

The Changing World of Accreditation from a Consultant's Perspective

with Jan Friedheim and Sandy Lockwood

The *Career Education Review* invited Sandy Lockwood and Jan Friedheim to share their perspectives on the current rapid evolution of accreditation compliance in light of the recent congressional hearings and Department of Education proposed rules.

JAN FRIEDHEIM
EDUCATION SYSTEMS & SOLUTIONS

What is the scope of your accrediting consulting practice?

We consult with schools across the country for pre-accreditation visits and to help them prepare for their normal re-evaluation. We also take schools from unaccredited to accredited status with a variety of accrediting bodies, and monitor schools to ensure compliance with accrediting standards. We also help them write programs within their tier levels (to help them go from bachelor's to master's degree offerings, for example). We help them create new programs and get those applications in and through various accrediting bodies. We can assist with pretty much anything that's required in accreditation for institutions, depending on their needs.

Do you specialize in working with any one of the nationals or the regionals?

No. We work with regionals and nationals and for-profits primarily, but we also work with some non-profit organizations.

Since the Senate hearings this summer, what changes have you observed in regard to the respective accrediting commissions' enforcement and interpretation of standards?

With regard to the Department of Education's proposals, what we're seeing is an increased scrutiny on

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schools' reapplication and increased unannounced visits, which most of the accrediting bodies did not do previously unless there was some sort of dire circumstance. Now the accrediting bodies are putting together task forces that are going into various communities

and doing surprise visits, primarily to test admissions and advertising adherence to the standards. We're seeing a slowdown in the paperwork because of the increased scrutiny, and we've seen the accrediting bodies coming out with new standards specifically designed to enhance the admissions standards that they already have. There are a lot of things going on from an accrediting standpoint.

The specific areas where you have seen the most vigilance are admissions and advertising, correct?

That's correct. I expect that this will work its way through the other standards, but right now the standards initiative is focused on advertising and admissions because of the GAO study.

If you could sort of summarize the position of the various national accrediting agencies, what direction do you see them going in? Let's take advertising first.

You can't use anything that's borderline now as far as requiring disclaimers and disclosures on facts

It's smart right now to have clever and simple ads. Be careful what you promise. Anything you state in your ads, you'd better be able to prove. There's no gray area today. It's black or white.

that you state. It's smart right now to have clever and simple ads. Be careful what you promise, because the accrediting bodies can come down on you unless you can prove that your claims are based in fact. Any superlatives, like "best" and "greatest" and all of those words that you can't prove, need to come out of your ads. The ads that I'm seeing now are a lot more wide spaced and don't use phrases like "state of the art" or "hands-on." Anything you state in

your ads, you'd better be able to prove. There's no gray area today. It's black or white.

What about in admissions? How have you seen that tightening?

I think that if admissions departments don't have mystery shoppers and they're not doing internal or external auditing, they're going to get caught. This includes videotaping and audiotaping, if necessary, every admissions enrollment interview. For instance, one school we're working with had a policy where if an admissions person did something that was over the line, they would put that person on a plan to improve. You've got to have a zero-tolerance policy. You can't keep that person on and try to train them. If somebody violates your rules, you really have to say goodbye.

Our city association had a meeting recently, and we talked about how we could help each other when we fire an admissions person. Everyone pledged that from now on if someone calls and asks about an admissions person that worked for you, and you fired that person for not telling the truth and violating your policies, that you must say this person is not eligible for re-hire. We've got to police ourselves and protect ourselves. Although there are a lot of things that human resources managers won't let you say, you can say, "I would not rehire this person," and that's got to be shorthand to the industry to say that this person has bent the rules; we can't just recycle them into another organization.

How has the advice that you offer your clients changed since this summer?

It's changed in several ways. We're encouraging all of our clients to increase

their career services staff. They need to be sure they have enough manpower to help their graduates get jobs—and not just any jobs, but jobs with the very best possible salaries that they can get. There is a greater focus on teaching students how to negotiate the best salaries, because somewhere down the road salaries are going to come into play with the Department of Education, we think. There’s a good study out on salaries from the National Association of Colleges and Employers (NACE), and it shows that salaries are on the increase for the first time for college graduates. It’s time to teach the students not to just take anything that’s offered.

