

Statement of Kathleen S. Tighe

Inspector General

U.S. Department of Education Office of Inspector General

Before the

Committee on Education and Labor

United States House of Representatives

June 17, 2010

Chairman Miller, Ranking Member Kline, and members of the Committee:

Thank you for inviting me here today to discuss the U.S. Department of Education (Department) Office of Inspector General's (OIG) reviews of accrediting agencies' standards for program length in higher education. This is my first opportunity to testify before Congress since my March confirmation as the Inspector General. It is an honor to lead this organization with its long history of accomplishment and to have the opportunity to work with this Committee, which has led the way in improving Federal education programs and operations so they meet the needs of America's students and families.

As requested, I will provide information on our work involving standards for program length and the definition of a credit hour—critically important issues in the Federal student aid programs, as the amount of Federal student aid a student can receive is based on the number of credit hours for which a student is enrolled.

This issue has become even more significant as on-line education has exploded in recent years, making credit hour assignment difficult, its comparison to traditional classroom delivery a challenge, and its value increasingly important in order to ensure that students and taxpayers get what they are paying for.

Background on the OIG and Accrediting Agencies

For 30 years, the OIG has worked to promote the efficiency, effectiveness, and integrity of Federal education programs and operations. We conduct independent audits, inspections, investigations, and other reviews, and based on our findings, make recommendations to the Department to address systemic weaknesses and recommend to both the Department and Congress needed changes in Federal laws.

As members of this Committee know, the Federal student aid programs have long been a major focus of our audit, inspection, and investigative work, as they have been considered the most susceptible to fraud and abuse. The programs are large, complex, and inherently risky due to their design, reliance on numerous entities, and the nature of the student population. OIG has produced volumes of significant work involving the Federal student aid programs, leading to statutory changes to the *Higher Education Act of 1965*, as amended (HEA), as well as regulatory and Departmental operational changes. This includes extensive work involving accrediting agencies. Accrediting agencies are private educational associations that develop evaluation criteria and conduct peer reviews of institutions of higher education to ensure that the instruction provided by those institutions meets acceptable levels of quality. The role they play is vital, as

accreditation is one of the primary requirements for an institution's participation in the Federal student aid programs and determines whether academic programs merit taxpayer support.

Under the HEA, the Department is dependent on the accrediting agencies recognized by the Secretary of Education (Secretary) to ensure that institutions provide quality, content, and academic rigor at the postsecondary level. The *Higher Education Opportunity Act of 2008* included a provision that prohibits the Department from developing minimum regulatory criteria for an accrediting agency's standards for accreditation. The *Department of Education Organization Act of 1980* prohibits the Department from making determinations on curriculum and educational quality. Thus, the Department is prohibited from determining the quality of education funded by Federal education dollars. All it can do with regard to evaluating the quality of postsecondary education is recognize accrediting agencies as reliable authorities for the quality of education funded by Federal dollars. In 1992, Congress established the National Advisory Committee on Institutional Quality and Integrity—an independent body charged with doing what the Department cannot: evaluating the adequacy of accrediting agencies' standards for accreditation and making recommendations to the Secretary as to those agencies that should be recognized. That input is vital, as the recognition of accrediting agencies by the Secretary is the primary tool available to the Department for ensuring that students receive value for the taxpayer investment in postsecondary education.

OIG Work Involving Accrediting Agencies

In the late 1980s and early 1990s, OIG identified significant problems with some accrediting agencies' oversight of program length at some institutions. Our work contributed to significantly

strengthening the requirements accrediting agencies needed to meet for recognition by the Secretary in the *Higher Education Act Amendments of 1992*. The Amendments also mandated that an academic year, for undergraduate programs, must be a minimum of 30 weeks of instructional time in which a full-time student is expected to complete at least 24 credit hours. The Department faced difficulty in applying this requirement to programs measuring student progress in credit hours but not using a semester, trimester, or quarter system, including non-traditional educational delivery methods. Therefore, the Department established the regulatory 12-Hour Rule. The 12-Hour Rule served as a surrogate for the Carnegie formula, which provided the standard unit of measuring credit in higher education, whereby one credit hour generally consisted of one hour of classroom work and two hours of outside preparation over the course of the academic year. “One hour of classroom work” is defined as 50 to 60 minutes. Under this method, a full-time student in an education program using a semester, trimester, or quarter system would have a workload of 36 hours per week through the academic year (12 hours of classroom work and 24 hours of outside preparation per week). At the time, there was an assumption that the traditional semester, trimester, and quarter system provided a minimum level of instruction and that these programs closely followed the Carnegie formula.

