



The Career College Information Source

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Career Education REVIEW

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By Barbara A. Schmitz, Career Education Review Staff Writer

In August 2012, Professional Massage Training Center or PMTC filed a lawsuit seeking restoration of its accreditation and damages after ACCSC revoked the school's accreditation. The U.S. District Court for the Eastern District of Virginia decision, written by U.S. District Judge Liam O'Grady and filed Jan. 17, 2014, granted the PMTC, continued accreditation until the next normal review, as well as \$429,016.62 in damages. **p.1**



A Turnaround Story of Success

By Thomas Kube, Executive Director of Kube & Company

This case study is presented to show that even a complexly dysfunctional situation can be made whole and normal again. In late 2012, Kube had taken over a floundering school, found some of the key areas of underperformance, made some significant personnel changes and placed good people there to bring those functions up to required levels of performance and compliance. **p.11**



The Quality Revolution in Higher Education

By Robert W. Tucker, Ph.D., President, InterEd, Inc.

While institutional opacity is the norm, your institution stands to benefit by breaking away from this norm. Identify relevant quality metrics, measure and manage them, and make the results available to potential consumers for each individual program. These metrics should not be aggregated to the institutional level. No one enrolls in, studies in, or gains proficiencies in an institution. **p.15**



Facts Without the Fiction

By Robert L. Martin, President & CEO Imagine America Foundation

Prepared by leading industry analysts, the *Fact Book* contains research and analysis of important trends in the career college sector of higher education. The *Fact Book* presents a comprehensive look at the career college sector of higher education, as well as a comparison of public and private two-year and four-year institutions. **p.25**



Rasmussen College Announces Public Benefit Corporation Designation

By Tawnie Cortez, Vice President of Student Affairs at Rasmussen College with Cheryl Hentz

Rasmussen College announced in late January their Public Benefit Corporation status. They are still a for-profit organization with the same responsibilities. By adding the moniker, they feel it better reflects the college. **p.29**



Accreditors Confront Changing Landscape at Annual CHEA Conference

By Brian Newman

Accreditation reform will be a focus as Congress reauthorizes the *Higher Education Act*. While the accrediting community appears resigned to some change, they view peer review and their role in fostering continuous quality improvement as sacrosanct. **p.33**

Excerpts from Senator Tom Harkin (D-IA) Speech

Senator Tom Harkin (D-IA) delivered this speech, January 29, 2014 at the Council on Higher Education Accreditation's (CHEA) 2014 Annual Conference. Excerpts taken from a recording of the speech. **p.37**

CAREER EDUCATION REVIEW'S
Career College Event Calendar
March 2014 – April 2014
Dates You Need to Know

March 2014

Region VI Advisory Council of Private Career Schools

Financial Aid Conference
Dallas, TX

March 16–18

PCCS—Private Career Colleges & Schools

Regions VIII, IX, X Conference
Financial Aid/Teacher Training
Denver, CO

March 17–18

FAME

Annual Financial Aid & Management Conference
Fort Lauderdale, FL

March 25–26

April 2014

TPI—Best Practices and Great Ideas

11th Annual Conference
Hollywood Beach, FL

April 2–3

DETC—Distance Education & Training Council

88th Annual Conference
Hammock Beach, FL

April 6–8

PCCS—Private Career Colleges & Schools

Regions I, II & III Conf.
Financial Aid/Teacher Trng.
Philadelphia, PA

April 14–15

TAICS—Tennessee Association of Independent Colleges & Schools

Annual Conference
Nashville, TN

April 14

NASASPS—National Assoc. of State Admin. & Supervisors of Private Schools

Annual Conference
Little Rock, AR

April 27–30

Massage School Awarded Damages, Regains ACCSC Accreditation

Court decision proves that small, quality schools can prevail over accrediting agencies

By Barbara A. Schmitz, Career Education Review Staff Writer

A Springfield, Mo. massage school was awarded nearly \$430,000 in damages and regained its accreditation in a district court decision that should provide lessons for both postsecondary schools and accrediting agencies.

The U.S. District Court for the Eastern District of Virginia decision, written by U.S. District Judge Liam O'Grady and filed Jan. 17, 2014, granted the Professional Massage Training Center, or PMTC, continued accreditation until the next normal review, as well as \$429,016.62 in damages for lost anticipated profits, litigation expenses and workforce reassembly.

In August 2012, PMTC filed a lawsuit seeking restoration of its accreditation and damages after ACCSC revoked the school's accreditation. On Sept. 17, 2012 the court issued a preliminary injunction requiring ACCSC to reinstate the school's prior probationary accreditation subject to further review by the court. The injunction order required the school to inform all existing and prospective students that

the school's accreditation was probationary and under review by the court and might be revoked and that, if the accreditation was revoked, the school would lose its access to federal student aid. The school had been operating on probationary status since then, pending the outcome of the suit.

The January 2014 opinion questioned several of ACCSC's conclusions:

- That PMTC had an inadequate learning resource system or LRS,
- That PMTC failed to properly verify the qualification of some of its faculty and staff, and
- That PMTC had inadequate management

Inadequate learning resource system

The opinion states that during ACCSC's 2011 site team visit, the team was aware that PMTC had made an agreement with nearby Missouri State University to give PMTC's students access to the MSU library

facilities. Yet the site team declined to visit the MSU library during its visit.

“This is significant because the 2011 site team visit was ACCSC’s sole chance to lay eyes on PMTC’s complete LRS,” O’Grady wrote. “The site team’s (particularly Lisa Miles’s)

determination that the school’s LRS was inadequate was passed along

through the accreditation review process, and was ultimately cited as one of the major reasons PMTC’s accreditation was revoked.”

It also stated that it was not clear if PMTC’s LRS was evaluated by an individual with specific knowledge of library needs of a massage school, and that ACCSC did not demonstrate any quantitative standards it used to evaluate the sufficiency of an LRS, such as the number of books or the number of computer terminals available. Thus,

“This is significant because the 2011 site team visit was ACCSC’s sole chance to lay eyes on PMTC’s complete LRS,” O’Grady wrote.

Professional Massage Training Center Accreditation History

- Juliet Mee founded PMTC in 1994. She has owned the school and served as its director continuously since it opened.
- The massage school first sought and received accreditation from the Accrediting Commission of Career Schools and Colleges, or ACCSC, in 2000. It also received its approval by the Missouri Coordinating Board for Higher Education that year.
- PMTC began participating in the Title IV Federal Financial Aid program in 2004.
- ACCSC renewed PMTC’s accreditation in 2005 for the maximum five years.
- PMTC’s accreditation problems began in 2010 when it sought to renew its accreditation. A site team found several deficiencies, which the school responded to, but ACCSC did not consider PMTC’s responses sufficient in certain areas.
- In December 2010, ACCSC placed PMTC on probation, requiring the school to demonstrate compliance with the standards of accreditation in 11 different areas.
- PMTC submitted a response and hired an additional administrator and ACCSC vacated the December 2010 probation order and full restored the school’s accreditation. However, PMTC was still in the process of seeking renewal of its accreditation and, in the same Commission letter that withdrew the 1210 probation, the Commission announced a second focused site visit.
- ACCSC made the second site visit, which raised some of the same concerns — insufficient management, not adequately developing its learning resource system or LRS, and not properly verifying the employment history of several instructors.
- PMTC responded and in December 2011, ACCSC again placed it on probation, although this probation order listed fewer areas of concern than the first.
- PMTC submitted a response in late January 2012 and in March 2012 it received a letter from ACCSC that the agency was revoking its accreditation, expressing concerns about its adequacy and continuity of management, sufficiency of faculty verification, and adequacy of the LRS.
- PMTC appealed the revocation using ACCSC’s internal appeals process. The appeal was denied in July 2012.
- In August 2012, PMTC filed a lawsuit seeking restoration of its accreditation and damages.
- The court granted a preliminary injunction ordering PMTC’s accreditation to be restored to probationary status pending the outcome of the suit.
- In January 2014, the U.S. District Court for the Eastern District of Virginia ruled in PMTC’s favoring, granting them nearly \$430,000 in damages and ordering its accreditation restored. The court decision states: “To summarize, ACCSC’s decision to revoke PMTC’s accreditation was based on an inadequate LRS that ACCSC didn’t visit, the school’s reasoned flexibility in applying its own faculty experience requirements, and application of a vague standard to find the same management that had previously been adequate is now inadequate. The Court considers these bases arbitrary and unreasonable, so finds in favor of PMTC ...”
- On Jan. 30, ACCSC filed a notice of appeal, indicating that it intends to ask the U.S. Court of Appeals for the Fourth Circuit to review and overturn Judge O’Grady’s ruling.

Source: Memorandum Opinion, U.S. District Court for the Eastern District of Virginia

the court found ACCSC's action to be arbitrary and unreasonable.

Faculty and staff experience requirements

The court ruled that ACCSC's decision to revoke accreditation, on the basis that the school was flexible on the experience requirements it set itself for certain management positions and that the school had not adequately shown verification of instructors' prior employment, was arbitrary and unreasonable. The ACCSC standard states: "The school must verify prior work experience and maintain documentation of academic credentials of all faculty members and administrators, as required, to demonstrate compliance with applicable Standards of Accreditation." (ACCSC Manual of Accreditation, Substantive Standards, Section III-A-4.) The opinion states: "ACCSC did not submit any proposed findings of fact related to PMTC's alleged failure to verify the work history and experience of its faculty and staff. The court assumes this is because the evidence adduced at trial tended to show that PMTC had made good faith efforts to verify the work history of its employees in situations where, for example, the previous employer had gone out of business."

Inadequate management

The court also disagreed with ACCSC's contention that PMTC had inadequate management. O'Grady wrote: "Over nearly 20 years she (Juliet Mee) has built the school into a successful training ground for aspiring massage therapists. PMTC's graduation rates are good, and its job placement rates are excellent. The school enjoys high satisfaction ratings from its students, and has taken corrective steps along the way when student satisfaction

fell in specific areas. ... It is a self-validating statement that a woman who built and continues to run a successful massage school that survived and even thrived through two recessions is adequately qualified to run a massage school. Her score on whatever scale is used to evaluate

continuity could not be any higher – she has been in charge from day one."

The plaintiff's proposed findings of facts and conclusions of law, also filed in the U.S. District Court for the Eastern District of Virginia, stated that in 2011, the most recent outcomes data before the lawsuit was filed, PMTC's employment rate was 95 percent and its student graduation rate was 74 percent. That was the 42nd highest employment rate and the 259th highest graduation rate out of all 783 ACCSC schools. In addition, it noted that the ACCSC did not consider the school's outcome data in the decision to revoke PMTC's accreditation, even though strong school outcomes are a good indicator of a school's management.

O'Grady wrote, "Deeply negative staff bias against Ms. Mee completely infected the record that the Commission reviewed and as a result denied PMTC due process." He added: "The court finds that it was arbitrary and unreasonable to deem PMTC's management inadequate in number and continuity when Ms. Mee's leadership had been satisfactory twice before and the school continued to operate at a high level of effectiveness. The recent high turnover in staff was the direct result of ACCSC placing new staffing requirements on PMTC, and PMTC scrambling to satisfy those requirements."