We’re also encouraging our clients to get compliance officers, if they don’t already have them. Even if it’s a small organization, they should do internal auditing constantly. We’re also advising them to engage a different CPA firm to do compliance audits on their financial aid and their admissions departments, and possibly a validation of their placement and employment service departments, so that they’re absolutely sure they’re totally in compliance.

Another thing we’re asking our clients to do is check their Web sites.

The aggregators have a habit of adding new keywords to help get more hits. One group had added all kinds of keywords like “free,” which is a word you should never attach to anything, and financial aid without the tagline “if you qualify.” You’ve got to be auditing your Web site and making sure that somebody is not adding words that you didn’t give authorization for.

We also think that one thing schools must do immediately is to add all the new programs that they’ve been considering but

maybe putting off, and to do that as soon as possible. It’s critical that they get those new programs in before the Department takes whatever steps they decide to take.

Now’s the time to do a little research and add those programs, rather than get caught later and not be able to add programs.

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JAN FRIEDHEIM has been a vital part of this sector since 1956 when she went to work for a small chain of private business schools headquartered in Fort Worth. In 1960 she founded ESS College of Business, formerly Executive Secretarial School, which she ran until 2001. Along the way she received

an Honorary Doctorate of Educational Administration from The Constantinian University in 1994.

She has been very active locally, in the state of Texas, as well as nationally, having served as the first female chair of AICS Commission and Board; president of the local and state associations; and on the Board of Trustees for SACS.

AICS honored her as Evaluator of the Year and Member of the Year. With help from McGraw-Hill

she founded the National Advisory Committee on the Image of the Secretary, to promote the role of the administrative assistants in the world of business.

Presidents Carter and Reagan appointed her to serve as a member of the Secretary of Education’s Advisory Committee on Accreditation and Institutional Eligibility.

She currently serves as a Strategic Coach for Education Systems & Solutions, a consulting firm she founded with her husband, Stephen B. Friedheim.

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campaign, to counteract the recent bad publicity. They should start by calling their program advisory members and telling them what the situation is, explaining what the Department wants, explaining why it's not good for their business or our business, and getting them to support us in our public relations campaign. They should also be getting their ideas—these are usually business and community leaders who can be of great assistance in diffusing the negative messages that are getting out.

A trend we're seeing right now is an increase in student complaints. In many cases they're saying, in essence, we saw on television that you're a really bad school and we want our money back. For example, a student graduated six years ago and is working, but saw the stories on TV and he's trying to dredge up some complaint so he doesn't have to repay his student loans. Schools need to be doing a lot of proactive things, not only to protect themselves, but also just to make their schools better.

It sounds like schools had better keep meticulous records forever.

You're required to keep records for five years. The big gorilla in the room that many people aren't focused on is what happens if the Department comes through with the credit-hour rule that they've proposed. I don't think people realize how that's going to impact them; many will be getting 25 percent of the funding they're getting now if the Department has its way with credit-hour rules. Perhaps our only saving grace is if they do come out with that, the traditional schools will also get involved, because what happens to aggregates eventually will happen to them. Watch out for

that credit-hour rule and watch out for that consortium rule. The Department wants to change the rules for consortium agreements, and a lot of my schools have consortium agreements with each other and with other institutions; it would pretty much kill the ability to have consortium agreements.

Let's look to the near future. What do you see coming on the horizon that we haven't already seen?

I think we're going to see kind of a rejuvenation of state licensing in the states where there aren't licensing divisions and regulatory divisions. I think the states are going to get involved and I think the programmatic accrediting people are also going to tighten up their rules and think of new regulations, so that they don't get swept up in this movement by the Department to get rid of the accrediting bodies. The programmatic accreditors have been kind of under the radar, but I think if the Department goes after the nationals, they'll go after programmatic next. Be sure you're in compliance with your state rules as well as the accrediting bodies and the Department of Ed.

