Update on For-Profit Institutions in Indiana

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Indiana For-Profit Institutions: Campuses and Enrollments

• 24 institutions with 52 campuses

• 8 of the 24 institutions have headquarters in Indiana, e.g. American College of Education (ACE), Harrison College, and ITT Technical Institute

• Indiana enrollment, including out-of-state distance education students: 32,602

• Estimated Indiana enrollment, less out-of-state distance education students for ACE & ITT: 18,000
Indiana For-Profit Institutions: Significant Closures since 2014

- Indiana Dabney University
- Everest College (a Corinthian College)
- Brown Mackie College
- Medtech College
- ITT Technical Institute
Indiana For-Profit Institutions: Number Accredited by Each Accrediting Body

Regionally Accredited (HLC, SASCS, WASC)  7
Accrediting Bureau of Health Education
   Schools (ABHES):  2
Accrediting Commission of
   Career Schools and Colleges (ACCSC):  2
Accrediting Council for Independent
   Colleges and Schools (ACICS):  11
Specialized (COMTA):  1
Seeking Accreditation  1
Total  24
Update on Medtech:
Key Steps Leading to Closure

• US DOE review earlier this year found significant inaccuracies in job placement data

• US DOE requires the posting of a Letter of Credit for over $36M representing 80% of Title IV federal student funds received by the College

• ACICS makes unannounced site visit
Update on Medtech: Harrison College Transition Plan

• With one exception, students enrolled in Medtech programs can transition into similar Harrison programs

• The exception, the AAS in Practical Nursing, will need to be approved by BPE and the State Board of Nursing

• Harrison is charging students the same tuition charged by Medtech
US DOE Discussions with States with Medtech Campuses:

- District of Columbia
- Indiana (Fort Wayne, Greenwood, Indianapolis)
- Kentucky (Louisville)
- Maryland (Silver Spring)
- Virginia (Falls Church)
Update on Medtech: Financial Aspects of Closure - 2

- US DOE likely to forgive Title IV loans
- US DOE will collect on a $9.8 M Letter of Credit
- Unclear if self-pay students will be compensated from the $9.8 M
- Indiana self-pay students paid a total of $240 K to Medtech
- Approximate Assurance Fund balance available to students: $635 K
Update on ITT:
Key Steps Leading to Closure - 1

- **August 2014** - US DOE cites ITT for late submission of annual compliance audits and audited financial statements

- **December 2015** - US DOE requires ITT to maintain a Letter of Credit for $80 M

- **April 2016** - ACICS issues Show-Cause Directive Letter requiring corrective actions in areas, such as instruction, job placement data, financial condition, retention rates
Update on ITT:
Key Steps Leading to Closure - 2

• **June 2016** - US DOE increases Letter of Credit to $123 M

• **August 2016**
  - ACICS continues Show-Cause Directive Letter
  - US DOE increases Letter of Credit to $247 M, representing 40% of Title IV federal student funds received by ITT
  - ACICS makes unannounced visit to campuses
Update on ITT:
Events This Week

• ITT announces on Tuesday it is closing

• All ITT students receive an e-mail that includes a list of apparent articulation agreements and instructions to apply for discharge of student loans

• Other specific details about closure, e.g. how long distance education instruction will continue, are still being discussed
Improvements Needed – 1: The Triad

• Better functioning Triad (federal government, states, and accreditors)

• Federal government needs to develop on-going working relationships with states, including data sharing, not just in crisis mode

• States and accreditors need to work more closely together, including data sharing
Improvements Needed – 2: CHEDSS Data

• Complete collection of unit record data from for-profit institutions as part of CHEDSS:

  ✔ Academic Program Inventory (API) already in CHEDSS for all for-profit institutions

  ✔ Data already collected from one for-profit institution, with four more in process

  ✔ Incorporate for-profit institutions in CHE reports, including Completion and ROI
Improvements Needed – 3: State Collaboration and Surveys

• Replicate analysis of nursing licensure pass rates for other licensed fields; share findings

• Involve staff from licensing boards in the analysis and oversight of programs at for-profit institutions that prepare for licensure

• Survey alumni of for-profit institutions and their employers on job satisfaction
Improvements Needed – 4: Financial Metrics and Student Records

• Working with the federal government and accrediting bodies, develop better metrics for determining institutional financial health

• Better utilize financial instruments (e.g. Letters of Credit, surety bonds) to protect students from institutional closures

• Require students records that meet national standards as a condition for state authorization
Improvements Needed – 5: Alternative Approaches and Programs

• Develop MCMC bridge program for veterans in the public and non-profit sectors (many veterans attend for-profit institutions)

• Provide better PLA opportunities for students to transition from for-profit institutions without losing all their credits

• Withdraw eligibility for state financial aid for institutions or programs performing poorly