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Director, Accreditation Group
Office of Postsecondary Education
U.S. Department of Education
400 Maryland Ave. SW, Room 6C116
Washington, DC 20202

Re: Request for Comments on Review of Accrediting Agencies, **Distance Education Accrediting Commission (DEAC)**

March 12, 2017

Dear Members of the Accreditation Group and National Advisory Committee on Institutional Quality and Integrity,

Thank you for the opportunity to submit public comments for the upcoming June, 2017 NACIQI meeting regarding the renewal of the Distance Education Accrediting Commission (DEAC). This comment is submitted on behalf of the Center for American Progress' postsecondary education team. We recommend that the Department of Education and NACIQI give DEAC a one-year extension and request that the agency return with a compliance report that fixes serious data limitation problems.

Introduction

For many students, accreditation determines whether or not they can access critical federal grants and loans to afford college. But it also has numerous implications beyond just Title IV. Accreditation sends an important signal to students and the public that a college is worth their investment of time and money.

In DEAC's case, that signal reaches far beyond students accessing Title IV dollars. Outside of these programs, DEAC institutions enroll at least 1 million students in 90 other colleges, including veterans using military tuition assistance and GI Bill dollars, domestic and international students, and those attending classes on campus or online.¹ At least some of these students may use private student loans to attend college while other students and their families pay out of pocket for anything from an online certificate program to a doctorate.

Unfortunately, the new accreditor outcomes dashboards will not capture the outcomes for all these non-Title IV students. A large majority of colleges DEAC accredits are not among the 12 colleges that appear in these data. A lack of information on the vast majority of DEAC-approved colleges leaves a potential blind spot in the agency's public record.

In addition, while we applaud DEAC for recently implementing student outcomes standards on graduation rates, the bar the agency set is exceptionally low.² This is particularly concerning given that there are no public data on outcomes for a majority of the agency's members.

As NACIQI and the Department of Education consider DEAC’s application for renewal, we hope that its review scrutinizes all the agency’s colleges and student outcomes to ensure that the agency applies its standards evenly and rigorously to all of them. We also recommend that NACIQI and Department of Education staff request further information on potential blind spots, including student outcomes at colleges both within and outside of the Title IV programs, outcomes on veterans using military benefits, and more information on private loan borrowing among its students.

This comment provides additional information about the colleges DEAC oversees and details areas of concern, including low performance thresholds for student outcomes.

DEAC and Title IV

According to the department’s accreditor dashboards and student outcomes by accreditor spreadsheet, DEAC approves 12 institutions serving about 33,000 students.³ But DEAC member institutions include at least 8 more colleges that are either relatively new to receiving Title IV aid or only issue certificates or graduate degrees and do not appear in the College Scorecard, according to our research and the federal Database of Accredited Postsecondary Institutions and Programs.⁴ According to data in the Integrated Postsecondary Education Data System (IPEDS), these 20 Title IV colleges enroll over 47,000 students combined.⁵

To get a better sense of what kind of colleges DEAC oversees, more information on these 8 colleges is included below:

Gemological Institute of America ⁶	<ul style="list-style-type: none"> • Private not-for-profit institution offering certificates in gemology, jewelry, diamonds and stones, and jewelry design • Serves ~200 students • Received \$800,000 in federal grants and loans, including \$120,000 in Parent PLUS in 2015-16⁷
Hypnosis Motivation Institute (HMI) ⁸	<ul style="list-style-type: none"> • Private not-for-profit institution offering certificate programs in hypnotherapy • Serves ~100 students • Received \$700,000 in federal grants and loans⁹ including \$12,000 in Parent Plus in 2015-16 • HMI’s website advertises its certificate in the art of hypnosis as an adequate alternative to a Doctorate in Psychology for those who want to open a private counseling practice and all for no money down and no payments for 18 months¹⁰
Sonoran Desert Institute ¹¹	<ul style="list-style-type: none"> • Offering certificates and associate's degrees online in gunsmithing and firearms technology • Received 1.5 million in federal grants and

