



## **Commentary on ED.Gov proposed Gainful Employment Regulations**

By the Accrediting Council for Independent Colleges and Schools

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The Department of Education has promulgated the Gainful Employment draft regulations with the stated purpose of protecting students and, presumably, putting their interests first. The Accrediting Council for Independent Colleges and Schools (ACICS) and more than 960 colleges and schools share this worthy goal. On behalf of member institutions and the students who rely on them for access to economic opportunity through skills acquisition and placement, ACICS is concerned that the proposed regulation will do little to safeguard educational quality while reducing access to education. By imposing a new but flawed measure of institutional quality, the Department may be harming students it seeks to protect.

For more than 100 years, ACICS has worked to assure the quality and integrity of career education. Today, accredited colleges and schools in 47 states and ten foreign countries serve more than 900,000 postsecondary students. The schools serve a cohort dramatically underserved by other types of institutions. Were the institutions to disappear or substantially curtail programming, access to a college education for countless students also would end or be substantially curtailed.

ACICS takes its obligation to stakeholders seriously, including students, employers, member institutions, the broader academic community, the Department and taxpayers. In every case, ACICS strives to assure that every student receives a high quality education, one that prepares them well for entry into the professional, technical or occupational field of their choice.

In that context, it is difficult to understand how the gainful employment metrics could substitute for or enhance the assurance of quality derived from accreditation. They do not rise to the level of an appropriate or credible proxy for institutional quality. They do not involve direct observation of the educational process, interviews with students, faculty or staff, or include direct review of files and documents on site. They do not generate recommended findings to the institution, and subsequently afford the institution with an opportunity to rebut, answer or contradict the recommendations. Finally, the gainful employment metrics do not engage education professionals in thoughtful, considered deliberations of the recommended findings and the institution's response in order to render a decision about compliance with formally developed and published standards of quality.

To the degree accreditation may fall short of the expectations of gainful employment advocates, it may be because accreditation assures educational quality and integrity at a point in time, based on a rigorous

but time-bound snapshot of performance. Accreditation does not aspire to forecast, define or control events years in the future. But those limitations do not fortify the case for a solution called “gainful employment.”

This commentary is intended to clarify the purpose and function of accreditation, and to contrast qualitatively based accreditation assessments with the quantitatively based gainful employment metrics. The proposed rule and its sanctions apply narrow statistical data to advance an agenda of reform not through higher quality or greater access, but through accountability mechanisms devoid of meaningful quality assurance. Those mechanisms have the potential to curtail access.

### **Quality Equals Access to Resources**

Accreditation is appropriately associated with a gatekeeping role, particularly as this relates to the award of federal student financial aid. Officially recognized by the Department of Education in 1956 as a national institutional accrediting body and re-recognized every five years since then, ACICS decisions to grant or withhold accreditation based on considered determinations of quality safeguard the distribution of federal student aid funds. States also rely on the determinations by ACICS and other accrediting bodies for making sound decisions regarding the licensing of institutions and the participation of students in state-based grant and loan programs. Students and families depend on accreditation as a mark of quality and to protect their interests as consumers. And other postsecondary institutions look to accreditation as a means of maintaining across the board standards of performance, promoting fair competition among institutions, and mitigating the risks to students of encountering sub-standard quality.

ACICS has been diligent in controlling access to funding through the quality assurance process. ACICS has taken hundreds of enforcement actions against member institutions in recent years, including the deferral of awarding accreditation pending greater demonstration by the institution of its compliance with expectations of quality. Other actions include the issuance of show cause directives, and accreditation withdrawals, denials and revocations.

ACICS actions are based on compliance with published standards in such areas as mission, purpose, business plan, finances, admissions, enrollment, retention, placement, faculty size, and cohort default rates. Yet continuous process improvement is a much under-valued role of accreditation. While much is made of the need by accrediting agencies to be vigorous in their use of sanctions, sanctions merely indicate a failure to comply with *minimum* standards. Most institutions are able to cross this threshold; compliance with standards is only part of the accreditation story.

The quality and integrity of college programs benefit greatly from ACICS’ detailed and thorough process of school self-study, multidisciplinary peer-review, site visits, class monitoring, staff and student interviews, and voluminous record inspection. This campus level oversight yields a level of understanding unavailable through any other means.

If the scope and purpose of accreditation were limited to compliance with minimum standards, only the mediocrity of higher education itself would be assured. Accreditation brings to bear the collective

improvement-related ideas, insights, recommendations and judgments of postsecondary educators, administrators and other experts. A commitment to true quality requires the demonstration of an institution's progress against an improvement agenda and specific achievements to date; it also requires a willingness to seek and accept constructive third-party criticism, to identify and act on areas for improvement, to embrace innovation, and to measure results against continuously advancing performance expectations.

### **Quality is not a predictor**

Combining oversight and encouragement, the accreditation process assures the quality and integrity of a postsecondary institution. Does a student's receiving a quality education today guarantee his or her career success tomorrow? Little empirical data exists to support such a hypothesis. Even the most rigorously applied standards constitute a review of *past performance*, not future events and circumstances. Arguably, receiving a quality education at the start of one's career increases the odds of eventual success, but it is only one of many factors that determine outcomes.

Rising tuition costs and flagging employment for college graduates across the board have caused many observers to question the value of a postsecondary education. This "value focus" tends to treat education like the experience a consumer might have when buying a car or other major purchase, complete with rankings, list prices, available options and (with the gainful employment regulation) future performance warranties. The fact is, however, that higher education is not a typical consumer good. College admission is an opportunity, not a guarantee. Maximizing the opportunity requires the active and sustained participation of the "consumer." Failure to make a sufficient level of commitment and personal investment reduces the value of the consumer's investment.

