

Making Online Accountable

Regulation Update, U.S. News Rankings & School Initiatives

Annual Member Meeting
Online Higher Education Learning Collaborative (OHE-LC)

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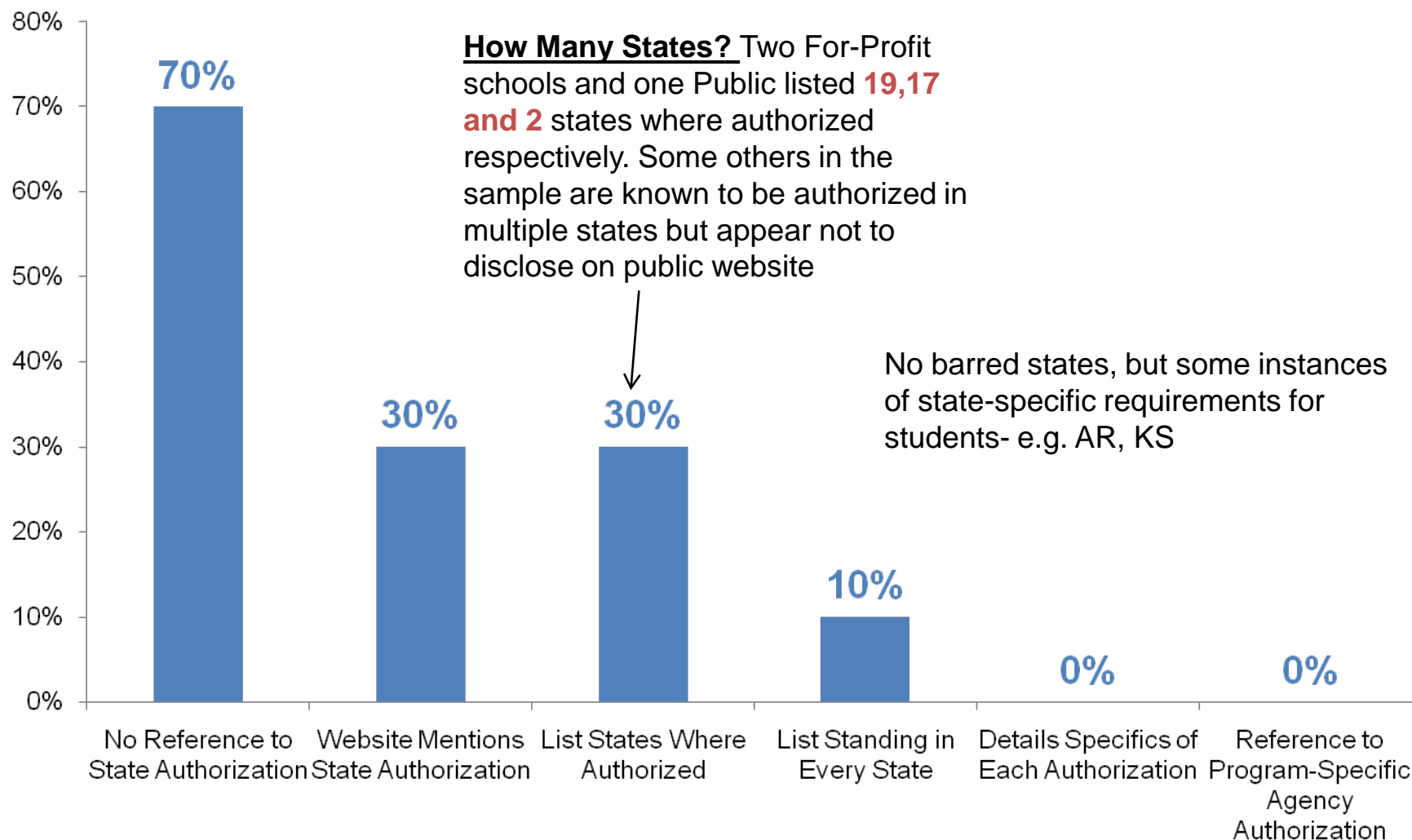
In 2012, schools are adapting to new regulatory regime, but enforcement/detail still not in place. Current Neg Reg narrower

- **State Authorization**- 2011-14 window has given schools breathing space. Compliance and disclosure still patchy but building. State positions now much clearer and more stable. <10 states regulate “pure” online, but patchwork of regulation of other “distance” activity is also a mainstream issue. Proposed SARA compact is taking shape, but still early days
- **Gainful Employment**- comes into force July 2012, with “action” delayed until 2015. Awaiting release of new DoE data designed to clarify the situation of individual programs
- **Other “Program Integrity” rules**- schools have generally been able to tweak existing arrangements to ensure compliance (e.g. credit hour, incentive compensation, revenue share models with vendors)
- **Current Neg Reg Round**- 1) Teacher Education, 2) Financial Aid Fraud and Electronic Fund Transfer

