ASSESSMENT IN PROPRIETARY INSTITUTIONS: HISTORICAL TRENDS, CURRENT PRACTICES AND THE FUTURE

Pamela Wirth, PhD
Department Chair, University College, Trident University International, 5757 Plaza Dr. Suite 100, Cypress, CA 90630, United States
pamela.wirth@trident.edu

ABSTRACT
The for-profit sector has come under intense scrutiny over the last decade as student debts have escalated and degree attainment rates remain low. Legislative changes have pushed for more oversight and regulation of these colleges at both the institutional and program levels. Issues related to program quality and student outcomes have caused the for-profit education industry to take a closer look at its curriculum and student outcomes. Proprietary colleges are increasingly realizing the value of assessment as both a marketing tool and tracking mechanism to support student success. This paper will explore the historical impact of institutional assessment in proprietary education, current practices and future trends.
Keywords: for-profit, assessment, innovation, learning analytics, technology

INTRODUCTION

Proprietary colleges are the largest growing segment in higher education. The United States Department of Education noted a growth of 166 percent in private, for-profit undergraduate student enrollment between the years 2000 and 2015. Student enrollments jumped from 203,000 students in year 2000 to 1.1 million in 2015. Recent years (2010-2015), however, have shown a decline in overall student enrollments for both public and for-profit colleges. For-profit institutions have experienced the largest decline in student numbers from 1.7 million to 1.1 million between the years 2010 and 2015. Public institutions were much less affected with only a 4 percent decrease while private non-profits saw a small increase at 6 percent (United States Department of Education, 2017). Public institutions still maintain the majority of student enrollments in U.S. higher education as shown below (Table 1).

Table 1: Number of Students Enrolled in Proprietary/For-Profit, Private/Non-Profit and Public Institutions (2000-2015)

Institutional Type	Year		
	2000	2010	2015
Private For-Profit	403,000	1.7 million	1.1 million
Private Non- Profit	2.2 million	2.7 million	2.8 million
Public	10.5 million	13.7 million	13.1 million

Despite the overall decrease in for-profit student enrollment in recent years, certain populations of distance learners seek out these institutions for higher education. As of 2014, 53.9 percent of college students were exclusively enrolled in distance education courses at degree-granting private for-profit institutions (United States Department of Education, 2016).

HISTORY OF ASSESSMENT IN PROPRIETARY INSTITUTIONS

After passage of the GI Bill in 1944, higher education experienced immense growth in student enrollments from 1.5 million students in 1940 to almost 2.7 million in 1950. The United States experienced a large influx of veterans returning from oversees seeking training and employment. The GI Bill provided generous grants for veterans to attend any higher education institution of their choosing. The GI Bill not only provided tuition monies for students attending traditional universities, but proprietary institutions as well (Douglass 2012). With burgeoning student enrollments, questions soon arose about the quality and value of a post-secondary degree (Hunt 2006).

The need for accountability drove the United States government to establish a partnership with regional accrediting agencies during the mid-1950's. These agencies consisted of institutional members in charge of developing their own methods for evaluation. This form of self-regulation caused many to question the stringency of the process.

While being accredited was considered a stamp of quality by the government and even the public-at-large for many years, it became clear this was not sufficient. Many for-profit schools became accredited, but suffered from poor quality programs and student outcomes (Eaton, 2012).

In an attempt to better regulate the for-profit industry, the gainful employment rule was passed in 2011. In order to continue receiving federal financial aid, colleges were required to demonstrate their graduates were repaying their loans (at least 35 percent of their graduates) or that a student's annual loan payment was not exceeding 12 percent of his or her total income (Douglass, 2012). The Department of Education hoped to address the ongoing issues of poor quality in the proprietary sector along with rising student debt. As a result of this rule, students would be able to make more informed decisions based on publicly available data generated from this legislation. Under the current political climate, the ongoing impact of this rule remains unknown as the current Education Secretary has delayed certain provisions of the rule, promising to devise new protections for students.

IMPACT OF STATE AND FEDERAL POLICIES

The student loan default rates continue to rise with the increasing costs of college tuition, especially in the for-profit industry. In the early 1990's, states faced increasing pressure to balance budgets causing many institutions to raise tuition, forcing students to fund their own education through federal loans. For-profit institutions have traditionally relied on federal financial aid to support their infrastructure and programs (Slaughter & Rhoades, 2016, p. 503-509).

