Subcommittee on Higher Education and Workforce Training
June 13, 2013

"Keeping College Within Reach: Discussing Program Quality through Accreditation"

Archived Webcast

Opening Statement:
- Chairwoman Virginia Foxx (NC)

Witnesses and Testimony:

Witness List
- Dr. Elizabeth H. Sibolski
  - Truth in Testimony
- Dr. Michale McComis
  - Truth in Testimony
- Ms. Anne D. Neal
  - Truth in Testimony
- Mr. Kevin Carey
  - Truth in Testimony

Additional Items:
- Media Advisory: Subcommittee to Discuss the Role of Accreditation in Quality Higher Education Programs (June 11, 2013)
Foxx Statement: Hearing on "Keeping College Within Reach: Discussing Program Quality through Accreditation"

As prepared for delivery

WASHINGTON, D.C. | June 13, 2013 - Based on an idea of self-regulation, accreditation was originally developed to assure and improve excellence in higher education programs. When the federal government began investing in higher education, accreditation took on another role by ensuring that the gate to federal funds is open only to high quality academic institutions.

Today the federal government, states, and accrediting agencies – known collectively as “the triad” – work together to determine which institutions are eligible to participate in federal student aid programs. Accrediting agencies are given a great amount of authority in the process, establishing standards and conducting peer review evaluations of postsecondary institutions.

By design, assessing program quality is meant to be a non-governmental process. Entrusting independent bodies - not the Department of Education or Congress - with this responsibility has preserved institutional autonomy and academic freedom within our higher education system. This framework has helped to maintain a crucial balance between flexibility for institutions and accountability for students and taxpayers.

However, as our higher education system adapts to embrace 21st century technologies and changing student demographics, we must now explore whether the accreditation system is also due for reforms.

Advances in technology have introduced new programs, platforms, and environments for learning into the higher education community. Massive open online courses have modernized instructional delivery by providing a wide variety of postsecondary courses and degree opportunities to students nationwide. New competency-based programs award credentials based on experience and knowledge, instead of how much time students have spent in a classroom.

These innovative methods of learning stem from the social and demographic changes that have fundamentally changed what it means to be a “traditional student.” Institutions are actively seeking opportunities to better serve a growing population of students who don’t fit the usual “first time, full time” mold, including students who are veterans, parents who are returning to school, and students who work full-time while earning a degree.
If standards to measure quality continue to be based on so-called “traditional” programs and students of the past, those institutions working diligently to innovate and serve the needs of today’s students – while also seeking opportunities to offer more cost-effective degree programs – could be at an accreditation disadvantage.

Some higher education leaders have proposed changes to the accreditation metrics to ensure institutions that are experimenting with new education models such as competency-based programs or online learning initiatives aren’t unfairly penalized. The Obama administration jumped into this debate earlier this year, suggesting changes to the criteria accrediting agencies use to evaluate colleges and universities and setting benchmarks for affordability and student outcomes in the 2013 State of the Union blueprint.

Other experts have proposed larger reforms, including taking accreditors out of the process of determining an institution’s eligibility for federal financial aid, believing that accrediting agencies – which are largely made up of the institutions they accredit – have an inherent conflict of interest in determining the quality standards institutions must meet.

In the Higher Education Opportunity Act of 2008, Republicans authored provisions to make the accreditation process and its results public to help students and families better evaluate their postsecondary education choices. With the upcoming reauthorization of the Higher Education Act, we have another chance to explore additional reforms that will strengthen the accreditation system while also supporting institutional innovation. I look forward to beginning that conversation in today’s hearing.

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STATEMENT OF
DR. ELIZABETH H. SIBOLSKI, PRESIDENT
MIDDLE STATES COMMISSION ON HIGHER EDUCATION
BEFORE THE
SUBCOMMITTEE ON HIGHER EDUCATION
AND WORKFORCE TRAINING
COMMITTEE ON EDUCATION AND THE WORKFORCE
U.S. HOUSE OF REPRESENTATIVES

Keeping College Within Reach:
Discussing Program Quality through Accreditation

JUNE 13, 2013

Good morning Mrs. Chairwoman, Mr. Ranking Member and Members of the Subcommittee. Thank you for this opportunity to testify today on the important role regional accreditors play in ensuring quality in our nation’s system of higher education.