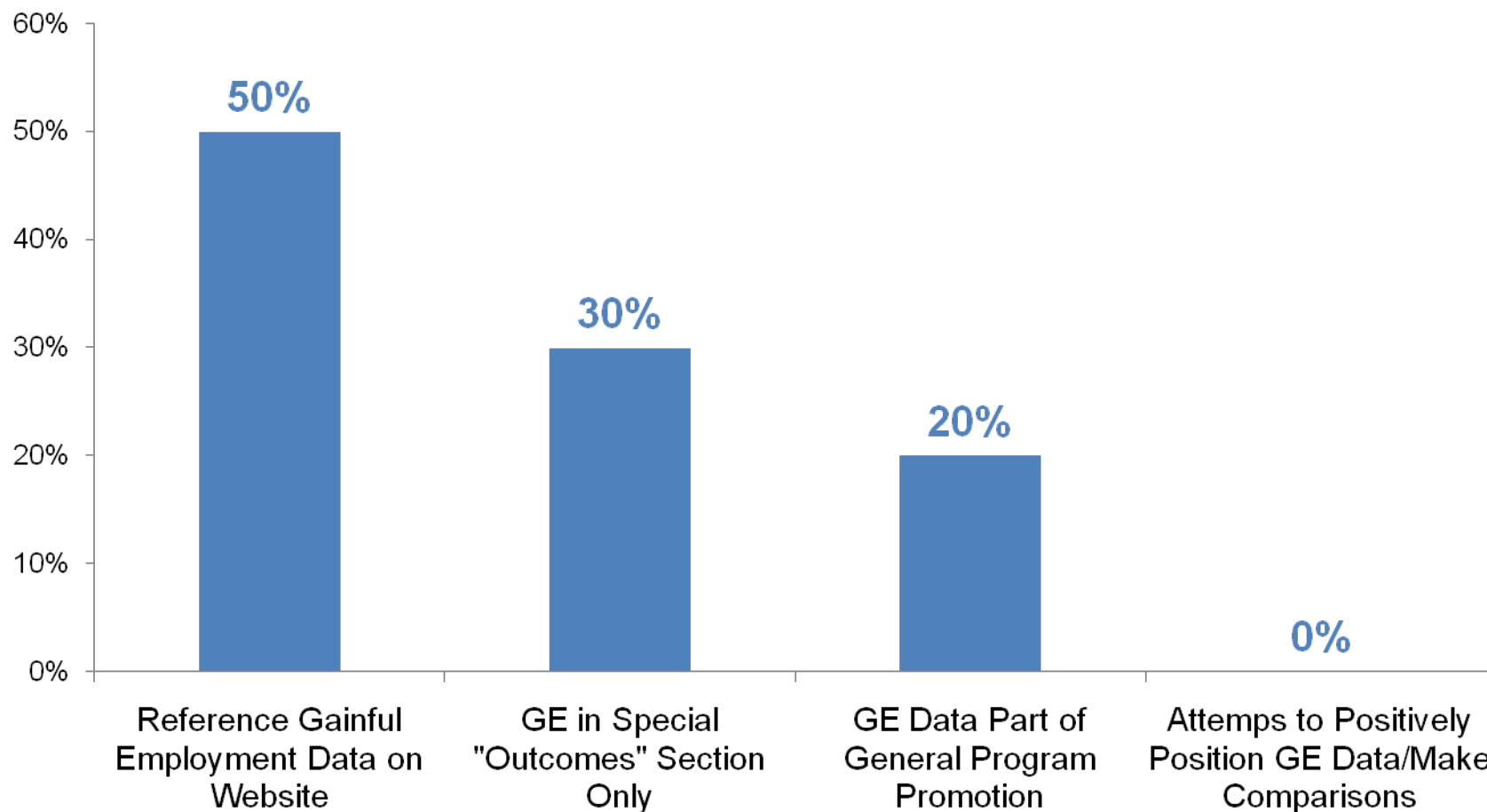
How are online active schools positioning “accountability” to the market?

- **Initial Read of the Sector**. In the early stages of our forthcoming “Making Online Higher Education Accountable” report, Eduventures examined how ten diverse schools with online programs are handling “accountability”, both from a regulatory compliance perspective, and in terms of broader data disclosure, positioning and initiative. The focus is on market-facing accountability activity
- The 10 schools are:
 - Ashford University
 - Capella University
 - Kaplan University
 - Baker College
 - Drexel University
 - Saint Leo University
 - Arizona State University
 - University of Nebraska Lincoln
 - University of Maryland University College
 - Penn State World Campus

Most schools don't position state authorization to the market. Extant positioning appears compliance oriented, less helpful for prospects



Gainful Employment disclosures still patchy. Data/compliance heavy, value-add for prospects light. Extensive caveats, no context, insight



US News- premiere brand but reflects online immaturity: reliance on inputs, pedagogic/service volume and yes/no. Outcomes/value elusive

- Only 50% of sample schools participated in 2011- fewer for-profits participated
- Most of that 50% did well in at least some areas, and some did well in many areas
- Schools that did well cite ranking in marketing
- US News to be commended for range of online features considered, but overall the rankings are rather conservative, input-centric, lack nuance and lack clear focus on value-add
- This is less a criticism of US News and more a reflection of the relative immaturity of online delivery in terms of data collection and disclosure, and the complexity of measuring value-add
- The fact that US News ranked online programs at all is an indication of online's mainstream status, and rankings efforts generally are likely to increase

“Other” Accountability Initiatives- greater pressure on for-profits has yielded substantial outcomes disclosure compared to nonprofits

- Clear line between for-profits and nonprofits in the sample:
 - **For-Profits**- recent establishment of very large and detailed “outcomes” sites or sections disclosing expected program outcomes, student satisfaction/ engagement, retention and graduation rates, Gainful Employment figures, alumni data
 - **Strengths**- new information in an evermore crowded market; demonstrates non-traditional school willingness to share additional data about performance
 - **Weaknesses**- data volume over meaning, especially for prospective students. Lack of context or comparison. Many missing data items. Compliance-oriented
 - **Nonprofits**- little or no outcomes data. Refer to quality in terms of the parent institution, nonprofit status and various standard features of online programs
 - **Strengths**- avoids direct reporting, and potential comparison, of quantified outcomes data. Resists risk of overly mechanistic assessment of program quality
 - **Weaknesses**- no answer to for-profit data, if latter becomes a decision variable for prospects. Appear less transparent in eyes of regulators, or consistent with differing regulatory regimes across profit boundary?

Thank You

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