



News

Shireman Speaks

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SAN FRANCISCO -- Nine months after leaving the U.S. Education Department, where he led an effort to ramp up regulation of for-profit higher education and was accused of trying to shut down the sector, Robert Shireman made his first meaningful public comments about the state of government oversight of the colleges in a speech here Friday.

And while he expressed continued concerns that the institutions' profit-making orientation led some of them to pursue fast growth at the expense of quality, and suggested that accrediting agencies adopt a set of indicators that would help them identify problem colleges, Shireman offered a relatively evenhanded appraisal of the sector -- even coming to its defense when some audience members suggested that the colleges' profit motive was inherently flawed and that regulators should treat them entirely differently simply because of their tax status.

Shireman's comments, as part of [a panel on the future of higher education accreditation](#) (in which this reporter participated) during the Western Association of Schools and Colleges' [Academic Resource Conference](#), came nearly a year after [he gave a speech](#) (near the end of his 16-month term as deputy under secretary of education) that was seen as highly critical of accreditors' ability to keep for-profit colleges in check.

That speech, in which Shireman compared accreditors to the bond ratings agencies on Wall Street that were outgunned by an industry that has grown too quickly and become too complex for them to control, drew attention to the accrediting agencies' role in a way that has since been echoed by Shireman's successors at the Education Department and by a Senate committee investigating for-profit higher education.

Shireman left the Education Department last July (remaining an adviser to it until February) to return to San Francisco, where he heads a new organization, California Competes, to work on the state's knotty higher education and work force issues. So he made his comments at last week's WASC meeting as a private citizen -- though one who remains influential with policy makers. His statements came at a particularly relevant time for the Western accreditor, which has accredited few for-profit colleges but is [poised to consider an application](#) from Bridgepoint Education, Inc. for its Ashford University affiliate -- which has been at [the center of federal discussions](#) about these matters.

Shireman began with praise -- although qualified -- both for accreditation and for for-profit colleges. Accreditation is an important "buffer" against "government establishment of truth" and about what should and should not be taught, without which "we would be having all sorts of monkey business around climate change and evolution and whatever else," he said. And the agencies have an important role to play in prodding institutions to improve and in making "nuanced judgments" about colleges' quality, Shireman said.

For-profit colleges (often unlike their nonprofit peers, Shireman said) have an admirable ability to respond quickly to market forces, seen most visibly in recent years as the institutions have "stepped up" to meet enrollment demand as some public colleges have cut back because of budget reductions.

And the commercial companies' "incentive for efficiency" has important lessons for their nonprofit peers, and "could be revolutionary" if the institutions can merge their inclination to measure learning outcomes with a low-cost approach that "reaches those measurable learning outcomes," Shireman said.

Problems arise, however, in the marriage of accreditation and for-profit higher education, Shireman continued -- particularly when it comes to the kind of Wall Street-backed institutions that have emerged in force in the last decade, financed by venture capital and private equity firms.

"Venture investors," by their nature, "have a sole focus on massive growth -- the concept that you can be one of the early investors in a Google-like enterprise and become filthy rich is what drives you to invest," Shireman said.

"There's nothing [inherently] wrong with this," he said -- "this is what capitalism is all about." But when that growth orientation is filtered through the men and women who run an enterprise like a college, "that can blind you to what some of the other things going on as a result of that growth might be," he said. "There can be growth sometimes without the kind of quality that should be there. And growth itself can undermine the quality that may have been there" previously.

A "hypermarketing" mentality can take over, Shireman added, using a modified "Star Trek" analogy to drive his point home for the audience. "It's like Captain Kirk telling Scotty to push the button to go to warp 5. You've got all those stars coming at you. And the accrediting agency is behind you on a tricycle trying to keep up," he said, to knowing guffaws from the crowd. "And there's just absolutely no way that they're ever going to catch that warp speed marketing."

Those comments echoed his assertion in his April 2010 speech that accreditors -- along with state and federal regulators -- are outgunned in trying to regulate sprawling, financially complex higher education companies with high-powered lawyers and large staffs charged with regulatory compliance.

But does that mean, as **some commentators have suggested**, that the marriage between accreditors and the government should be annulled, or that regulators should **treat for-profit colleges entirely differently** from how they look at other colleges? Shireman asked.

No, he said. Though he said he is "offended" when for-profit-college leaders assert that it is "invidious discrimination" to consider them as different from other colleges -- "as if it's on a par with discrimination against somebody based on race to somehow recognize that there are some different dynamics between nonprofit and for-profit institutions," he said -- "it's better for rules to apply to all institutions," ultimately.

(When one community college official in the audience suggested that no federal money should flow to institutions that operate "for profit," Shireman demurred. "There was a campaign really to portray me as being religiously opposed to the whole concept of for-profit colleges, which I'm not and never have been. I think they have a lot to contribute.... Saying we're not going to have anything associated with profit at government institutions, that's not the line to draw," he said. He joked that this article should be titled "Shireman Defends For-Profit Institutions.")

So instead of putting in place an alternative structure for accrediting for-profit colleges, Shireman said, accreditors, in concert with the federal and state governments, should set up a system of "circuit breakers" -- a set of "bright-line indicators" that, when crossed by any college or university, automatically initiate a corresponding set of actions against the institution.

The markers might include such things as:

- A metric to show that a certain proportion of a college's students are "paying for a program at this price with their own money," to ensure that there is actual market demand for the program, rather than having enrollment fed entirely by federal or state student aid money.
- Data to show that a program's graduates are getting jobs -- not statistics self-reported by institutions, which can be manipulated, but state data that are increasingly available.
- Student-satisfaction data, which could be collected if the U.S. Education Department and accreditors collaborated to develop an online survey of federal student aid recipients six months after they enroll. "Are you enrolled? Are you getting what you expected? Big changes up or down could trigger" sanctions, Shireman said.
- Graduation rates. Yes, "there are lots of issues with" such data, Shireman acknowledged. "But maybe single digits is something that should be of concern and trigger *something*?" he said.
- Secret shopper programs, like those used by the Government Accountability Office to examine the recruiting and enrollment practices of for-profit colleges as part of a review by Senator Tom Harkin (D-Iowa) last summer.

These indicators would be constantly monitored (not just when accreditors formally review an institution every five or 10 years), and depending on the seriousness of the breach, an accreditor would impose certain penalties automatically, Shireman said -- an immediate consumer warning, to a freeze on enrollment, all the way up to probation and ultimately revocation of accreditation.

Instituting a system like this would strengthen the government's ability to regulate colleges of all sorts, including for-profit institutions. While the system would remain imperfect -- accreditation is much like democracy, Shireman said, in that there is likely to be no replacement that's better -- he closed the discussion with an almost-too-perfect story that offered a more positive spin on his earlier analogy of the tricycle and the Starship Enterprise.

He recalled [recent news reports](#) about a comedian's one-mile race against a city bus -- on a child's Big Wheel. And yes, Shireman pointed out, he won, so perhaps there is hope for accreditors after all.

— **Doug Lederman**