PMTC's employment rate was 95 percent and its student graduation rate was 74 percent

Florence Tate has not done any accreditation visits for ACCSC, but she does have some insight into the accreditation process and has worked with several organizations accredited by ACCSC. She currently serves as

“That an evaluator would destroy evidence is unheard of,” Tate said. “A very important piece of information was destroyed so the evaluators and the commission members never got to see a big part of the school puzzle.”

chairwoman of the Accrediting Bureau of Health Education Schools or ABHES, as well as the past chairwoman of ABHES’ Standards Review Committee. In addition, she previously served as commission and

chairwoman of the Accrediting Council for Continuing Education and Training, or ACCET, and she has participated in more than 300 accreditation evaluation visits for three national accrediting agencies.

She said the court would have had a difficult time voting in favor of ACCSC once it came out that information was destroyed.

Miles, who led the June 2011 site team visit, testified at the trial that she received two binders of documents responding to ACCSC’s concerns about PMTC. She told the court she read the binders before preparing her team summary report, but then destroyed those records at her home without putting them in the record or showing them to the Commission.

“That an evaluator would destroy evidence is unheard of,” Tate said. “A very important piece of information was destroyed so the evaluators and the commission members never got to see a big part of the school puzzle.”

In addition, it hurt the ACCSC that its evaluator never visited the institution’s LRS since it listed an inadequate

library system as a major reason for denying accreditation, she said. “Never visiting that library when that was what they were calling that institution on was simply an inexcusable error,” Tate said.

“From the perspective as an evaluator, there was error after error through the entire process,” she said. “The only time the commission really had an opportunity to say something about what was going on was when they discussed the library holdings. At that time, it should have been the responsibility of the review team and then the responsibility of the Commission following that review team to say why wasn’t this visited? How could they have made a logical decision about the status of that institution?”

She said ACCSC’s argument that PMTC did not properly verify the qualifications of its faculty and staff was also flawed.

“Institutions are responsible for setting their own policies and procedures for hiring faculty and running operations,” she said. “If the institution is keeping to its own policies and procedures, and has evidence of those policies and procedures, it is hard to tell them they are out of line in determining who is an appropriate hire or who is not an appropriate hire.”

The opinion agreed, stating: “To the extent ACCSC revoked PMTC’s accreditation because the school was flexible on the experience requirements it set itself for given positions, that action was arbitrary and unreasonable.” The court was referring to two PMTC employees that Mee promoted to management roles. Based on their resumes, the two did not have all the required experience described in the job position statements written and

decided upon by Mee. But the record submitted by PMTC to the Commission contained more information than just resumes and that information demonstrated they did have the background that was described in the position statement. In addition, Mee knew both employees since they had already been working for PMTC for more than a year.

In addition, the ACCSC Standards of Accreditation Section I (A) is full of requirements of “adequate management” with “appropriate” education and experience, employed in “sufficient number,” whose continuity is ensured through “reasonable retention.” But Section I (A) does not give any definition for “adequate,” “appropriate,” “sufficient” or “reasonable,” the opinion states.

Tate said NACIQI, or the National Advisory Committee on Institutional Quality and Integrity, requires accrediting bodies to check validity and reliability of their standards. “The standards are reviewed by a standards review committee to determine if they are clear and if words such as ‘appropriate’ and ‘adequate’ are defined,” she said. “There are two sides to the coin on that argument. One, you want to get rid of unclear words so schools have a clearer understanding of what you are specifically looking for as an accreditation agency. Two, broader definitions do give some leniency to an institution to come up with what it sees fit to meet the standards.”

But you do need some type of specific metric to measure whether an institution is or is not meeting the standards, she said. “It’s the responsibility of the Commission standards review committee to propose to the Commission as a whole after sending out the proposed changes to constituents by ‘call for comment’ prior to becoming a new standard.”

Tate said it is not unusual for the review committee, staff and Commissioners to disagree during an accreditation, in particular about specific standards.

So it is unusual for everyone “to jump on the band wagon” as they did in this case without

reading reports or summaries before deciding to revoke PMTC’s accreditation.

In fact, the opinion states that at least one commission could not remember reading the school’s response to ACCSC, even though he acknowledged it would have been normal to do so. In addition, at least one other member did not review the staff’s Institutional Compliance Summary before it was presented to the full Commission, and Commission members’ notes from the full Commission meeting were destroyed.

Something unusual was certainly happening, Tate said. “To be granted accreditation one moment, then to be put on probation, then taken off probation and granted accreditation again — something was going on. This was an experienced evaluator and a mature institution,” Tate said, “and that should have gone hand in hand with the due diligence process.”

A prepared statement by ACCSC, however, noted that PMTC had not met its burden of demonstrating compliance with established standards despite being given multiple opportunities to do so, and that’s why it revoked the school’s accreditation.

According to the statement:

“As part of the accreditation process, institutions that voluntarily seek accreditation from ACCSC must demonstrate their compliance with ACCSC’s

Section I (A) does not give any definition for “adequate,” “appropriate,” “sufficient” or “reasonable,” the opinion states.

Standards of Accreditation. The Standards of Accreditation have been third-party validated, found to meet the comprehensive requirements of the U.S. Department of Education, and

At least one other member did not review the staff's Institutional Compliance Summary before it was presented to the full Commission, and Commission members' notes from the full Commission meeting were destroyed.

determined to be valid and reliable indicators of educational quality.

"ACCSC's accreditation process is fundamentally based on peer review and utilizes rules of process and procedure,

which ensure that each institution is fully and fairly assessed for compliance with the Standards."

Ron Holt, a partner with Dunn & Davison, LLC of Kansas City, Mo., who, along with his colleague Matthew Hoppock and the Tysons Corner Virginia law firm of Rees Broome, handled PMTC's case, said it is possible that ACCSC, or some members of its staff, were biased against Mee because she doesn't have a college degree and didn't want to grow her school, both in numbers of students and type of academic programs offered. "Larger schools can have multiple programs and upper-level managers with significant credentials — people with bachelor's, master's or doctoral degrees," Holt said. "But Juliet did not have those objectives. Her focus was on the massage therapy industry in which she had first started working as a practitioner. Her aspirations were not to go big and not to add other programs. She just wanted to continue to do what she did and continue to do it well — train quality people to enter the business."

Holt said Mee poured "her heart and soul" into being a massage educator,

and still taught a couple classes. "She really didn't want to grow beyond 100 to 150 students so she could stay in touch with every student," he said.

Throughout the accreditation process, however, Mee was attacked regarding her competence as an educator, and school owner and operator.

Yet Holt notes that Mee is well respected in the massage industry, having served for 10 years as the educational representative on the Missouri Board of Therapeutic Massage. She also was instrumental in the fight to license massage therapists in Missouri, and she wrote state licensing examinations through her involvement with the Federation of State Massage Therapy Boards. She practiced massage therapy for years before starting her own school and is considered to be a massage industry standards subject matter expert.

"My opinion is that ACCSC appears to have changed from when PMTC first became accredited on its perspective of what it is and what it wants to be," Holt said. He said there seems to be a shift toward more exacting rigor and documentation that most small schools would have difficulty providing. "Because of the sheer amount of work and cost associated with that, I think little schools are increasingly vulnerable."

While a certain amount of accreditation oversight is required no matter the size of the school, the larger the school platform, the more revenue it makes and then the more dues it pays to accreditation agencies, Holt said.

"Who Juliet Mee is as a school owner and what she wants her school to be possibly may be different than what ACCSC now considers to be the ideal member school," Holt said. "They seem to primarily accredit schools

that have degree and non-degree programs of a larger scale.”

But the trial also showed that ACCSC staff really didn’t like Mee. “Juliet was passionate about massage education and was an outspoken believer in the way she was running her school and that might have bothered some of the ACCSC staff who may have considered themselves to be experts on all things concerning the operations of any school, including PMTC,” Holt said.

In addition, O’Grady wrote: “Staff members openly debated putting damning statements about her (Mee) in the report and then did so although some allegations were unsupportable. The Commissioners openly celebrated when the school’s accreditation was in fact withdrawn.”

Holt said it was also unfair that the second half of the appeal hearing only involved the Appeal Panel and ACCSC’s staff and attorney. The Commission’s attorney, George Olsen, actually wrote the appeals panel’s decision, which seems to be conflict of interest since the appeals panel is supposed to act independent of the Commission, and it was then circulated to ACCSC staff, with Karen Marcinski, ACCSC director of member services, writing, “The letter is a slam dunk.”

“Why such a lack of professionalism?” Holt questioned.

Mee said she doesn’t know why the ACCSC staff members disliked her. “I never figured it out,” she said. “First, I thought it was because I had a small school and they were trying to get rid of small schools, but it wasn’t that. Then I thought it was because we offered certificates and not degrees, but it wasn’t that either. I couldn’t figure out why they would spend so much time and money on a personal vendetta. I

have no idea how we got to be so big on their radar.”

But Mee said the bigger question is how ACCSC’s culture could harbor such an intense

dislike for one person that it could permeate throughout the entire staff and into their decision-making process. “I don’t

understand how their culture could become so contaminated,” she said. “But it did.”

Mee said she didn’t realize how much ACCSC staff disliked her during the process. “Sometimes I felt that they were acting odd, but I had no idea they felt the way they did until the lawsuit...”

But one thing was clear: Even though PMTC had received accreditation twice before, this third time was different. “The first two times, it seemed like a normal procedure, and one that I understood. But this third time, it was a whole different animal. It was strange from the very beginning.”

Holt said it is difficult to say if PMTC could have done anything differently that would have stopped the school from losing its accreditation. “It’s like rewriting history; you don’t know the impact decisions will have.” PMTC did hire an accreditation consultant during 2010 and also engaged legal counsel in Washington, yet it still ultimately received an adverse accreditation decision from ACCSC, but that may have been the result of the bias against Ms. Mee.

Still, he recommended that small schools coming up for reaccreditation hire a professional accreditation consultant to help them write key documents and respond to the team

Mee is well respected in the massage industry, having served for 10 years as the educational representative on the Missouri Board of Therapeutic Massage.

that conducts the on-site evaluation. “It’s just like a lawyer writing a brief; because of your training, you can pose arguments that are more likely to resonate.”

But it cost money to hire a professional accreditation consultant, he acknowledged, and money is one thing

“The first two times, it seemed like a normal procedure, and one that I understood. But this third time, it was a whole different animal. It was strange from the very beginning.”

that is limited supply at many small schools. “But leaving out the consultant might place a school more at risk of an adverse result.” Holt said. “Would things have gone

differently if PMTC had engaged more consultants and even earlier in the process? I don’t know, while it is possible that some particular consultant with ties to ACCSC would have been better received, what we learned in the lawsuit about staff bias suggests that the outcome may not have been any different.”

It appears that the reaccreditation game has changed, Holt said. “There is an art in the way you prepare these documents,” he said. “If you aren’t eloquent enough in your statements, or don’t pay attention to every little detail, it is possible to get a bad decision, even when you are operating a good school...”

While the federal district court’s opinion was a win for PMTC, the case is not over.