It's a great unknown right now, but the big things out there are the credit-hour rule, the consortium agreement, and, of course, gainful employment, which everyone has been exorcised over. I don't know what else they can do to us, but they'll think of something. They always do! We go through this periodically.

But in your career this is probably the most onerous, is it not?

Absolutely. We thought 85/15 was going to kill us. First we thought default rates were the worst thing in the world, but we learned to live and to manage

with the 85/15 and taking it to 90/10. But this is the worst we've seen, and it is definitely a campaign that is well orchestrated. It's anti-business, but it is consistent in nature with the Department wanting to take everything over in the Department. Certainly the Department demanding direct loans made it very difficult for the schools. The Department wasn't ready for the onslaught of loans and the amount of work that would be involved, and if they take over accrediting bodies, we're going to have this same thing. So I hope we can stave off the government takeover of business.

**SANDY LOCKWOOD
EDVICE, INC.**

What is the scope of your accreditation consulting?

EDvice, Inc. is a consulting firm whose principals, Sandy Lockwood and Darlene Foret, have over 50 years experience in owning, operating and consulting for career schools and colleges. We work with small as well as large multi-state institutions, both bricks and mortar as well as online delivery methodologies. Our clients span all of the national accrediting

agencies as well as some of the specialized, field-specific agencies.

We provide experienced consulting services to educational institutions as well as attorneys, CPAs, and vendors of educational services. Key consulting competencies include: accreditation—national and programmatic; acquisitions—matching buyers and sellers; self-evaluation reviews and reports; on-site assessment and performance audits; school management and operations; curriculum and new program development; assistance with responses to accrediting agency reports; and assistance with show cause, probation and denials by accrediting agencies. The EDvice organization engages experts in various facets of the educational sector who can offer specialized expertise to assist our clients operationally, creatively and/or with problematic situations.

Since the Senate hearings this summer, what changes have you observed in regard to the respective accrediting commissions' enforcement and interpretation of standards?

As a child, I used to take my grandfather's magnifying glass, angle it to capture the sun's rays, and scorch leaves and bugs. Somewhat analogous



SANDY LOCKWOOD, CEO of EDvice, Inc., has over 30 years experience in the private career education field as an owner and senior level executive. Sandy is nationally known as a specialist in educational operations and management and has extensive expertise in regulatory

and compliance matters. She is a respected consultant by schools as well as professionals who serve the educational sector.

Sandy served as chair of the ACCET Accrediting Commission and has chaired numerous evaluation

review teams. She is especially known for her work with accreditation matters, on-site institutional assessment visits, due diligence activities, operational management, acquisitions, regulatory expertise and problematic compliance issues.

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to this is the national beam of intense scrutiny on for-profit colleges and schools. The combined bead of focus by the U.S. DOE, Congress and the media on the institutions and their accrediting agencies, as well as state regulatory bodies, has stirred everyone to review and revisit their responsibilities and effectiveness. All alike want to avoid being the target of that scorching beam. And, most sincerely want to make adjustments to improve their processes, not only to stay compliant with the changing regulatory environment, but also because it's the right thing to do.

Accreditors are broadly understood to be the “gatekeepers” and “watchdogs” of quality, and to offer a

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level of assurance to students and the public as to the caliber of the experience they may expect from the schools they accredit. They are looked upon to exact accountability from their accredited members.

And, I believe, they genuinely want to perform this function with the highest level of accuracy and transparency.

Even CHEA has recently published revisions to its standards to amplify its expectations of accrediting organizations as they relate to transparency, eligibility and financial independence. One specific focus is on greater scrutiny of accrediting organizations between recognition reviews.

As the heightened beam of public attention has intensified on the for-profit education sector, we have been particularly watchful of the actions and shifts in focus of accrediting agencies.

As of yet, we see minimal actual shifts in protocol; however, we know from the proverbial grapevine that the agencies are intensely monitoring movements at the federal level as well as press coverage. They are being careful to guard against kneejerk changes, but we do see some agencies heightening their vigilance in carrying out their on-site visits, specifically in their review of admissions and career services activities and their survey of students. We believe that accountability, transparency and common sense will be guiding factors in decisions being made by accrediting agencies.