The 1998 Higher Education Act made it easier for proprietary institutions to appeal federal penalties resulting from student loan defaults. Proprietary schools were redefined under the law as institutions of higher education, enabling them to take in federal aid. Lawsuits against proprietary institutions were more aggressively pursued however, citing predatory practices against students. The gainful employment rule increased pressure on institutions to provide data on their programs, demonstrating that certain programs were able to provide salaries sufficient to pay back loans incurred by their students (Proprietary School 90/10 Revenue Percentages).

In 2008, the United States Department of Education reauthorized the Higher Education Act (HEA) of 1965. The original law was designed to increase access to higher education by providing more financial aid to students. The rising costs of college tuition and increasingly high loan default rates were the impetus for reforming the original HEA. Both non-profit and proprietary schools were required to help ease student loan burden, increase college affordability and provide greater transparency by reporting institutional and program outcomes (Hillman, 2014).

For-profit colleges benefited greatly from these reforms to the HEA in terms of funding access. Proprietary institutions received more than 20% of all distributed Title IV funds between the years 2009-2010. Many students who were previously underserved had increased access to a college education. Unfortunately, the for-profit sector suffered from high student loan default rates, low graduation rates and poor reputations. Although schools were required to show accreditation status to receive Title IV funds, this seemed to do little towards improving student outcomes (Myers & Mengistu, 2014).

Some agencies like the National Association of Scholars (NAS) supported additional reform to the HEA. Proponents suggested accrediting bodies take on a greater role in ensuring the financial viability of institutions that receive federal aid. This would help control the creation of programs with questionable value and prevent the reliance of failing schools on government support. Additionally, accreditors would be encouraged to develop and share meaningful reports assessing a college's quality. Such proposals would create more accountability for institutions by requiring the return of a percentage of federal monies by the college if a student fails to graduate in a timely manner (Leef, 2017).

NATIONAL TRENDS AND LEARNING ANALYTICS

For many proprietary institutions, assessment activities have been historically driven by legislative action, external pressures and the need for accountability. With the advent of distance learning, student behavior is more easily monitored using data collected from learning management systems (LMS). Often referred to as learning analytics, the collection, analysis and reporting of student learning outcomes has become a field of growing interest for both on-ground and online institutions. Universities are increasingly using this data to identify at-risk students, to direct learners towards support services and make predictions on a student's future performance (Conijn, Snijders, Kleingeld, & Matzat, 2017).

Technology has driven the process of assessment through the use of automated data collection. Both direct and indirect measures of student success are collected by software programs in order to analyze various metrics such as student satisfaction, retention rates, grade point averages and persistence (Biemiller, 2017) Collecting and analyzing student data on performance and outcomes helps target areas for improvement in course design, instruction and even career success. Many colleges, including proprietary schools are attempting to assess their learning outcomes to demonstrate the quality and value of their programs (Goldberg, Guffey & Oliverio, 2016).

Kaplan University developed the "Kaplan Commitment" to help understand and address their low retention rates of new, incoming students. Standardized rubrics were used to assess student performance during an online learner's first course at the university. Students were evaluated on a 0 through 5 scale with zero indicating no progress, a three supporting proficient or "practiced" and a 5 indicating mastery. This initial course was offered free to incoming students, costing the university approximately 65 million in lost revenue during a single year (Smith, 2012). Kaplan believes this is a beneficial program for both taxpayers and students. Students are given a trial period to determine if online learning is right for them without incurring any debt.

In 2009, Capella University began reporting their assessment results through a web-based initiative called Transparency by Design. Data on program learning outcomes was provided along with student performance metrics. Capella began collecting competency data and providing information to their faculty through an electronic dashboard in real-time. Capella now maintains publicly available information about their assessment activity through their website capellaresults.com (Banta, Ewell & Cogswell, 2016).

TECHNOLOGICAL TRENDS

Students taking distance education courses have traditionally been older, working adults with families. Many of these students are underrepresented at traditional, public institutions and seek to advance their education and careers through distance learning. Although not as transformative as projected, MOOCs have provided some data on how underrepresented students can be better served through technology. One example comes from a partnership between Arizona State and edX that allows students to pay and apply for credit after they successfully complete classes. The hope is more low income students can be reached with this format, allowing them to try college level courses with minimal risk. The integration of adaptive learning in these courses also provides more data on personalized learning approaches (Allen, 2016).