In an email, ACCSC Executive Director Michale S. McComis wrote that because the litigation is still active, ACCSC is not giving interviews at this time. However, according to a prepared statement: “ACCSC is disappointed in the court’s ruling and believes that the court’s decision to

overturn the Commission’s revocation decision is flawed in multiple important respects. ACCSC stands by its revocation decision and is carefully reviewing its legal and procedural options.”

In fact, ACCSC filed a notice of appeal on Jan. 30, indicating that it intends to ask the U.S. Court of Appeals for the Fourth Circuit to review and overturn Judge O’Grady’s ruling. How long the appeal will take is unclear. It easily could take until the end of this year or even early 2015 before there is a final ruling, Holt said, depending on the court’s backlog. And ACCSC will not have to pay PMTC anything until there is that final ruling, he said.

The two sides could also reach a settlement, Holt said, but that hasn’t happened so far.

But at least PMTC again has its accreditation, rather than operating on probationary accreditation as it did since most of the case started. Still, damage has been done — to both Mee’s school and her reputation.

Mee said before this case, PMTC averaged about 100 students a year and had a staff of 28. Now, they have only 27 students, and a staff of seven, including herself. When they had probationary accreditation, they had to tell all students that it meant the school could lose their accreditation, and that would end the students’ ability to get Title IV funds to pay for their training. Some students dropped out; others never enrolled.

But her reputation took a direct hit, too, she said. “I was one of the most well-known people in the state of Missouri for massage therapy, and, after the ACCSC problems started, people were very unsure what to think,” she said. “With the massive

frauds being reported by some schools, there was a huge shadow of suspicion over me when I had my accreditation revoked. People wondered why this happened, and when I told them, they didn't believe me. My credibility went to zero."

Her credibility with the Department of Education also was destroyed and the DOE placed PMTC on Heightened Cash Monitoring 2, this time solely because its accreditation had been revoked. "I had to deal with the Department of Education and the Coordinating Board for Higher Education in a negative light, over and over again," she said. "There were significant questions as to what was going on."

Vendors started wondering if they would get paid, and Mee said she lost a majority of those relationships.

Holt hopes that accrediting agencies will learn something from this case. "Any time there is a case study of how a school's accreditation was handled, there is bound to be some things that were not done right, done poorly or done adequately but that could be improved," he said. "This case provides examples of that. If a visiting site team is given records that are assembled at the request of the Commission, make sure you have a policy on that and where those records go. Make sure you have record retention processes instead of just destroying documents, and provide more training and oversight to your employees so that they are always acting in a professional manner and not allowing personal biases to influence decisions about a school's compliance."

Tate, however, predicts the decision will have little impact on other accrediting bodies.

"I don't think accrediting bodies will be discussing this in meetings. We

just don't follow each other's cases ... because we have so many other things on our plates," Tate said. "At one time the Executives of the Nationals had meetings to share information, but the group disbanded a couple of years ago. This may have been a topic to share at those meetings."

Still, Holt said the decision is a victory for small schools. "It is an indication that accrediting bodies

don't always make the right decision, and if you end up on the wrong side of an adverse decision, there is hope that you can prevail in court," he said. "There is a perception that anything that an

accrediting body does will get upheld by a court, and that a school doesn't have much of a chance of winning. This case proves that wrong."

It also points out to all schools, no matter their size, the importance of documentation. "Schools can expect even greater scrutiny in the accreditation process, so you need to do every-thing you can to document the way you are operating, so in case there is an inaccurate decision made by an accrediting agency, you have the documents to show that the decision was wrong," Holt said.

However, Mee isn't so sure what other small schools should learn from this case.

"I think the only thing I learned is when you come up against these type of problems, you need to get an attorney involved earlier. I was naïve. We were being hit so hard and so fast with

"ACCSC is disappointed in the court's ruling and believes that the court's decision to overturn the Commission's revocation decision is flawed in multiple important respects. ACCSC stands by its revocation decision and is carefully reviewing its legal and procedural options."

requests for compliance and it wasn't just from the ACCSC; it was also from the Department of Education. I natively kept thinking if I do this one more thing, it would be taken care of. But it never was."

If things seem odd, she also recommends hiring an attorney with knowledge of education law. "But don't be afraid of the accreditation process," she said. "Very honestly, our situation was out of the ordinary..."

Mee said the court's decision has reaffirmed her faith in the system. However, she said she doubts the case will be ending anytime soon.

"I'm afraid the ACCSC isn't going to stop. It's like taking a grenade to kill a dandelion," Mee said. "But I feel that it's time for both organizations to get back to the business of what we are supposed to be doing — me teaching students and them accrediting schools."

Dunn & Davison, LLC has made the district court's opinion available at www.dunndavison.com/news.html



ACCSC Public Statement

ACCSC was asked for an interview, however because litigation is still active they could not give an interview and instead sent a prepared statement

The Accrediting Commission of Career Schools and Colleges (ACCSC) is recognized by the U.S. Secretary of Education as a national accrediting agency for more than 730 educational institutions within the United States and internationally. As part of the accreditation process, institutions that voluntarily seek accreditation from ACCSC must demonstrate their compliance with ACCSC's Standards of Accreditation. The Standards of Accreditation have been third-party validated, found to meet the comprehensive requirements of the U.S. Department of Education, and determined to be valid and reliable indicators of educational quality. ACCSC's accreditation process is fundamentally based on peer review and utilizes rules of process and procedure which ensure that each institution is fully and fairly assessed for compliance with the Standards. In the event that the Commission determines that a school has failed to prove that it is in compliance with each of the Standards of Accreditation, a school's accreditation may be revoked.

Before such an action becomes final, however, the school may appeal the Commission's decision to an independent Appeals Panel.

Recently, ACCSC found that a school had not met its burden of demonstrating compliance with established standards despite being given multiple opportunities to do so. As a result, the Commission revoked the school's accreditation. As afforded under ACCSC's Rules, the school appealed the Commission's decision and an independent Appeals Panel upheld the Commission's revocation decision after a fulsome appeal hearing. The school subsequently filed a lawsuit challenging the Commission's revocation decision. In a recent decision, a federal district court ruled in ACCSC's favor on five of the six counts raised in the complaint before the court, however, overturned the Commission's decision to revoke the school's accreditation. ACCSC is disappointed in the court's ruling and believes that the court's decision to overturn the Commission's revocation decision is flawed in multiple important respects. ACCSC stands by its revocation decision and is carefully reviewing its legal and procedural options.

A Turnaround Story of Success

By Thomas Kube, Executive Director of Kube & Company

I have consulted with proprietary schools since 1997 and have assisted my clients in solving a myriad of difficult situations. I'm about to relate a story that is in my estimation unique in its complexity. While most issues likely have happened somewhere before, encountering them all in one school was the monumental task I faced in this turnaround case study.

A group of business associates, who own a small career college in the United States Midwest, have hopes to branch the school and acquire a few more schools, forming a nice, well performing group of schools. The group, which is the school's Board, has six equity partners and one

additional partner who received equity for his efforts, in lieu of investing capital for the acquisition, for management of the school as CEO. The school had been purchased from a family who had owned it for 15-to-20 years,

I visited the school in early June and found a number of fundamental issues that needed to be addressed.

but the school itself dates back to the late 1950s to early 1960s. Thus, it has an established presence and brand in the rural/suburban community it serves.

In May 2012, I was called by the



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He previously served as the Executive Director/CEO for The Council of Educational Facility Planners (CEFPI). Prior to this, he served as the Executive Director/CEO of the Accrediting Commission of Career Schools and Colleges of Technology (ACCSCCT). He also served as the Manager of Corporate Strategic Planning for the National Headquarters of the American

Automobile Association (AAA). In all, he has held leadership and operating positions in business and education for more than 35 years.

Mr. Kube earned a BA degree from Colorado State University and an MBA degree in finance from George Mason University. He has also studied Entrepreneurship at the Wharton School of the University of Pennsylvania. He served as a member of the U.S. Secretary of Education's Financial Ratio Task Force as part of the 1997 Reauthorization of the Higher Education Act, and has testified before the U.S. Congress on educational research and for-profit education.

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Board regarding their concerns that the school was underperforming and might be having difficulty. They were discussing options. During the course of the conversation, they asked me if I would consider visiting the school, performing a management audit and providing a report on my findings and

any recommendations. Given that I have personally evaluated countless institutions and that I enjoy evaluating various school business models, the answer was

The school had sound fundamentals in its curriculum, certain core staff contributed value and continuity, and the community needed the jobs and identity this school provided.

easy. Yes.

I visited the school in early June and found a number of fundamental issues that needed to be addressed. Here's where the complexity begins. For clarity I've focused primarily on the business issues, although human resources and the cultural climate of the school were also under review.

Business issues:

- Low enrollments; there were 30 students, with an almost 100 percent drop rate on new starts since January.
- The FY 2011 audit had been delayed and was not completed. It was due by June 30 and the audit firm was not finished, primarily due to turnover at the CFO level.
- The school had no cash funds to sustain day-to-day operations.

Although barely one step away from failure, the school had sound fundamentals in its curriculum, certain core staff contributed

value and continuity, and the community needed the jobs and identity this school provided. Shortly after my visit I met with the Board to deliver my report. The Board discussed various options ranging from continuation to closure, thanked me for the report, and wanted some time to consider what their next steps should be.

About a week later they contacted me to ask if, in my professional opinion, the school could be saved. Could a successful turnaround be achieved? I replied that indeed it could and I expressed some ideas on how that might be accomplished. The school clearly had value to its community, to the investments of its Board, and to the importance of career schools in our country's higher education opportunities. Following their request for me to act as an interim CEO, I agreed to go there and work on turning the school around in early July 2012.

At the time, I felt fortunate that the senior staff at the school was competent and excited for the opportunity for a positive change in leadership and to reinvigorate the school. Some of the immediate business management steps I took as the interim CEO were:

Business steps:

- Sat down with the CFO and determined the extent of the financial crisis gripping the school and received an update on

Kube's Corollaries

Simple Advice for the off-site owner:

1. Hire honest people (check their backgrounds)
2. Never ever, ever let your CFO/Controller be a single check signer
3. Routinely evaluate Internal Controls
4. Foster and encourage a free and frank exchange with management
5. Visit your school – meet your employees, know your team
6. Ask questions, after all it's your business
7. Use a "Dashboard" with metrics you understand
8. Trust but verify

the late 2011 audit, budget and all matters financial.

- I also hired ADP to do payroll and engaged a Third Party Servicer to handle Financial Aid processing to provide professional management and objective status reports.
- Contacted our suppliers to arrange terms to keep receiving course materials and pay off old receivables.
- Met with and outlined an overall compliance plan that focused on state, accreditation and Title IV issues to resolve outstanding compliance issues.
- Requested a cash infusion by the Board and met with the existing audit firm to ensure a positive report on the school's solvency in their next audit.
- Met with Admissions to focus on improving their enrollment process and help reinvigorate their efforts.

For purposes of confidentiality, the list above is not all-inclusive but gives a good sense of what we addressed immediately on a list of significant issues that challenged the sustainability of the school. Findings from additional evaluations of the business side of the school included necessary strategic actions such as termination of the school's CFO as well as accepting the resignation of the CEO and the Director of Compliance.