	loans in 2015-16 ¹²
University of St. Augustine for Health Sciences ¹³	<ul style="list-style-type: none"> • Private for-profit college offering online master's and doctoral degrees in health professions and higher education administration • Serves ~2,000 students • Received \$46 million in graduate student loans, including \$13 million in Grad PLUS¹⁴ • Involved in at least two class action lawsuits by former students, who claim they were deliberately misled about the quality and opportunity for employment.¹⁵
California Intercontinental University ¹⁶	<ul style="list-style-type: none"> • Private for-profit offering online associate's through doctoral degrees in business, computer sciences, and health professions • Serves ~500 students • Received \$1.1 million in federal grants and loans, including \$31,500 in Grad PLUS in 2015-2015¹⁷
International Sports Science Association ¹⁸	<ul style="list-style-type: none"> • Private for-profit offering online certificates and associate's degrees in physical fitness • Serves ~400 students • Received \$320,000 in federal grants and loans in 2015-16¹⁹
City Vision University ²⁰	<ul style="list-style-type: none"> • Private not-for-profit offering online certificates through master's degree programs in business, health professions, interdisciplinary studies, and theology • Serves ~100 students • Brand new to Title IV program
Catholic Distance University ²¹	<ul style="list-style-type: none"> • Private not-for-profit offering online associates through master's degree programs in liberal arts and theology • Brand new to Title IV programs

One of the challenges in reviewing DEAC is that there are little to no publicly available data on student outcomes at the 20 Title IV colleges. The Department and NACIQI must ensure that these programs are adequately serving students and leading to successful outcomes, which is impossible to do without further information.

Colleges Outside of Title IV programs

While DEAC appears small at first glance, its member institutions serve the largest number of students among any of the national career-related accreditors, according to data the agency reported.²² A lack of data and information about these colleges leaves a potential blind spot in the agency's record. In its consideration for renewal, it is critical that Department staff and NACIQI have a complete picture of the agency's scope and performance.

To fully grasp how little we know about students attending DEAC-approved institutions and how these colleges serve them, we must look beyond just Title IV colleges. According to data DEAC submitted to the Council for Higher Education Accreditation (CHEA), the agency accredited 109 institutions in total, which collectively served 1.2 million students in 2012-2013.²³ For comparison, the next largest national accreditor, ACICS, served 770,000 students that same year.²⁴ Part of what helps explain DEAC's size is that its member institutions enroll a large number of online domestic and international students. But it is not clear where the majority of these students are enrolling, since at least 1 million are missing from federal data sources.

While not all of these colleges access federal money through Title IV programs, many of them access federal dollars through veteran's benefits. Serving veterans is an explicit part of DEAC's mission.²⁵ At least 48 DEAC colleges serving over 11,000 veterans received a total of \$38 million through the Post-9/11 GI Bill program.²⁶ This does not include money received through numerous other veterans' programs. And at least one of these colleges outside of the Title IV programs had serious problems in oversight. Ashworth College settled a lawsuit filed by the Federal Trade Administration in 2015, for alleged deceptive marketing practices. The college did not admit to wrongdoing.²⁷ Yet there is no record that DEAC took any action against the agency to correct its problems.²⁸

Furthermore, the Department and NACIQI should review private student lending rates by institution and degree program, debt amounts, and repayment information to the extent it is available. A significant number of DEAC institutions offer degrees up to the master's and doctorate level, including law degrees. Because these programs can be costly, there is a high likelihood that students are using private student loans to pay for them. For example, DEAC-accredited Apollos University, a for-profit college offering associate's degrees, bachelor's degrees, MBAs, and doctorates in business administration, offers private student loans as one of its financing options.²⁹ The website points to two such lenders, the Schools Federal Credit Union Student Loans and TFC Tuition Financing. Under the TFC option, students are informed that loans offered are comparable to federal student loans and will help establish a good credit history. However, there is no way to know how well Apollos, or universities like it, serve students or how many of them take on riskier private debt to attend. And there is no record in the agency's accreditation handbook that it even considers private student lending in its review of colleges.³⁰

The Department and NACIQI have a responsibility to consider the implications beyond Title IV programs in its review. Each of these universities advertises itself as accredited by a federally recognized agency under the U.S. Department of Education, which gives an air of legitimacy and implies that the federal government is watching. However, because these colleges do not have to submit outcomes data and are

not subject to the same level of oversight or regulation, students may be encouraged to attend a college that is, in fact, not in their best interest.

Student Outcomes Benchmarks

While we appreciate DEAC’s announcement in October, 2016 that it created new graduation rate benchmarks, the levels it set for satisfactory performance are exceptionally low.³¹ The benchmarks are 15 percentage points below the agency’s average performance levels. While we have little evidence of how students perform, completion averages and resulting benchmarks indicate that students finish at low rates. For example, DEAC reports that among associate’s degree programs, an average of 47 percent of students graduate from distance education programs and 28 percent graduate from correspondence programs, with wide variation across institutions. The resulting benchmarks are a graduation rate of 32 percent and no benchmark, respectively. For master’s degree and doctoral programs, the benchmarks are 54 percent and 40 percent, respectively. These rates are perhaps more concerning because students are more likely to take on debt and at higher levels. The average graduation rates and benchmarks for DEAC are provided below:³²

	Average Graduation Rate	Graduation Rate Benchmark for 2016-2017
Associate Degree Programs		
<i>Distance Education</i>	47%	32%
<i>Correspondence/Competency-Based</i>	28%	*
Bachelor Degree Programs	58%	43%
Master’s Degree Programs	69%	54%
First Professional Degree Programs	88%	73%
Doctorate Degree Programs	55%	40%

In addition, it is not clear from the agency’s literature how colleges are instructed to report completion rates, whether or not all colleges are using the same method, or what actions the agency takes when a college falls below the threshold. These factors matter in determining whether or not the agency has rigorous standards and applies them evenly across institutions.

