



Report and Disclose

STATE OVERSIGHT OF INSTITUTIONAL
PERFORMANCE IN HIGHER EDUCATION

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C E N T E R O N H I G H E R E D U C A T I O N R E F O R M
A M E R I C A N E N T E R P R I S E I N S T I T U T E

Executive Summary

In recent years, most proposals to reform quality assurance in higher education have targeted the federal government's role in overseeing postsecondary institutions. In this context, it is easy to forget that state governments play a significant role too, through a process called state authorization.

State authorization is the regulatory process by which postsecondary institutions obtain the approval of a state agency to serve students within the state. In this capacity, states act as gatekeepers for their postsecondary systems. They are responsible for greenlighting colleges to operate within their borders, and over time they have the duty to protect state residents from poor-performing and fraudulent institutions. Federal law specifies little about states' individual authorization processes, and authorization varies greatly by state.

Using a comprehensive survey of more than 5,500 regulatory documents from 69 state authorizing agencies across the 50 states and the District of Columbia, this report explores how state authorizers monitor the performance of postsecondary institutions: when and how must postsecondary institutions report information on their outcomes? What types of outcomes information do agencies require? How, if at all, do agencies disclose that information to students, parents, and the public? Are there repercussions for poor-performing institutions?

This analysis finds that most state authorizers do not require outcomes data from colleges when they initially apply for authorization, although a majority of agencies compile student outcomes data either during reauthorization or through annual reports. Roughly a third of state authorizers, however, do not require institutions to report any outcomes data on an annual basis. In addition, just a handful of authorizing agencies publicize the reported information on student outcomes for all authorized institutions. Numerous agencies require institutions themselves to

disclose student outcomes to prospective enrollees.

Furthermore, this analysis found that few state authorizers have explicit minimum performance standards for institutions (such as a minimum completion rate or retention rate). While it is possible authorizers have unstated performance criteria in mind when overseeing institutional outcomes, it is not clear that indicators of performance are a factor in agencies' authorization decisions. The outcomes data agencies collect can also be unreliable, particularly when it is self-reported by postsecondary institutions themselves. Definitions of outcome measurements vary from agency to agency as well.

In light of these findings, this report offers recommendations for states looking to shore up, standardize, and streamline their regulatory frameworks. It suggests that authorizers should:

- Implement explicit minimum performance thresholds for institutions, which would help identify and sanction poorly performing schools;
- Require and disclose program-level outcomes, in addition to institution-level outcomes;
- Work to standardize outcomes reporting across agencies, and potentially use existing state authorization reciprocity agreements as a vehicle for producing common definitions for student outcomes measurements; and
- Rely less on institutions to report certain outcomes indicators and, instead, require only basic and essential reported data from institutions. Authorizers should then link that information to independently verifiable, administrative data sources so as to produce more and better information on outcomes.

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For generations, many have considered American higher education the best in the world. Our nation's top universities consistently trounce other countries' schools in international rankings. Many then assume that standard of excellence is true for all American colleges, top to bottom.¹

In reality, some colleges are great, some are good, and some are downright bad. The US Department of Education's College Scorecard shows, for instance, that 172 four-year institutions graduate more than 80 percent of their students in six years, but 1,402 institutions graduate less than half of their students in that time.² Fortunately, policymakers are finally getting the memo, calling for better quality assurance for postsecondary institutions.³

The majority of proposed reforms address the federal role in higher education, particularly surrounding transparency, accountability, and consumer protection. Largely absent from these debates, however, is the role of state government. State governments have the responsibility of approving the postsecondary institutions in their state, a process called state authorization. A school must be formally authorized by the state(s) in which it operates to receive federal Title IV funds. State authorizing agencies also notably oversee institutions not participating in federal financial aid, schools largely outside of the purview of the federal government and accreditors.

Policymaker interest in state authorization has gradually gained speed. After years of minimal oversight, the Department of Education enacted

regulations around state authorization in 2010, mandating that a school must comply with state law in all states where it educates students, not just the one state in which it is based. While courts struck down a portion of these regulations on procedural grounds, the regulations grabbed the attention of both institutions and state agencies.⁴ In 2016, the Obama administration has again proposed new rules requiring "institutions offering distance education or correspondence courses to be authorized by each state in which the institution enrolls students, if such authorization is required by the state."⁵ These rules have not yet been enacted, and it is not clear if they will be before the next administration.⁶

Despite this activity, federal law specifies little about what states' authorization processes actually entail. Authorization thus varies greatly across states. Many institutions—mostly online schools—also operate in multiple states, oftentimes having to seek authorization in each.⁷ This can be quite burdensome on both institutions and authorizers.⁸ In response, an effort to develop interstate reciprocity agreements—a common set of authorization standards across states—has emerged to lighten compliance and regulatory loads for schools and state agencies, respectively.⁹

While policymakers have paid little attention to state-level regulatory apparatuses, researchers have paid even less.¹⁰ As a result, we know less than we should about how states hold postsecondary institutions accountable for their performance.

In 2015, AEI's Center on Higher Education Reform surveyed states' regulatory regimes in a report titled *Inputs, Outcomes, Quality Assurance: A Closer Look at State Oversight of Higher Education*. The report asked basic questions such as: What types of agencies are involved in authorization processes? Do regulatory policies and approval processes focus on inputs—measures of an organization's physical and human resources—or outcomes? What do states require of institutions in terms of consumer protections, such as tuition refunds or other safeguards?

State authorization all too often emphasizes the wrong end of the education process, focusing on inputs rather than outcomes.

The report found that state authorization processes overwhelmingly consider inputs—faculty qualifications, facilities, equipment, curricula, syllabi, library resources—when approving new colleges. Moreover, states rarely renew schools' authorizations based on indicators of performance, even though many agencies require schools to report their outcomes to some extent.¹¹ In short, state authorization all too often emphasizes the wrong end of the education process, focusing on inputs rather than outcomes.

In light of those findings, this report dives deeper into the outcomes portion of state authorization. It asks the following questions: Do states consider institutions' outcomes in other states when those institutions are seeking authorization in their state? Do states monitor the outcomes of institutions on an annual basis, less frequently, or not at all? What kinds of outcomes measures do states require institutions

to report, if any? Do states disclose outcomes to students? Do institutions face repercussions for poor performance?

To answer these questions and others, this paper builds on the methodology of the initial AEI report by coding the laws, regulations, and authorization applications of each state agency for rules around the reporting and disclosure of student outcomes. The analysis makes no effort to assess the effectiveness or burden of different agencies' regulatory schemes. Instead, it examines state policies under the precept that an ideal regulatory system should monitor and disclose the performance of postsecondary institutions to protect consumers.