With the departure of the CEO, CFO, and the Director of Compliance I reconfigured staff, promoted some bright staff members and kept the outside auditor as a temporary CFO. Working with the Director of Education, fortunately for us a very competent person, we kept the academic side in order and helped the new Registrar set up a better process of monitoring Satisfactory Progress and getting student files current.

To recap, in late 2012 I had taken over a floundering school, found some of the key areas of underperformance, made some significant personnel changes and placed good people there to bring those functions up to required levels of performance and compliance. We also engaged certain outside entities to

bring standardization and consistency to the administration of the school. This included replacing the old audit firm and engaging a

third party Title IV servicer to address better oversight and compliance.

It was now time to prepare a budget for FY 2013 and see if we could reasonably project future enrollments and what our realistic potential as a school should be. At this point student enrollment had grown to approximately 100 students. The Board also made a capital commitment to bring us current and to sure-up the balance sheet of the school. Something was definitely working.

The Financial Focus Continued...

Focusing on a budget for the school meant that the managers had to dive even more deeply into the operations of the school from a prior year historical perspective to see what we had spent, why we had incurred the expense and if it was appropriate going forward.

It was apparent that our findings helped to put into perspective why the school was woefully short on cash. It also called into question whether any financial aid fraud was occurring. Our new outside audit firm and a separate independent auditor we engaged after the CFO was terminated confirmed that there were no financial

With the departure of the CEO, CFO, and the Director of Compliance I reconfigured staff, promoted some bright staff members and kept the outside auditor as a temporary CFO.

aid irregularities – of this we could now be absolutely certain.

While the initial management audit in mid-2012 found and identified a series of significant issues contributing to the school's dilemma, by this time we

I can say on a personal note that never before had I seen the complexity and interrelationships of such problems in a single entity.

had identified and captured the primary underlying causes that had to be treated to restore health to the school. I can say on a personal note that never

before had I seen the complexity and interrelationships of such problems in a single entity.

So Where Did it End?

So far the story ends quite well. We finished FY 2012 with a loss, understandably. We concluded FY 2013 with a positive EBITDA that approached 20 percent of top line revenue and FY 2014 is starting out as planned. Some steps we took in the interim are:

Human Resources steps:

- Hired a talented CFO (with school sector background)
- Promoted a key staff member to Financial Aid Director
- Hired a new Registrar
- Completely trained all of our instructors for improvement in performance

Business steps:

- Worked to improve Admissions (2014 will have us focusing on this area in particular)
- Set up and are using a strong set of internal controls and management information metrics
- We also hold regular, content-rich Board meetings to inform the owners about the school

What About the Compliance Stuff?

Today, the school is meeting all of its obligations and is in full compliance. We received a 5-year renewal from the accrediting agency that reviews the school. We had the Letter of Credit released from the 2009 Change of Ownership and received a full 5-year certification (we were taken off provisional certification) from the US Department of Education. And, we had a good final audit determination for the 2012 audit year.

Looking forward, we are getting poised to open another location in the region and will work with the state licensing authority and our accrediting agency to do this. Most importantly, we are doing this as a team.

Parting Thoughts

This case study is presented to show that even a complexly dysfunctional situation can be made whole and normal again. However, it takes a fully engaged Board/owner, a dedicated

Today, the school is meeting all of its obligations and is in full compliance. We received a 5-year renewal from the accrediting agency that reviews the school.

management team and a shared vision for success. We had all of these components and got it to work.

If anyone would like to discuss this situation further, or how specific turnaround issues in your facility might benefit from this story, I'm happy to do so. I can be reached at (480) 451-7205 or by e-mail at tkube@kubeco.com and we can continue the dialog.

The Quality Revolution in Higher Education

By Robert W. Tucker, Ph.D.¹, President, InterEd, Inc.

*F*ifteen years ago, I wrote an article and addressed the nation's chief academic officers with a simple message. The term "quality" has become a nearly meaningless idea, rooted in the past, and largely used to defend the received view of academic structure and process. I also conveyed hope that the manifest changes in consumers' needs, coupled with the game-changing contributions of the learning, measurement, and brain sciences, would usher in a new vision of quality.² For most of the academic community, that vision has yet to emerge.

Ted Manning, former Executive Director and singular visionary of the North Central Association (now HLC), was fond of commenting on the hot air emanating from college presidents when they spoke of academic quality, noting that none of them could substantiate their claims in a sound and objective way. To them, the fact of their insti-

tution's "quality" was self-evident and apodictic.

Dr. Manning's observations point to problems no less serious today than when he made them more than 40 years ago. Institutions of higher

Institutions of higher education do not understand, define, measure, manage, or communicate product quality to the public in a way that is seen as adequate to leaders in other sectors of the economy.

education do not understand, define, measure, manage, or communicate product quality to the public in a way that is seen as adequate to leaders in other sectors of the economy. The problem is not restricted to a few stations in higher education's supply chain. It involves all of them.



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Why Does “Quality” Matter?

A few hundred years ago, philosophers attempted to identify properties of our value systems, beauty being one example among many. They reasoned that because people find a flower, a sunset, a face, and a painting “beautiful,” there must be a property called “beauty” that is manifested in all instances of beauty. This property

would be the very essence of beauty. Eventually, philosophers determined there was no such essence³ and that the only property all instances of beauty shared with one another was the word itself.

Each instance of education can be described along one or more dimensions of quality (typically a dozen or more). The mix of those dimensions and their relative importance in relation to each other is unique to that instance of education.

Through reason, we discovered that the structure of language had created the appearance of a reality where none existed. Today, many words in our language derive meaning from their context and have little in common with the same word used in a different context.⁴

Pretty much everything I just said about “beauty” can be said about “quality” as it applies to higher education. Each instance of education can be described along one or more dimensions of quality (typically, a dozen or more). However, the mix of those dimensions and their relative importance in relation to each other is *unique to that specific instance of education*.

Inadequate understanding of quality means that conversations about quality go nowhere. Leaders who represent different sectors of higher education lack common context for definitions, standards, and outcomes.

This is a serious problem because notions of quality are at the heart of the most strident and intractable problems confronting higher education. In the end, discussions between sectors amount to arguments in which “quality” is used as a proud and meaningless shibboleth to defend a point of view in the absence of good science, good evidence, or even a decent vision of the goal.

In contrast, a modern notion of “quality” – which is always bound to the context and will always be evolving – is a guiding beacon to leadership. It provides the only rational benchmarks by which progress can be measured. Lacking such precision and refinement

Inadequate understanding of quality means that conversations about quality go nowhere...a serious problem because notions of quality are at the heart of the most strident and intractable problems confronting higher education...discussions between sectors amount to arguments in which “quality” is used as a proud and meaningless shibboleth to defend a point of view in the absence of good science, good evidence, or even a decent vision of the goal.

in the idea of quality, modern higher education is like a rudderless ship whose captain is distracted by his reading of historical voyages. Higher education is unable to mobilize its considerable resources against the challenges of the time and is prey to those who would co-opt the notion of quality to meet their private interests.

General Approaches to Defining Quality

Table 1 identifies the different approaches or perspectives one can take when developing a useful definition

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of quality as it pertains to higher education programs.

The first half of Table 1 identifies what might be called *legacy perspectives*. These perspectives trace back to the guild and, more recently, to the ideas of quality embodied in accreditation standards and practices. While these perspectives have merit, they are far from being adequate by modern standards. The notions of quality that we see embedded in the

standards of regional accreditation, for example, are based on and reinforce conformance to the received view. These standards tend to punish divergence, experimentation, and strong accountability. Additionally, they tend to focus on standards that promote waste in favor of job security for the professoriate. The idea of efficiency is foreign to these institutions and is not a requirement for earning high marks.⁵

The second half of Table 1 identifies notions of quality that are superior to the first half with quality as “Value Added” serving as a borderline. The notions of quality identified in the second half appeal to scientific and other objective evidence that is neither self-serving nor self-referential.

The notions of quality that we see embedded in the standards of regional accreditation...reinforce conformance to the received view...punish divergence, experimentation, and strong accountability (and) promote waste in favor of job security for the professoriate. The idea of efficiency is foreign to these institutions and is not a requirement for earning high marks.

General Approaches to Defining Quality in Higher Education			
Quality Perspective	General Characteristics	Assessment Measures	Beneficiaries
Quality as Self-evident (Apodictic Quality)	The oldest approach; values the idea that <i>higher education embodies the very ideal of quality because of “natural” factors such as exclusivity, selection attributes, etc.</i>	Views assessment is unnecessary, impossible, or even evil. Views quality as self-evident; faculty will recognize quality when they see it; students will acquire quality via their interaction with faculty. (Employed today by some faculty.)	Institutions; professorate; administrators
Quality as Fidelity to Tradition	Values the collective institutional wisdom embodied in the accretion of higher education self-images, canons, standards, & practices.	Focuses on assessing compliance with institutional norms; generally accomplished via committee & oversight bodies. (Employed by many institutions & in some accreditation standards.)	Institutions; professorate; administrators

General Approaches to Defining Quality in Higher Education			
Quality Perspective	General Characteristics	Assessment Measures	Beneficiaries
Quality as Fidelity to Mission	Values setting a clear mission & purposes for the institution & thereafter evaluating its achievement under various criteria.	Focuses on assessing impact on objects of benefit as defined in mission. (Employed in many accreditation standards.)	Identified in mission
Quality as Fidelity to Standards of Excellence	Internalizes the values & standards set by experts. It relies on benchmarks for evaluating processes or outcomes.	Varies with standards; e.g., most institutions have rigorous standards for educational attainment of faculty; few institutions have any standards for demonstrated impact on students but some programs have such standards. (Employed by a few accreditation standards.)	Varies with source of standards
Quality as Value Added	Introduces the idea that a significant component of quality is defined by the margin between incoming & outgoing knowledge & skills	Focuses on pre/post gains; typically blends these metrics with criterion-referenced achievement & impact.	Customers (typically)
Quality as Customer Satisfaction/Delight	Identifies customer(s) & organizes success criteria around meeting their needs. In contrast to common opinion within the community of higher education, this approach has high predictive validity if implemented properly.	Emphasizes process, outcomes, & impact measures; de-emphasizes input measures & process measures not related to customer(s).	Customer(s)
Quality as Fulfilling Stakeholder Goals	Expands <i>satisfaction</i> to include all stakeholders. Since stakeholder goals are rarely in alignment & often conflict, the quality perspective is difficult to implement. ⁶	Emphasizes identifying clarifying, commonsizing, & managing to the commonalities in stakeholder goals while adjudicating the incompatibilities & conflicts among these goals.	Stakeholders
Quality as Continuous Improvement	Values the notion that "good enough" is never good enough & that, in the long run, the best institutions are those that commit to & make incremental improvements each year. ⁷	Assesses everything that might be improved; in practice, process measures dominate because they are found to be predictively formative to specified outcomes.	Stakeholders

General Approaches to Defining Quality in Higher Education			
Quality Perspective Quality as Suitability to Purpose	General Characteristics Recognizes that “quality” is a vacuous concept in the absence of adequate specifications of purpose. Importantly, the focus moves from the institution to individual programs, where purposes take meaning & evolve.	Assessment Measures Identifies the purpose of the education program (including target inputs, specified processes, desired outcomes, & desired impact) in measurable terms & assesses to the fulfillment of that purpose. Recognizes that each stakeholder will have a different mix of quality metrics and/or weights assigned to metrics common to other stakeholders.	Beneficiaries Stakeholders

Suitability to Purpose – The Ultimate Perspective on Quality

It is not by accident that the last entry in Table 1 is *Suitability to Purpose*. This is because all modern conceptions of quality rest on an underlying notion that the idea of quality is meaningless until a specific purpose has been identified.