For the past four years, I have served as the President of the Middle States Commission on Higher Education, where I spent the prior nine years in a variety of other positions. I am also the current Chair of the Council of Regional Accrediting Commissions, which coordinates and advocates on behalf of regional accrediting commissions.

Reflecting my own experience and background with MSCHE as well as the broader perspective of regional accreditors collectively, I will focus my testimony today on four key areas. Specifically, the structure of regional accreditation; the process used by accreditors in recognizing institutions; recent ways in which regional accreditation has responded to the changing landscape of higher education; and finally, an overview of some of the key challenges facing regional accreditors.
Committee on Education and the Workforce
U.S. House of Representatives

Truth in Testimony Disclosure Form

Clause 2(g) of Rule XI of the Rules of the House of Representatives and the Rules of the Committee on Education and the Workforce require the disclosure of the following information by all witnesses appearing in a non-governmental capacity. A copy of this form should be attached to your written testimony and submitted to the Committee at least 48 hours prior to the hearing.

1. Your Name (Please Print):
   Elizabeth H. Sibolski

2. Organization(s) you are representing:
   A. Middle States Commission on Higher Education
   B. Council of Regional Accrediting Commissions

3. With respect to each of the entities listed in response to question 2, please briefly describe your position or representational capacity.
   A. President, Middle States Commission on Higher Education
   B. Chair, Council of Regional Accrediting Commissions

4. Have you received any Federal grants or contracts (including any subgrants and subcontracts) since October 1, 2010, related to the subject on which you have been invited to testify?
   □ YES    ☑ No

5. Have any of the entities you are representing received any Federal grants or contracts (including any subgrants and subcontracts) since October 1, 2010, related to the subject on which you have been invited to testify?
   □ YES    ☑ No    □ N/A

6. If you answered “yes” to either question 4 or 5, please list the amount and source (by agency and program) of each Federal grant or contract (including any subgrants and subcontracts), and indicate whether the recipient of such grant was you or the organization(s) you are representing. You may list additional grants or contracts on additional sheets.

☑ N/A
Testimony of Dr. Michale S. McComis, Executive Director,
Accrediting Commission of Career Schools and Colleges (ACCSC)

Before the
House Subcommittee on Higher Education & Workforce Training
On
“Keeping College in Reach: Discussing Program Quality Through Accreditation”
June 13, 2013

Madame Chair and members of the Subcommittee, my name is Dr. Michale McComis and I am the Executive Director of the Accrediting Commission of Career Schools and Colleges (ACCSC), a private, non-profit independent national accrediting agency recognized by the United States Secretary of Education. ACCSC accredits over 730 postsecondary, career- and vocational education-oriented institutions that serve 225,000 students throughout the United States. I am honored to appear before the Committee this morning to discuss accreditation and the contributions that it makes to the quality of education in this country.

Accreditation as an education quality assessment mechanism has been the hallmark of educational success in this country for over a century and relied upon by the federal government for this purpose for six decades. Although accreditation has come under increased scrutiny by policy makers, accreditation can and should continue to serve in its gate-keeping capacity, albeit in an enhanced form which I will describe later in my testimony. Accreditation employs an earnest and collaborative approach within a peer-review network that identifies best practices and assesses how well an institution meets those best practice standards. It is not, nor can it be, a one-size-fits-all system with rudimentary metrics that do not take into account subjective and qualitative elements of an institution’s operations.
Accreditation has four essential pillars that are built upon a foundation of peer review. Those pillars are: 1) standards or best practices, 2) self-evaluation and assessment, 3) on-going institutional assessment and improvement, and 4) accountability.

1. **Standards:** Through peer review, best practices are established and mandated;

2. **Self-evaluation:** Institutions are evaluated internally and externally and assessed as to how well they meet standards and can demonstrate success through student outcomes;

3. **On-going Institutional Assessment and Improvement:** Expectations of significant and on-going institutional assessment and improvement are established; and

4. **Accountability:** Institutions are held accountable for compliance with standards and outcomes – to include the loss of accreditation – when expectations are not met.

