

April 1, 2020

Herman Bounds, Director, Accreditation Group
Office of Postsecondary Education
U.S. Department of Education
400 Maryland Ave., SW
Washington, D.C. 20202

Re: Compliance Report, Accrediting Council for Independent Colleges and Schools

Dear Members of the U.S. Department of Education and the National Advisory Committee on Institutional Quality and Integrity,

Thank you for the opportunity to submit comments regarding the compliance report for the Accrediting Council for Independent Colleges and Schools (ACICS). This comment is submitted on behalf of the XX undersigned organizations representing organizations and advocates working on behalf of students, veterans, faculty and staff, consumer, labor, and civil rights groups. Based on all evidence, we recommend that you find ACICS out of compliance with federal requirements.

While this comment is in response to the compliance report requested in the 2018 restoration of recognition by Secretary DeVos, the U.S. Department of Education (Department) cannot ignore the long history of non-compliance and the multiple investigations and evidence of additional non-compliance since the Secretary's decision.

ACICS' pervasive and longstanding inability to serve as a reliable authority regarding the quality of education and training offered by the institutions of higher education or programs it accredits, and its lack of action has left tens of thousands of students' lives damaged. These students have taken on excessive debt levels to attend low-quality and predatory institutions of higher education that have been approved by ACICS and sanctioned by the Department to access billions in federal taxpayer dollars.

In particular, we want to ensure the Department and NACIQI consider four key factors when considering ACICS' compliance with federal criteria:

- 1.) Its continued non-compliance, four years after it first lost recognition;
- 2.) The additional compliance concerns that have surfaced since it regained recognition;
- 3.) Its failure to take appropriate action to safeguard students and taxpayers surrounding schools owned by Education Corporation for America; and
- 4.) Its weak financial condition, which creates risk for students as a reliable authority.

ACICS continues to be a rubber stamp, allowing low-quality and predatory institutions of higher education access to hundreds of millions in federal aid, and putting thousands of students at risk. It is too late to fix the damage to countless lives but finding ACICS non-compliant would restore integrity into the federal aid programs, send a strong and overdue message to other

accreditors, and help protect future students enrolling in institutions overseen by federally recognized accreditors.

2020 Compliance Report

In 2018, contradicting numerous evaluations by the Department's Accreditation Group and a long track record of evidence, the Secretary of Education restored ACICS recognition, finding them compliant with all but two minor recognition criteria. The decision in 2016 was based on whether ACICS could come into compliance with all criteria in a period of 12 months. Nearly four years later, ACICS still fails to meet all recognition criteria.

The Secretary found ACICS non-compliant with 34 CFR 602.15(a)(2)-Competency of Representatives, which requires ACICS to "demonstrate it has competent and knowledgeable individuals... to conduct its on-site evaluations, apply or establish its policies, and make its accrediting and preaccrediting decisions, including, if applicable to the agency's scope, their responsibilities regarding distance education and correspondence education." Numerous recent examples suggest ACICS fails to meet this standard.

Just this year, a news investigation by *USA Today* reportedly found that ACICS-accredited Reagan National University appeared not to be in operation, with no students and faculty listed on its website who claim to have never worked there.¹ While it is not clear how long the institution operated this way, or whether it was ever a functioning school in the first place, fewer than two years after ACICS granted the school initial accreditation, it cited the school for a zero percent job placement rate. And just months before the news investigation was published, ACICS placed the institution on warning—raising questions about proper materials necessary for education and qualified faculty, reportedly following an on-site visit.² The school also had connections to a suspected visa mill that was previously shut down in the state of Virginia. This lapse in monitoring and evaluation raises concerns about how the institution could have met the agency's standards and gained accreditation in the first place, and how ACICS could visit the institution and miss so many red flags.

Last year, the State Council of Higher Education for Virginia (SCHEV) recommended revoking state approval to operate ACICS-accredited Virginia International University (VIU). SCHEV raised serious concerns about VIU's distance education program, citing rampant plagiarism, grade inflation, classes deficient in quality and content, graduate courses lacking academic rigor, and lack of student faculty interaction. None of these concerns were found in a review by ACICS, which had approved VIU for a three-year renewal of accreditation the year prior.³ Students enrolling in distance education are at increased risk of enrolling in low-quality programs,

¹ <https://www.usatoday.com/story/news/education/2020/02/15/college-accreditation-department-education-betsy-devos-south-dakota-sioux-falls/4746906002/>

² Ibid.