While every knowledgeable consumer understands that quality derives its meaning from context, the community of higher education does not.

Suitability to Purpose & Automobile Quality

Automobiles provide an uncomplicated illustration of how *suitability to purpose* informs useful definitions of quality and the metrics that follow those definitions. Most of us would agree on nearly identical lists for automobile product quality. My list would include:

- Price
- Safety ratings
- Fuel economy
- Passenger & luggage capacity
- Driver comfort
- Passenger comfort
- Technical features
- Handling
- Projected maintenance costs

- Style & appearance
- Performance
- Projected resale value

In considering these criteria, it is clear that there is no such thing as the “highest quality”

automobile for all consumers for all purposes. The highest quality automobile for one consumer will be the one that delivers the best mileage at the lowest cost with reasonable safety and little or no attention paid to other quality

metrics. For another consumer, the highest quality automobile will be the highest performing, best looking, full featured car that has a superior maintenance record. Fuel economy will be near the bottom of this list for this consumer.

No consumer would define quality as having the best possible rating on all possible features. This restriction has nothing to do with affordability; it is a matter of logic and common sense. It would be impossible to

It is not by accident that Table 1 ends with Suitability to Purpose...all modern conceptions of quality rest on an underlying notion that the idea of quality is meaningless until a specific purpose has been identified...every knowledgeable consumer understands that quality derives its meaning from context...higher education does not.

manufacture an automobile that achieved the highest rating on fuel economy and performance or any other of the diverging quality metrics – at any price! No Maserati will have the roominess and comfort of a Rolls Royce and neither will have the fuel economy of a Prius . . . and so on.

Two important considerations emerge from this example of automobile

Two important considerations emerge from this example of automobile quality...consumers agree on the universe of quality criteria and...consumers do not agree on the mix of criteria or on the relative weights assigned to each criterion. Each consumer's purpose will uniquely determine both the mix of these metrics and the relative weight assigned to each metric in determining product quality.

quality: (a) for the most part, consumers agree on the universe of quality criteria and (b) as applied to their individual purposes, consumers do not agree on the mix of criteria or on the relative weights assigned to each criterion. Each consumer's purpose will uniquely determine both the mix of these metrics

and the relative weight assigned to each metric in determining product quality.

Higher Education versus Other Notions of Quality

Many of my professorial colleagues would have you believe that the notion of quality gets much more complicated when applied to higher education. Some of them believe that “quality” is a private event that can be intuited only by them, and is not subject to objective scrutiny.

Is the meaning of “quality” in higher education more complicated than we find in the rest of society?

It is not. The meaning of quality in higher education is arrived at in essentially the same way as the meaning of automobile quality.

First, you look at the wants, needs, and desires of the consumers and other stakeholders – comprehensively but individually. Then, you organize what you see into a coherent set of criteria from which you develop valid metrics. Finally, you track and manage to these metrics. A decent first draft would include the following:⁸

- Fidelity of content to applicable standards
- Alignment of program to the marketplace
- All-in cost (tuition, fees, hidden fees, discounts)
- Mean time to degree (and/or probability of graduating on time)
- Opportunity cost of delays in delivering the degree
- Judgment of merit from potential employers
- Convenience (location, blending, pedagogy)
- Focus of the degree (applied/practical, theoretical/academic)
- Experience of faculty in relation to program focus (academic cf. professional)
- Alignment of the pedagogy to learning sciences (goes to benefits and ROI)

(A full list might be a little longer but these 10 are enough to make the issue clear.)

Context Is Everything

Which of the above quality metrics will be important to someone who wants to pick up a class in accounting for the sole purpose of being better informed in weekly management meetings for a job she already holds? Which metrics will be irrelevant? What does the mix look like for someone who wants to become a licensed psychologist? How about someone

who has no interest in a job and is returning to school purely for personal development?

Is it possible for an institution, or department, or program to achieve the highest ratings on all of the above dimensions of quality? The answer is “no” and, as with automobiles, the constraints are logical, not practical.

Is it possible for an institution, or department, or program to achieve the highest ratings on all quality metrics? The answer is “no” and, as with automobiles, the constraints are logical, not practical.

Opacity – Impediment to Managing Quality in Higher Education

Whereas the *automobile consumer will be able to achieve an optimum definition of quality by taking a test drive or two, and by studying the federally mandated window sticker along with a review from Consumer Reports, no such path exists for the consumer of higher education. The largely self-serving nature of institutions of higher education has prevented developing the kind of transparency that would facilitate rational consumer decisions based on the 10 quality dimensions outlined above.*

This opacity exists between not only the institution and its consumers; it exists internally at all levels. A college president and her cabinet are in a fortunate minority if they possess real-time objective data on two of the above 10 quality dimensions. One would think that the regulatory and oversight bodies would take affirmative action to require gathering these metrics and communicating them to consumers. They do not. For some

*measures, they support the institution in resisting implementation; on other measures, they are silent.*¹⁰

Is Transparency Worth the Trouble?

Why go to all this trouble, especially when it is unlikely to be rewarded or even recognized as valid in the regulatory and oversight environments?

Anyone who has followed my argument to this point understands that they must identify relevant quality metrics, measure and manage to them, and make the

results available to potential consumers for *each individual program*.¹¹ These metrics should not be aggregated to the institutional level. No one enrolls in, studies in, or gains proficiencies in an institution.

While institutional opacity is the norm, your institution stands to benefit by breaking away from this norm. The detail remains for another discussion, however, among the good reasons for developing modern quality-managed programs are the value delivered to students by such programs, the market value of programs that run more smoothly, and

the value of programs that can be maintained more efficiently. It is also worthwhile to consider that the regulatory and oversight bodies are not in the best position to oppose good actions – even though they may

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try – especially actions that benefit consumers in such obvious ways even while they threaten the received view.

We are in a middle of a sea change in which the burden for becoming

The burden falls on a few innovative institutions to implement and manage quality in accordance with the relevant sciences and market needs, bypass the regulators, and to take their case directly to the consumers.

quality minded will be assumed by a very few innovative institutions. These institutions will implement and manage quality in accordance with the relevant sciences and market needs.

To the extent possible, they will bypass the backward-looking regulatory and oversight bodies and will take their case directly to the consumers.

Managing Quality Is Not “Rocket Surgery”

A colleague overheard a McDonald’s trainer telling his newly hired Hamburger U trainees, “None of this is rocket surgery!” Mixed allusions aside, the trainer’s guidance applies here. While it may look difficult at first, defining and managing quality to objective standards is not “rocket surgery.” Consider the following abbreviated steps:

- First, identify everything there is to mean by “quality” as it applies to each of your programs. If this sounds daunting, keep in mind that you can start with one program (perhaps your largest or the least complex in terms of quality issues). Thereafter, you can consider the merits of making structural changes in how all of your programs are developed and managed. The first

program is the most challenging and time-consuming. It goes faster after that.

- Second, for each dimension of quality, identify the appropriate metrics, including how they should be gathered and reported, to whom, how often, and with what action requirements.
 - Third, for each stakeholder, starting with the student (treat graduates and graduate employees as separate stakeholders), identify what weight should be applied to each quality dimension.¹²
 - Fourth, for each stakeholder quality metric, set threshold standards for achievement.¹³ This should be a consensus activity in which academic, financial, and operations stakeholders are represented.
 - Fifth, for each stakeholder, generate a Stakeholder Quality Achievement Report. This report might include a visual profile of quality for each dimension, color-coded for importance. Your report might also include an aggregate quality index that represents the sum of the products of quality ratings and stakeholder importance, transformed into a percentage and eventually into a normed percentile rank. While the quality ratings for the same program will vary with the stakeholder, you will generally want to manage to the highest metrics for the primary consumer(s).
-

- Last, circulate these reports appropriately and often, inviting feedback that can be used for revision. Expect to revise this system several times in the first year or two. If done well, your report database will create a strong and explicit platform for working with regulatory and oversight bodies – a nice secondary benefit.

I hope you will decide to participate in the inevitable, but postponed, revolution in quality so many of us have worked to achieve. Let me know if you are working on these issues. I will be happy to send additional documents that may be helpful to your planning and execution.



ENDNOTES

¹ Tucker is a measurement scientist & research methodologist whose former roles include Senior Vice President, University of Phoenix; Executive Vice President, Cardean University; & Founder of the Phoenix Institute (an Education Policy Center). He can be reached at rt@InterEd.com.

² At that time, the quality revolution was working its way through major sectors of the economy. Higher education, it seemed, was next in line.

³ To make this point, I ignored recent psychological research identifying a limited number of regularities that unite some common notions of beauty.

⁴ Philosophers call this “family resemblance” after the work of Wittgenstein.

⁵ The idea of efficiency appears to be foreign to United States Congress & the Administration as well. Even though they are greatly concerned with the rising costs of higher education, these leaders seem unaware of the fact that efficiency is a major factor in controlling costs.

⁶ In 1987, I implemented AQMS, a continuous improvement academic quality management system for more than 100,000 students, one component of which was the extent to which learners’ goals were being met via daily instructional processes. Overall, this component was more predictive of success than were outcomes assessments alone.

⁷ CQI was the organizing principle behind HLC’s AQIP, introduced in the late 1990’s. Unfortunately, AQIP’s requirements for continuous quality improvement have been honored in the breach. The only “continuous” process is the blanket, year-upon-year approvals given marginal institutions based on reports of an annual meeting in which they avow themselves fully in the process of getting ready to get ready. AQIP has become a refuge for institutions that wish to escape real accountability – the very outcome AQIP was designed to avoid.

⁸ This list focuses on consumer dimensions of quality. A comprehensive list would include real-time & trend metrics for productivity & efficiency, organized by program.

⁹ For example, a one-year delay in delivering a BSN degree can result in an opportunity cost of more than \$50,000, making an on-time for-profit degree less expensive for the consumer than a sluggishly delivered community college degree.

¹⁰ The Department of Education has imposed consumer-reporting requirements on for-profit institutions but the nature of the requirements conveys their punitive intent. Meanwhile, the Department temporizes with respect to requirements that the other 90% of the market become transparent to the consumer.

¹¹ A “program” might be as granular as a degree by market or degree by platform pairing. The determinate will be the uniqueness of the stakeholder composition, especially students.

¹² The measurement science will work best if you employ a simple three-point scale of high, moderate, and low weight for each quality dimension.

¹³ Again, the measurement science will work best if you employ a simple three-point scale of high, moderate, and low.