Technology is also being used to denote a student's skill set through the awarding of digital badges. Once a student demonstrates proficiency in a particular subject area, this can be communicated to potential employers in the form of a visible stamp of accomplishment. Digital badges can be earned through coursework or through military service (Merisotis, 2016).

Faculty employed at for-profit institutions typically devote large amounts of time to teaching and student outreach, leaving less time for curriculum development and assessment. Faculty and staff roles may be segmented across the university using different delivery formats. Western Governors University (WGU), a private non-profit university, employs student mentors to work with learners one-on-one while a separate team of graders provides feedback on assignments. WGU takes advantage of technology to report a student's activity and progress in a course, creating less dependence on faculty and staff for data collection (Mendenhall, 2012, p.117-118).

MISSION, VISION AND GOALS

While the mission of many proprietary schools remains focused on student programs and services, an increasing number of these colleges are recognizing the importance of marketing the quality, effectiveness and value of their programs. A word cloud analysis of the mission and vision statements of ten well known private, for-profit institutions was conducted to evaluate any trends in assessment activities and ongoing program improvements (Figure 1). Each institution's website was reviewed and statements were compiled consisting of a total of 6421 words. The word cloud was created using the online program (http://www.wordclouds.com/). Common English words such as "the", "a" and "and" were removed. The two most prominent words highlighted from the analysis are 'professional' and 'learning'.

Figure 1: Word Cloud of Ten Private Proprietary College's Mission and Vision Statements

Each institution's mission and vision was reviewed for terms related to assessment and quality in addition to the word cloud analysis. Other prominent words included 'quality', 'improvement', 'innovation/innovative' and 'technology' (Table 2). While none of the universities surveyed made use of all of these terms, almost all colleges used a combination of descriptors to indicate accountability or progress.

Table 2: Frequency of Assessment-Related Terminology in Propriety College Mission and Vision Statements.

Institution					
	Frequency of Assessment Terminology				
	Assessment	Quality	Improvement	Innovation	Technology
Univ of Phoenix	X		X	X	X
Devry	X	X	X		X
Kaplan	X			X	
Capella		X		X	
Colorado Tech				X	X
Argosy					
Ashford		X		X	
NCU	X			X	
ECPI	X	X	X	X	X
AIU		X	X	X	

The majority of universities surveyed utilized the term 'professional' to describe the growth and development of students. Devry University emphasized professional growth for their students and faculty, while Kaplan University used the term to describe student advancement and university involvement with community leaders. Capella University specifically used the term 'professional' to convey the quality of their program offerings as "high-quality professional curriculum infused with multicultural competencies". Half of the universities stated assessment was a key component of their mission including University of Phoenix, Devry, Kaplan, Northcentral University (NCU) and ECPI University (East Coast Polytechnic Institute). The term 'quality' was also used by 50 percent of the colleges surveyed to market the value of their programs and colleges including American Intercontinental University (AIU).

Interestingly, the term 'innovation' was used by all ten colleges surveyed and displayed equal prominence as 'quality' and 'excellence' in the word cloud. These terms have implications for institutional assessment as well. Demonstrating value and quality will be critical to attracting working, adult students seeking to advance or change careers. New, innovative approaches to curricula using the latest technology may be the best approach. Attracting these students using reliable assessment data in a simple, standardized format could also eliminate the need for cumbersome and punitive legislation (Deming, Goldin, & Katz, 2013).

FUTURE DIRECTIONS

The motivation for institutional assessment in proprietary schools appears to be shifting from a compliance focus towards a culture of improvement, quality and innovation. Assessments that can demonstrate successful learning outcomes are needed to convince students and employers alike of the value of their programs. Institutions are continually looking for ways to improve student success and outreach. Learning analytics may be the key if accuracy of information remains reliable. Learning analytics are already being used to reach out to struggling students earlier versus later in a term. Many proprietary institutions are focusing heavily on the use of assessment data to support student retention and persistence. Rather than hiring more instructors and staff to support these efforts, data analytics are being used to determine the most effective use of resources. This may involve more innovative curricula, higher quality program offerings and diverse student services offered in real-time.

The expanding growth of for-profit institutions has placed them under intense scrutiny by both the government and the public at-large. In particular, graduation rates, loan default rates and program quality are under review. To address these issues, proprietary schools use similar measures as public institutions to demonstrate legitimacy such as becoming accredited. They also attempt to market their institution's value and quality through their mission and vision statements using descriptive terms like "quality" and "innovative."

