

U.S. DEPARTMENT OF EDUCATION PUTS FORTH AN AGENDA OF TRANSPARENCY AND OUTCOMES FOR ACCREDITATION

On November 6, 2015, the U.S. Department of Education (USDE) [announced](#) an agenda of transparency and outcomes for accrediting organizations. Accreditation has been a focus for the administration since 2013, when President Obama included proposals addressing accreditation in his State of the Union speech. USDE key officials had stated in recent months that the Department would take action to encourage greater rigor and flexibility in the accreditation process.

Five of the announced changes will be made through executive action; four additional desired changes will be the administration's legislative priorities for accreditation during reauthorization of the Higher Education Act (HEA). The new requirements and proposed changes are designed to move accreditors toward outcomes-centric accreditation reviews.

Executive actions – which USDE is implementing under current law – include:

- **Publishing each accreditor's standards for evaluating student outcomes.** USDE published a chart with each agency's stated student achievement measures, including any specific thresholds.
- **Increasing transparency in the accreditation process and in institutional oversight.** USDE is requiring accreditors to submit decision letters when they place institutions on probation. The Department will post online all publicly releasable portions of such letters.
- **Increasing coordination within the Department and among accreditors, other agencies and states to improve oversight.** USDE is to report on strategies to improve information coordination across accreditors, the Office of Postsecondary Education and the Office of Federal Student Aid.
- **Publishing key student and institutional metrics for postsecondary institutions arranged by accreditors.** Data elements drawn primarily from the College Scorecard include average net price for Title IV recipients, graduation rate, federal loan repayment and default rates, median debt of graduating students, post-school earnings, enrollment of Pell Grant recipients, enrollment of students over age 25 and part-time students, accreditation status and heightened cash monitoring status.
- **Promoting greater attention to outcomes within current accreditor review processes.** USDE's accrediting staff will have access to critical outcomes data, state and federal litigation reports and other information about each agency's schools prior to conducting their reviews. USDE will also supply that information to the National Advisory Committee on Institutional Quality and Integrity for its own evaluation of accreditor standards and processes.

USDE will recommend the following as legislative proposals for inclusion in HEA reauthorization:

- **Drive accountability through outcomes-driven and differentiated recognition.** USDE recommends that Congress repeal the statutory prohibition on its ability to set and enforce

- expectations regarding student achievement standards in accreditor recognition.
- **Require robust teach-out plans and reserve funds for high-risk institutions.** Accreditors would also be required to ensure that there are resources available to cover the costs of executing such teach-out plans.
 - **Establish a set of standardized, common definitions and data reporting.** USDE recommends that Congress require a single federal vocabulary for major actions and terms, including sanctions and key outcomes.
 - **Increase transparency on an expanded set of accreditation material and actions.** USDE recommends that Congress require all final accreditation documents relating to academic and institutional quality be made publicly available.

These actions are intended to focus the gatekeeping role of accreditation even more intently on protecting students and, by modifying accreditation practice, will affect the institutions and programs that are reviewed by federally recognized accrediting organizations.

SENATE, HOUSE EDUCATION CHAIRS WRITE CFPB DEMANDING AN END TO INVESTIGATION OF ACCREDITOR AND ACCREDITATION

An investigation by the Consumer Financial Protection Bureau (CFPB) into possible “unlawful actions and practices in connection with accrediting for-profit colleges” has drawn fire from the chairs of the Senate and House education committees. In August 2015, the bureau demanded letters and testimony from the Accrediting Council for Independent Colleges and Schools (ACICS), referring to several for-profit colleges, as well as information on all colleges ACICS accredited during a several-year period.

Senator Lamar Alexander (R-TN) and Representative John Kline (R-MN), chairs respectively of the U.S. Senate Health, Education, Labor and Pensions Committee and the U.S. House of Representatives Committee on Education and the Workforce sent a [letter](#) on October 23, 2015 to CFPB Director Richard Cordray, calling the bureau’s demand for accreditation information “unprecedented.”

The letter requests that CFPB rescind the demand, saying that CFPB has no jurisdiction over accrediting agencies, and also requests that the bureau halt any other planned investigatory actions regarding accreditors or the accreditation of institutions of higher education. The letter states “Any changes in the accreditation process must take place through the legislative process. Your efforts in this area are an inappropriate and disruptive intrusion into the work of Congress.”

USDE ANNOUNCES PILOT PROGRAM TO OPEN FEDERAL FINANCIAL AID TO NONTRADITIONAL PROGRAMS AS PART OF EXPERIMENTAL SITES INITIATIVE

-BILL TO ESTABLISH ALTERNATIVE REVIEW PROCESS INTRODUCED IN SENATE

On October 15, 2015, USDE published a [Federal Register notice](#) announcing an Experimental Sites Initiative pilot program that would open federal financial aid to nontraditional higher education offerings.

The Educational Quality through Innovative Partnerships (EQUIP) pilot program brings together innovative providers of higher education such as companies offering MOOCs, courses or course bundles or coding boot camps to create partnerships that would result in the innovative providers becoming eligible for federal financial aid funds such as student loans or grants. Under USDE’s Experimental Sites Initiative, USDE has the authority to grant waivers from certain regulatory requirements in order to allow a limited number of institutions to participate in experiments to test alternative methods for administering Title IV programs.

Key for accreditation, EQUIP includes the establishment, for the purposes of the experimental site, of “quality

assurance entities” (QAEs) to review the offerings of the innovative providers. USDE notes that “QAEs could be any of a number of kinds of organizations, including employer associations, new entities created for this specific purpose, existing accreditors (as long as the proposed quality assurance process is new, meets the stated requirements and does not create conflicts of interest), accounting firms or others.” These QAEs will determine the quality of a program of study through a set of largely outcome-based measures approved by USDE and laid out in the *Federal Register* notice, coupled with regular monitoring and accountability processes. Current accrediting organizations play a role in the initiative as well: A participating institution must be accredited by a federally recognized accreditor and the accreditor must agree to include the offerings resulting from the partnership with the innovative provider in the institution's grant of accreditation.

Letters of interest to participate in the pilot program are due to USDE no later than December 14, 2015 and submitted by email to experimentalsites@ed.gov. Up to ten institutions will be selected to participate in the pilot.

The announcement of USDE's pilot program comes on the heels of the introduction on September 30, 2015 of “The Higher Education Innovation Act.” Introduced by Senators Michael Bennet (D-CO) and Marco Rubio (R-FL), [S. 2111](#) would establish an alternative, outcome-based quality review process to authorize “innovative, high-quality education providers” to participate in Title IV, with “innovation authorizers” undertaking quality review based on federally stipulated performance measures of student learning, completion and affordability/benefit to students. (For more information, see [Federal Update #49](#)).

The Federal Update informs CHEA members and interested parties on federal policy developments related to self-regulation and peer review. Please direct any inquiries or comments to Jan Friis, CHEA Vice President for Government Affairs, at friis@chea.org or at (202) 955-6126.

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