Facts Without the Fiction

The 2014 *Fact Book* presents educators, legislators, and employers with a data-supported look at the impressive accomplishments of the career college sector

By Robert L. Martin, President & CEO Imagine America Foundation

Every few months, a different group of researchers attempts to draw a clearer picture of the impact “for-profit” institutions have on students, graduates and the American economy. Usually, the data focuses on the negative.

You know the studies I mean. The research calls out career schools for the supposed high number of drop outs, defaults, and lack of career prospects upon graduation. Of course, the findings aren’t presented in context or with appropriate comparison to traditional colleges and universities.

The most recent of these studies, conducted by Public Agenda, reportedly found career college students were satisfied with their college-going experience. To the sector’s credit, the students reported “effective guidance from counselors, caring instructors and small class sizes.” Thirty-seven percent of the survey participants said their degree was “well worth it.” But the survey also claimed the rest said the value “remains to be seen.” And about a third of the alumni said their degree just “wasn’t worth it.”

Buried in *Inside Higher Ed*’s article on the survey was this tidbit: “The researchers acknowledged that the

alumni were contacted during a tough economy, and that alumni who are working are twice as likely to say their

Prepared by leading industry analysts, the Fact Book contains research and analysis of important trends in the career college sector of higher education.

degree was worth it than are those who are unemployed.”

When I read that, I saw a different story entirely. In this labor market – no matter what institution you graduate from – it’s going to take awhile for most people to reap the rewards of their college education. To put it lightly, there seemed to be an attempt being made to directly color perceptions of career colleges in a negative way.

Wouldn’t it be ideal if someone made a thorough statistical – and impartial – evaluation of the accomplishments of the career college sector on multiple levels and packaged that data in a form that would make it easy to present the findings to key legislators, local business owners and other leaders?

For close to two decades now, the Imagine America Foundation has done exactly that in the form of a publication we call simply, the *Fact Book*.

The Foundation has funded the research of numerous studies to show how career training-oriented colleges make valuable contributions to the American workforce and, in essence,

help change people's lives by empowering them with education... and finding them careers, not jobs.

Prepared by leading industry analysts, the *Fact Book* contains research and analysis of important trends in the

career college sector of higher education. The *Fact Book* presents a comprehensive look at the career college sector of higher education, as well as a comparison of public and private two-year and four-year institutions.

Over the years, the *Fact Book* has become a valuable publication that

many sector leaders have come to rely on in meetings with our nation's leaders. Jerry Valdez, Executive Director, Career Colleges and Schools of Texas, said that he uses the book "in every meeting I attend on Capitol Hill."

"The Imagine America *Fact Book* is a leading resource for us to use in advocating for our schools, our students, and employment of our graduates," Valdez said. "The value the *Fact Book* brings is that it's a central clearinghouse of data that we use every day in our schools, with employers and other decision makers. It's an essential guide – a must have to show the sector's impact on the community, on student outcomes and graduation."

As the data in this year's *Fact Book* demonstrates, career colleges are uniquely positioned to fulfill the demands of the 21st Century workforce, perhaps even more so than community colleges or traditional colleges and universities. Today, there is a growing need for technology workers and an increased demand for health care professionals as the Baby Boom generation moves into retirement. The growth of our economy will require an increasing

The value the Fact Book brings is that it's a central clearinghouse of data that we use every day in our schools, with employers and other decision makers. It's an essential guide – a must have to show the sector's impact on the community, on student outcomes and graduation.



ROBERT L. MARTIN was appointed President of the Imagine America Foundation in March 2006. The Foundation, which is the preeminent scholarship provider and research-funding organization for the career education sector, came under his direction in 1999 when it was then

known as the Career Training Foundation. As the Foundation began to increase its operations and responsibilities, Martin earned eventual appointment to President. Through his leadership, the non-profit organization has become its own influential organization in the career college realm. Once the in-house research body under the Association of Private Sector Colleges and Universities (APSCU), the Foundation has considerably expanded its member schools and charitable donors and has

established its own identity as an independent organization. Today, the Foundation supports more than 550 career college members across the United States and Puerto Rico. The Foundation, through financial support from the 21st Century Workforce Fund, has initiated research studies focused on the impact of career colleges, their role in meeting the nation's current skilled-worker shortage and other broad public policy issues facing the higher education sector. The Foundation has also provided more than \$50 million in scholarship and award support for graduating high school seniors, adult learners and U.S. military veterans attending career colleges nationwide.

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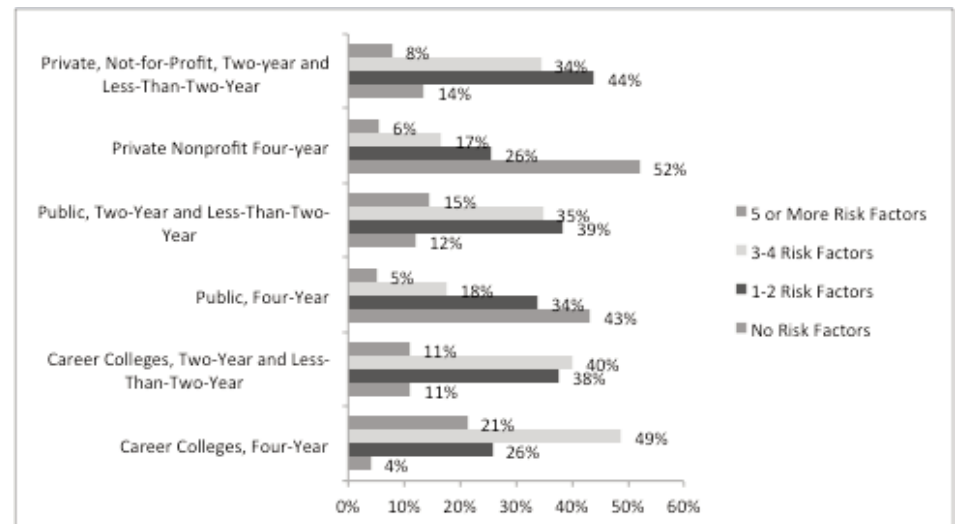
number of skilled workers.

In order to remain competitive in a global marketplace, the higher education field must be more responsive to the demands of the new economy. The 2014 edition presents an abundance of important facts about career colleges that shows how our schools can bridge the gaps between underserved students and educational opportunity, between education and industry, and between the educational models of the past and the innovations of tomorrow.

The *Fact Book* sheds light on exactly who career college students are and explains the unique opportunities career colleges create for these students to obtain an education and fill the needs dictated by the evolving global economy. Among the most interesting facts in this year's book are the following data points:

- Career college students graduate with the skills and credentials needed to enter some of the most in-demand careers in the nation – many from programs not offered at traditional colleges or universities. For example, 97,450 – or 77% of – medical assistants graduated from career colleges in 2012.
- Career colleges serve more high-risk profile students than public or private not-for-profit institutions: 49% of career college students have 3-4 risk factors versus 18% at public institutions and 17% at private not-for-profit institutions.
- Career colleges contribute to their communities by paying taxes; \$3 billion total taxes

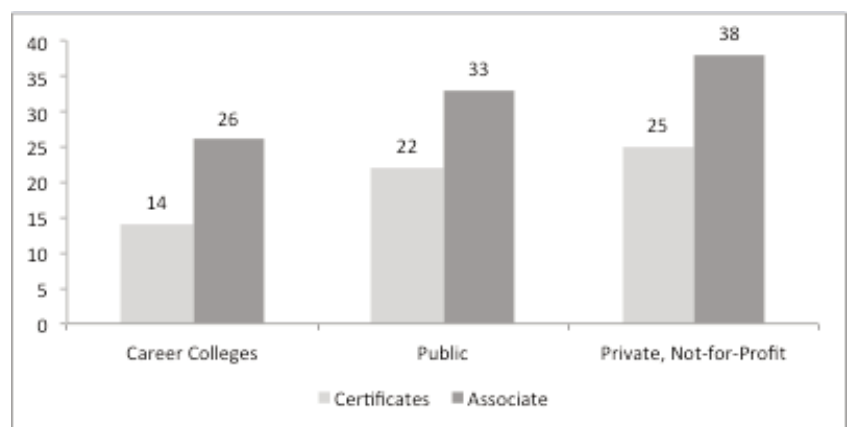
Percentage of Students by Number of Risk Factors and Institutional Type and Control: 2011-12



paid by career college graduates annually.

- In 2011-12, 43% of students who received awards from career colleges were minority students, up three percentage points from a year ago, and compared with only 25% at public institutions and 19% at private not-for-profit institutions.
- Career colleges give their students options to accelerate their time to completion. It takes 26 months for a career college student to complete an Associate degree and 33 months at public institutions.

Average Number of Months Enrolled for Completion of Certificate or Associate Degree Attainment by Institutional Type: 2003-09



“Aside from many individually impressive facts about the career education sector, the *Fact Book* also creates a fuller picture of how career schools fit into the realm of higher education,” said Daniel Levinson, Chief Executive Officer of Ex’pression College.

“When meeting with legislators, it helps to have the comparative infor-

mation to be able to show that we are serving our students, grads, and community in a favorable way,” Levinson said. “The information in the

fact book lets us know how we compare not only to our competition, but the education sector as a whole which serves as a benchmark. Many

times, the discussion is one-sided or single topic. The *Fact Book* provides a very balanced and broad view of not only who are students are, but why they decided to come to one of our schools and how likely they are to succeed.”

The *Fact Book* 2014 is made possible by contributions from supporters of the Imagine America Foundation’s 21st Century Workforce Fund.

Throughout the *Fact Book*, you’ll find even more achievements that are quite different from what you might have heard or read about this sector of higher education. For more information about the *Fact Book* go to www.imagine-america.org/factbook.

The information in the fact book lets us know how we compare not only to our competition, but the education sector as a whole which serves as a benchmark.



Rasmussen College Announces Public Benefit Corporation Designation

*By Tawnie Cortez, Vice President of Student Affairs at Rasmussen College
with Cheryl Hentz*

What is a Benefit Corp?

Benefit Corporations are a new class of corporation that are required to create a material positive impact on society and the environment and to meet higher standards of accountability and transparency (benefitcorp.net).

As a way of introducing a values-focused way of doing business, we, Rasmussen College announced in late January our Public Benefit Corporation status. As stated in the press release, "The change in corporate status reflects the commitment of the College to a higher standard of transparency, accountability and public service while harnessing the power of business to make a positive impact on society." Adding the moniker came at the board

level of the institution, because it better reflects the college. Every single one of our campuses, for some

To be real clear it isn't a change of ownership and it doesn't change our for-profit status. There's no change to our organization structure and our shareholders haven't moved. This changes nothing when it comes to the rules and we haven't skirted anything.

time, has had very specific community goals. This is simply a continuation of who we are.



TAWNIE CORTEZ is the Vice President of Student Affairs at Rasmussen College. A long term Rasmussen College employee, Tawnie has served in a variety of roles at the College, both at the campus level and in the College central offices. Ms. Cortez is a passionate advocate for

students and student outcomes. She serves as an accreditation consultant and evaluator for regional and national accrediting agencies. Ms.

Cortez views the student outreach, student success and student persistence efforts of her team to be the heart beat of her role at the College and her personal goals as an educator.