In order to remain competitive, proprietary institutions will need to attract a sizeable civilian student population. Job placement and career advancement will continue to be key elements of degree quality and value for both non-profit and proprietary institutions. This creates a very competitive landscape for all institutions of higher education. Those institutions that are best able to attract these target populations through demonstrated value of their programs will be able to meet increasing regulatory and economic pressures.

CONCLUSIONS

While increasing focus on assessment activities in the proprietary sector is a positive trend, much work is still needed to ensure institutional accountability and student success. Effective methods in measuring student outcomes will be critical to ensure the long-term stability of programs in proprietary colleges. With the increasing use of technology, data gathering and assessment methods will continue to improve. It will also be critical to recognize the value and meaning of the data being collected in order to properly analyze how it can be used to improve student success.

REFERENCES

Allen, B. (2016). Optimizing Technology's Promise. Educause Review. Retrieved from https://er.educause.edu/articles/2016/10/optimizing-technologys-promise

Banta, T., Ewell, P., & Cogswell, C. (2016). Tracing Assessment Practice as Reflected in *Assessment Update*. National Institute for Learning Outcomes Assessment. Retrieved from https://eric.ed.gov/?id=ED574480

Biemiller, L. (2017). Big Data for Student Success Still Limited to Early Adopters. *Chronicle of Higher Education, 63*(32), p. 2.

Conijn, R., Snijders, C., Kleingeld, A. & Matzat, U. (2017). Predicting Student Performance from LMS Data: A Comparison of 17 Blended Courses Using Moodle LMS. *IEEE Transactions on Learning Technologies, 10*(1), p. 17-29.

Deming, D., Golding, C., & Katz, L. (2013). For-Profit Colleges. *The Future of Children, 23* (1), p. 137-163.

Douglass, J. (2012). Money, Politics and the Rise of For-Profit Higher Education in the US: A Story of Supply, Demand and the Brazilian Effect. Research & Occasional Paper Series: CSHE.2.12. Center for Studies in Higher Education. University of California, Berkeley.

Eaton, J. (2012). Planning for Higher Education. The Future of Accreditation. *Society for College and University Planning, 40*(3), p. 8-15.

Goldberg, K., Guffey, J., & Oliverio, P. (2016). Defining Postsecondary Degrees in the 21st Century. *Journal of College Teaching and Learning, 13*(2), p.65-78.

Hillman, N. (2014). College on Credit: A Multilevel Analysis of Student Loan Default. *Review of Higher Education, 37*(2), p. 169-195.

Hunt, J. (2006). Educational Leadership for the 21st Century. Retrieved from http://www.highereducation.org/reports/hunt_tierney/hunt.shtml

Leef, J. (2017). If We Can't Repeal the Higher Education Act, Let's Improve It. Retrieved from https://www.jamesgmartin.center/2017/04/cant-repeal-higher-education-act-lets-improve/

Mendenhall, R. (2012).Western Governor's University. In Oblinger, D.(ed) *Game Changers: Education and Information Technologies*. (p.115-132). Educause.

Merisotis, J. (2016). Credentials Reform: How Technology and the Changing Needs of the Workforce Will Create the Higher Education System of the Future. *Educause.*

Myers, R. & Mengistu, B. (2014). The Impact of the Higher Education Regulatory Environment on For-Profit Higher Education Institutions. *Journal of Public Management & Social Policy, 20* (1), p. 84-97.

Proprietary School 90/10 Revenue Percentages. (2017). Retrieved from https://studentaid.ed.gov/sa/about/data-center/school/proprietary

Slaughter, S. & Rhoades, G.. (2016). State and Markets in Higher Education. In Bastedo, M., Altbach, P. & Gumport, P. (ed). *American Higher Education in the Twenty-First Century: Social, Political and Economic Challenges* (pgs 35-59). Baltimore: Johns Hopkins University Press.

Smith, P. (2012). The Quality Challenge: How Kaplan is Tackling the LEAP Call to Action. *Liberal Education, 98* (2), p. 48-53.

U.S. Department of Education, National Center for Education Statistics. (2016). *Digest of Education Statistics, 2015* (NCES 2016-014), Table 311.15.

U.S. Department of Education, National Center for Education Statistics. (2017). *The Condition of Education. Undergraduate Enrollment.* Retrieved from https://nces.ed.gov/programs/coe/indicator_cha.asp

