

**Higher Education Accreditation:
Evaluating the System and Possible Alternatives**

September 21, 2007

First I want to say thanks to AEI and Richard Vedder for pulling this program together. And I want to extend special thanks to the Spellings Commission for making accreditation a household word.

In 2002, when ACTA issued its first report on accreditation, *Can College Accreditation Live up to Its Promise?*, there was – quite frankly – passionate, but fairly limited, interest.

So I think it is testament to the Commission’s work – and the growing focus on accountability – that we find ourselves here today --- with a capacity crowd to boot!

With all due care, I should also provide the following disclaimer: I am not appearing here as a member of NACIQI, my comments will be limited to a general discussion of policy issues, and in keeping with the fine guidance I have sought and received from the Ethics folks at Education Department, I will not address any questions on specific cases before NACIQI.

Now to get on with it.

In this panel, we are discussing possible substitutes for the existing process. And I would like to begin with the most revolutionary and then offer some less radical, but still important, alternatives.

I'll be drawing from the action plan that ACTA has supplied to every member of Congress -- and anyone else who cares to read it.

As we have heard this morning, the accreditation process was developed to give Congress some assurance that the vast amounts of student financial aid it was handing out were directed to legitimate institutions – not diploma mills.

First with the GI Bill and then with the Higher Education Act, what had been a voluntary quality control system chosen by institutions, became a federally-mandated requirement.

Now, institutions across the country must be federally accredited if they wish to receive student financial aid. And, according to the express provisions of the law, recognized accreditors are determined to be “reliable authorities as to the quality of education or training” provided by colleges and universities.

But as ACTA, the Spellings Commission, and others, have made clear, higher ed is in trouble, and accreditation is part of the problem. Under the accreditors' watch, quality is down. Costs are up. Accountability is virtually nonexistent. Four – year schools that are not accredited are few and far between. And the few schools that have been sanctioned or lost accreditation have suffered largely because of financial issues.

Accreditation is fundamentally flawed in its current form. It suffers from structural problems – secrecy, clubbiness, low standards, no interest in learning outputs. Hence, -- both before and after the Spellings Commission– ACTA has been recommending a radical transformation: Decouple accreditation from federal student financial aid.

What we are saying is this: Congress don't be fooled. Don't empower accreditors to deceive the American people and legislators into thinking that they have approved real quality, when, in fact, they are actually inflicting ills upon institutions' autonomy and diversity –at considerable cost and wasted effort.

What we believe will work better is setting accreditors free – to operate as a principled quality control measure, subject to institutional demand. If accreditors have something to offer, if they will make an institution stronger or better, or help distinguish levels of quality for the consumer, then the institutions' decision to hire and pay for them will be all that is necessary.

As for Congress' aim to ensure that dollars don't go to diploma mills, the existing financial certification process is enough. As we point out in our policy paper, the Education Department already requires institutions to undergo a substantial financial certification process, independent of accreditation, in order to participate in Title IV programs. Institutions must submit audits every year and maintain good-standing with the Department. Schools are re-certified every 1-6 years. And the Department may also conduct investigations or reviews at any time, as the Secretary deems necessary. [Sec. 668.15]

Financial certification will provide baseline information on the fiscal solvency of the institution. And, if a given institution cannot produce graduates who succeed in the market, the default rates on student loans will ultimately be a market check on these schools. Of course, both the states and the federal government can bring lawsuits against diploma mills for consumer fraud. Many already do. Indeed, accreditors haven't led the way in getting rid of diploma mills; for the most part, states have.

Adopting a financial certification standard means that institutions will no longer be required to undergo accreditation visits – but they can call upon accreditors if they find their services useful or strategically valuable. Meanwhile, the onus will be placed on trustees, and not the feds, to ensure quality; and this will in turn encourage trustees to work directly with faculty and administrators – which is exactly how it should be.

An aside: If institutions care as much about institutional autonomy as they say they do, they should welcome such a liberating arrangement. The accreditation process, while nominally oriented around peer review, is actually very intrusive and prescriptive; under the system I am outlining, schools could have their own self-selected peer review teams.

