Agenda

¬ Introductions
¬ Strategic Plan
¬ Third Party Review – Then & Now
¬ Selecting the Sample
¬ Institutional Compliance Program (ICP) Review Process
¬ ICP Review Cycle
¬ Summary & Next Steps
¬ Discussion
Introductions

- **Dr. Jonathan Woods** is the Deputy, for the Department of Defense (DoD) Voluntary Education Program.
- **Scott Flood** is a manager in PricewaterhouseCoopers’ (PwC) Public Sector Practice, and serves as the Project Manager for the DoD Voluntary Education ICP project.
- **Nathan Dyer** is a consultant in PwC’s Public Sector Practice, and serves as the Compliance Analyst for the DoD Voluntary Education ICP project.
Strategic Plan
(2015-2020)

Vision Statement
“Shaping quality voluntary educational experiences to foster better service members, better citizens”

Mission Statement
“Champion policies, programs, and partnerships that enable access to quality postsecondary educational opportunities, empower informed service member decision-making, shape meaningful personal and professional pathways, and drive military student success in higher education.”

Focus Area One
Promote Quality Educational Opportunities

Focus Area Two
Ensure Military Student Readiness and Success

Focus Area Three
Enable a Viable VolEd Community

Focus Area Four
Cultivate a Culture of Organizational Effectiveness

Military Installation Voluntary Education Review (MIVER):
- Institutional input – heavy (5 full-length reports).
- Installation input – heavy (5 full-length reports).
- >20 institutions per year (1995 report indicated 24).

Military Voluntary Education Review (MVER) / Third Party Educational Assessment (3 PEA):
- Effective 2012-2014.
- Institutional input – even heavier (11 full-length reports).
- Installation input eliminated.
- Service-level input – heavy (5 full-length reports).
- ~20 on-base institutions, plus 6 off-base and/or distance institutions per year.

Findings:
- Evaluations did not provide DoD with the information needed to assess schools.
- Lacked specific plan to frame evaluations.
- Federal standards call for agencies to clearly define the evaluation questions and methodology.

GAO Overarching Recommendation: DoD develop a plan for future school evaluations – DoD agreed
Aspects of Former Process (MIVER / MVER / 3 PEA):
- Heavy burden on institutions / Services.
- Can NEVER get a look at all institutions.

Desire for ICP Process:
- Minimize burden on institutions / Services.
- Get a look at all institutions every 3-5 years.

How Do Other Agencies / Industries Achieve These Desires?
- Reviewed Quality Control across Government and Industry
- 27 different sources to include both federal and non-federal entities.
There are many promising “Best Practices” for compliance in use across government and industry.

Starting with these Best Practices, DoD conducted an Analysis of Alternatives considering components such as:
- Data Mining, Focus Groups, Surveys, Continuous Monitoring, Self-Reporting, Web-Verification, Data Control, among many others.
- DoD chose five Best Practices from among the range of options reviewed.

A sampling approach meets the desire to review all 2,700 institutions regularly.
**“Best-Practice” Components Selected Include:**
- Areas most desired.
- Areas most accessible.

**Key Features of the ICP:**
- Less burdensome on Institutions, Services, and Installations.
- More comprehensive.
- Full transparency.
- Culture of Compliance.

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<table>
<thead>
<tr>
<th>Data Element 1</th>
<th>Data Element 2</th>
<th>Data Element 3</th>
<th>Data Element 4</th>
<th>Data Element 5</th>
<th>Data Element 6</th>
<th>DoD VolEd Risk Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate of Course Completion</td>
<td>Sum of Total PECS Complaint Cases</td>
<td>Enrollment Changes</td>
<td>Cost-to-Graduation Ratio</td>
<td>Outcome Stability Ratio</td>
<td>Transaction Volume</td>
<td>High</td>
</tr>
<tr>
<td>Medium</td>
<td>Low</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Normative Scoring Applied to Blind Data Set
Selecting the Sample
(An Industry-Standard Approach)

- Third party vendor selected specifically for its experience.
- Apply standard methodology to all participating educational institutions with an active DoD Voluntary Education Partnership Memorandum of Understanding (MOU).
- Utilize risk attributes and weights to perform initial screening on full population.
Selecting the Sample
(Initial Screening)

