

23 March 2017

The Honorable Betsy DeVos
U.S. Department of Education
400 Maryland Avenue, SW
Washington, D.C. 20202

Dear Secretary DeVos:

I am responding to the student advocates group's letter dated March 22 conveying their strong support for the continued implementation of Department of Education accountability regulations. I am the President and Chief Executive Officer of Delta Career Education Corporation, the owner and operator of the McCann School of Business and Technology. The school and the Medical Assisting ASB degree program at its Hazleton, Pennsylvania campus are highlighted in their letter. I am writing to provide more context on the outcomes data cited in the letter and to rebut affirmatively the implication that we are bad actors in postsecondary education.

First, let me say that most of the data cited in the article is technically correct. We produced the data based on the templates and definitions created by the Department of Education. As I have learned in working in K-12 and postsecondary education over the past 15 years, however, there is more than one way to define an outcome. And, based on one's ideology, a definition can vary greatly. Unfortunately, the student advocates group's letter cherry-picks data to support their argument and has sucked in a number of reporters looking to extend the narrative of alleged victims of proprietary postsecondary education.

Regarding the metrics cited:

1. On-Time graduation Rate is 7%. While this is true, the actual graduation rate to date for this same cohort of students is 52% with one more student on track to graduate in May. It is very common for our students to take breaks during the program due to life circumstances. And, for most, graduating on-time is not a priority. Half of our students have children and many of them are single mothers. As a result, disruptions in childcare can very often lead to students leaving their program temporarily. We also see that students will take breaks to take a job and make some money, but then return to their studies at a later date. We stay in contact with these students and encourage them to re-enroll and complete their programs because anything short of graduation and job placement is a failure in our mission. To be balanced, if you compare McCann's Hazleton campus to the local community college, we are graduating similar students at twice the rate. If you compare the community college's graduation rate to our rate to date, it is three times their graduation rate.

2. Placement rate of 47% - While this is true during this past year's reporting period, our placement rate for this same program has been 88% for the past two years. There were several individual circumstances that led to decreased placement this year. Since the reporting period ended, however, we have placed two other students and we have five more students who have completed their certification and are actively seeking employment with our help. When we place all of those students, our placement rate for this same program will be 73%. In addition, another 11% of our graduates either gave birth and elected to remain out of the workforce, or decided to stay in jobs they currently have as opposed to shifting careers at this point. In short, we had an unusual year - driven by unique individual issues. Our historical placement rates are more indicative of our ongoing performance.

3. Graduate debt – While we cannot exactly reconcile the numbers quoted in the student advocates group's letter, we have found over a four-year period from 2012 to 2016, we saw a nearly 30% increase in the debt loads of our graduates despite keeping the tuition price constant. This was driven primarily by an increase in stipends for living expenses that students elected to take. We were cited in 2010-2012 by the Department in program reviews for actively counseling students to avoid student debt. To comply, we backed off our counseling, and combined with the Department's mandate to disclose the maximum aid available to students, students elected to improve their quality of life by taking more debt for living expenses. We now work financial counseling into our career readiness courses. However, this will never be as effective as strongly counseling the students at the point in time that they make the decision to take the debt.

4. Graduate earnings - It is impossible to argue with the Department's earnings data because we are not allowed to verify the SSA-reported earnings of our graduates without spending significant time and resources. But, we know there are problems with the earnings estimates. The income reporting issue concerning unreported tips by barbers, hairdressers and others the personal care fields is well known. Beyond that, we are proud to serve a predominantly female student body. More than 80% of our graduates are women, with a median age of 27. When they leave us, they get jobs. But, we often hear that many of them decide to have families and may leave the full-time workforce in the relevant gainful employment reporting window to raise their kids - just like any four-year college-graduate suburbanite mom who elects to make the same choice. It is the real-life decisions made by our graduates that mean we will have a significantly higher proportion zero and part-time earnings in the calculation. This is a life choice made by the graduate and is beyond our control. I would be more than happy to be measured on my graduates who work full-time and report all of their earnings.

5. Program Cost - While the amount cited is correct, it is not correct to say this program is a little over a year long. In our environment, this program lasts seven academic terms and a better way to think about this is as a two-year program. That said, we are in the process of gaining approvals for shorter programs that mean less tuition, less time in school and therefore, less time to incur debt. Some states have been quicker than others to approve these program changes.

One other point on data:

The U. S. Department of Education, state higher education authorities, institutional accreditors and programmatic accreditors all have mandatory data collection, reporting and publication requirements. Each of these requirements was created in a silo, to address a particular policy concern, real or perceived. For postsecondary institutions, the result is a sizeable morass of inconsistent, at times conflicting, requirements that create confusion and the opportunity for misinformation. We note that the College Scorecard was meant to cut through this morass. However, we have found examples of simplifying assumptions made by the Department analysts that result in even more confusion and misinformation. As an example, the Scorecard provides a "Salary After Attending" figure for every school, which purports to be "the median earnings of former students who received federal student aid, at 10 years after entering the school." The Scorecard provides this figure for over a dozen of our schools ... even though each of those schools has been open less than 10 years and could not possibly have any students in the "10 years after entering" category.

Lessons Learned from Implementation of the Revised GE Template:

In our attempt to be proactive from a compliance standpoint, we implemented the revised Gainful Employment Disclosure Template before the Department delayed the compliance deadline to July of this year. Our experience shows that the Template can provide very misleading information that is not contextually relevant - which flies in the face of the purpose of the disclosure requirements in the first place. Those behind the student advocates group's letter either know this and do not care, or have not done their homework. Either way, their credibility should be put to the test and they should be able to demonstrate a detailed understanding of the data and resulting analyses before their advocacy is taken at face value.

We are serious people who are very proud of the work we do for the students and communities where we operate. We serve a non-traditional student who more than 80% of the time has no money in the bank when they come to us and 70% of the time, has no known post-secondary tradition in their family. We are very focused on catering to the unique needs of our students and perform better than our community college counterparts on nearly every metric that matters. This is why students choose to come to McCann and the other Delta schools.

Very respectfully,



John Olsen

President and CEO

Delta Career Education Corporation

Cc:

The Honorable Lamar Alexander

The Honorable Patty Murray

The Honorable Virginia Foxx

The Honorable Robert C. "Bobby" Scott

Members of the Congressional Delegation of Georgia
Members of the Congressional Delegation of Louisiana
Members of the Congressional Delegation of Mississippi
Members of the Congressional Delegation of North Carolina
Members of the Congressional Delegation of New Mexico
Members of the Congressional Delegation of Ohio
Members of the Congressional Delegation of Pennsylvania
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