Accreditation also takes different forms and serves many different kinds of institutions. National accreditors, such as the agency I represent, primarily accredit institutions that offer an array of career- and vocationally-oriented programs that are mainly non-degree and sub-baccalaureate degree with some baccalaureate, master’s and doctoral degree programs. Regional accreditors, on the other hand, primarily accredit community colleges, 2 and 4 year colleges, and universities that offer degree programs in in an array of liberal arts and professional fields as well as some non-degree and degree programs in vocational fields. Given the wide variety of accredited institutions, it follows that institutions will be accredited by different types of accrediting agencies with different standards and different expectations of learning and outcomes. This is both appropriate and necessary. However, the differences among accreditors and the types of institutions they accredited do not make one type of accreditation “better” than another – the success of any accreditation agency is not based on the type of institution accredited but upon the
strength of each of the fundamental pillars in the agency’s system and the strength of the peer review foundation. All accreditors, regional or national, and regardless of the types of institutions accredited, should enforce an accountability-based model that combines rigorous input standards with performance outcomes in categories such as student learning, student assessment, and student achievement.

I recognize that the expectations of accreditors by the federal government are changing, such that accreditors are subject to far greater federal oversight than at any time in the past. Congress has a vested interest in ensuring that the strength of any accrediting agency is at an appropriate level before that agency may be recognized as a gatekeeper to Title IV funds. As such, the Congress should seek to enact changes to the Higher Education Act that will responsibly and appropriately provide such assurance; however, this should be done without injecting undue and inappropriate federal intrusion into the academic processes of higher education.

The President has stated that he will call on Congress to “consider value, affordability, and student outcomes in making determinations about which colleges and universities receive access to federal student aid, either by incorporating measures of value and affordability into the existing accreditation system; or by establishing a new, alternative system of accreditation that would provide pathways for higher education models and colleges to receive federal student aid based on performance and results.” From my vantage point, measures relating to performance and results are present in the existing accreditation system, although in a variety of forms and not always in easily packaged up or down metrics. However, it is the variety of these measures that contribute positively and materially to the strength of our decentralized oversight of education in
this country. Given the President’s statement, however, accreditors must do better at defining student achievement outcomes with greater transparency to show how these measures are applied so that the public and policy makers can rely on the results of their evaluation processes. Accreditation, as the sector with the principle responsibility for quality assurance in higher education, needs to work earnestly toward moving the discussion of quality through accreditation from skepticism to confidence.

My sincere hope is that any judgment regarding the effectiveness of accreditation not lose sight of the fact that the oversight of higher education, as set forth in current law and regulation, is a shared responsibility. Each member of the regulatory triad – state government, accreditor, and federal government – has an essential role to play in the oversight of institutions. In this regard, the Subcommittee should consider several of the recommendations made by the National Advisory Committee for Institutional Quality and Integrity (NACIQI) in its April 2012 Report, including the need to clarify and to articulate common understandings about the responsibilities of each member of the triad, and foster increased communication among triad actors to achieve greater commonality across the quality assurance/eligibility enterprise. By continuing to work together in partnership with the various organizations within the regulatory triad, I believe we can strengthen the existing oversight system while retaining the positive qualities of accreditation and the expertise and nuance that peer-review represents and delivers.

Moreover, for the sake of higher education’s advancement, the higher education community – including accrediting agencies – must be allowed to adapt and innovate in order to accommodate the diversity of students, student preferences, and learning. This supports reasons why there is not, and should not be, a one-size-fits-all system of accreditation. As higher
education takes a more diverse shape, accrediting agencies and the peer review process should foster avenues for institutions to develop and deploy innovative approaches that both increase access to higher education and fundamentally change the manner in which education is delivered. Ensuring the quality and integrity of these programs without undue regulatory burden must also remain a paramount concern. The federal definition of a credit hour, however, is an example of undue regulatory burden and intrusion into the academic process by the federal government that stunts innovation. In my experience, competency models of student assessment are superior to “seat-time” models of student fulfillment. But, by creating the federal definition of a credit hour, the U.S. Department of Education federalized a basic academic concept and developed a complex and confusing system that unintentionally serves as a barrier to innovation in educational delivery models such as a movement to competency assessment. Although the Department’s position on “direct assessment” is a step in the right direction, it coexists in federal regulation with the federal definition of a credit hour, which causes uncertainty on how to move forward with more innovative models.