Methodology

This survey explores the extent to which state authorizers require institutions to report and disclose student outcomes. Because several states have multiple postsecondary regulatory agencies, the unit of analysis is the authorizer, not the state. The analysis studies 69 state authorizing bodies across the 50 states and the District of Columbia.¹²

The main data source of this survey is the stock of relevant regulatory documents from each state agency. These documents include application packets for applying for and maintaining authorization; laws, statutes, and rules regarding authorization processes; additional reporting forms; and public and protected web pages from agency websites.¹³ In all, more than 5,500 pages of agency documents were reviewed for this report.¹⁴

The information gathered covers three distinct stages of the authorization process—the initial authorization (initial application), the reauthorization (renewal application), and the annual report.¹⁵ The initial authorization represents the regulations and processes institutions must abide by when seeking authorization in a state for the first time. The reauthorization represents the regulations and processes institutions must abide by when looking to maintain their authorization after a fixed period of time. The annual report represents the regulations and processes institutions must abide by from year to year.

The six distinct outcomes metrics coded were graduation rate, retention rate, job-placement rate, licensure-passage rate, loan-default rate, and post-college earnings.¹⁶

Start to finish, the coding process for a given agency generally went as follows: first, all necessary application materials for each stage of authorization were gathered and reviewed.¹⁷ Next, each portion of an application packet and each separate reporting form were read, and then a keyword search of each document containing applicable laws and regulations was performed.¹⁸ Finally, if uncertain of any coding category, an agency representative was contacted for clarification.

Since the regulatory regimes in each state are diverse, some agencies have different regulations that apply to different types of institutions seeking authorization. As a result, summarizing the authorization experience of a typical institution across agencies is quite difficult.

To allow for meaningful comparisons, the coding is confined to a single set of regulations for each agency based on a consistent set of decision rules, where applicable. These rules apply to more traditional types of postsecondary institutions, for which agencies likely have more established regulatory processes. If an agency had different sets of regulations for non-profit and for-profit or proprietary institutions, regulations applying to nonprofits were coded. If an agency had different sets of regulations for degree-granting and non-degree-granting institutions, regulations applying to degree-granting institutions were coded. If an agency had different sets of regulations for out-of-state and in-state institutions, regulations applying to out-of-state institutions were coded.

Findings

State authorizers are the gatekeepers to their state's higher education systems. They are responsible for greenlighting colleges to operate in their borders. They also have the duty over time to protect state residents from poor-performing and fraudulent institutions.

An integral part then of crafting a well-functioning, state-level regulatory system involves creating

processes to monitor institutional performance. State agencies need answers to basic questions—Are schools graduating their students? Are students getting jobs?—to determine whether schools are adequately serving their students. But fundamentally, they need to implement procedures to collect this information.

Reporting Requirements. Understanding how many agencies require any reporting of outcomes whatsoever is an important start. In the broadest sense, a majority of state authorizing agencies (47 agencies) require the reporting of outcomes during at least one of the three stages of the authorizing process (the initial authorization, the renewal of authorization, or the annual report). Seventeen agencies collect outcomes information at all three stages. However, almost one-quarter (16 agencies) do not require outcomes data at any stage.

One obvious instance in which state authorizers have an active interest in examining outcomes is when they initially approve institutions to operate in the state. That is, if an existing school applies to operate in a new state, does the authorizing body in the new state consider its past performance of serving students? Surprisingly, the typical authorizer does not ask for such information during this stage: 26 of 69 agencies require outcomes information during the initial authorization.¹⁹ Most agencies thus do not consider colleges' past performance before they approve them.

One could also imagine that agencies would want to examine outcomes once institutions have actually established a performance record in their state. More specifically, agencies might instead consider outcomes when institutions formally apply to renew their authorization. That is not the rule of thumb across agencies either. Just over half of state authorizers (35) require outcomes reporting during the reauthorization stage.

Note that the time horizon for reauthorization varies across agencies. Reauthorization can occur after one, two, five, or even 10 years.²⁰ In certain cases, institutions never need to renew their authorization after their initial approval. Perhaps, then, agencies' formal authorization and reauthorization processes do not consider information on outcomes because

they have separate processes—say, annual reports—to monitor performance on a more regular basis.

The majority of authorizers do require authorized institutions to report information annually; 57 of 69 agencies have an annual reporting mechanism for the colleges they oversee.²¹ This check-in can occur in a variety of forms, including online forms or a site visit by agency representatives. But, not all these agencies require data on outcomes at this time. Only 47 agencies require institutions to report outcomes measures as part of an annual report.

Agencies require different types of outcomes information annually as well. In the annual reporting stage, the graduation rate was easily the most commonly required metric (44 agencies), with retention rate (32) and job-placement rate (28) tied closely for second. Fewer agencies required default rate (15), licensure-passage rate (8), and wage data (6).²² The California Bureau for Private Postsecondary Education, the Oregon Office of Degree Authorization, and

the West Virginia Higher Education Policy Commission were the only three agencies that required yearly reporting on all six coded outcomes indicators; four additional agencies required reporting on five of the indicators.

In sum, most agencies do not require outcomes data on the front end of authorization, roughly half ask for outcomes when reauthorizing institutions in their states, and the majority collect some outcomes data on a yearly basis.

Disclosure Requirements. Beyond asking whether agencies collect outcomes information, another important question is whether these outcomes measures ever see the light of day. Put differently, do state agencies disclose these data so the public can evaluate the performance of postsecondary institutions?

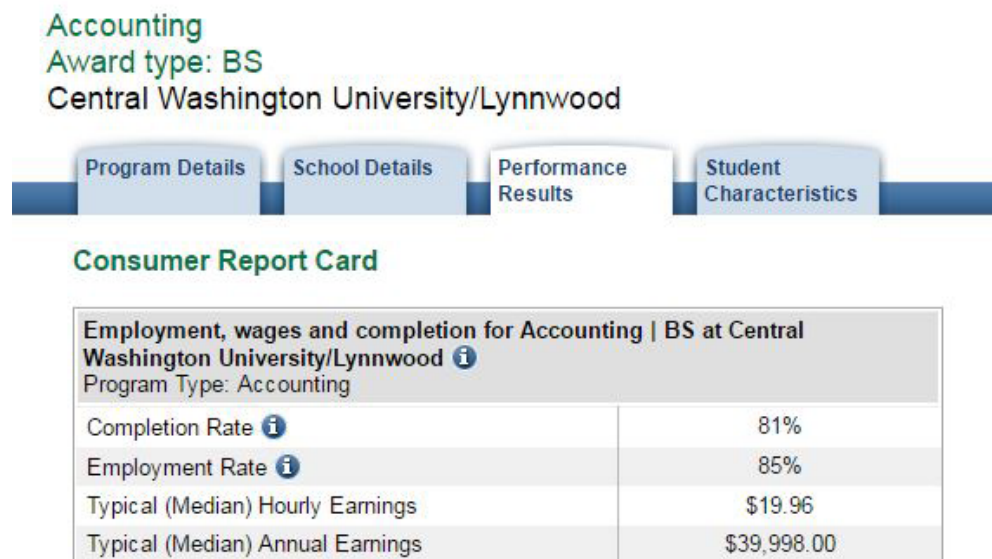
Across authorizers, public disclosures of outcomes for all authorized institutions are infrequent. To start, 22 agencies do not require institutions to report any