Tawnie is a Montana native, but a happily transplanted Minnesota resident. She and her husband Joe live in the great Minneapolis area.

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From hosting community drives to supporting local food pantries and shelters to providing meeting space for local organizations on campus grounds, Rasmussen College believes service is a key element in being a strong community partner. Each year, we host a community service day in which more than 1,400 employees

We see our primary obligation to deliver great graduates, both to the market and to the other institutions where they may matriculate when they leave here.

across the country partner with local organizations and spend the day serving their community through various activities. Since the program began in 2009,

employees have volunteered more than 28,000 hours of service.

Since announcing Rasmussen College's Public Benefit Designation there have been murmurs concerning what exactly this means. To be real clear it isn't a change of ownership and it doesn't change our for-profit status. There's no change to our organization structure and our shareholders haven't moved. This changes nothing when it comes to the rules and we haven't skirted anything. We're still responsible for all the things we were before as a for-profit organization and we still have the same type of corporations. We might have added a layer to ourselves, but that's just a choice that we made.

From our college leadership and our board members, staff and students, everybody is really excited about this change. What this will have us do internally is report and document the work that we do in the communities and our corporate responsibility will extend beyond financial

shareholders to the public benefit. We will report on it internally and then externally every two years when we refile our corporate process.

As a college, we recently went through the process of mission review. We operate in grassroots missions, and so in literal fashion across the country in all of our campuses, we had conversations about what does it mean to be an institution of higher learning. What are the values and the pieces that are really important to us? Based on those conversations, mission statements were drafted and they will be funneled throughout the organization at the grassroots level. Then our employee base at large will choose the new Rasmussen College Mission Statement. And like our existing Mission Statement, it will be signed by the Rasmussen employees and posted on every campus.

BECOMING A PBC MAKES SENSE FOR RASMUSSEN COLLEGE.



OVER 28,000 HOURS
of service given through annual Community Service Day efforts since 2009.



Matched over
20,000 INDIVIDUALS
with potential employees through career fairs.



Partnered with over
100 ORGANIZATIONS
across our communities in service opportunities and engagements.

Continued

EDUCATION OUTREACH
provided to local high school students.



Many schools have been around for a long time, which is an accomplishment in and of itself, especially given the climate and attitude toward career colleges and for-profit schools. In the case of Rasmussen College, we're proud to be in our 114th year, and we strongly believe that our longevity and history are two things that set us apart from other schools, coupled with our rich tradition in higher learning. We have always been career-focused, and we remain an organization that delivers. We see our primary obligation to deliver great graduates, both to the market and to the other institutions where they may matriculate when they leave here.

That being said, we also differentiate ourselves around innovation, both in terms of programmatic strategy, and in terms of deliver modality and in service to students. Those have remained as constants over time, but we have also innovated against those same constants.

For example, (at one point) we thought students needed stronger technology, but didn't think we had enough technology to offer them. Soon thereafter, we became the second college in Minnesota to become a ThinkPad U. We delivered laptop computers to every student who was enrolled at Rasmussen. Then as we developed in terms of our growth strategies and innovations, we began to offer online education in 2003 and went to full programs in 2004. So our history, our bread and butter if you will, comes out of business and out of that focus we now operate in seven different schools that also embrace Nursing and Health Science and Information Technology and Design, Early Childhood Education. In all, we operate 24 campuses in six states

(throughout the Midwest and Florida) with a student enrollment of more than 14,000. So we have both expanded programmatic strategy and delivery model and continue to explore new ways for students to learn.

How will we measure the success of becoming a Public Benefit Corporation? I believe success in this effort will continue to look like it does today. I

think the most successful pieces we have are when I see our folks engaged in the community in lots of different ways, whether it's leadership where we're really forcing ourselves into or choosing to be

thought leaders in a community around a new topic in higher education or around something that is important to a community. Success for us is every time we see those efforts, every time we see those pictures, every time we hear from graduates and students, from community members who attend the Rasmussen Career Expo. We've done that for years and we open them to communities free of charge for folks to get both advice and meet potential employers. Every time we see those events and every time we see them be successful and that we've contributed to students, communities and graduates that's success for us. We don't have a metric that says when we reach X number of events or when we get X we'll be successful; it's really just about continuing to deliver the Rasmussen message and the Rasmussen story.

Success for us is every time we see those efforts, every time we see those pictures, every time we hear from graduates and students, from community members who attend the Rasmussen Career Expo.

Accreditors Confront Changing Landscape at Annual CHEA Conference

By Brian Newman

"We think there is going to be some significant changes in the relationship [with the U.S. Department of Education] and additional challenges/demands on accreditation; and in all of that we do not want to lose the benefit of peer review which we would argue is absolutely fundamental to the effectiveness of higher education for many many years...in this country."

- Dr. Judith S. Eaton, President of the Council of Higher Education Accreditation, Jan. 29, 2014

As the polar vortex enveloped Washington, D.C. with single digit temperatures and a below zero wind chill, approximately 350 representatives from foreign and domestic accrediting agencies, higher education institutions, and trade associations descended on the Capitol Hilton Hotel for the Council on Higher Education Accreditation's (CHEA) 2014 Annual Conference to discuss the challenges facing accreditors and accreditation during the upcoming reauthorization of the *Higher Education Act*. CHEA President Judith S. Eaton framed this "vortex" in her opening remarks in stating, "our conversation

takes place at a time of major change in higher education. Some say it's a time of innovation. Some say it is a time of disruption. Some say it is

Our conversation takes place at a time of major change in higher education. Some say it's a time of innovation. Some say it is a time of disruption. Some say it is both.

both. Whatever, it leaves us questions, questions about accreditation and quality assurance."



BRIAN NEWMAN is currently a government relations and education policy consultant. From 1997 to 2013, Brian served in a variety of government relations roles, with successively increased responsibilities, at the Association of Private Sector Colleges and Universities (APSCU).

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A variety of voices weighed in during the two-day gathering on the future role of accreditation. One of the most critical was Senator Tom Harkin (D-IA), Chair of the Senate Health, Education, Labor and Pensions (HELP) Committee, who indicated that his concerns about accreditation were, in part, related to his investigation of the for-profit sector.

Harkin stated, “the self-reporting and peer review nature of the accreditation process otherwise considered

Neal called for the “delinking” of accreditation from Title IV gatekeeping. She argued that Title IV gatekeeping has caused the accreditation process to “become intrusive, costly, coercive and damaging to the autonomy of American higher education.”

to be one of the essential strengths of the system exposes it to some manipulation by schools that are more concerned with their bottom line than with academic quality and improvement.”

On the other hand, he said his Committee’s investigation resulted in a number of accreditors “taking serious steps to strengthen their standards, including putting more emphasis on student outcomes and requiring that institution’s educational responsibilities take primacy over other purposes.”

Regarding the reauthorization of the Higher Education Act, Harkin believes that the accreditation community can do more to provide transparency to students and families. “The public at large,” said Harkin, “is unclear about the roles regional, national and programmatic accreditors play and what’s the difference between them. But we all know those differences matter and they have real consequences for students and their families.”

Harkin also challenged the accreditation community to do more “to create public awareness of what it is that you do” and to “prove your effectiveness.”

Additionally, he suggested that disciplinary action and term definitions should be standardized to allow for effective comparisons between accreditors.

Timing of the reauthorization of the *Higher Education Act* was briefly addressed by Harkin, as he indicated that with bipartisan cooperation the HELP Committee could report a reauthorization bill by June. However, Senate floor consideration is less certain in 2014.

Two other prominent critics of accreditation – Anne Neal, President, American Council of Trustees and Alumni, and Andrew Kelly, Director, Center on Higher Education Reform, American Enterprise Institute – also spoke at the conference. Neal called for the “delinking” of accreditation from Title IV gatekeeping. She argued that Title IV gatekeeping has caused the accreditation process to “become intrusive, costly, coercive and damaging to the autonomy of American higher education.” Instead, accreditors should return to their traditional focus of peer review.

Andrew Kelly with the American Enterprise Institute said that there has been dissatisfaction with accreditation for a long time as “accreditation is not informative.” However, until recently there has not been a sustained effort to develop an alternative to the system.

Kelly said, “the accreditation process tends to measure inputs and processes more so than it does outcomes...so what you wind up with is a metric that measures some of the trappings of being a college – faculty credentials, learning resources and so on. Those things maybe very well correlated with student learning, but they may not be and we do not know for sure and consumers can’t tell.” Another problem highlighted by Kelly is that

accreditation reviews are not always made public and when they are they are not consumer friendly.

He suggested that “jurisdictional challenge” could create the impetus for reform. This idea calls for creating a new option that challenges the jurisdiction of the existing system. “We have examples of this in the charter school world in K-12 education. We have examples of this in alternative teacher licensure. The idea is that the existing system continues to exist [but] you set up an alternative pathway that people then can select into if they have new ideas on how to do things differently.” Senator Mike Lee’s (R-UT) legislation to allow states to serve as accreditors, S. 1904, was cited by Kelly as an example.

Other voices were less strident. Representative Virginia Foxx (R-NC), the Chair of the Higher Education and Workforce Training Subcommittee of the House Education and the Workforce Committee, offered videotaped remarks to the group. During her presentation, she said that her goals for HEA reauthorization were “to keep college in reach for students and preserve the excellence in diversity that has always set America’s colleges and universities apart in the world.” In addition to chastising restrictive regulations, she said that the accreditation process needs to be streamlined “to open up higher education to more innovative cost cutting teaching methods.” Foxx also stated that the House plans to explore opportunities during HEA reauthorization to simplify the current financial aid system.

Susan Phillips, the Chair of the National Advisory Committee on Institutional Quality and Integrity (NACIQI), noted that “simply saying no doesn’t work in this policy environment. Institutions and accreditors

need to be thinking about what the definitions of quality are that they can embrace; and how they can make a case for what counts as quality that will also give to those people who are worrying about their \$180 billion a year investment some confidence they made the right choice.”

Former Assistant Secretary of Education Edward Ochoa, who is currently serving at President of the California State University at Monterey Bay,

suggested that the Department of Education’s Federal Student Aid review activities can be expanded “a little bit to cover some of the institutional integrity functions” that would allow

accreditors to provide a greater focus on learning.

Representatives from the accreditation community called for greater unity and outreach to elected officials to push back against detractors during the reauthorization of the *Higher Education Act*. Elizabeth Sibolski, President of the Middle States Commission on Higher Education, said if accreditors do not make their voices heard “we will end up with increasing regulation and a misplaced emphasis on the recognition processes of the Department (of Education), where it seems to us that there is an over-regulation of the accrediting agencies. At last count we have an 88 page set of regulations that pertain to the accrediting agencies recognition and something like a 100 requirements that we must meet in responding to a petition for recognition.”

Sibolski suggested that the group develop an elevator speech highlighting the value of accreditation and to make

Representatives from the accreditation community called for greater unity and outreach to elected officials to push back against detractors during the reauthorization of the Higher Education Act.

the case that the current system should be maintained. She also implored her fellow accreditors to demonstrate to policy makers that “we are not about the status quo.”