In what areas, specifically, have you seen or anticipate the most vigilance?

Certainly, whatever emerges at the federal level, including gainful employment and the other 13 points, will bring about revised procedures or heightened review elements.

Right now, accreditors and schools alike are attempting to tighten their practices on all fronts, particularly in their monitoring and accountability processes for admissions and student outcomes. Accreditors have always focused on student outcomes as what I like to call the “moral report card” of institutions. Typically, student outcomes have been recognized primarily as quantifying retention/completion and job placement against benchmarks established by accreditors. However, we have noted recent hints that accreditors are adding more weight to “learning outcomes” as a critical link. Just as most schools have, or should have, established metrics that demonstrate successful retention or placement, there is growing expectation that learning outcomes should also be clearly defined in such a measurable framework that assesses real “learning.” And the po-

tential that gainful employment adds to the mix will certainly create added factors that must be reviewed by accreditors.

The additional 13 points in the DOE planned act must surely be wrapped into an accreditor's review methodologies. Closer attention to outcomes, eligibility for federal funds, transfer of credit, SAP, incentive compensation, and misrepresentation...all these must become accountable daily by the institutions and tested by the accrediting bodies. Recent actions from on-site visits as well as letters and requests for reports indicate that accreditors have elevated their vigilance on student outcomes and the accuracy of information being provided to students or prospective students.

We believe that accreditors now are placing greater emphasis on balancing process with a student-centered culture in their institutional review. For example, traditionally, the admissions portions of on-site reviews have been largely focused on the

“interview script” and documentation such as the enrollment agreement and catalog. We believe and hear from accreditors that greater attention must focus on how schools recruit

students, what prospects are being told, and identifying those components of student satisfaction and success that validate the accuracy of the information provided during the admissions process

and the bottom line value of the education they receive. Also, whereas student satisfaction and retention is often linked to “seat time,” accreditors are now examining better ways to measure actual learning outcomes and how to validate the true learning that occurred as a result of the training.

Both graduate and employer input must be scrutinized in greater detail.

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Things Colleges Should Do Now to Prepare for the Increased Accountability from the “Triad” (Accrediting Agencies, DOE and State)

1. Prepare written plan to meet new DOE Rules (13 points), plus proposed GE.
2. Examine/Revise recruiting practices and incentive compensation.
3. Document tools to demonstrate accountability and transparency in all activities.
4. Implement an institutional monitoring strategy for signs of compliance deviation.
5. Make placement and retention expectations as “metrics-driven” as admissions.
6. Develop tools to assess learning outcomes and skill sets.
7. Develop and document better utilization of advisory committees.
8. Promote follow-up with graduates and employers beyond the typical 30-, 60-, and 90-day periods.
9. Expand student advising re: FA eligibility, loans, default, and repayment obligations.

Source: EDvice, Inc.

While most accreditors require schools to verify some type of data obtained from graduates and their employers, it is being recognized now as more of a mandate. Complaints lodged with accreditors are being treated with higher urgency up-front,

We advise our clients to adopt a zero tolerance for non-compliance, to treat everyday and all key metrics as if their accrediting agency were coming the next day, AND TO IMPLEMENT A MONITORING STRATEGY that keeps the entire organization on high alert for signs of deviation.

requiring far more detailed initial responses from the schools. And, of course, students and graduates who are aware of the sensitive climate, may more readily pursue remedies to any areas of dissatisfaction, whether deserved

or not. This likely means more complaints under the eager eyes of a press whose appetite for a negative slant is omnipresent.

How has the advice and counsel that you offer your clients changed since the summer?