The 12-Hour Rule provided a tool for the Department to help ensure that students received a given quantity of instruction. The Department relied on accrediting agencies to ensure that the quantity and quality of instruction was at the postsecondary level. The assumption was that a full-time student attempting 12 credit hours in a semester would have 12 hours of scheduled instruction per week. In 2000, we performed an audit where we found that an institution’s programs offered much less classroom education than programs provided by traditional term-

based institutions and that the institution was in violation of the 12-Hour Rule. A series of audits over the next two years identified other institutions that were in violation of the 12-Hour Rule.

In 2002, the Department eliminated the 12-Hour Rule in favor of the One-Day Rule. Under this regulation, an institution is required to provide one day of regularly scheduled instruction during each week in an academic year. However, neither the HEA nor the implementing regulations define what constitutes instruction or the minimum amount of instruction that needs to be provided during the required one day of instruction. At the time of the change, much like today, there were many different delivery methods for instruction: the traditional residential term-based programs; residential programs not offered on a semester, trimester, or quarter system; correspondence courses; telecommunications programs; and independent study. There was no specificity in what could be included as instruction for determining an institution's academic year and credit hours for the awarding of Federal student aid funds.

We informed the Department about our concern with the elimination of the 12-Hour Rule, as well as the need to address the definition of instruction, the appropriate amount of Federal student aid to be awarded in non-traditional programs, and accrediting agency oversight of non-traditional programs. As a result of this concern, in 2002-2003, we took another look at this issue and examined two regional accrediting agencies and two national accrediting agencies, evaluating their standards for program length and student achievement. The scope of recognition for regional accrediting agencies is limited to specific states for each accrediting agency, while the scope of national accrediting agencies is not limited to specific states. We found:

- Program Length
 - Neither regional agency had a definition of a credit hour that it required its institutions to follow. The standards these regional agencies applied to program length were vague and without definition, effectively allowing institutions to establish their own standards; and
 - The two national agencies both had a definition of a credit hour in terms of the required hours of instruction needed to equate to a credit hour.

- Student Achievement
 - The regional agencies had not established minimum graduation, placement, and licensure rates for any of their institutions providing vocational education programs. For all education programs, these regional agencies permitted institutions to establish their own standards for student achievement, without any specified minimum standard; and
 - The national agencies had established minimum graduation, placement, and state licensure rates for the institutions they accredited. However, at both agencies we identified problems in the methodology by which the rates were calculated that caused the rates to be overstated.

As a result of these findings and in anticipation of the scheduled 2004 reauthorization of the HEA, we made a recommendation that Congress establish a statutory definition of a credit hour stating: “For programs that are not offered in clock-hours, credit hours are the basis for

determining the amount of aid students are eligible for. Absent a definition of a credit hour, there are no measures in the [Higher Education Act] or regulations to ensure comparable funding across different types of educational programs.” The recommendation was not included in the reauthorization.

Recent OIG Reviews

As a follow-up to this work and in anticipation of the 2009-2010 higher education negotiated rulemaking sessions in which the definition of a credit hour was to be discussed, OIG once again examined the issue in order to provide the Department with facts on program length and the definition of a credit hour in negotiated rulemaking and to provide information to Congress on the state of the definition of a credit hour at regional accrediting agencies. As regional accreditation has long been considered the “gold standard” in accreditation and information on what the regional accrediting agencies were doing with regard to credit hours could greatly inform the regulatory process, we determined that we would do reviews at the three largest of the seven regional accrediting agencies. The three accrediting agencies were: the Southern Association of Colleges and Schools Commission on Colleges (SACS); the Middle States Association of Colleges and Schools (Middle States); and the Higher Learning Commission of the North Central Association of Colleges and Schools (HLC). These three accrediting agencies represent one-third of the institutions participating in Federal student aid programs: 2,222 postsecondary institutions with more than \$60 billion in Federal student aid funding.