Leah Matthews, Executive Director of the Distance Education Training Council (DETC), and the only representative from a national accreditation agency who spoke at the conference said she sees “the increasing regulatory structure for accreditation as marginalizing some of the most marvelous facets of our process which is peer review and quality improvement.” To this end, she said accreditors must focus resources and attention to provide students with a quality experience. One such area singled out by Matthews was state authorization where she said there is an opportunity for accreditors to work with states and organizations, such as the National Council for State Authorization Reciprocity Agreements, to support students studying via distance education.

“At the end of the day, at the point that where we are at right now in politics, it can't be just about people like those of us sitting at the table here going up to Capitol Hill and talking,” said Sibolski. “It needs to be a voice that is heard from our institutions.”

Concluding Thoughts

Accreditation reform will be a focus as Congress reauthorizes the *Higher Education Act*. While the accrediting community appears resigned to some change, they view peer review and their role in fostering continuous quality

improvement as sacrosanct. To the end, speakers at the 2014 CHEA Conference sounded a clarion call imploring colleges and university officials to meet with Members of Congress to educate them about the role accreditation in the regulatory triad.

Creditable models to challenge and reform accreditation are beginning to take shape. At the conference, Senator Mike Lee's (R-UT) legislation to allow states to serve as accreditors, S. 1904, was discussed. Subsequently, Senator Marco Rubio (R-FL) proposed in a speech to community college leaders the establishment of a new independent accrediting board to evaluate Massive Open Online Courses (MOOCs) that would “ensure the quality of these free courses and make the credits transferable into the traditional system.”

Accreditors bristle at the notion that they cannot keep pace with change and are stifling innovation at institutions of higher education. Instead they pin the blame on restrictive regulations, such as the Department of Education's 2010 credit hour rule, and the nearly 100 requirements that they must meet in responding to a petition for recognition. Western Governors University and Charter Oak State College both presented sessions at the conference highlighting innovative delivery models, within the current accreditation paradigm that expand access for non-traditional students.

Excerpts from Senator Tom Harkin (D-IA) Speech

Senator Tom Harkin (D-IA) delivered this speech, January 29, 2014 at the Council on Higher Education Accreditation's (CHEA) 2014 Annual Conference. Excerpts taken from a recording of the speech.

“So the federal government had been peripherally involved in higher education before but never to the extent as we did in the *Higher Education Act of 1965*. So 49 years and 9 reauthorizations later, the landscape of higher education has changed dramatically from what it was then. But I hope that our focus has stayed constant—ensuring that students have access to and can succeed in higher education. I want you to know that my committee is taking a fresh look at current law in light of these changes and new challenges. One of those challenges obviously that gets talked about all the time, because it hits right at home is the relentlessly rising college costs. We also face the challenge of an increasingly diverse and non-traditional student body. Today’s student body is nothing like what I knew when I entered college 50 years ago. More than 50 years now that I think about it. 56 years ago! Today more than 2/3 of students live off campus. Many are older, holding down jobs with families to support. In

the past, we focused a great deal on access. That was basically the focus: access. Now we need to have an equal eye on student success, as accreditors are well aware, assuring that we have quality overall and across a broad

One of those challenges obviously that gets talked about all the time, because it hits right at home is the relentlessly rising college costs. We also face the challenge of an increasingly diverse and non-traditional student body.

spectrum. As this community knows well, that raised certain concerns in recent years about the ability and the capacity of our accreditation system to effectively improve and monitor over 7,000 institutions of higher education of various scopes, missions and sizes. I have also identified some conflicts of interest. Throughout my two year investigation of the for-profit college sector, I learned a lot about the current system and the need to better monitor schools that lead students with burdens and debt, but no degree. **Unfortunately, the self-reporting and peer review nature of**

the accreditation process, otherwise considered to be one of the essential strengths of the system, exposes them to some manipulation by schools that are more concerned with their bottom line than with academic quality and improvement. Accreditors are on the frontline in overseeing academic quality in our system of higher education. The system was

I think more broadly this community needs to do more to create public awareness of what it is that you do and what it is that accreditors do and to prove your effectiveness.

purposely designed that way, as you are the experts in determining academic quality. But given how high the stakes are for students and taxpayers, more must be done

to monitor institutions, and when necessary, to remove some bad actors from the system. I've been pleased to see that since the conclusion of our committee's investigation, a number of accreditors are taking serious steps to strengthen their standards, including putting more emphasis on student outcomes and requiring that an institution's educational responsibilities take primacy over other purposes. I applaud that. I applaud that immensely and I hope and expect that what you have been doing in those reforms will be expanded and continued."

"I think more broadly this community needs to do more to create public awareness of what it is that you do and what it is that accreditors do and to prove your effectiveness. Many Americans right now are questioning the value of a college degree. Quality issues are a big part of that skepticism. The public needs to know that it can rely on accreditation. They need to know that accreditation means something. The public is also unclear about the meaning of sanctions against schools by individual accrediting

agencies, as was recently highlighted in our accreditation hearing. By the way, this was one of the best hearings we had on accreditation. It was really riveting. Each accreditor defines disciplinary action in terms differently and so it makes it difficult to make comparisons between accreditors. Now this appears to me to be an area where standardization would be very helpful. So we want to hear from you and from accreditors about how they're raising the bar on quality in higher education and how we can move towards some form of standardization whereby we're all kind of measured on that same standard. I expect these to be very key issues for reauthorization. I don't have the answer for it; I'm looking to you for the answer on how we do these things."

"Additionally, I've heard from many stakeholders about the increased regulatory burdens that many of you face. Let me say at the offset that I've been around a long time in government and I realize the importance of regulation in clarifying the intent of what we write into law. Obviously there aren't many regulations to protect the taxpayers and students. But what I ask you is this: If there are regulations that you believe to be duplicative or redundant, I'm genuinely interested in you bringing to those our committee's attention. I've never been interested in a regulation for regulation's sake. Just like times and conditions have changed, as I mentioned, in terms of our higher education structure, a lot of those regulations go back many, many, many years for a time and a system that we've moved beyond and they can be duplicative and they can be burdensome. So, again, I ask you to, President Eaton and all you, to give us information on what we can do to ease off on those and change them."

Comments from Q&A

Male Voice: I do have a quick question for you though, Senator, and that is you indicated that a priority of yours this year is to move the Higher Education Reauthorization process. The conventional wisdom is that there is a challenge in getting that done this year. Can you put some perspective on what you think the probabilities are of actually getting that completed before the end of this term?

Tom Harkin: I don't know about putting some kind of a probability on it. We're going to do everything we can and lay the groundwork for it and get it introduced. I know that this is an election year and so therefore October is shot and probably most of November. If the past is prologue, and I think it is, we'll be back after the election for a long lamed session in November/December. So if we are able to wrap this up by the end of May and if we get good cooperation on both sides, we might be able to report a bill out of our committee by June. Will we get it on the floor? That's hard to say. It's hard to say what kind of what comes up in the summertime. But our committee has been very successful in report bipartisan bills that we've gotten through. In fact I take some pride in the fact that our committee got more bills through last year and signed by President Obama than any other committee. So we did a lot of good bipartisan work. That's the same thing here too. ESEA is a little bit more problematic than higher education. So my hope is that we'll get it done, if not this summer...we'll be off in August and we'll be back in September for a short session. It just could be one of those things that if the timing is right and we've got good bipartisan support for it, it could be one of those things that could come on the floor. If not

then, then maybe in a lame duck session. The real question is what's the House going to do? I don't know what the House is going to do. We'll just have to see what Mr. Kline wants to do in the House; I don't know. I can only take care of my own backyard. Thanks.

Male Voice: Senator, have you got some more thoughts from Dubai. One of the interesting things about Dubai is we're trying in a very short number of years to accomplish what the U.S. has in quality assurance and it's a fascinating thing. My

question is when you talked about the early decisions; the federal government didn't have a lot to do with higher education. There was the land grant and the GI bill and there was the bill you mentioned that you studied under after the war. My question is the federal government is now tied to higher education for a lot of reasons but mainly for student loans, because of the large amount of money it's able to push policies from the federal government through the states. Since originally the states had the obligation to do higher education, you said we'd need everybody at the table and you've got to have the feds, you've got the states, you've got the institutions and then all these organizations that institutions start; will the federal government need to do more to solve these issues, or will the states be expected to do more?

Tom Harkin: That's a good question; a good point you're making. One thing that I have discovered through all my hearings, not just on this bill but in the past, people ask why does college costs keep going up; why do tuition rates keep going up all the time on our students? I think what we've learned

Let me say at the offset that I've been around a long time in government and I realize the importance of regulation in clarifying the intent of what we write into law.

and I think the data shows is that there are a lot of factors involved in that, believe me. But perhaps the largest of those factors has been the decline in commitment by state governments to higher education. That has been going on now for about 30 some years. As I've said and what my fellow state legislators have figured out is they can cut the budgets for higher education in their states. Students then will go to the federal government and get all those loans and we'll boost the PELL grants and that will take the place of the state funding and they'll save their budgets. They figured that out; they just shifted the burden from states to the federal government. Do I believe states should be doing more? You bet I believe they should be doing more. I think over the last 30 years they've removed themselves from their role in funding higher education and they need to step in and do more.

Tom Harken: A lot of people ask me what I'm going to be doing after I retire and things like that. I don't really know a lot, but I'm going to be involved in a few issues: Disability of course and Education issues. But Drake University in Des Moines has established the Harkin Institute of Public Policy and Citizen Engagement and so I'm going to leave all my papers to Drake and I'm going to be very much involved in working with that Institute to make it one of the premiere public policy institutes in this country. So I just wanted to publicly thank President Maxwell and the Board of Trustees at Drake University for establishing that. So a lot of my time will be spent with Drake University after I finish here.

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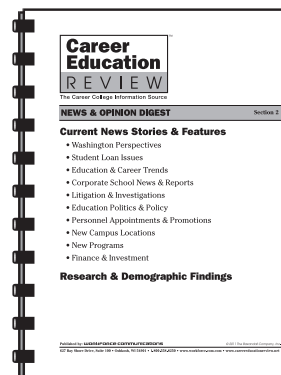
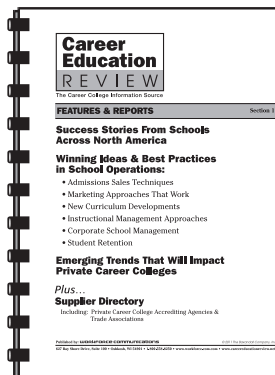
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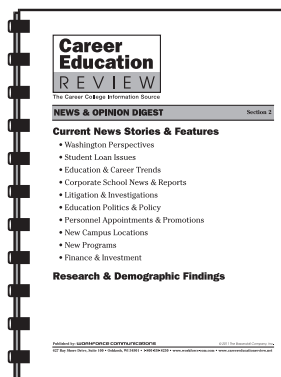
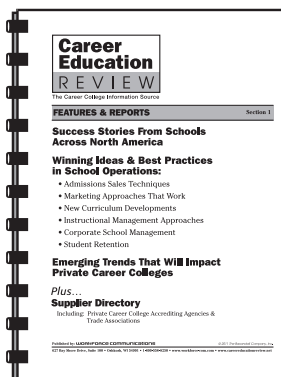
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