I would be the first to admit that this change is not likely to occur tomorrow. However, I must note that Judith and CHEA have agreed that the coupling of accreditation and student aid should be reconsidered. So has Alan Contreras, administrator of the Office of Degree Authorization of the Oregon Student Assistance Commission, in a piece appearing in *The Chronicle*. This alternative has also been introduced previously in Congress. In short, there is a lot of common ground s in this discussion – and that is well worth noting as we move forward.

As a second less radical alternative, we have urged states and the Education Department to insist that institutions seek RFP's for accreditation under the existing system. As we point out in our policy paper, accreditors do not function within the marketplace, operate essentially as regional monopolies, have no real competition, and do not want to deny students the ability to apply federal student aid where they want.

David Justice of the DePaul University School for New Learning has admitted: “The truth is that regional accrediting associations aren't very good about sanctioning an institution for poor quality.”

To be blunt, the federally mandated accreditation system promotes cartel like behavior-- and as I suspect you will hear from the next panelist –Jeff Sandefer, a real reformer – it hinders innovation from new entrants.

If the University of Florida would like the New England Association to come accredit, why shouldn't it be able to? There simply is no good reason to divide up a national educational system into regional cartels – especially when there is no such thing as “regional quality.” Will providing competition – or choice – work? Will it result in greater diversity and innovation among accreditors? Will it prompt institutions to migrate to accreditors who present the best and highest standards? Or will it prompt them to choose the path of least resistance, the accreditor that asks for very little? Who knows? But would we be any worse off than we are today? [Would accreditation continue to be a cover for institutional mediocrity?] I submit to you that the answer is a resounding no.

A good friend who disagrees with ACTA on many points agrees with me on this one. Here are his words: “That accreditation simply reflects low standards is not surprising since the power for mediocrity resides simultaneously in the academy and the accrediting process. They are exactly the same people!”

Of course, inviting and promoting alternative accreditors would also provide some competition. There could be new accreditors with differing approaches. And I hope that Jeff will talk more about that as well. .

As I wrap up, let's take a look at potential amendments to the existing system. As I have said, I would like to get the feds out of the "quality" business and leave that up to trustees, who should be working with faculty and administrators to devise appropriate mechanisms for ensuring educational excellence.

But I am realistic that change sometimes comes only in small steps. In the current environment, the way forward may be to crack the system open by allowing schools to opt for alternatives within the system. At the very least, this approach will put pressure on the existing system to strengthen standards and undertake the rigorous peer review many others seek.

Here's one idea: Why not work through the Higher Ed reauthorization process to develop an expedited reaccrediting alternative that allows previously accredited schools to opt out --so long as they provide important information about learning outcomes and costs. It would be merely an option, a choice for those who want to spend their money and time on things other than costly accreditation reviews.

This kind of legislative alternative would reflect the kinds of measures that NASULGC and AASCU have already proposed voluntarily --and would thus allow institutions to offer specific information -- as an alternative to the existing accreditation review process.

By stipulating certain data points, Congress would help lead the way to developing commonly accepted standards of excellence, learning outputs and cost data, comparable across similar institutions.

The current system has been criticized on Capitol Hill and by the Commission for its lack of consumer friendliness and transparency – but a simple revision along these lines would provide for much greater transparency and accountability to the public.

Would this system work? Would institutions that have been fearful of providing public information do so under this revised system?

The short answer is – let's see. Doing so would be a step toward greater transparency. It would give institutions a choice, and it would offer an alternative to what has often proven to be a clubby, insular review process.

Wouldn't it be better for accreditors to establish standards that zero in on costs, price, and student success outcomes? And shouldn't they then share the information they gather with the public? Absolutely.

But the fact is that for 60 years, accreditors have had the power to do just that, but instead have refused to apply peer review vigorously. Our accreditors have not looked at core curricula, grade inflation, or intellectual diversity. And they have not concerned themselves with learning assessments or with articulating explicit expectations. They

have chosen instead to take a hands off position when it comes to academic quality– the only area, I should note, that Congress has empowered them to explore. Meanwhile, they have applied intrusive and prescriptive – and often ideological -- standards to schools mission statements and governance structures –devastating scenarios that our policy report outlines in detail.

Clearly, parents, taxpayers, higher education leaders and legislators are awaiting the day when appropriate assessments are in place, when valid comparisons are possible and when quality – or the lack of it – is clear. In the meantime, let's find some workable alternatives -- so that accreditation will actually become a valuable tool for institutions and students.