Figure 1. 2015 Outcomes Data for Public/Private/For-Profit Four-Year Institutions from the West Virginia Higher Education Policy Commission

Institutions	Institution Type	Accreditation Status	Accreditation Date	Annualized Unduplicated Head Count	Tuition & Fees	Retention Rates	Bachelor Graduation Rate	Loan Default Rate	% Undergraduates Receiving Federal Loans	# of Students Receiving Federal Loans
				2014 Data	2014 Data	2014 Data	2014 Data	2014 Data	2014 Data	
Bluefield State College	Public	Accredited	20-Feb-12	1,867	\$ 6,120	59.7	21.5	23.7	60	724
Concord University	Public	Accredited	4-Sep-08	3,025	\$ 6,744	67	34	17.6	75	731
Fairmont State University	Public	Accredited	31-Oct-23	4,694	\$ 6,306	64	32	14.2	63	1,605
Glennville State College	Public	Accredited	12-Aug-13	2,237	\$ 4,944	59	23	23	69	446
Marshall University	Public	Accredited	28-Jan-06	17,186	\$ 5,724	73	44.7	11.7	59.2	3,290
Shepherd University	Public	Accredited	20-Jun-12	4,738	\$ 4,918	68	47.8	7.6	60.3	1,014
West Liberty University	Public	Accredited	4-Sep-08	2,530	\$ 6,415	66	40	18.1	82	764
West Virginia University	Public	Accredited	12-Aug-14	33,265	\$ 6,960	76.3	56.8	8.5	51.6	7,215
Potomac State College Of WVU	Public	Accredited	12-Aug-14	1,919	\$ 3,480	74.4	0	8.5	54.7	7,215
WVU Institute Of Technology	Public	Accredited	12-Aug-14	1,423	\$ 6,048	53.5	18.6	8.5	48.1	7,215
West Virginia State University	Public	Accredited	26-Aug-05	3,830	\$ 6,662	58.7	24.5	16.6	42.7	905
WV School of Osteopathic Medicine	Public	Accredited	30-Oct-14	815	\$ 20,450	98	0	0.9	0	203
Alderson Broaddus University	Private	Accredited	6-Aug-13	1,232	\$ 23,930	55	36	7.3	89	245
Appalachian Bible College	Private	Accredited	2-Jun-01	317	\$ 12,020	77.9	46	5.7	32	56
Bethany College	Private	Accredited	25-Jun-09	997	\$ 25,580	70	47	17.1	85	326
Davis & Elkins College	Private	Accredited	18-Apr-11	953	\$ 27,000	70.3	41.5	8.6	63.5	207
Future Generations Graduate School	Private	Accredited - Notice	22-Feb-10	38	\$ 17,500	94	0	0	0	0
Ohio Valley University	Private	Accredited	12-Nov-13	485	\$ 18,040	54	26.7	10.5	65.82	217
University Of Charleston	Private	Accredited	27-Jul-15	2,831	\$ 19,047	61.3	47	6.6	53.65	422
West Virginia Wesleyan College	Private	Accredited	29-Apr-10	1,578	\$ 26,880	73	58.4	7.1	66.3	348
Wheeling Jesuit University	Private	Accredited	13-Jan-10	1,812	\$ 27,000	74	64	3.1	27.7	449
American Public University System	For-Profit	Accredited	26-May-06	109,214	\$ 6,480	76	40	23.3	34	14,184
Salem International University	For-Profit	Accredited	27-Feb-14	946	\$ 17,700	38	15	20.9	81	578
Strayer University	For-Profit	Accredited	15-Nov-12	338	\$ 12,780	0	0	11.6	68	27,802

Source: West Virginia Higher Education Policy Commission, “Annual Reauthorization—Consumer Information,” 2015, www.wvhepc.edu/wp-content/uploads/2016/08/HEPC-WebPosting.pdf.

Figure 2. Consumer Report Card for Washington Workforce Training and Education Coordinating Board: B.S. in Accounting for Central Washington University-Lynnwood



Source: Washington Career Bridge, "Education Details, Accounting, Award Type: BS, Central Washington University/Lynnwood," www.careerbridge.wa.gov/Detail_Program.aspx?program=1494.

outcomes data annually, so there is nothing to disclose in the first place. Of the 47 agencies that do collect outcomes annually, just 14 publicize that data for each authorized institution. The other 31 agencies either make the data available by request (22 agencies) or keep the data under lock and key, unavailable to the public (9 agencies).²³

The 14 agencies that do publicize information on outcomes typically do so through a consumer information website or an annual research report. For instance, as Figure 1 shows, the West Virginia Higher Education Policy Commission discloses data for authorized institutions via a report on its website.

Other state agencies—the California Bureau for Private Postsecondary Education, the Tennessee Higher Education Commission, the Oregon Office of Degree Authorization, and the Illinois Board of Higher Education, to name a few—have comprehensive outcomes disclosures for authorized institutions as well.

A limited number of authorizers up the ante, disclosing program-level outcomes for authorized institutions. As shown in Figure 2, the Washington Workforce Training and Education Coordinating Board collects and displays program-level information on metrics including completion rate, employment rate, and median earnings.

Overall, outcomes disclosures for all authorized institutions in a state are relatively uncommon. Program-level disclosures, rather than those on an institutional level, are even less frequent.

There are three necessary qualifications to these findings. First, a greater number of authorizers do display data profiles for a subset of institutions, such as public two- or four-year institutions. This analysis did not consider agencies' disclosure mechanisms unless they included *all* authorized institutions.²⁴

Second, other authorizers disclose outcomes indicators in aggregate, sometimes via a state performance report.²⁵ Aggregate data (e.g., number of

college graduates in a state per year) were not considered a disclosure because information is not presented on an institution-by-institution basis.

Third, states may disclose a significant amount of data via institution-level data profiles but do not rely on the institutions to report each data point. Instead, the authorizer requires institutions to report a minimal amount of information (such as total number of enrollees and completers and students' field of study, with unique identifiers for each student). Then, the agency generates and discloses outcomes data from independently verifiable sources (such as unemployment insurance databases). In these instances, only the data that agencies required institutions to report were coded.

An example of this practice comes from the Washington Workforce Training and Education Coordinating Board (Figure 2). It requires colleges to report basically just the number of enrolled and graduated students per year and their majors, which it then uses to derive and disclose outcomes such as median earnings and employment rate.²⁶ The State Council on Higher Education for Virginia has a similar operation, as do a few other agencies.

In fact, a 2014 report by the Data Quality Campaign revealed that 27 states, in varying capacities, have linked postsecondary data systems and workforce data systems, up from 14 in 2011.²⁷ A more recent report commissioned by the Institute for Higher Education Policy (IHEP) lists 47 agencies in 42 states that currently link or plan to link postsecondary and workforce data in some respect.²⁸

Now, these postsecondary data systems usually comprise just a subset of schools in states, often only the schools in public systems. The IHEP report, for instance, notes that “only 18 states . . . collected information from private, not-for-profit institutions. Even in these 18 states, coverage of independent institutions is often limited to those that participate in financial aid programs or to institutions that volunteer to submit data to the state postsecondary agency.”²⁹ This caveat more closely reflects with the findings described above. Nevertheless, it is encouraging that a growing number of states have at least some postsecondary and

workforce data infrastructure to work with and potentially expand on.