Full Population
~2,700

DoD 1322.25
Voluntary Education Programs

Risk Model Output –
Institution List for
Iteration 1 Assessment

<table>
<thead>
<tr>
<th>Rank</th>
<th>Risk Score</th>
<th>Institution</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>76.03</td>
<td>Institution A</td>
</tr>
<tr>
<td>2</td>
<td>75.83</td>
<td>Institution B</td>
</tr>
<tr>
<td>3</td>
<td>75.78</td>
<td>Institution C</td>
</tr>
<tr>
<td>4</td>
<td>75.75</td>
<td>Institution D</td>
</tr>
<tr>
<td>5</td>
<td>75.65</td>
<td>Institution E</td>
</tr>
<tr>
<td>6</td>
<td>75.53</td>
<td>Institution F</td>
</tr>
<tr>
<td>7</td>
<td>75.33</td>
<td>Institution G</td>
</tr>
<tr>
<td>8</td>
<td>75.28</td>
<td>Institution H</td>
</tr>
<tr>
<td>9</td>
<td>75.25</td>
<td>Institution I</td>
</tr>
<tr>
<td>10</td>
<td>75.15</td>
<td>Institution J</td>
</tr>
<tr>
<td>11</td>
<td>75.03</td>
<td>Institution K</td>
</tr>
<tr>
<td>12</td>
<td>74.83</td>
<td>Institution L</td>
</tr>
<tr>
<td>13</td>
<td>74.78</td>
<td>Institution M</td>
</tr>
<tr>
<td>14</td>
<td>74.75</td>
<td>Institution N</td>
</tr>
<tr>
<td>2705</td>
<td>4.43</td>
<td>Institution UUUU</td>
</tr>
<tr>
<td>2706</td>
<td>4.38</td>
<td>Institution VVVV</td>
</tr>
<tr>
<td>2707</td>
<td>4.35</td>
<td>Institution WWWWW</td>
</tr>
<tr>
<td>2708</td>
<td>4.25</td>
<td>Institution XXXXX</td>
</tr>
<tr>
<td>2709</td>
<td>4.13</td>
<td>Institution YYYY</td>
</tr>
<tr>
<td>2710</td>
<td>4.01</td>
<td>Institution ZZZZZ</td>
</tr>
</tbody>
</table>
Selecting the Sample
(Risk Factors)

What Risk Factors are:
- Indicators of potential risk.
- Reflective of DoD MOU goals and requirements.
- An objective systematic selection from the total population to a smaller subset.

What Risk Factors are NOT:
- A compliance assessment mechanism.
- Immediate cause for remediation.
- Explicit or implicit allegation of wrongdoing.

ICP Risk Factors are Norm-Referenced, not Criterion-Referenced.
Selecting the Sample
(Data Elements)

- Rate of Course Completion
- Sum of Total Complaint Cases
- Enrollment Changes
- Cost-to-Graduation Ratio
- Outcome Stability Ratio
- Transaction Volume
Data Element 1 – Rate of Course Completion:
- Number of TA students who fail, or do not complete, a course in a given year.
- Subtracted from the number of TA students enrolled in courses at an institution.
- All divided by the total number of TA students enrolled in courses.

Data Element 2 – Sum of Total Complaint Cases:
- Total number of verified complaints in the PECs system during a given year.
Selecting the Sample
(Data Element Descriptions - continued)

Data Element 3 – Enrollment Changes:
- Enrollment “Delta.”
- Average number of TA students over a given set of years.
- Subtracted from the number of TA students in a given year.
- Divided by the average number of TA students over a given set of years.

Data Element 4 – Cost-to-Graduation Ratio:
- Graduation rate relative to cost.
  1. Institutional graduation rate.
  2. Institutional cost per course divided by the average cost per course of all TA Institutions.
Data Element 5 – Outcome Stability Ratio:
- Identifies the magnitude of year-over-year change as an indicator of shifting dynamics.
- Average graduation rate over a given number of years.
- Subtracted from the yearly graduation rate.
- Divided by the average TA student graduation rate over a given set of years.

Data Element 6 – Transaction Volume:
- Total number of enrollment transactions processed by the Services for an institution during a reporting year.
ICP Review Process
(Iteration 1 Assessment Overview)
# ICP Review Process

(Iteration 1 Assessment – 250 Institutions*)

## Data collection mechanisms:

<table>
<thead>
<tr>
<th>Data collection mechanism</th>
<th>Estimated Burden</th>
</tr>
</thead>
<tbody>
<tr>
<td>DoD MOU Compliance Tutorial</td>
<td>Low</td>
</tr>
<tr>
<td>▪ Completed by institution Primary Point of Contact.</td>
<td></td>
</tr>
<tr>
<td>▪ 90 minute web-based course.</td>
<td></td>
</tr>
<tr>
<td>Institution Self-Assessment (Abbreviated)</td>
<td>Low</td>
</tr>
<tr>
<td>▪ Completed by all 250 institutions.</td>
<td></td>
</tr>
<tr>
<td>▪ &lt;20 questions focused on internal processes to support compliance.</td>
<td></td>
</tr>
<tr>
<td>Student Surveys</td>
<td>Low</td>
</tr>
<tr>
<td>▪ Services provide listing of TA participants at institution.</td>
<td></td>
</tr>
<tr>
<td>▪ &lt;20 questions focused on overall experience.</td>
<td></td>
</tr>
<tr>
<td>Web-Based Verification</td>
<td>Low</td>
</tr>
<tr>
<td>▪ Completed by third-party review team.</td>
<td></td>
</tr>
<tr>
<td>▪ Team assesses publicly available content.</td>
<td></td>
</tr>
</tbody>
</table>

