



Crucial Connections:
State Regulator and
Accrediting Agency
Collaboration

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Session Goals



During this session, we hope to:

- Find ways to enhance communication, connection, and collegiality between states and accreditors
- Find ways to enhance monitoring of institutional operations using partnerships
- Discuss best practices
- Discuss ideas on optimizing state/accrediting agency collaboration



The Evolving Role
of the Triad

Federal Perspective



The National Advisory Committee for Institutional Quality and Integrity (NACIQI)

- Received broad charge to provide policy recommendations to the Secretary of Education
- Engaged in a extended dialogue about what is working (and not working) in the current system of recognition, accreditation, and student aid eligibility.
- Agreed to focus on the triad of actors (state regulators, accreditors, and the Department) in educational quality assurance.
- NACIQI issued its draft final report, "Higher Education Accreditation Reauthorization Policy Recommendations" on February 8, 2012

NACIQI Report



NACIQI noted that:

- There is confusion about compliance with regulation versus accreditation.
- There is tension among notions of:
 - Gatekeeping for student aid eligibility,
 - Mechanisms of public accountability, and
 - Notions of accreditation as a broader quality improvement and assurance process.
- This complex system has been admirable in many ways in addressing the needs of quality assurance in a dynamic and diverse environment.
- However, new challenges and the multiplicity of actors and issues pose a number of tensions, points of confusion, and areas of overlap.

NACIQI Report



NACIQI recommended to the Secretary that the Reauthorization of the Higher Education Act should:

- Clarify and articulate common understandings about the responsibilities of each member of the triad.
- Coordinate/increase communication among actors to achieve greater commonality across the quality assurance/eligibility enterprise.
 - Increased communication among the members of the triad may identify common concerns and shareable data.
- Encourage the states' engagement with consumer protection and investigation, whether within or outside the processes of accreditation.

Increased/Enhanced Communication and Collaboration is the Evolving Expectation

Communication & Collaboration

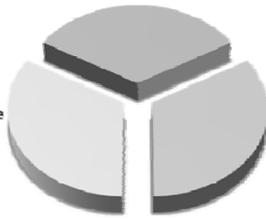


- Oversight of higher education is a shared responsibility and each member of the regulatory triad has an essential role to play in the oversight of institutions.
- The HEA, however, **only** regulates how accreditors communicate decisions to the states and the U.S. Department of Education
- If we expect the Triad to be a stronger entity, then **each** agency in the Triad must seek to establish effective communication and collaboration policies

Traditional Roles of Regulatory Triad



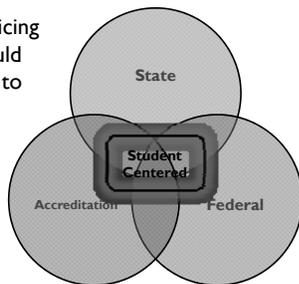
- Federal Government - Responsibilities as Fiduciaries of Federal Student Aid Programs
- Accreditors - Academic Standards and Quality of Student Educational Experience
- State - Student (Consumer) Protection



Evolving Roles of Regulatory Triad



Instead of simply "slicing up the pie," we should be looking for ways to share in our efforts





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Critical Area for the Triad:
The Impact of School Closures

The Impact of School Closures



Normal Closures
When a school gives notice of its intent to close voluntarily.

Precipitous Closures
A precipitous school closure is often triggered by:

- Financial Failure;
- A state licensing or authorizing agency revokes a school's license or legal authorization to operate (and the appeal is exhausted);
- The accreditor revokes or denies accreditation (and the appeal is exhausted); or
- The school subject to an emergency termination, or denial of a school's application for continued participation in the Federal Student Financial Assistance Programs.

Precipitous school closures tend to unfold rapidly, place tremendous stress on each member of the triad, and require significant collaboration.

The Impact of School Closures



Teach-Out Plans and Agreements
Accreditors require a **Teach-Out Plan** for a normal school closure which facilitates a very regular transition and provides a reasonable assurance that students will have every opportunity to complete their education without interruption.

A effective **Teach Out Plan** focus on the impact a potential closure would have on students and provides a "road-map" for the members of the triad should the school close and includes key information on students, status of refunds/unearned tuition, and the disposition of records.

A **Teach-Out Plan** may be initiated by an accreditor due financial or compliance issues when there is worry about the school's ability to meet obligations to students. This does not necessarily mean the school will close.

Accreditors may also require a **Teach-Out Agreement** with another accredited school as part of the Teach-Out Plan.

The Impact of School Closures

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Precipitous School Closure

Under these circumstances, each member of the triad must be able to mobilize and ramp-up in an accelerated fashion which requires inter-agency cooperation and collaboration.

- Conference Calls (staff level) with all relevant regulatory bodies have proven to be an effective first step.
- Expect additional conference calls throughout the transition

The shared goal is to get relevant information into the hands of students as quickly as possible via web site postings, emails, and hard copies (which requires some "on-the-ground" assistance)

Each participating member of the triad should expect and prepare for a significant volume of questions from students that focus on the "why did this happen" and eventually turn into "what is the next step."

- Effective inter-agency collaboration should result in a singular message to all students on what that next step is.