While measuring graduation rates and creating standards are both laudable goals, measuring student achievement should go beyond one measure. For example, most other national agencies, particularly those that offer career-related certificates and degrees, require other information such as licensure pass rates and job placement rates.³³ DEAC does not make an effort to consider or collect other data points to measure an institution’s success. Instead, it uses “perceived student satisfaction.” To measure perceived satisfaction, DEAC created three questions to be asked to a random sample of students. At least 75

percent of the responses must be answered positively. These three questions are: 1. Did you achieve, or will you have achieved upon completing your studies, the goals you had when you started this course or program?; 2. Would you recommend these studies to a friend?; 3. All things considered, were you satisfied with your studies with us?³⁴ While this may be a useful measure, it is far from adequate. Students may not realize how well they were served until they enter the job market. In addition, DEAC does not check to see if these surveys are accurate, test for non-response bias, or take any other action to ensure the surveys are administered in a rigorous manner.³⁵

Conclusion

While DEAC oversees a small number of Title IV schools, it oversees more students than any other national accreditor. As such, its status as a federally recognized national accreditor has far-reaching impacts on thousands of students across the country and internationally. As the information provided here shows, there is little proof of the agency's performance, which should raise serious questions. An overwhelming majority of DEAC institutions exist outside of the typical oversight and regulatory functions of the federal government. That makes the Department and NACIQI's role in scrutinizing the agency's record all the more significant. At a minimum, DEAC should be required to provide more information on student outcomes at its colleges within and outside of the Title IV programs. Ideally, the agency should be able to provide information on how veteran students' fare, since this is a key mission of the agency, and provide information on private borrowing rates among its institutions and by degree program. The decision to renew DEACs accreditation is too important to make in the dark, without ensuring that its members are serving students well. We recommend that the Department of Education and NACIQI give DEAC a one-year extension and request that the agency return with a compliance report that fixes serious data limitation problems.

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¹ Council for Higher Education Accreditation, "CHEA Almanac Online," 2013, available at http://www.chea.org/4DCGI/cms/review.html?Action=CMS_Document&DocID=29&MenuKey=almanac

² Distance Education Accrediting Commission, "Announcing Graduation Rate Benchmarks for 2016-2017," available at http://www.deac.org/UploadedDocuments/Media-and-Events/News-Releases/100316_graduation_rates_announcement.pdf

³ U.S. Department of Education, "Accreditor Dashboards, NACIQI Pilot," and "Performance Data by Accreditor," available at <https://www.ed.gov/accreditation>

⁴ U.S. Department of Education, "Database of Accredited Postsecondary Institutions and Programs," available at <https://ope.ed.gov/accreditation/>; Distance Education Accrediting Commission, "Accredited Institutions," available at <http://www.deac.org/>

⁵ Author analysis of data from National Center for Education Statistics, "IPEDS Data Center," 2014-15, available at <https://nces.ed.gov/ipeds/Home/UseTheData>

⁶ U.S. Department of Education, College Navigator, "Gemological Institute of America-Carlsbad," available at <https://nces.ed.gov/collegenavigator/?q=gemological+inst&s=all&id=114947>

⁷ Author's analysis of data from Office of Federal Student Aid, Department of Education, 2015-16 Title IV Program Volume Reports, available at <https://studentaid.ed.gov/sa/about/data-center/student/title-iv>

⁸ U.S. Department of Education, College Navigator, "Hypnosis Motivation Institute," available at <https://nces.ed.gov/collegenavigator/?q=Hypnosis&s=all&id=368771>

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- ²³ Ibid.
- ²⁴ Ibid.
- ²⁵ Distance Education Accrediting Commission, "Military Service Members," available at <http://www.deac.org/Student-Center/Military-Service-Members.aspx>
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- ²⁸ Distance Education Accrediting Commission, "Accreditation Actions," available at <http://www.deac.org/Public-Notices/Accreditation-Actions.aspx>
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- ³³ Department of Education, "Performance Data by Accreditor."
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