*For fiscal year 2017, January through April will include the selection and notification of 250 institutions.*
ICP Review Process
(Iteration 2 Assessment Overview)

- Full Population: ~2,700
- Random Sample: 200, 50
- Model: Surveys, Assessments, Verifications

Iteration 1 Reports
- Iteration 1 Assessments

Iteration 2 Reports
- Iteration 2 Institutions
- Full Assessments, Scenario-Based, ESO Surveys

3/6/2017
# ICP Review Process

(Iteration 2 Assessment – 25 Institutions*)

## Data collection mechanisms:

<table>
<thead>
<tr>
<th>Data collection mechanism</th>
<th>Estimated Burden</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Institution Self-Assessment (Full)</strong></td>
<td>High</td>
</tr>
<tr>
<td>- Builds on responses from abbreviated self-assessment.</td>
<td></td>
</tr>
<tr>
<td>- Questions focused on internal processes to support</td>
<td></td>
</tr>
<tr>
<td>compliance, requests evidence of compliance, and</td>
<td></td>
</tr>
<tr>
<td>examples of internal controls.</td>
<td></td>
</tr>
<tr>
<td><strong>ESO Surveys</strong></td>
<td>Low</td>
</tr>
<tr>
<td>- Captures interactions with the institutions.</td>
<td></td>
</tr>
<tr>
<td>- &lt;20 questions focused on ESO observations.</td>
<td></td>
</tr>
<tr>
<td><strong>Scenario-based assessment</strong></td>
<td>Low</td>
</tr>
<tr>
<td>- Completed by third-party review team.</td>
<td></td>
</tr>
<tr>
<td>- Short interaction designed to capture the experiences</td>
<td></td>
</tr>
<tr>
<td>of potential military students.</td>
<td></td>
</tr>
</tbody>
</table>

*For fiscal year 2017, May through July will include the selection and notification of 25 institutions.
ICP Review Process
(On-Site Assessment Overview)
ICP Review Process
(Outputs)

Iteration 1 Assessment:
1. Report for each institution (250) identifying any potential finding(s), condition(s), cause(s), and recommendation(s).
2. List for Iteration 2 Assessment (25 institutions).

Iteration 2 Assessment:
1. Report for each institution (25) identifying any potential finding(s), condition(s), cause(s), and recommendation(s).
2. List for On-Site Assessment (no more than 5).

On-Site Assessment:
1. Report for each institution (5) identifying any potential finding(s), condition(s), cause(s), and recommendation(s).

As appropriate, Third Party Review findings will be shared with other government agencies/regulators.
ICP Review Process
(Full Process Overview)
By signing the DoD Voluntary Educational Partnership MOU, institutions agreed to:

- Participate in the Third Party Review process when requested.
- Resolve any assessment report findings and provide corrective actions taken within 6 months of the Third Party Education Assessment report.
- In instances when the resolution action cannot be completed within 6 months of the assessment report, submit a status report every 3 months until the recommendation is resolved.

Educational institutions demonstrating an unwillingness to resolve findings may receive a range of penalties from a written warning to termination of the DoD MOU.
The ICP cycle is a continuous process.

The three phases include collect data, evaluate activities, manage resources and evaluate outcomes.

Each year the cycle begins again using results from the previous cycle.
ICP Review Cycle
(Schedule)

- The review cycle ends with adjustments to risk model and/or data collection instruments.
- An announcement letter kicks off each institutional review.
- Report for institutions identifying any potential finding(s), condition(s), cause(s), and recommendation(s).
- Iteration 1 participants with no issues will be exempt from random selection for three years, and risk-based selection for one year.

Typical fiscal year schedule:

<table>
<thead>
<tr>
<th>Oct - Dec*</th>
<th>Jan - April</th>
<th>May - Jul</th>
<th>Aug - Sep</th>
</tr>
</thead>
<tbody>
<tr>
<td>Process Review and Improvements</td>
<td>Announcement Letter</td>
<td>Iteration 2 Assessments</td>
<td>On-Site Assessments</td>
</tr>
<tr>
<td>Review/revision to risk model</td>
<td>Iteration 1 Assessments</td>
<td>Iteration 1 Reports for Institutions</td>
<td>Iteration 2 Reports for Institutions</td>
</tr>
</tbody>
</table>

*For fiscal year 2017, October through December included ICP establishment and launch activities.
Summary:

- Transparency is the key to success for the Voluntary Education Program.
- This is the first implementation of the new ICP, thus it will necessarily undergo annual review and receive process improvements accordingly.

Next Steps:

- Issue Announcement Letters for Iteration 1 Assessments (250 Institutions)
- Follow-on webinars
  - 21 March 2017, 1400 EST
  - 23 March 2017, 1000 EST

A “Culture of Compliance” is the ultimate goal.
Questions

DoD Policy & MOU Compliance Inquiries:

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