So then, how can accreditation be enhanced through the Higher Education Act? The following are some suggestions for the Subcommittee to consider:
Macro Areas:

1. Outcomes: Outcomes measures are an important part of the assessment paradigm for higher education institutions. But, outcomes measures are not a one-size-fits-all solution and should not be mandated by Congress or the U.S. Department of Education. Accreditors, working with their accredited institutions, must find and define the right set of measures and metrics to evaluate institutional and student success. While program-level rates of graduation and employment work well for the types of institutions accredited by my agency, those same measurements may not be as appropriate in other types of institutions. Moreover, outcomes measures by themselves are not a panacea and alone cannot provide a sole assessment of the quality of an institution or its programs. Input standards are an equally important part of the assessment paradigm and serve to illustrate why accreditation is an important part of the higher education regulatory landscape. Outcomes measurements work best when complimented with rigorous input standards (e.g., standards pertaining to management and educational administration; curriculum design, development, and evaluation; faculty qualifications; learning resources; facilities; student services; student learning; student assessment; and other areas that contribute to quality education programs).

   Generally, outcomes measures should be a reflection of how an institution performs relative to standards (i.e., best practices) and should minimally require institutions to assess learning and competency attainment as well as:
   
   - Rates of retention or graduation;
• Rates of employment and certification/licensure exam pass rates in career and professional programs and measures related to “employability”\(^1\) in other program areas; and

• Measures of student and graduate satisfaction.

These kinds of outcomes taken together with an assessment of an institution’s adherence to input standards provide the tools necessary to assess quality and value.

2. **Accreditation Area of Focus:** It may be useful to require accreditors to focus narrowly the types of institutions accredited to ensure a strong peer-review foundation. This is known as the “bucket” approach whereby types of institutions are grouped into buckets with an accreditor that is focused on that specific type of institution e.g., career- and vocationally-oriented institutions, community colleges, liberal arts colleges and universities, research universities, etc. This approach may allow for better peer-to-peer evaluation and bring about better measures related to outcomes and accountability.

3. **Transparency:** Accreditors should provide useful disclosures of the accreditation actions taken by the agency that can help the general public make informed decisions about an institution or program.

4. **Transfer-of-Credit:** Accreditors should have and enforce standards that prevent institutions from unfairly or unjustifiably denying credit transfer.

5. **Credit Hour Definition and Clock Hour Conversions:** Seat-time requirements for funding programs do not preserve academic integrity nor promote competency assessment and as such the federal definition of a credit hour and the complex clock-hour

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\(^1\) By “employability” I mean assessments made by graduates and employers about how well the graduate was prepared to enter the workforce based on the education received. This could serve as an appropriate outcomes measure for student pursuing education in many liberal arts fields.
conversion formulas should be removed from the federal regulations. If accreditors are going to be the purveyors of educational quality assessment, then accreditors should be given the discretion necessary to define the elements that go into the assessment paradigm.

6. **Changing Accreditors**: Institutions that have been subject to a monitoring, Show Cause Order, or Probation Order from one accreditor should not be allowed, for federal financial aid purposes, to seek a new accreditor for some set period of time after the sanction has been lifted (e.g., three years).

**Micro Areas:**

1. **Appeals Process**: The last reauthorization of the Higher Education Act yielded several significant changes to the process that accreditors must enact with regard to the appeal of an adverse accreditation decision. While I believe the Congress was well intentioned, the ensuing regulations have created a far more complex and cumbersome process that has not, in my experience, yielded greater due process for institutions. I suggest the Subcommittee review the history of legislative intent and regulatory changes in this regard and consider reverting back to the pre-2008 requirements.

2. **Substantive Changes**: The Subcommittee should review the provisions that permit accreditors to visit only a “representative sample” of additional locations if an institution operates more than three additional locations and that allow an institution to establish additional locations without prior approval from its accreditor. In my experience, growth of an institution, to include the addition of geographically distant campuses, should require greater oversight, not less. Accreditors should be required to visit and evaluate
fully each campus or location where federal Title IV financial aid dollars may be spent by students.

It is my hope that the Subcommittee finds these suggestions to be a useful addition to the discussion regarding accreditation’s continued role as a gatekeeper to federal financial aid programs and I will be happy to provide additional information as may be requested.