As consultants, we are advising our clients to intensify their efforts on more extensive documentation of student outcomes: retention/completion, placement and learning. We are encouraging greater monitoring of admissions calls and interviews by not only the directors of admissions, but periodically by the directors of education and/or the campus directors with documented evidence of results and appropriate actions taken. We also recommend more frequent classroom observations with written accounts of the review and discussion with the instructor, and documented evidence of both written as well as verbal student surveys (e.g. directors of education and campus directors select classes

for random discussions of their satisfaction levels).

We press schools to truly utilize their advisory committees for more than to satisfy their accreditors. And we ask them to produce analyses of the myriad of data they collect and demonstrate how they actually used the results to improve the overall educational benefits of their programs. We urge schools to consider employers as their clients and to seek validation of their satisfaction with graduates' job and personal skills. And we promote follow-up with graduates as well as employers beyond the typical 30-, 60- and 90-day periods following graduation. We suggest expanded advising of students relative to their student loans and repayment obligations, and to utilize good default prevention methodologies. And, we advise them to look at their key performance statistics with a "what if" attitude relative to issues that may become policy with the impending DOE regulations.

We conduct many assessment reviews or "mock accreditation visits" for clients to provide an opinion as to their compliance readiness. Most of our clients appreciate our intensity because they sincerely want to improve. We believe that the "devil is in the details" and we foresee greater specificity from on-site evaluators in their interviewing techniques and inspection of materials during visits. Assessment visits and reviews by external eyes are encouraged as a key value of utilizing consultants. Owners and institutional executives often tout this activity as a key factor in successful on-site visits as well as ongoing compliance readiness.

For accrediting agencies, whether the stage upon which the next act is played is at the on-site review level or

at a commission meeting or both, they will likely increase their rigor in holding schools accountable and will examine ways of making key information more transparent to prospective students and the public. They will seek methods of validating the effectiveness of their commission decisions and tools of measurement. We advise our clients to adopt a zero tolerance for non-compliance, to treat everyday and all key metrics as if their accrediting agency were coming the next day, AND TO IMPLEMENT A MONITORING STRATEGY that keeps the entire organization on high alert for signs of deviation.

Actions Accreditors Will Likely Consider

1. Draft tools to measure the coming DOE regulations.
2. Explore the length of grants and unannounced visits.
3. Greater assessment methods to test the value of degrees or certificates.
4. Increased rigor in on-site visits to assess recruiting activities.
5. Evaluate the data received from colleges: does it create meaningful information?
6. Seek ways to further follow up on significant institutional concerns.
7. Examine on-site visit documents to assure that areas of noncompliance are adequately described in the team reports.
8. Add greater rigor in training of their staffs as well as their team evaluators.
9. Consider more face-to-face forums: Value of "theater"?
10. Review institutions at the corporate level for demonstration of corporate oversight.

Source: EDvice, Inc.

Based on the current trends, what direction do you see the commissions going in the near future?

We believe accrediting commissions will look more closely at their on-site protocol. They must also evaluate the data they are receiving in the office, determine if the agency is giving it real analysis and if its analysis creates meaningful information. They must also consider whether the length of grants create a period too vast to maintain reasonable familiarity with the institution. Does the campus visited in 2004 still

have the same characteristics in 2010? Do the annual reports provide anything more than numeric data? What can the accreditor do to better assure more systematic and effective operations on an ongoing basis? How can accreditors better test the value of the degrees or certificates awarded; that is, has true learning occurred and how can it be validated? And, how can their on-site visit protocol better assess the accuracy and integrity of information being given to students and prospective students?

Having been chair of one of the national accrediting commissions, I also recognize the magnitude of the job accrediting agencies face. I personally know most of the executive directors, many staff members and commissioners, and I know their goals are to seek accountability from their institutions for providing a quality education that supports the aspirations of the students they enroll. Yet due to the restraints of time, staffing and

It is not unreasonable for schools to expect a high level of experience from those making these serious judgments. Nor is it unreasonable for commissions to expect a reliable degree of expertise from those presenting their findings for commission action.

resources, they must rely heavily on the bond of trust with their schools, the reports they require and the periodic visits they make to the campuses.

