

# For-profits Under Increased Scrutiny — This Time From Military

by Joyce Jones, November 3, 2010

For-profit universities and colleges are under an unflattering spotlight once again as congressional lawmakers and Department of Defense officials explore whether they are exploiting the military's tuition assistance program.

DOD estimates that in fiscal year 2010 it spent \$580 million for 380,000 active-duty service members to take college courses.

Approximately 40 percent of that funding went to for-profit colleges, 70 percent of which paid for online courses. Distance learning is appealing to service members because they can take online courses at their convenience, an ideal scenario for soldiers deployed in battle zones. But questions have arisen over the quality of for-profit online courses and whether for-profit institutions take advantage of service members and the taxpayer dollars that pay for those courses.

The Defense Department has proposed a new regulation that would expand the Military Installation Voluntary Educational Review (MIVER) program to include online programs in addition to the programs on military installations that it assesses. It also would require institutions offering online programs to sign a memorandum of understanding if they want to receive military tuition assistance reimbursement.

The rule, which is in the Federal Register for comment, could go into effect in December. Robert Gordon III, deputy undersecretary of defense for military community and family policy, told a House Armed Services subcommittee in September that the rule would enable DOD to monitor the quality of online programs to ensure that they are sufficiently rigorous.

According to Dr. Susan Aldridge, president of the University of Maryland University College (UMUC), MIVER assessments are comprehensive and include interviews with students and faculty. UMUC, the largest provider of education for the military, has a memorandum of understanding with the Defense Department to offer classes on more than 100 military installations in the U.S., Europe, Asia and the Middle East.

“When an assessment is done on our face-to-face classes, the assessment teams are also able to assess our online programs and students,” Aldridge says. “But these other institutions are receiving tens of millions of dollars from the Defense Department and there is no quality oversight.”

Because many for-profits offering online courses to service members are not located on military installations and have not been subject to similar review, she says, quality oversight between those institutions and traditional, regionally accredited institutions is inconsistent.

Harris Miller, CEO and president of the Association of Private Sector Colleges and Universities (APSCU), formerly the Career College Association, says for-profits undergo far more scrutiny than

other higher education institutions. He says they would participate in MIVER-type assessments but adds, “more research needs to be done into the overall impact of online education in higher education because a large percentage of the people taking programs online are not in for-profit higher education.” Miller believes that additional research would better inform understanding of what models work best.

Aldridge also expressed concern that the budget cuts that have forced the armed services branches to reduce their number of academic advisers and counselors by 40 to 60 percent may cause service members to make uninformed decisions. Many, for example, do not realize that the credits they earn from nationally accredited institutions are, in most cases, not transferable to regionally accredited schools and they don’t understand the difference between the two.

“At a time when students need more information and guidance about what type of courses they should be taking and from what type of institutions to meet their academic goals, they’re not getting the advising that they need,” Aldridge says.

According to Miller, APSCU’s code of conduct calls for its schools to disclose all aspects of their institutional and program accreditations.

Aldridge says the Defense Department’s proposed rule is a “step in the right direction,” but also believes that it does not go far enough. Citing an August Government Accountability Office report that uncovered fraud and questionable marketing practices at for-profits, she says the proposed regulation won’t prevent misrepresentation of programs and there is no mention about who will ensure quality or enforce the conditions in the memorandum of understanding.

“Unless there are some penalties or repercussions associated with not following quality standards or practices in the delivery of education, I think we’re leaving ourselves wide open for the kind of scandalous behavior that we’ve seen come out of the GAO investigation,” she says.

A spokeswoman in the Armed Services Committee’s oversight and investigations panel says the panel would continue oversight of Defense tuition assistance programs to ensure that they meet quality standards and service members’ needs.