In addition to publicizing outcomes data themselves, some authorizers require institutions to disclose their own outcomes to students. Fifteen state agencies have such a requirement, with the disclosure often occurring through an “enrollment agreement” that prospective students must sign before attending a college.³⁰ One example comes from the Ohio State Board of Career Colleges and Schools, where students must sign an agreement before enrolling that they “have been informed of the school’s placement and graduation rates for each of the preceding three years as well as the most recent Ohio state licensure test results.”³¹ The Tennessee Higher Education Commission requires a similar disclosure, but on a programmatic level:

(3) Also included, shall be documentation that the student received graduation placement data exactly as presented to the Commission during the last reauthorization cycle in the following format:

(a) A statement: “For the program entitled _____, I have been informed that the current withdrawal rate is __%, or in the past 12 months ___ students enrolled in this program and ___ completed this program.”

(b) A statement: “For the program entitled _____, I have been informed that for the students who graduated, the job placement rate is __%, or in the past 12 months ___ were placed in their field of study out of ___ students who graduated from this program.”³²

These disclosures work to ensure that prospective students have been notified of institutional outcomes before enrolling.

Do Regulations Have Teeth? If the majority of agencies require institutions to report outcomes annually, but only a handful publicize them, then what do agencies do with the data? For instance, if data are kept private, then are agencies at least using them to identify and crack down on poor-performing institutions?

Unfortunately, only a handful of state agencies have explicit thresholds for institutional performance in their rules and regulations. One such agency, the Florida Commission for Independent Education, requires institutions to have a placement rate above 60 percent and a retention rate above 50 percent. If an institution falls below either threshold, then the agency places the institution on a placement or retention improvement plan, with periodic progress reports due to the agency.³³

A few other agencies have norm-referenced standards, in which only the schools that perform poorly relative to other schools in their state are subject to scrutiny. Ohio's State Board of Career Colleges and Schools, for example, has a requirement in which "a school with graduation or placement rates that are one or more standard deviations below the average may be required to submit an explanation for the deviation and a plan for improvement."³⁴ Regulatory requirements of this nature are scarce.³⁵

It is also rare for regulations to explicitly allow agencies to act on these performance thresholds. One example is the Illinois Board of Higher Education:

The board may deny a continuation of the initial approval or offer a limited extension if the institution . . . has failed to demonstrate success in student progression and graduation and success rates in programs preparing students for certification and licensure that are consistent with expectations in higher education and the appropriate related field of study.³⁶

Florida's outcomes thresholds have teeth as well: "If the progress report does not show improvement as accepted by the Commission, the Commission shall take actions up to and including revocation of license."³⁷ Again, these regulations are by no means the norm.

Authorizers could have unstated performance criteria in mind when they review institutions' reauthorization applications and annual reports. There is also some evidence that authorizers do revoke authorization from institutions, mostly on grounds of fraudulent behavior.³⁸ But, judging by the general lack of explicit thresholds, it is not clear that indicators of

performance are a factor in agencies' authorization decisions.³⁹

Reliability of the Data. A majority of agencies require some annual outcomes reporting, and a much smaller number make those data public. But the usefulness of the entire endeavor hinges on the reliability of the reported data. State-level regulatory systems need reliable and consistent indicators of institutional performance to function properly.

To that end, some agencies have basic outcomes requirements—number of graduates in a given year, number of individuals that passed a licensure exam—that appear simple for institutions to collect and report, and are also less prone to error. On the other hand, some agencies require outcomes that have more complex formulas, such as job-placement rate and post-college earnings. These measures are usually collected by institutions via arduous and unreliable follow-up surveys of alumni.⁴⁰ Complexity creates more room for measurement error, while institutions also have the incentive and ability to inflate self-reported indicators.⁴¹

Across agencies, there are discrepancies in the definitions of particular outcomes measurements as well. Table 1 displays two examples of job-placement rates from two separate agencies; their differences are telling.

See how Alaska considers an institution's overall rate of employment, determined by averaging the rate of employment for each of its programs; Kentucky considers placement rates on a program-by-program basis.⁴² Alaska's time horizon for job placement is three months; Kentucky's time horizon is "within 180 days of graduating from the program," and the commission defines job placement as "[being] employed for at least 30 days . . . in a full-time paid Position in the Field of Study."⁴³ The types of students included and excluded in the formulas are different too.

Note also that both agencies consider in-field employment in their calculations. Agencies, however, can vary in their specificity when defining an in-field job placement.⁴⁴ Interpreting what constitutes a job placement in the field of study is inherently tricky (e.g., what is an in-field occupation for

Table 1. Differences in Job-Placement Rates for the Alaska Commission on Postsecondary Education and the Kentucky Commission on Proprietary Education

	Alaska Commission on Postsecondary Education	Kentucky Commission on Proprietary Education
How Is Job Placement Measured?	"Averaging the rates of employment for the program by a weighted average for all job-specific training programs offered by the institution to determine the institution's overall rate of employment."	"Job Placement Rate in the Field of Study for each program . . . converted to a percentage."
What Students Are Included?	"Total number of students who: successfully completed the program . . . and . . . within three months of completing the training, were employed in the field for which trained."	"Total number of students who, during the immediately preceding July 1-June 30 period, graduated from the program . . . [and] obtained job placement in a position in the field of study . . . within 180 days of graduating from the program."
What Students Are Excluded?	"Those students who within three months of completing training were: enrolled in further education; unavailable for placement due to death, active military duty, enrollment in the Peace Corps or Ameri-corps, imprisonment, or entrance into established religious programs or missions; non-responsive to institutional requests for information and the institution is otherwise unable to determine their employment status; or unavailable for placement due to a disability or medical condition the onset of which occurred after enrollment in the program."	"Number of graduates who the school has documented as not available for employment due to health-related issues for individual or family member, death, active military duty, spouse or dependent of military personnel relocated due to military transfer, incarceration, visa restrictions, or continuing education at least half-time."
What Types of Jobs Are Counted?	"Employed in the field for which trained."	"Employed for at least 30 days . . . in a full-time paid Position in the Field of Study."
What Is the Time Frame for a Job Placement?	Three months	180 days

Source: Alaska Commission on Postsecondary Education, "Completion and Placement Reporting Standards," www.touchngo.com/lglcnhetr/akstats/aac/title20/chapter017/section062.htm; and Kentucky Commission on Proprietary Education, "PE-39 Job Placement Reporting Form," <http://kcpe.ky.gov/forms/JobPlacementForm.pdf>.

someone with an associate degree in business?) and can be subject to regulators' discretion.⁴⁵ Other outcomes measures, such as completion rates, differ across agencies too.