### **The at-risk character of population must be considered**

The student population ACICS member institutions serve is non-traditional. Career college students deserve and receive a quality education. The students graduate in large numbers and go on to fill critical gaps in areas such as healthcare, information technology and business administration.

In achieving success, graduates of ACICS-accredited schools have overcome numerous risk factors not faced by traditional college students. Most are young adults not teenagers; an overwhelming proportion is women; and typically they are financially independent, often the head of a single parent household, and likely the first in their family to attend college. They are apt to be less affluent, more likely to have entered the workforce or military directly from high school. These risk factors mean that they are more likely to rely on debt to finance education and more likely to remain in debt following graduation.

Starting farther back in the race of life, lacking exposure to the positive influences, greater expectations and social networks of their more affluent traditional student counterparts, it should come as no surprise that their financial pressures would not be immediately or permanently lifted by achieving a college certificate or degree.

Factors far beyond an accredited institution's school's control impact career outcomes. Attempts to link educational quality, income and debt over time are tenuous:

- Attending a career college for many students marks an important break with past behavior, which may have included working at a low wage job or relying on social services. Even with the benefit of a career college education, the comfort of falling back on the known may supersede the perceived risks and challenges of a largely unknown and intimidating future workplace.
- Career college students thrive in a learning environment that seeks to understand the individual as a whole person and to achieve success through smaller class sizes, more individualized attention, hands-on training, remedial assistance, counseling and other means. The range of support found in a typical career college may not be replicated at the jobsite.
- The attitudes and behaviors of peers may influence a graduate's life and career choices, particularly if the individual's motivations and values are not shared by the group.
- The economy is a major factor in career upward mobility. Long periods of little or no economic growth makes companies less willing to invest in new business and hire new employees and more willing to cut costs by reducing head counts. Employees in tough economic times are less willing to risk job changes and more likely to remain in less challenging, lower paying jobs for longer periods.

### **Gainful Employment does not measure educational quality**

The Department of Education's proposed gainful employment regulation deploys quantitative metrics. As such, it imposes a standard of performance in the aggregate without seeking to understand the underlying conditions—either at the level of the school, program or students--that may contribute to student outcomes. The proposed regulation assumes a relationship between educational quality and value (as expressed in rates of pay, availability of disposable income, or debt management), but it does not factor in the significant impact of student background or level of academic engagement.

By arbitrarily quantifying student debt levels and program default rates, the gainful employment metric describes "what" may be happening to a particular cohort, but does nothing to establish "why" or "how." In so doing, the Department of Education turns a blind eye to the many barriers and obstacles career college students face in the name of helping them.

Without the case by case, in-depth analysis and review that the accreditation provides, the Department runs the risk of penalizing schools conducting quality programs and offer credibility to schools whose programs the accrediting community may find lacking. This could mean a cessation of funding for students in good programs and the continuation of funding for students in poorly performing programs. Although the proposed regulation offers schools a period to cure shortcomings, the mere threat of a funding cutoff is likely to curtail student interest and destroy program viability.

Rather than helping students, the proposed gainful employment metric:

- assumes that a low value education is the predicate for students incurring high debt loads or programs with large default rates, rather than attempting to establish that education quality is related to debt or income;
- ignores the credit worthiness of borrowers and instead unfairly targets institutions serving this higher risk population;
- reduces educational opportunity by shuttering quality programs.

**Better options for strengthening educational quality and integrity are available**

The proposed gainful employment regulation uses data to advance an assumption rather than to clarify facts or improve quality. It threatens to overshadow accreditation while limiting educational choice. Simply put, the regulation should be withdrawn. In its place, a series of steps could be taken to improve the ability of all stakeholders to assess the quality of postsecondary education quality and integrity by dramatically expanding the context in which such assessments are made:

- Use a federal database of student unit records as a significant input to considerations of quality for institutions of all types, not just career focused institutions. Converting to student unit record data would help clarify the linkages between primary, secondary and postsecondary education; between the classroom and the workplace; and between skills and careers. Across the board utilization of student unit record data would reduce if not eliminate unfair comparisons of schools. This approach would help assure “apples and apples” quality assessments based on institutions with substantially similar educational missions, admissions policies, tuition costs and other factors;
- Allow accrediting agencies to have reasonable access to such a federal student unit record database. Accreditors could use such records to look across schools and tighten accreditation criteria based on group performance. Student unit record measures could be used to supplement self-assessment and on-site evaluation and document review. The metrics could foster continuous process improvement and measure performance in new focus areas;
- Utilize student unit record data in standard formats that support self-assessment, peer review and new focus area metrics. At the same time, set standard thresholds for data tracking and reporting across Department of Education recognized accreditation;
- Encourage accrediting agencies to collect and share school best practices as a method of facilitating continuous process improvement among their members. The best practices of accrediting agencies themselves could also be gathered, analyzed, summarized and shared to foster improvement of the accreditation process itself. ACICS stands ready to work with federal and state agencies, the accreditation community, colleges and universities, student advocates and other interested parties in taking meaningful steps toward real higher education reform, putting the interests of students at the forefront. Such a process must begin with an acknowledgement that the proposed gainful employment regulation is a big step in the wrong direction. As proposed, the metrics of gainful employment will purposely lead to the closure of individual programs and entire institutions; it will unintentionally deprive hundreds of thousands of students appropriate and fair access to post-secondary education and the economic opportunity derived therein.