV funds and as peer-reviewers, have failed to demonstrate any commitment or expertise in collecting and clearly disseminating such information. Access to title IV funds should depend upon meeting Federal disclosure requirements and such thresholds as Congress may deem appropriate. Accreditors can then focus on their traditional role of peer review, self-improvement, and the dissemination of best practices.

[Whereupon, at 11:44 a.m., the hearing was adjourned.]