Variations in measurements across states can prove troublesome for institutions. For example, a

college operating in multiple states could potentially have to report a range of figures on the same outcome category. These variations potentially expose institutions to liability, and they muddy the usefulness of outcomes measures for regulators and prospective students.⁴⁶

How Can States Improve Reporting and Disclosure Requirements Around Outcomes?

Overall, this analysis finds that annual outcomes reporting on some measures is generally prevalent across agencies. But most agencies do not disclose the data for all authorized institutions, and it is unclear what else they do with the information. Plus, there are concerns about the reliability of the reported data.

Here I outline several reforms states should pursue to strengthen their regulatory regimes. But keep in mind that some of these recommendations necessarily entail devoting more time and resources toward monitoring and disclosing institutional performance, resources many state agencies lack.⁴⁷ In that sense, adding more regulations could impose an undue burden on authorizers, possibly at the expense of tasks they are already performing reasonably well.

In addition, tacking on more state-level requirements would increase the compliance burden for schools. Most institutions are already required to report and disclose outcomes to the federal government and to accreditors. If state agencies beef up regulations around outcomes reporting, they would be wise to streamline unnecessary requirements in other facets of the authorization process.

Develop Explicit Thresholds for Institutional Performance. As discussed above, 47 out of 69 state authorizers in this analysis require some outcomes information from institutions through annual reports. Less clear is whether the agencies actually review these outcomes. Do poor outcomes trigger enhanced regulatory scrutiny? Do agencies use outcomes information to make authorization decisions?

This analysis found scant evidence of explicit standards for performance across authorizers. In turn, states should specify minimum performance thresholds for schools to receive or maintain authorization, or at least operate without enhanced scrutiny from authorizers. If colleges slip below certain performance criteria, then they would need to prove to authorizers that they are on track to improve, perhaps through a performance-improvement plan analogous

to the one the Florida Commission on Independent Education mandates.⁴⁸ Authorizers could also fine subpar institutions or exact other probationary measures. If institutions fail to improve, then their authorization would be revoked.

State authorizers should be wary of binary accountability measures (e.g., institutions are either authorized or they are not). Accreditors and the federal government have comparable measures for postsecondary institutions, and both parties have exhibited extreme reticence in revoking federal-aid eligibility from the worst performers.⁴⁹ It is not clear that authorizers would act any differently. But, as stated above, state authorizers in the past have revoked authorization from schools on grounds of outright fraud. In the least, minimum performance standards would help authorizers identify and sanction the worst actors.

Furthermore, well-functioning performance thresholds hinge on agencies collecting outcomes data annually. That means numerous agencies would need to amend their internal authorization procedures in addition to tacking on performance thresholds. Also, if states plan to hold institutions accountable based on a minimum performance standard, then the public should know what that standard is and how many institutions meet that standard. Agencies should thus publicize the outcomes data reported to them annually for all authorized institutions.

Report and Disclose Program-Level Outcomes. In addition to incorporating performance thresholds in their regulatory apparatuses, authorizers would benefit from reexamining the type of data they require and subsequently disclose.

This analysis reveals that when authorizers do require information on outcomes, it is by and large on the institution level (e.g., the total number of graduates from an institution). Agencies less frequently require and disclose data broken down by the academic programs in institutions (e.g., the earnings for English majors).

There's no doubt it's useful for authorizers to disclose institution-level performance indicators. But institution-level measurements are not indicative of all facets of performance. Outcomes, such as

post-college earnings, can vary greatly by program, both in and across institutions. As higher education expert Mark Schneider testified to the US Senate Committee on Health, Education, Labor, and Pensions: “We need to battle our fixation on institution level measurement. . . . What a student studies often is more important than where they study it. In turn, we need to deliver usable consumer information at the program level.”⁵⁰

State authorizers should revisit their reporting requirements and disclosures to incorporate program-level outcomes. Some measures lend themselves to this better than others. And some metrics, such as job placement or wages, are more burdensome for state agencies to collect, since they have to track information from students after they leave school.

This study uncovered a handful of authorizers that disclose program-level data themselves. Additionally, several states have partnered with an entity called College Measures to publicize program-level, post-college earnings for their institutions.⁵¹ These initiatives are blueprints for states aspiring to improve the information they require and disclose.

This route could suffer from the unreliable data-collection methods employed by institutions, described above. To minimize these concerns, states would have to assume a much larger role in data collection and dissemination rather than relying on institutions. With that approach comes additional costs and burdens on state agencies, including those that are understaffed and under-resourced and especially those with zero data infrastructure already in place.

Standardize Outcomes Reporting Across States.

While state authorizing bodies should improve on the types of information they require from institutions, they should also reexamine what outcomes they are measuring. Overall, two of the most frequently reported outcomes measures are completion rates and job-placement rates. However, all completion rates and job-placement rates are not created equal. There are disparities in the definitions of outcomes measurements across authorizers.

Collaboration across agencies to standardize outcome measurements is necessary but would be

extremely difficult. One clear obstacle is that such an initiative would be susceptible to the whims of state legislatures. Initiating collective action among authorizers is another hurdle. Even with collaboration, settling on a consensus definition of particular outcomes metrics is challenging. After all, despite numerous efforts, there is still no consistent legal definition at the federal level for how institutions should report job-placement rates.⁵² However, certain organizations have offered guiding principles for state authorizers in defining outcomes such as completion and job-placement rates.⁵³

State authorizers should revisit their reporting requirements and disclosures to incorporate program-level outcomes.

One potential opportunity to standardize outcomes reporting for some institutions in some states is through the National Council for State Authorization Reciprocity Agreements (NC-SARA). NC-SARA coordinates state authorization reciprocity agreements (SARA) to establish comparable national standards for schools offering distance education. SARA’s aim is to reduce the regulatory burden that colleges face in seeking authorization. Member states agree to a common set of regulatory standards such that to be authorized in one state is to be authorized in all SARA member states. Forty-two states and DC have joined SARA, with about 1,150 participating institutions.⁵⁴

At present, NC-SARA requires participating institutions to report only enrollment information.⁵⁵ But, to become a member in the first place, states must express a willingness to “make any needed changes to statutes or rules” to comply with the common

standards.⁵⁶ Because member states have already bought into a reciprocity agreement and are willing to amend their rules, NC-SARA could feasibly amend its reporting requirements to include clearly defined outcomes. Member states would then have an incentive to amend their regulations, and SARA-participating institutions would subsequently have standardized outcomes requirements.

Naturally, there are roadblocks: NC-SARA would have to amend their policies and standards, making changes that member states and participating institutions did not agree to when signing on initially. Hiccups would inevitably occur in the state legislatures. Not all states or institutions are participating or will ever participate in a reciprocity agreement. But, at the very least, a set of common outcomes definitions could emerge across state agencies.

Limit Institutional Reporting on Certain Outcomes Indicators and Rely on Independently Verifiable, Administrative Data Sources. Given the limitations of the data that agencies require institutions to collect and report, it is not clear that improving states' regulatory processes necessarily entails layering on more reporting requirements. In fact, agencies (and institutions) stand to benefit from streamlining reporting processes and diminishing institutional reporting responsibilities.