³ <https://www.insidehighered.com/news/2019/03/18/staff-virginia-regulator-recommend-revoking-colleges-certificate-operate-due>

making it especially important that recognized accreditors conduct proper oversight and monitoring. ACICS' inability to uncover these problems are deeply concerning.

Additional Compliance Concerns

In the time since ACICS' recognition was restored, the Department has investigated it on numerous occasions, pointing to at least five additional standards where ACICS remains noncompliant.⁴ These include the examples of VIU, RNU, and the San Diego University for Integrative Studies. According to the Department's evaluation, evidence suggests that ACICS does not demonstrate its review and monitoring processes are as thorough as necessary to identify issues, that it has adequate mechanisms in place to conduct prompt review, and that it systemically fails to uncover significant quality concerns. These types of failures are typical of the agency's track record and demonstrate that, despite a second chance, the agency is incapable of serving as a reliable authority of educational quality needed to protect students and taxpayers.

Education Corporation of America

In December 2018, institutions owned by Education Corporation of America and accredited by ACICS, precipitously closed leaving 20,000 students to fend for themselves.⁵ While ACICS revoked their accreditation just before closure, the warning signs were extensive. ACICS failed to uncover numerous long-standing quality concerns and did not secure teach-out agreements for students to assist in transfer until it was too late. A review by another accrediting agency of ECA-owned Virginia College, the largest chain overseen by ACICS, uncovered extensive quality concerns including unacceptable job placement and graduation rates, lack of proper equipment and supplies, and high faculty turnover rates. Despite ACICS' claims that it has improved its ability to conduct oversight of at-risk institutions, and verify job placement rates and other data, it failed to catch any of these concerns or take appropriate action to protect students when the school was facing severe financial trouble.

Weak Finances

We are deeply concerned that ACICS' precarious financial state in combination with the agency's long record of failed oversight put students at further risk of new low-quality institutions gaining accreditation. ACICS is operating at a \$2.1 million deficit and projects it will not be stable until at least 2023.⁶ At the time the financial trouble was reported, ACICS was considering four institutions for initial accreditation. It now has 20 new institutions under

⁴ <https://www.politico.com/newsletters/morning-education/2019/07/31/education-department-opens-new-review-of-acics-463618> <https://www.educationdive.com/news/ed-dept-flags-compliance-issues-with-troubled-accreditor-acics/568819/>; <https://www.usatoday.com/story/news/education/2020/02/27/college-accreditation-betsy-devos-education-department-house-committee-investigation-sd/4891749002/>

⁵ <https://www.npr.org/2018/12/06/674343283/for-profit-college-chain-education-corporation-of-america-announces-shut-down>

⁶ <https://www.insidehighered.com/quicktakes/2019/07/31/us-reviewing-finances-reinstated-profit-accreditor>

consideration for initial accreditation, suggesting it is in high need of new membership to shore up its finances.⁷ This puts ACICS in a hazardous spot as a federal gatekeeper since it both needs to maintain its existing membership while significantly growing, which raises the risk that institutions that do not meet quality standards will either remain accredited or gain new accreditation. The Department must seriously consider this information in its evaluation, and closely monitor ACICS review and approval of institutions seeking accreditation.

Conclusion

ACICS has repeatedly failed to fulfill its duty as gatekeeper to billions in federal taxpayer money. Four years after it first lost recognition, it still remains out of compliance with federal recognition criteria. The Department and NACIQI have a responsibility to ensure that recognized agencies fully meet all recognition criteria, with significant implications for students and taxpayers. Allowing ACICS to continue despite this track record puts thousands of students at future risk. We urge you to find ACICS non-compliant based on all available evidence.

Sincerely,

Allied Progress
Center for American Progress
Center for Law and Social Policy (CLASP)
Center for Responsible Lending (CRL)
Consumer Action
Generation Progress
Higher Learning Advocates (HLA)
Lumina Foundation
Maryland Consumer Rights Coalition (MCRC)
National Consumer Law Center (on behalf of its low-income clients)
New America Higher Education Program
Stephanie Hall, fellow at The Century Foundation
Student Veterans of America
The Education Trust
The Institute for College Access & Success (TICAS)
Third Way
Veterans Education Success

⁷ <https://www.acics.org/council-institutions-invited>