Our objectives were to determine: (1) what guidance the accrediting agencies provide to institutions regarding program length and credit hours; (2) what guidance the accrediting

agencies provide to peer reviewers to assess program length and credit hours when evaluating institutions; and (3) what documentation the accrediting agencies maintain to demonstrate how they evaluate institutions' program length and credit hours. We found that none of the accrediting agencies defined a credit hour and none of the accrediting agencies provided guidance on the minimum requirements for the assignment of credit hours. At two of the accrediting agencies (HLC and Middle States), we were told that student learning outcomes were more important than the assignment of credit hours; however, these two accrediting agencies provided no guidance to institutions or peer reviewers on acceptable minimum student learning outcomes at the postsecondary level. The following is a summary of our results at each accrediting agency:

- Southern Association of Colleges and Schools Commission on Colleges
 - SACS provides guidance to institutions regarding program length and the required number of credit hours; however, it does not provide guidance on the minimum requirements for the assignment of credit hours or the definition of a credit hour;
 - SACS provides guidance to reviewers regarding the assessment of program length, but does not provide reviewers guidance regarding the assessment of credit hours; and
 - SACS maintains documentation to demonstrate that it evaluates institutions' program length and credit hours.

- Middle States Association of Colleges and Schools
 - Middle States does not have minimum requirements specific to program length and does not have minimum requirements for the assignment of credit hours; and
 - Middle States senior staff stated that their main focus was on student learning outcomes; however, we did not find that Middle States provided any guidance to institutions and peer reviewers on minimum outcome measures to ensure that courses and programs are sufficient in content and rigor.

- Higher Learning Commission of the North Central Association of Colleges and Schools
 - HLC's standards for accreditation do not establish the definition of a credit hour or set minimum requirements for program length and the assignment of credit hours;
 - HLC does not provide specific guidance to peer reviewers on how to evaluate the appropriateness of an institution's processes for determining program length and assigning credit hours or on the minimum level of acceptability for accreditation when evaluating these processes;
 - HLC maintains self-studies and team reports as documentation of its evaluation of institutions' program lengths and credit hours, but the amount of

information related to program length and credit hours that institutions and peer reviewers included in these respective documents varied; and

- HLC determines whether institutions assess student learning outcomes; however, it does not define a minimum threshold for when the measures of achievement for student learning outcomes indicate poor educational or programmatic quality.

While conducting our inspection at HLC, we identified a serious issue that we brought to the Department's attention through an Alert Memorandum, HLC evaluated American InterContinental University (AIU)—a for-profit institution owned by Career Education Corporation (CEC)—for initial accreditation and identified issues related to the school's assignment of credit hours to certain undergraduate and graduate programs. HLC found the school to have an "egregious" credit policy that was not in the best interest of students, but nonetheless accredited AIU. HLC's accreditation of AIU calls into question whether it is a reliable authority regarding the quality of education or training provided by the institution. Since HLC determined that the practices at AIU meet its standards for quality, without limitation, we believe that the Department should be concerned about the quality of education or training at other institutions accredited by HLC. Based on this finding, our Alert Memorandum recommended that the Department determine whether HLC is in compliance with the regulatory requirements for accrediting agencies and, if not, take appropriate action under the regulations to limit, suspend, or terminate HLC's recognition by the Secretary. The Department initiated a review of HLC and determined that the issue identified was not an isolated incident. As a result,

the Department gave HLC two options for coming into compliance: (1) to accept a set of corrective actions determined by the Department; or (2) the Department would initiate a limitation, suspension, or termination action. In May 2010, HLC accepted the Department's corrective action plan.

Current Status

With the explosion of on-line postsecondary education and accelerated programs, the value of a credit hour becomes increasingly important to ensure that students and taxpayers get what they are paying for. Currently, the Federal student aid programs are primarily dependent on the credit hour for making funding decisions, as are other forms of aid, including state student aid programs and certain programs administered through the U.S. Department of Veterans Affairs. To help address this, the Department will soon be issuing a definition of a credit hour through a notice of proposed rulemaking that we understand will be issued on June 18. Once a final rule is adopted by the Department, we will be closely watching its implementation and evaluating whether the definition of a credit hour is effective in protecting students and taxpayers.

Closing Remarks

We view the recognition of accrediting agencies by the Secretary as the primary tool available to the Department for ensuring that students receive value for the taxpayer investment in postsecondary education. As the Department is prohibited from developing minimum regulatory criteria for an accrediting agency's standards for accreditation or making determinations on curriculum and educational quality, it is not unreasonable for the Department to expect an accrediting agency to have developed its own minimum standards.

On behalf of the OIG, I want to thank you for the support Congress has given to this office over the years. We look forward to working with the 111th Congress in furthering our mutual goal of protecting students and serving the taxpayers.

This concludes my written statement. I am happy to answer any of your questions.