Seven agencies require annual reporting on at least five distinct outcome indicators. Six agencies require just one indicator. But just because an agency requires more information does not mean that the regulatory scheme is necessarily better. For instance, the State Council of Higher Education for Virginia requires reporting on one indicator coded in this analysis. Yet Virginia still produces a full-fledged consumer report card for most institutions with reliable information on a variety of postgraduate outcomes.⁵⁷ Virginia separately links the information that institutions report to administrative data and derives a wealth of meaningful information on student outcomes. This arrangement generates more useful and reliable information for regulators and prospective students.

States should look to minimize reporting requirements from institutions in a similar manner as

Virginia and other like-minded authorizers. Authorizers should instead require only basic and essential information from institutions, such as number of enrollees, number of graduates, and students' field of study. In this arrangement, authorizers are thus assuming the onus of data collection and dissemination. Agencies then should look to link that reported data to other state data systems so as to derive more and better data on student outcomes. That way, the information authorizers use to oversee institutional performance and disclose to consumers is more reliable and useful.

Of course, this approach has its host of challenges. Again, many agencies lack the capacity and resources for such a data-collection enterprise. Some agencies lack statutory authority to require such information about students from institutions. Other agencies lack authority over entire subsets of institutions in the state. States with two or more postsecondary regulatory agencies could have to collaborate between themselves to develop a common state database. Tracking information from students after they leave college—graduating or otherwise—also can be difficult for states, even with the necessary data infrastructure.

Even still, signs point toward streamlining institutional reporting and expanding or establishing data collection and dissemination processes within authorizing agencies as a more effective—and reliable—approach to monitoring institutional performance on the state level.

Concluding Thoughts

Overall, the landscape of outcomes reporting and disclosure in state authorization shows promise but also glaring shortcomings. States need to take a more active role in monitoring institutional performance.

More agencies should examine the outcomes of institutions seeking authorization in their state to make sure they are up to snuff. Authorizers should check in with institutions at least once a year. They should also require outcomes information from all authorized institutions and publicize those outcomes. Authorizers should accompany such procedural reforms with minimum performance standards. That

way, agencies are better able to identify and sanction the worst-performing actors.

Authorizers also need to recognize the limits of their current data-reporting mechanisms. Down the road, they should look to minimize institutions' reporting burdens as much as possible, requiring only basic and essential information on students. They should then pair that information with independently verifiable, administrative data sources to develop robust information on students' postsecondary outcomes, on both the institution and program level. A well-functioning, state regulatory system that provides meaningful information to regulators and consumers is contingent on reliable information.

Furthermore, the reforms proposed in this report should not be construed as efforts to double down on state oversight of higher education writ large. State authorization has multiple components, not just outcomes. States should shore up oversight of institutional performance while reining in overly burdensome regulations in other areas, particularly those surrounding institutional inputs. In fact, the body of

research on state oversight of higher education would greatly benefit from closer examination of all other facets of state authorization—namely inputs and consumer protection. This would allow policymakers to assess the utility and burden of state authorization regulation across the board.

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Notes

1. See Times Higher Education, “World University Rankings 2014-2015,” www.timeshighereducation.co.uk/world-university-rankings/2014-15/world-ranking; Academic Ranking of World Universities, “Academic Ranking of World Universities 2014,” www.shanghairanking.com/; and Kevin Carey, “Americans Think We Have the World’s Best Colleges. We Don’t,” *New York Times*, June 28, 2014, www.nytimes.com/2014/06/29/upshot/americans-think-we-have-the-worlds-best-colleges-we-dont.html.

2. Author’s calculations using data from US Department of Education, “College Scorecard,” <https://collegescorecard.ed.gov/>.

3. For examples of federal reform efforts on this topic, see the Secretary of Education’s Commission on the Future of Higher Education, “A Test of Leadership: Charting the Future of US Higher Education,” September 2006, <https://www2.ed.gov/about/bdscomm/list/hiedfuture/reports/pre-pub-report.pdf>; Michael Stratford, “Alexander’s Higher Ed Act Agenda,” *Inside Higher Ed*, March 24, 2015, www.insidehighered.com/news/2015/03/24/alexander-weighting-new-accountability-tools-better-data-higher-ed-act-rewrite; and Andrew P. Kelly and Kevin J. James, “Untapped Potential: Making the Higher Education Market Work for Students and Taxpayers,” American Enterprise Institute, October 6, 2014, <https://www.aei.org/publication/untapped-potential-making-higher-education-market-work-students-taxpayers/>.

4. Carl Straumsheim, “Final Push for State Authorization Rule,” *Inside Higher Ed*, June 6, 2015, www.insidehighered.com/news/2016/06/06/education-department-make-final-push-state-authorization-rule.

5. US Department of Education, “Education Department Proposes Rule on State Authorization of Postsecondary Distance Education, Foreign Locations,” press release, July 22, 2016, www.ed.gov/news/press-releases/education-department-proposes-rule-state-authorization-postsecondary-distance-education-foreign-locations.

6. Carl Straumsheim, “Feds Soften Distance Ed Rule,” *Inside Higher Ed*, July 25, 2016, www.insidehighered.com/news/2016/07/25/education-department-releases-latest-draft-state-authorization-rule.

7. Sometimes state agencies have exemptions, which institutions can apply for, such that colleges may not actually have to go through a full authorization process to become authorized to operate.

8. For more information on the burden of state authorization regulations, see Andrew P. Kelly, Kevin J. James, and Rooney Columbus, *Inputs, Outcomes, Quality Assurance: A Closer Look at State Oversight of Higher Education*, American Enterprise Institute, August 2015, www.aei.org/wp-content/uploads/2015/08/Inputs-Outcomes-Quality-Assurance.pdf.

9. That effort is called the State Authorization Reciprocity Agreement. For more information, see National Council for State Authorization Reciprocity Agreements, “About,” <http://nc-sara.org/about>. Additionally, the recent rules proposed by the Department of Education in July 2016 recognize state authorization reciprocity agreements, stating “the proposed regulation recognizes authorization through participation in a state authorization reciprocity agreement, as long as the agreement does not prevent a state from enforcing its own consumer laws.” See US Department of Education, “Education Department Proposes Rule on State Authorization.”

10. For a peer-reviewed journal article on cross-border regulation in higher education in the United States, see Jason E. Lane, Kevin Kinser, and Daniel Knox, “Regulating Cross-Border Higher Education: A Case Study of the United States,” *Higher Education Policy* 26, no. 2 (June 2013): 147–72, <http://link.springer.com/article/10.1057/hep.2012.23>. For two instructive reports on state authorization and consumer protection vis-à-vis for-profit colleges, see Robyn Smith, “Ensuring Educational Integrity: 10 Steps to Improve State Oversight of For-Profit Schools,” National Consumer Law Center, June 2014, www.nclc.org/images/pdf/pr-reports/for-profit-report.pdf; and Deanne Loonin and Jillian McLaughlin, “State Inaction: Gaps in State Oversight of For-Profit Higher Education,” National Consumer Law Center, December 2011, www.studentloanborrowerassistance.org/wp-content/uploads/2013/05/state-inaction-for-profit-higher-edu.pdf.

