

EDUCATION

Coding Boot Camps Band Together to Boost Accountability

Schools aim to avoid missteps of for-profit schools by issuing audited job-placement data



Computer-coding boot camps have been some of the fastest-growing postsecondary schools in the nation. Here, the Flatiron School in Manhattan on April 21. PHOTO: NATALIE KEYSSAR FOR THE WALL STREET JOURNAL

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For the past five years, computer-coding boot camps have been some of the fastest-growing postsecondary schools in the nation. Now some of the academies are trying to regulate their business so they don't end up in the same death spiral as other for-profit colleges that grew too fast and failed to deliver what they promised.

Seventeen well-established coding schools have formed a coalition and agreed to report results like job-placement rates for their graduates so prospective students can compare schools. The metrics will be verified by an outside auditor.

"Employment statistics are important across higher education, but they're especially important for immersive schools, which need to deliver," said Shawn Drost, co-founder of Hack Reactor, which has graduated about 3,000 students.

The creation of the reporting standards is a good first step but "by no means sufficient if you want to avoid the problems of the for-profits," said Trace Urdan, a managing director at Credit Suisse who studies the for-profit-college sector. "They're going to have to dig a lot deeper than this."

Coding boot camps have soared in popularity since they started in 2012. Students usually pay between \$10,000 and \$20,000 for courses that typically last three months. There are 18,000 graduates of coding schools and that number is growing quickly.

The sector's success has been driven by demand for people who can write code. The Labor Department projects software-developer jobs will grow 17% in the next decade, more than double the growth of overall employment, and a shortage of developers has already driven up industry salaries. Many graduates of the academies earn north of \$70,000 a year.

Since the coding academies aren't accredited and don't accept federal student loans, the sector is a bit like the Wild West. States generally license the schools, but the level of scrutiny varies. Quality control is largely up to the individuals companies.

A few have already been sanctioned. Since 2014, the California Bureau for Private Postsecondary Education, which regulates for-profit vocational schools, sent cease-and-

desist letters to at least 17 coding boot camps operating in California without state approval and has fined five them \$50,000 each.

The sanctions brought to mind some of the problems that derailed the for-profit-college sector, which grew rapidly but eventually faced a government crackdown amid a wave of students complaining of high debt with little to show for it.

In fall 2016, there were 970,267 students enrolled in four-year for-profit colleges, down from more than 1.3 million in 2014, according to the National Student Clearinghouse Research Center.

Rick O'Donnell, CEO of Skills Fund, which lends money to students who want to attend code academies, hopes to prevent a similar crisis. He is the driving force behind the standard-setting effort called the Council on Integrity in Results Reporting. The organization is designed to prevent "diploma mills" and create clear, uniform and caveat-free student outcome reporting, he said.

Schools must account for 100% of their graduates 90 and 180 days after the date of their graduation and report if a student is working part time, full-time and in their field of study or outside of it. Beginning in 2018, all documentation and reporting must be verified by a third party.

Mr. Urdan said some of the schools accused of fraud in the for-profit sector had similar safeguards, but that didn't prevent them from accepting more students than the labor market could handle. When students flooded into those schools during and after the last recession, many couldn't find jobs in their field after they graduated, he said. Some schools reported inaccurate numbers to accreditors, he said.

The coding sector is vulnerable to similar behavior because there is a low bar to establish a business, Mr. Urdan said.

"The industry will really be road-tested the first time there is a recession and a lot of people get laid off and think, 'I'll spend \$12,000 to be a coder and life will be good,'" Mr. Urdan said. "The question is whether these companies will have the discipline to turn away some of those people if they know there won't be jobs."

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