As the executive director of a national accrediting agency, I can attest that my organization is keenly aware of the important role that accreditation plays as a gate-keeping entity in the triad and understands the impact that role has on ensuring the reliability of our nation’s current higher education oversight system. I am also cognizant that questions remain from policy members, regulators, and the general public regarding whether accrediting agencies have been living up to our collective responsibilities, and whether or not accreditation has the appropriate level of rigor and outcomes assessments. To that end, I look forward to continuing the dialogue on ways to strengthen accreditation as means to ensure that accreditation continues to fulfill its role as a gatekeeper to the Title IV federal student financial aid programs.

Thank you again for the opportunity to testify before the Subcommittee and I stand ready to answer any questions you may have.
### 7. Signature:

Elizabeth F. Subotzki

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Please attach a copy of this form to your written testimony.
I would like to begin by explaining the value of accreditation. Simply put, accreditation is the way in which colleges and universities give the public confidence that they provide a quality education. It is for this reason accreditation is used by the federal government as a key requirement for participation in federal student aid programs; employers use accreditation for evaluating the education credentials of prospective employees and for decisions regarding tuition reimbursement programs; and colleges and universities use accreditation as a means for determining the quality of other institutions for purposes of determining transfer-of-credit policies.

Just as important is the fact that accreditation is a critical tool used by colleges, universities, and other institutions of higher education to sustain and strengthen their quality as part of a process of continuous improvement. Institutional improvement has been a core aspect of regional accreditation since its founding a century ago.

**Structure**

The Middle States Commission on Higher Education (MSCHE), as with each regional accreditor, is a private, voluntary, non-governmental, membership association that defines, maintains, and promotes educational excellence and improvement. Regional accreditors accredit entire institutions, not individual programs, units, or locations. Regional accreditors also require that undergraduate programs (if the institution offers any) include a significant general education or liberal studies component.

MSCHE is one of seven Commissions across six regions. The Western Association of Schools and Colleges is unique in that it maintains separate commissions for senior and junior colleges.

A professional staff oversees each Commission while over 3,500 volunteers carry out the work of accreditation by serving on visiting teams and on commissions. These volunteers include college and university presidents, academic officers, faculty, and campus experts in finance, student services and library/technology. At least one of every seven
Commissioners is required to be a public member, although some Commissions have a higher ratio of public members and find they provide valuable insight into ensuring that accreditation is relevant.

Collectively the seven Regional Commissions accredit over 3,000 institutions, which include public, private non-profit, and private for-profit entities. The range of institutions in each region includes, but is not limited to, community colleges, liberal arts colleges, special-purpose institutions such as seminaries and medical schools, research universities, and institutions with on-line programs serving every state of the nation. These institutions have diverse missions, student populations, and resources and enroll over 17 million students in programs ranging from associates through doctoral degrees.

Each regional accreditor must be recognized by the U.S. Secretary of Education as a reliable authority on the quality of education and training provided by the institutions of higher education that it accredits. Acquiring this recognition involves each agency undergoing a review by U.S. Department of Education staff, which provides recommendations to the National Advisory Committee on Institutional Quality and Integrity (NACIQI) – a committee with Members appointed by Congress and the U.S. Secretary of Education. Accreditors must also appear before NACIQI, which in turn advises the Secretary regarding recognition.

Recognition is based upon criteria set forth under the Higher Education Act (HEA) and through significant regulations. In fact, under the USDOE’s Guidelines for Preparing/Reviewing Petitions and Compliance Reports, we are subject to roughly 100 separate requirements as part of the recognition process. Among these criteria is the requirement that accreditors maintain certain standards that must be used in quality reviews. In particular, accreditors must ensure they have standards that assess an institution’s success with respect to student achievement in relation to the institution’s mission, curricula, faculty, facility, equipment and supplies, fiscal and administrative capacity, student support services, recruiting and admission practices, measure of program length, and record of student complaints, as well as record of compliance with
its program responsibility under Title IV of HEA. All institutions – public, private not-for-profit, private for-profit – are evaluated using standards that are generally the same.

For an institution, accreditation by an agency recognized by the Secretary provides an assurance of education quality and is necessary in order to participate in federal student financial aid programs. However, the Department of Education and individual states also have distinct roles in ensuring quality in higher education. Under this “Triad” as it is referred to, states ensure a process for addressing consumer complaints and the federal government oversees financial responsibility and administrative capability of institutions.

