June 7, 2013

TO: Commissioners

FROM: Barbara Beno

SUBJECT: President’s Report

WASC Restructuring

Federal recognition requirements that a recognized accrediting body be “separate and independent” from any other association have caused the Western Association of Schools and Colleges (WASC) to undertake a corporate restructuring. In the fall, WASC took action to recommend each Commission separately incorporate. In December 2012, the WASC Board of Directors also approved new WASC Bylaws that describe WASC as an association of three incorporated organizations. In January 2013, the ACCJC approved new Bylaws that added components to provide for a Board of Directors of a non-profit corporation. On May 22, 2013 the WASC Board of Directors met and approved two documents that will complete the restructuring of WASC from one non-profit corporation with three divisions (the Commissions) to four non-profit corporations. All three commissions intend to begin operating as separate corporations on July 1, 2013. The ACCJC Board of Directors will hold its first meeting today, on June 7, 2013, to approve some of those documents.

The Bylaws adopted by the Commission in January 2013, with amendments adopted in early May 2013, now give to the ACCJC-WASC Corporation authority over ACCJC operations that formerly was vested in the WASC corporation, including full control over assets, certain legal responsibilities and obligations to convene and act as a Board of Directors of the ACCJC Corporation, and the policies and procedures for implementing an institutional appeal of a Commission action to terminate or deny accreditation. Each of the other two WASC commissions received identical new authorities and responsibilities formerly vested in the WASC Corporation. As you know, the ACCJC has also clarified its scope in its new Bylaws, and is seeking recognition from Council for Higher Education Accreditation (CHEA) and the USDE based on its clarified scope, new Bylaws and corporate structure. The Scope statement is as follows:
ARTICLE II
ACREDITED INSTITUTIONAL MEMBERSHIP

Section 2. Scope
The Commission accredits institutions in California, Hawaii, the Territories of Guam and American Samoa, the Commonwealth of the Northern Marianas, the Republic of Palau, the Federated States of Micronesia, and the Republic of the Marshall Islands, which have as a primary mission the granting of associate degrees, but which may also award certificates and other credentials, including a limited number of bachelor’s degrees. The Commission may accredit non-domestic institutions in other geographic regions at its discretion.

ACCJC Service and Leadership with Member Institutions

In the past six months, ACCJC has continued to partner with member institutions and professional affiliations to provide information and training for purposes of improving understanding of accreditation and institutional performance with respect to Accreditation Standards. Among the California Community Colleges, where there have been concerns about institutional practices identified through accreditation evaluations, the affiliation groups are now providing opportunity for training of their constituent members. The ACCJC staff has presented information at the Trustee, CIO, CBO, CEO and Academic Senate meetings this spring.

A three-hour workshop for new trustees in January 2013, presented by ACCJC Staff and other partners, was well received. The California Community College Trustees Association (CCCT) asked us to provide a workshop in greater depth for experienced trustees, which we did at the CCCT meeting in May. At that meeting, the CCCT announced a new Excellence in Trusteeship Program to provide comprehensive training to governing board members in the California Community Colleges. I have attached some of the description of that program to this update for your information. Also noteworthy is that there is a group of individuals who are training Trustees in a variety of good practices that should help institutions better comply with Accreditation Standards.

The Association of California Community College Administrators (ACCCA) has asked the ACCJC to help develop a leadership (including accreditation) training program for mid-level administrators that the organization hopes to initiate next academic year. This follows a panel presentation on quality and challenges at the ACCCA meeting in April, 2013. I will be meeting with the ACCCA Board of Directors on June 18 to discuss the accreditation components of a training program.

The California Community College Academic Senate again offered an Accreditation Institute this year; Dr. Susan Clifford’s update will provide you with some information about that event.

Dr. Bonnie Dowd, the President of the California Community Colleges Chief Business Officers (CCCCBO’s) group, has asked the ACCJC to partner in designing more comprehensive accreditation training next year. This follows a presentation on May 21 by Dr. Norv Wellsfry that provided an overview of accreditation, finance and integrated planning. Dr. Wellsfry and I will be working with Dr. Dowd over the summer.
If member institutions can begin to take on the role of training the next generations of leaders, the California community colleges will improve their capacity to meet standards of quality and to serve their students well. The Commission staff intends to support all of these initiatives as best we can. However, it is certainly good news that the other organizations are stepping up!