Most accrediting agencies do random unannounced visits based on situational need, although one agency, ACCET, mandates an unannounced visit for all Title IV schools somewhere midway during the grant of accreditation. Perhaps this practice may be revisited by other agencies. Also, while accreditors require a response from its schools following an on-site visit, we believe they will seek ways

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to further follow up on significant concerns. For example, schools whose certification rates are below the state and/or national norms may bring their performance up to standard, but, if not

monitored, may fall again before additional review or reporting is requested by the accrediting body. Agencies will likely examine their reporting documents for on-site evaluators and make some adjustments to better assure that areas of noncompliance are adequately described in the team reports. Some areas may not get attention because the greater intent of the standard is mostly compliant. Yet these smaller “cracks” may eventually compromise the “dam.”

I believe we will see accreditors putting additional rigor on training of their own staffs as well as their team evaluators. It is not unusual for “non-practitioners” with no or little experience in the sector we serve to be hired by accrediting agencies, trained and sent out to be the “eyes and ears” of an accrediting commission. This,

coupled with team evaluators who may or may not have been “formally” trained by the agency in team evaluation protocol, can sometimes cause unintentional errors in judgment or in interpretation of the agency’s standards. The life of an institution often depends on conclusions of the on-site teams: some schools have questionable practices which may go undetected or simply not understood, whereby others may be penalized for practices that simply are different from those of the peer reviewers. It is not unreasonable for schools to expect a high level of experience from those making these serious judgments. Nor is it unreasonable for commissions to expect a reliable degree of expertise from those presenting their findings for commission action. The basis of most commission decisions is typically the combination of the team report and the school’s response to that report.

Accreditors may consider utilizing more face-to-face forums for some of their deliberations. For example, the Commission for Independent Education in Florida conducts public commission meetings where schools are openly discussed and representatives from the schools are called upon to respond to questions. ACICS allows institutions in certain show cause situations to appear before the commission. The value of “theater” may be an effective tool in some cases—just the awareness that its representatives may be called to stand before the Commission, may spur an institution’s actions to encourage compliant practices. While a completely open venue may not be practical, accreditors may consider more personal or public hearings for certain levels of non-compliance, such as show causes or areas of serious or repetitive non-compliance.

Also, in light of the growing presence of large corporate structures and equity partners, accreditors might benefit from including a review of its institutions at this corporate level. In our experience, some institutions have very hands-on corporate oversight that effectively monitors the individual campus functions. Some even conduct their own internal audits to review the internal processes and utilize consultants to perform external audits to provide an assessment by outside eyes. Yet others have minimal corporate interaction and operate largely within a more traditional corporate, business environment. With private equity as well as public investors, corporate boards are required to assure continued revenue growth and maintain compliance. Yet, accreditors rarely engage with these corporate entities until a problem has arisen. Again, perhaps having corporate executives present during on-site visits may be considered in the future, or attestations from corporate CEOs assuring knowledge of operational performance. For example, we have one rather large client with multiple campuses in multiple states whose CEO engages us himself to conduct mock visits. Our reports go directly to him. He carefully reviews our reports, often asks questions, and then passes them along to his corporate and campus level directors. His key mandates to us are to test student satisfaction, staff and faculty

effectiveness, student outcomes, and accreditation compliance. Conversely, we cancelled our engagement with another sizable client a year ago because the corporate level took a hands-off, disinterested position on quality accountability factors.

Ultimately, accreditors will go in the direction of a mainline focus on accountability and transparency. What gainful employment, in its final iteration, may add to actions from accrediting bodies is “water-cooler” conversation for the time being, but may enter full stage presence as it unfolds. Yet, the relationship between an institution and its accrediting agency must be one with a large component of trust. But, that trust must be regularly tested to assure that the ongoing bond remains reliable and sustainable.

In Summary

Trust? Increased rigor? Shorter grants? Unannounced visits? Greater assessment methodologies? Demonstration of corporate oversight? “Theater” accountability? Tools to measure the coming DOE elements? Training of staff and evaluators? The very nature of peer review relies on trust, yet with the caveat that trust is not an entitlement—it must be earned and regularly validated.