**Process**

Within this overall structure, each regional accreditor uses a similar process for accrediting institutions. The MSCHE’s process includes several distinct steps, which can take several years to fully complete, reflecting the need for regional accreditors to hold true to their obligation to serve as a reliable authority of quality. These steps toward initial accreditation include:

*Deciding whether to apply and whether to make institutional changes:*
This is an initial period of inquiry during which the institution has an opportunity to learn about and judge its position relative to MSCHE requirements and expectations.

*Submitting an application that demonstrates eligibility for accreditation:*
Demonstration of eligibility for accreditation involves the presentation of documentation and analysis showing the institution's current or potential compliance with accreditation standards. At this stage, MSCHE staff conduct an initial review and determination of the institution's capacity to demonstrate sustained compliance.

*Commission staff visit:*
The Commission staff visit provides an opportunity to confirm the institution's readiness to continue the accreditation process successfully and to discuss, with the institution's constituencies, the next steps in that process.

**Applicant assessment team visit**

The applicant assessment team visit allows for a validation of the information that has been submitted to MSCHE and a determination via peer review as to whether the institution is ready to be granted candidate-for-accreditation status by the Commission.

**Updated accreditation readiness reports and candidate progress visits**

These reports and candidate progress visits are employed if the Commission does not immediately invite the institution to initiate self-study when it grants candidacy. This interim period allows the institution time to focus on issues where work may be required to ensure sustainable compliance with standards for accreditation.

**Self-study and the evaluation team visit**

The self-study and evaluation team visit are the final steps in candidacy wherein the institution prepares its first self-study and hosts a full evaluation team visit.

**Becoming accredited**

This is the action taken by the Commission following a successful self-study and peer-evaluation process.

Once accredited, institutions are monitored by the Commission to ensure on-going compliance and within the context of reaffirmation of accreditation. While there is variation among regional processes, MSCHE works within a decennial time frame that includes two main accreditation events that result in accreditation decisions in the first year and in the fifth year.
MSCHE uses a three-stage decision-making process both for initial accreditation and for reaffirmation of accreditation. In the first stage, peer reviewers consider reports and evidence presented by the institution and develop an action recommendation. A second-stage review happens in one of the Commission’s standing committees. This review allows for a look across a number of similar reviews and gives us a mechanism for considering consistency and fairness in the decisions that have been made. Adjustments are possible as the committee then makes its action recommendations to the full Commission. The final stage of review rests with the full Commission, which can make further adjustments in reaching a final accreditation action.

In addition to these two main accreditation events, MSHCE also reviews institutions through annual data submission via an Institutional Profile. Through this process, the Commission may identify instances where additional follow-up may be necessary.

In addition, we maintain ongoing contact with our institutions in a variety of other ways. This includes receiving from them follow-up reports from reviews and substantive change requests related to such issues as the addition of new branch campuses or additional teaching locations.

Increasingly, we find the need to work with institutions upon learning about significant developments such as new financial issues or other matters that have drawn serious attention by media or in cases where we learn of complaints or third-party comments about the institution.

It is especially important to emphasize that, in cases where an institution is not meeting our standards or is in danger of non-compliance, as identified as part of a scheduled review or on-going monitoring, the Commission takes action requiring the institution to report back to us.

If warranted, a special visit by an evaluation team at the institution will be scheduled. The team will report back to the Commission, which will then take action as may be
warranted. The range of actions may include steps toward termination of accreditation if necessary. To give you a sense of how often we must take such steps, in 2012, 18 percent of our institutions were placed on warning following a self-study; 10 percent were placed on warning after a periodic review; after follow up, 4 percent of warnings were continued and 1 percent were placed on probation.

Clearly, terminating accreditation is a last resort and has serious implications for institutions and students alike. For this reason we devote substantial time and energy in working with institutions from the very beginning to help prevent terminations and to identify and respond to issues through monitoring and oversight before they result in serious problems.

The accreditation status of an institution – particularly in cases where there has been a sanction – is critical information for the public and especially students to know and be aware of. For this reason, accreditors are also responsible for disclosing the accreditation status of reviewed institutions. This responsibility includes providing such information as current status, including sanctions imposed and reasons for the sanctions and requested monitoring reports. In addition to the status being posted on our own websites, this information is also provided to the U.S. Secretary of Education and posted on the U.S. Department of Education’s website.