**Five year Trend, Colleges on Sanction**

The Spring 2013 Accreditation News included data representing this spring’s analysis of the deficiencies at colleges that are currently on a sanction status, and you can find that newsletter online if you have misplaced yours. At the June meeting each year, we always provide the Commission with a multi-year trend analysis. You will find a five year data trend analysis on the conditions at institutions that contribute to the Commission’s action to impose a sanction appended to this Report. It is important to note that percentages of colleges on sanction that have deficiencies related to program review and integrated planning are going down significantly. Colleges seem to be undertaking appropriate steps to put in place data driven program reviews that include student outcomes data, and are doing somewhat better at planning using data and mission as the foci. Internal governance dysfunctions also appear to have dropped.

**Congress and the U.S. Department of Education**

*Reauthorization of the Higher Education Act*

Congress has announced that it will begin hearings on the Reauthorization of the Higher Education Act in late summer or early fall. Congressmen Klein (R) and Miller (D) announced that the House would like to receive ideas about what is needed in the next reauthorization by August 2; the Senate is likely to call for input later in the fall or early in 2014. The House will move more quickly than the Senate, and the reauthorization legislation is likely to be a multi-year process.

This week, Council of Regional Accrediting Commissions (C-RAC) met in Washington with representatives of the America Council on Education, CHEA, the programmatic accreditors, Association of Specialized and Professional Accreditors and the USDE accreditation group. We are all beginning to draft statements of principles that we think should guide the next Reauthorization – these are rather broad statements for which we will provide further specificity if Congress becomes interested in any of them.

The USDE will hold three public hearings in May on the proposed topics for negotiated rulemaking – federal financial aid, state authorization for distance education, state authorization for foreign locations, clock to credit hour conversions, gainful employment, campus safety and security issues and the definition of adverse credit for borrowers in the federal direct student loan program. On April 25, a bipartisan group of Congressmen wrote the USDE and urged it to desist in any further regulation on gainful employment and state authorization.

It appears that student outcomes data will remain at the center of interest as Congressional work begins on Reauthorization. Members of Congress are “testing the waters” now with concepts for
new legislation. Congressman Messer is introducing legislation this week that deals with student data and would set up a new commission to look at a variety of issues related to expanding the type and availability of institutional data with a particular emphasis on employment related outcomes. The bill is regarded as the opening push of what will be an attempt to repeal the current ban on a national student unit record system. Last week, a bill was introduced in the Senate with bipartisan support for creating a new unit record system. Neither of these bills is likely to move far, but signal interests.

It is likely that Congress will consider new regulations that ask accreditors to do something to address costs and “value” of higher education, both key interests of Congress and the outspoken public. Interestingly, we have heard that when President Obama’s State of the Union Address spoke to different forms of accreditation, he may have meant speedier and more streamlined processes for accreditation of some institutions or programs, not necessarily a new organization to provide gatekeeping to Title IV funds, (this from a USDE staffer who has heard the White House clarification of the president’s remarks). The emphasis remains on having accreditors, somehow, address the costs and value of higher education. There may be some new legislation or regulation forthcoming to provide for this greater flexibility.

Finally, we know that there are strong interests in facilitating the development and accreditation of competency-based education programs and direct assessment programs being developed by new providers that are not institutions of higher education. The ACCJC’s policies already allow for approval (substantive change/accreditation review) of institutions that wish to provide direct assessment, but the ACCJC has not yet received and processed such a request from a member institution.

*Changing U.S. Department of Education Regulations*

The USDE has announced its intention to regulate before the next Higher Education Act is developed. It has scheduled three public hearings in May on the proposed topics for negotiated rulemaking -- federal financial aid, state authorization for distance education, state authorization for foreign locations, clock to credit hour conversions, gainful employment, campus safety and security issues and the definition of adverse credit for borrowers in the federal direct student loan program.