11. Kelly, James, and Columbus, *Inputs, Outcomes, Quality Assurance*.

12. This analysis used the agencies surveyed by the State Higher Education Executive Officers’ (SHEEO) in their State Authorization Survey. SHEEO surveys 72 state agencies. Excluded in this analysis were the Puerto Rico Council on Education, the Alabama secretary of state office (it no longer authorizes schools), and the Oklahoma Board of Career and Technology Education (it approves only the public technology center schools and colleges of Oklahoma). See SHEEO, “SHEEO State Authorization Surveys,” http://sheeo.org/sheeo_surveys/.

13. Authorization application documents were publicly available or made available by staff from only 63 of the 69 state authorizers in this analysis.

14. The coding for this analysis concluded in August 2016.

15. In contrast, the previous AEI report did not distinguish between these three stages. It examined outcomes requirements of any type, largely combining reauthorization and annual reporting requirements. See Kelly, James, and Columbus, *Inputs, Outcomes, and Quality Assurance*. Additionally, these three stages map toward three individual questions in the SHEEO survey regarding state authorization processes: “6A. Description—Please provide a short description of the application process to obtain state authorization. If available, please provide web links to the specific references to all applicable state laws, regulations, manuals, forms, or other pertinent documents”; “6D. Maintenance—What does an institution need to do to maintain authorization”; “6E. Reporting—What kinds of information or data must an institution report to your agency as a condition for continued authorization? How frequently is this reported or updated? Is this information published or shared publicly?” See State Higher Education Executive Officers Association, “State Authorization Surveys: 6. Application Process,” http://sheeo.org/sheeo_surveys/user/33.

16. Different iterations of each metric were coded as well, including but not limited to: number of graduates (graduation rate); number of job placements (placement rate); cohort default rate (loan default rate); and attrition rate, withdrawal rate, number of dropouts (retention rate).

17. The agency sites incorporated in the coding were any web page that displayed data on outcomes, such as institutional data profiles or agency research websites. For instance, see California Bureau for Private Postsecondary Education, “2014 Annual Report Summary,” Department of Consumer Affairs, www.dca.ca.gov/webapps/bppe/2014_summary.php.

18. The terms used in the keyword search were: report, data, outcome, information, enrollment, completion, graduation, graduate, degree, placement, job, employment, occupation, retention, withdrawal, attrition, dropout, wage, salary, earning, \$, licensure, pass, exam, program, loan, default, number, rate, amount, total, gross, public, request, disclose, annual, renewal, catalog, bulletin, agreement, prospective, and review.

19. The coding methodology intentionally considered states’ regulatory processes for existing, out-of-state institutions seeking authorization in a new state. In other words, in coding the initial applications, the coding methodology gave preference to sets of regulations that applied to institutions with a track record of serving students. That was only the case when the regulations of an agency distinguished between new in-state and new out-of-state institutions. Most state agencies, however, did not explicitly distinguish between new schools and existing schools.

20. For authorizers that require an annual reauthorization, the coding for the renewal process overlaps with that of the annual reporting stage. When authorization renewal occurs after a longer time span—or does not occur at all—the coding for the renewal and annual review is distinct from the annual reporting stage.

21. For agencies that have annual authorization renewals, the annual report and the annual reauthorization were coded as the same.

22. During the initial stage, the total number of agencies requiring the following outcomes measurements were: graduation rate (17 agencies), job-placement rate (10), retention rate (12), wages (0), licensure-passage rate (2), and loan-default rate (9). During the renewal stage, the total number of agencies requiring the following outcomes measurements: graduation rate (30), job-placement rate (19), retention rate (20), wages (2), licensure-passage rate (6), and loan-default rate (11).

23. The New York Bureau of Proprietary School Supervision and the Kentucky Commission on Proprietary Education were excluded in this tally of agencies with annual reporting requirements. Neither provided clarifications about their regulations when asked, and the level of publicity of each agency’s outcomes data could not be coded with certainty from the regulatory documents.

24. This is not including exempt schools. The Oklahoma State Regents for Higher Education, for instance, publicly released a report titled “Degrees and Certificates Granted in Oklahoma Public and Private Institutions by Institutions and Type of Degree 2014-2015,” which excludes out-of-state schools operating in Oklahoma. See Oklahoma State Regents for Higher Education, “Degrees and Certificates Granted in Oklahoma Public and Private Institutions by Institution and Type of Degree 2014-2015,” January 6, 2016, www.okhighered.org/studies-reports/outcomes/Degrees%20Granted/2014-15degrees-granted-public-private.pdf. For authorizers such as Oklahoma State Regents for Higher Education, they were coded as either data are public by request or private.

25. Arkansas Higher Education Coordinating Board, “Annual Report on Student Retention and Graduation,” April 30, 2015, https://static.ark.org/eeuploads/adhe/publications/Retention_Graduation_Rate_2015.pdf.

26. The rule reads that “each school must submit the following information annually for each student who participated in training during the reporting period: (1) student name, address, telephone number and Social Security number if provided by the student; (2) Start date of training and date of completion or dropout; (3) Enrollment status as of the end of the reporting period; (4) Previous education before starting the current training program; (5) Race; (6) Date of birth; (7) Gender; (8) Disability status; (9) Hispanic/non-Hispanic; (10) Program title and duration (in months); (11) Veteran status; (12) Grade point average (GPA) or pass/fail; (13) If complete, what credential earned; (14) Any other information that the agency deems appropriate.” See Washington State Legislature, “Annual Student Data Reporting,” <http://apps.leg.wa.gov/WAC/default.aspx?cite=490-105-160>.

27. For the supplementary data for this report, see Data Quality Campaign, “Paving the Path to Success,” Data for Action, November 2014, http://2pido73em6703eytaq1cp8au.wpengine.netdna-cdn.com/wp-content/uploads/2016/03/DataForAction2014_0.pdf; and Data Quality Campaign, “Preparing Students for Jobs: Ensuring Student Success in the Workforce,” Data for Action, April 21, 2015, <http://dataqualitycampaign.org/resource/preparing-students-jobs-ensuring-student-success-workforce/>.

28. John Armstrong and Katie Zaback, “Assessing and Improving State Postsecondary Data Systems,” Institute for Higher Education Policy, May 2016, www.ihep.org/sites/default/files/uploads/postsecdata/docs/resources/state_postsecondary_data_systems.pdf.

29. Ibid.

30. Some states require institutions to disclose job-placement rates to prospective students *only if* job-placement services were offered. In other words, disclosures were optional, and the requirement did not apply to all authorized institutions. These agencies were not considered in the coding methodology.