**Accreditation 2.0**

Higher education today is far different than when our Commission first began its work nearly 100 years ago. Indeed, the landscape has changed dramatically in just the last 10 years, with the explosive growth of new modes of delivering education; increased numbers of institutions providing services, especially in the for-profit sector; and a comparatively large amount of spending on higher education – both by the federal government and through family financing.

This evolution in higher education shows no sign of slowing, as evidenced by the advent
of Massive Open Online Courses (MOOCs), which are driving new pathways and partnerships to a degree I have never seen in all of my years in higher education.

Just as all of higher education is changing, so too is regional accreditation. Today, our practices and policies are vastly different from what they were a decade or even five years ago. These changes have been critical for many reasons, including enabling us to keep up with the changing nature of the delivery of education; to maintaining proper oversight of increasingly complex fiscal management systems; and to meeting a growing demand by policymakers and the public for increased transparency and for a focus on outcomes in higher education.

Below are just a few examples of what regional accreditors are doing to meet the new demands in our changing landscape:

**Promoting Innovation in Educational Programs:**
Regional accreditors are working with institutions to enable them to deliver degrees in ways that increase access and affordability while ensuring and improving outcomes. For example:

- At MSCHE, we are in discussion with several institutions that are eager to explore approval for competency-based/direct assessment programs.

- Meanwhile, this past year, the New England Association of Schools and Colleges (NEASC) approved what is widely viewed as a landmark program at Southern New Hampshire University which will provide access to federal financial aid for a degree program offered without credits or semester terms – a so-called “direct assessment” program -- making these programs more accessible, affordable and focused on outcomes. That program has now been approved by the U.S. Department of Education for participation in federal financial aid programs.
• NEASC is also focusing on the role of accreditation in considering “credits from elsewhere” – credits that students bring with them or credits that institutions recognize or validate for non-collegiate study. This will lead to a discussion of the institution’s responsibility to assure the quality of anything for which it awards, recognizes or accepts credits (e.g., Straighter Line, MOOCs, competencies, prior learning assessments).

• The Higher Learning Commission (HLC), which accredits institutions throughout the Midwest and as far west as Arizona, has moved forward with a pilot program to enable institutions to authorize the offering of competency-based programs as a means of reducing the time required to complete a degree and the cost.

• The Southern Association of Colleges and Schools (SACS) recently received its first proposal for a competency-based program, and will be convening a task force to examine the relevant issues in more detail.

Streamlining the Accreditation Process:
As accreditors, we recognize that certain aspects of the accreditation process have historically been viewed as over-burdensome and costly – both financially and in terms of staff time and effort. While the level of burden is in part due to federal laws and regulations, more is being done to streamline the accreditation process and improve the benefits to institutions:

• At MSCHE, we are renewing our accreditation process, including looking at ways to change aspects of our 5th-year reporting in order to streamline that activity.

• The Higher Learning Commission (HLC) is in the process of transitioning one of its current programs for maintaining accreditation into two new Pathways--the Standard Pathway and the Open Pathway--both of which would reduce the reporting burden on institutions by collecting as much information and data as possible from existing institutional processes and in electronic form as they
naturally occur over time.

- The Northwest Commission on Colleges and Universities (NWCCU) has shortened its accreditation cycle from ten years to seven years. The foci and requirements of the Commission’s new accreditation reports streamline the process without compromising the rigor or value to institutions and the Commission. The process is more strategic, analytical, and outcomes-based and is driven by an institution’s own stated mission, core themes, and objectives.

**Increasing the Transparency of the Accreditation Process:**

We believe it is critical for students to understand the accreditation status of the institution they attend or are considering attending. However, there has been a growing demand for more information going beyond just the current accreditation status of an institution, and the regional accreditors have reacted by developing new ways in which to increase transparency.

- For example, MSCHE posts a significant amount of information on our website about the specific areas where individual institutions have required follow-up.

- The Accrediting Commission for Community and Junior Colleges (WASC/ACCJC) now requires all member institutions to post their self-evaluation report, the evaluation team report, and any Commission action letters online.