The Impact of School Closures

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Expectations

In most scenarios, the STATE becomes the custodian of records:

- Roster of Students
- Copies of Transcripts
- Student Tuition Recovery Fund (if applicable)

Key Factors

- Who is the primary point of contact for students?
- What are the critical pieces of information that agency staff can share with students?
- There will be many questions not only about what is the next step for students, but also inquiring why the school closed.
 - There may be inquiries from the press.
 - Who is the designated person to serve as the agency's spokesperson?
- Who is the primary point of contact for agency interactions?
- Are there any bilingual students that would necessitate bilingual agency staff?
- Provide links and contact information for other relevant agencies (accreditor / federal)

The Impact of School Closures

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Expectations: Creating Student Information Packets

A student information packet places crucial information into the hands of students impacted by a school closure.

- Hard copy / email / agency websites

These packets should include:

- Program Information (as recognized by accreditor & licensed by state)
- List of comparable programs offered by accredited institutions in the region
- Point of Contact regarding federal student loans (Department of Education)
- A "If Your School Closes" document with directions on where to start, what happens if the school already closed, and financial aid information (loan discharge/cancellation)
- Information on where to obtain Academic Transcripts (state)
- Other Agency Contact Information (accreditor, state, federal)
- Language Translation as necessary (e.g., Spanish)

Accreditors can assist greatly in the compilation of these packets.

The Impact of School Closures



Expectations: Other Pressure Points

Each member of the triad should anticipate and be prepared to answer questions from the press, legislators, and other regulators about the contributing factors that resulted in a precipitous school closure.

Each member of the triad should anticipate and be prepared to address questions posed by other accredited institutions that advance proposals to engage in a formal teach-out of a closing/closed institution:

- Opportunities for a teach-out on ground at the campus by a third-party (institution)
- Questions on any limitations on the ability for students to transfer of credit (accreditor)
- Questions on the ability for the "new" institution to establish a campus at that location and the potential liabilities (toxic assets) associated with this transaction (federal)
- Expressed desire for new entity to avoid any liabilities/penalties from previous ownership
- Questions on accelerating a branch application approval for that participating institution (state and accreditor)



Discussion and Action

Discussion Points



There is a varying degree of interaction by states with accrediting bodies which is challenging in terms of consistency and collaboration.

For example, with regard to system wide actions (multiple campuses in multiple states with a single ownership entity):

- On the one hand, we had a state entity engage in a comprehensive fashion as afforded under §602.28 as they sought to determine the appropriate level of engagement by the state.
- On the other hand, we did not have much, if any, involvement or communication on these same issues for affiliated campuses located in another state

This variety puts tremendous pressure on different state agencies that could be ameliorated by greater communication with the not only the accreditor but other state agencies facing similar scenarios in their state.

Discussion Points 

Communication

Regulation ensures that crucial institutional information is provided by the accreditor to the state, the challenge becomes, "what happens next?"

Does the state have an established point of contact with each accrediting agency to ensure timely and effective communication of the issues?

- Communication often starts with an email notification
- Opportunities for more in-depth conversations among agencies

Conversations surrounding process, shared areas of concern, and the "next steps" will prove to be critical:

- How are these conversations centralized to ensure appropriate action?
- Are key staff at each agency empowered to make decisions?

Is the conversation between the accreditor and the state a "two-way" conversation?

- Or does the information flow one way (accreditor to state OR state to accreditor).

Discussion Points 

- What does the state do with the information it receives from the accreditor?
- What does the accreditor do with the information it receives from the state?
- What do either do with any information received from the federal government?
- Should each participating member of the triad should develop **formal** processes and procedures for sharing information?
- Should each participating member of the triad develop **formal** processes and procedures for taking the actions of other agencies into regard and develop a mechanism for formalizing the review of the information shared?
- Will establishing a formal process afford each agency a greater opportunity to achieve consistency in how information is handled?

Potential Action 

Create a multi-agency task force consisting of members of the triad to **Identify and Discuss**:

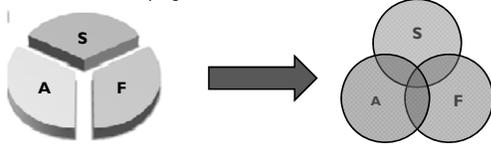
- What is and what is not working.
- The potential pitfalls/challenges/roadblocks which often arise and complicate increased collaboration & communication?
- Best practices based on previous experiences at the state and accreditor level.
- The key factors/questions that a state agency could anticipate from their constituents/lawmakers are about the reliability of accreditation in meeting the expectations of the state in terms of quality assurance.
- Explore licensure by means of accreditation as a process amongst states and how it works.

Closing Thoughts



In conclusion, the accreditation community is keenly aware of the important role that the triad plays as gate-keepers and respects the role that each member of the triad serves to ensure the reliability of our nation's current higher education oversight system.

On behalf of the accreditation community, we look forward to continuing the dialogue with NASASPS and individual states on future opportunities to strengthen the triad, increase communication and collaboration, as well as to ensure that the triad continues to fulfill its role as gatekeepers of the Title IV federal student financial aid programs.



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