31. LAWriter Ohio Laws and Rules, “Student Enrollment Policies and Practices,” January 4, 2016, <http://codes.ohio.gov/oac/3332-1-09v1>.

32. Tennessee Higher Education Commission, “Authorization and Regulation of Postsecondary Education Institutions and Their Agents,” www.tn.gov/assets/entities/thecc/attachments/December_2014_Rules.pdf.

33. Florida Department of Education, “Commission for Independent Education,” March 5, 2014, 12, www.fldoe.org/core/fileparse.php/5423/urlt/chapter6e_rules.pdf.

34. LAWriter Ohio Laws and Rules, “Graduation and Placement,” May 1, 2014, <http://codes.ohio.gov/oac/3332-1-24v1>.

35. The coding methodology did not explicitly include this type of regulation, which is why the paper offers no concrete tally. But, the reading and keyword search of each agency’s regulations likely would have uncovered nearly all mentions of such regulations, if not all, hence the conclusion that such provisions are few and far between.

36. Joint Committee on Administrative Rules, “Institutional Approval,” April 11, 2012, <ftp://www.ilga.gov/JCAR/AdminCode/o23/023010300000300R.html>.

37. Florida Department of Education, “Commission for Independent Education.”

38. Julie Poppen, “For-Profit Colleges Reshaping Higher Ed,” Chalkbeat, May 27, 2010, www.chalkbeat.org/posts/co/2010/05/27/for-profit-colleges-reshape-higher-ed-in-colorado/#.WABVgvrK01; and Ashley A. Smith, “Minnesota Looks to Close 2 For-Profit Schools,” Inside Higher Ed, September 12, 2016, www.insidehighered.com/quicktakes/2016/09/12/minnesota-looks-close-2-profit-institutions.

39. These findings are similar to those from interviews with state authorization experts conducted for the previous AEI report. See Kelly, James, and Columbus, *Inputs, Outcomes, Quality Assurance*.

40. For an analysis of the problems with measurements such as job-placement rates, see Timothy Sandoval, “In Job-Placement Rates, Fuzzy Data,” *Chronicle of Higher Education*, July 16, 2012, www.chronicle.com/article/Job-Placement-Statistics-Are/132881/.

41. Smith, “Ensuring Educational Integrity.”

42. Note that Alaska’s “Completion and Placement Reporting Standards” are not reported in the findings of the paper according to the coding methodology. (It applies to only authorized in-state schools, and the regulations make an explicit distinction.) Regardless, the measurement still demonstrates the main point of this section. See Alaska Commission on Postsecondary Education, “Completion and Placement Reporting Standards.”

43. Ibid.

44. For example, Kentucky specifies that a position in a field of study means: “The graduate’s employment is a position included in the most recent National Center for Education Statistics and US Bureau of Labor Statistics CIP-SOC Crosswalk for the program studied identified by the six digit US Department of Education classification of instructional program code, and the routine work predominantly requires using the core skills and knowledge expected to have been taught in the program and the position requires education beyond high school level; OR b. In instances where graduates are continuing in prior employment, the graduate’s prior employment position shall be reasonably related to the program training and the graduate attests in the graduate’s handwriting at the time of enrolling in the program and upon completion of the program, with reference to a specific written policy of the employer, to the benefit of the training as a catalyst for maintaining or advancing in a position.” See Kentucky Commission on Proprietary Education, “PE-39 Job Placement Reporting Form,” <http://kcpe.ky.gov/forms/JobPlacementForm.pdf>. Alaska, on the other hand, does not explicitly define an in-field job placement in their code, see Alaska Commission on Postsecondary Education, “Completion and Placement Reporting Standards,” www.touchngo.com/lglcnhetr/akstats/aac/title20/chapter017/section062.htm.

45. Sandoval, “In Job-Placement Rates, Fuzzy Data.”

46. For an example of how variations in outcomes measurements, particularly job-placement rates, could expose schools to liability in the particular instance of the Department of Education’s new “Borrower Defense to Repayment” regulations, see Andrew P. Kelly, “We Need Reforms That Align the Incentives of Students and Schools,” *New York Times*, May 7, 2015, www.nytimes.com/roomfordebate/2015/05/07/forgiving-student-debt-at-corinthian-colleges-and-other-for-profits/we-need-reforms-that-align-the-incentives-of-students-and-schools.

47. Loonin and McLaughlin, “State Inaction”; and Kelly, James, and Columbus, *Inputs, Outcomes, Quality Assurance*.

48. Florida Department of Education, “Commission for Independent Education.”

49. A Government Accountability Office analysis found that just 1 percent of accredited institutions lost their accreditation over a four-and-a-half-year period. See Government Accountability Office, “Education Should Strengthen Oversight of Schools and Accreditors,” December 2014, www.gao.gov/assets/670/667690.pdf. Just eight institutions were subject to sanction by the federal government per its Cohort Default Rate in 2013. See Federal Student Aid, “FY2011 2-Year Schools Subject to Sanction,” www.ifap.ed.gov/eannouncements/attachments/2013OfficialFY112YRCDRBriefing.pdf.

50. Mark Schneider, “Consumer Information and Post-Secondary Education,” testimony before the US Senate Committee on Health, Education, Labor, and Pensions, US Senate, May 6, 2015, www.help.senate.gov/imo/media/doc/Schneider.pdf.

51. College Measures, “Home,” www.collegemeasures.org/; and Workforce Data Quality Campaign, “Know If Graduates Get Jobs,” www.workforcedqc.org/state-solutions/know-if-graduates-get-jobs.

52. RTI International, “Technical Review Panel No. 34 Calculating Job Placement Rates—Final Actions,” https://edsurveys.rti.org/IPEDS_TRP_DOCS/prod/documents/TRP34_Final_Action.pdf.

53. See Appendix D of Smith, “Ensuring Educational Integrity.”

54. National Council for State Authorization Reciprocity Agreements, “State Actions Regarding SARA,” <http://nc-sara.org/state-actions/state-actions-regarding-sara>; and correspondence with staff of NC-SARA, October 14, 2016.

55. Institutions participating in the State Authorization Reciprocity Agreements shall annually report to the National Council for State Authorization Reciprocity Agreements the number of students enrolled in the institution via distance education delivered outside the home state of the institution, disaggregated by state, territory, or district in which the students reside. This data shall be reported annually to NC-SARA one month following the due date for institutions to make their fall enrollment reports to the federal government’s Integrated Postsecondary Education Data System. See National Council for State Authorization Reciprocity Agreements, “State Authorization Reciprocity Agreements Policies and Standards,” May 5, 2016, http://nc-sara.org/files/docs/NC-SARA_Policies_Standards.pdf.

56. National Council for State Authorization Reciprocity Agreements, “What Does My State Need to Do to Join SARA?,” <http://nc-sara.org/what-does-state-need-to-join-sara>.

57. Conversation with staff member from the State Council of Higher Education for Virginia, October 7, 2016; see State Council of Higher Education for Virginia, “Institutional Profiles,” <http://research.schev.edu/iprofile.asp?UID=-1>.