State authorization was a problematic component of the last round of federal laws and regulations. Two years ago, the USDE extended deadlines for the implementation of certain aspects of the State Authorization. It now appears that the USDE will extend again for one year, until July 1, 2014. The regulation calls for each institution to identify a state agency that will accept and act on complaints against an institution operating in that state. Some states have still not set an appropriate agency, or don’t understand the federal requirements.

(An Aside: There is a bit of a crisis in California because the Bureau for Private Postsecondary Education (BPPE), reconstituted in late 2011, is refusing to accept complaints about institutions that are not reviewed by the Bureau. All WASC-accredited institutions have been exempt from BPPE review since 1988, when State legislation accepted WASC accreditation reviews in lieu of BPPE reviews. The BPPE has
furthermore announced that it not requesting an extension of the federal deadline until July 1, 2014; this locks in the Bureau’s current position that it will not accept complaints on institutions that it does not review. This issue affects seven ACCJC-accredited institutions, but more than a hundred ACSCU accredited institutions. While lawyers, state and federal officials discuss and interpret the law, some institutions are applying for BPPE review, and giving up their WASC exemption. It also is also a bit of a blow to the WASC exemption in which the State of California accepted the WASC review of institutions in lieu of its own, non-peer review. The BPPE will be reviewing many more institutions, and of course, collecting fees from said institutions. The ACCJC will also have to consider how it interacts with BPPE findings that suggest quality is not meeting State requirements).

The adopted regulations for gainful employment were set aside two years ago after the courts ruled that the USDE had not followed the federally-prescribed process for initiating new regulations. Those proposed regulations would have determined institutional eligibility for financial aid on a calculation--the ratio of costs for education to earnings and ability to repay loans in the first three years after graduation. The courts struck down this formulaic requirement. The USDE now hopes to propose regulations adopted through a process that will sustain a court challenge. It remains to be seen whether the USDE will try to use a new approach determining gainful employment.

The USDE has announced that it will permit institutions to award credit for assessed competencies of students, and permit accreditors to accredit institutions and programs that award credit based solely on student competencies. However, the “catch 22” is that accreditors must find the competencies in such programs comparable to those of seat-time based credit programs. That means institutions may have difficulty developing “new” programs based on competencies alone. The University of Southern New Hampshire has recently received approval to create competency-only degree programs, and is doing so in a school within the University. This institution is being watched by all, and if it succeeds, will model a pathway to developing a competency based program devoid of credit hours.

Applications for Recognition

The ACCJC submitted its application for recognition from CHEA in December 2012. In May, CHEA announced a window for third party comment on the ACCJC application, and also gave ACCJC an opportunity to respond to the comment received. The ACCJC also submitted a scope clarification addendum in alignment with the Commission’s recently adopted new Bylaws, and informed CHEA of the incorporation of ACCJC. The ACCJC sent the final components of our application to CHEA on May 21, and the CHEA Committee on Recognition will review our application at its meeting on Monday, June 10, 2013. Chair Sherrill Amador, Vice President Krista Johns and I will attend that recognition hearing on behalf of the ACCJC. The results will be announced by CHEA after its September Board of Directors Meeting.

The ACCJC application for recognition was sent to the U.S. Department of Education (USDE) on June 5, 2013. We are awaiting the USDE’s indication of when it will send a staff member to observe the Commission’s operation. The staff should complete a draft assessment of the

Tab 4.5
application by October, 2013, so that the ACCJC can prepare any response in time for the December 2013 recognition hearing (exact date to be determined).

Conclusion

The ACCJC Service to the Field Report, behind this report, details the many workshops and training events that the ACCJC provided over the last six months. My activity log provides you some idea of the work I’ve been engaged in outside the office. The Vice Presidents’ reports will provide you with details about many other activities at the ACCJC over the last six months, and agency reports from C-RAC and CHEA also provide information to understand accreditation in its local and national context. It has been an extremely busy and productive time, and all of the ACCJC staff has worked hard to meet the ACCJC’s mission and goals for the year.