- The Western Association Schools and Colleges Accreditation Accrediting Commission for Senior Colleges and Universities (“WASC Senior”) has, since last year, posted all team reports and Commission action letters on its website, and the postings also include a link to any institutional response.

- Beginning this month, SACS will initiate a process of posting a form of disclosure for all institutions following their reaffirmation actions which will include areas
of continued monitoring if applicable.

**Enhancing Focus on Student Outcomes:**

Assessing student outcomes is central to the work of accreditors. In addition, we also recognize the growing demand on the part of policymakers, students, and the public for more information about the extent to which individual institutions are successful in such areas as retention and graduation. In just the last few years, regional accreditors have devoted a significant amount of time and effort to this issue, including:

- At MSCHE, I have seen an increased demand on the part of our institutions for assistance with more sophisticated ways to improve student learning outcomes assessments, and we have met this demand through an extensive schedule of workshops.

- NWCCU has developed a new accreditation model that is outcomes-based and emphasizes outcomes in the Year One, Year Three and Year Seven Reports and evaluations.

- Since 2011, NEASC has required institutions to discuss “what students have gained as a result of their education” as part of their fifth-year interim report. In addition, institutions must report (in both the comprehensive evaluation and the fifth-year interim report) retention and graduation rates, licensure passage rates, and the rates at which students go on to higher degrees.

- For the past five years, many NEASC institutions have agreed to display retention and graduation rates for part-time students, transfers and on-line students. This goes beyond the information on first-time, full-time students currently collected by the Integrated Postsecondary Education Data System (IPEDS). This month NEASC is convening a meeting to develop consensus on what retention and graduation rates are most useful for non-first-time-full-time students.
• WASC/ACCJC is now asking institutions to report annually on institution-level student achievement data and student learning outcomes data, and is monitoring this information, which comes from the institutions’ annual reports.

• WASC Senior has undertaken several initiatives focused on outcomes and quality. Included among these initiatives is a new process to evaluate retention and graduation data, going beyond the first-time, full-time data. WASC is also requiring all institutions to address the meaning, quality, and integrity of their degrees so as to ensure that they are coherent and are supported by effective quality assurance processes. In addition, institutions awarding undergraduate degrees will be expected to demonstrate, using their own approaches, graduation proficiencies in the major and in at least five key areas: written communication, oral communication, critical thinking, quantitative reasoning, and information literacy.

*Improving On-going Monitoring of Institutions:*
While ongoing monitoring has always been a component of accreditation, as I have outlined above, the increased complexity of higher education – particularly related to financial information -- has demanded we do more.

• Our Commission has expanded its fiscal monitoring of all member institutions. Each year, financial data and audited financial statements are collected and analyzed using ratios, some of which were developed by KPMG. In cases where the analysis reveals a concern, the Commission reaches out to the institution for additional information that may subsequently, depending on the situation, be considered by the Commission or one of its committees.

• WASC Senior has begun using specially trained finance teams who review audits and financial ratios every three years to identify financial issues, in addition to conducting annual reviews of institutional audits.
The examples I have just outlined point out the significant work regional accreditors are doing to respond to the changing landscape of higher education. However, these examples also point out the value of the “regions” being able to test new approaches and to build upon the best practices developed elsewhere.

**Challenges**

While MSCHE and other regional accreditors have been working hard to improve accreditation, it is worth noting a few key areas that are illustrative of the challenges we face.

*Explaining Accreditation as it Exists Today:*
Higher education accreditation is a complex undertaking that has evolved significantly, especially during the past decade. This testimony has included descriptions of some of the ways that regional accreditors have embraced change. We don’t often have an opportunity to discuss this aspect of our work, and it is difficult to summarize in a few words or phrases. Continuing to spread the word about what accreditation is and what it does best represents a serious challenge. If there is a single message in this regard that I would leave you with today, it is that academic communities – through the vehicle of non-governmental, voluntary peer/membership-based accrediting agencies - continue to provide the most effective way to evaluate quality and effectiveness in higher education.

*Addressing Dilemmas in Accreditation:*
Regional accrediting agencies face numerous dilemmas in the current environment. How can we expedite accreditation activity while remaining thorough and careful in what we do? How can we move to quickly sanction a substandard institution while still providing appropriate due-process protections? How should we balance the competing needs for thorough review and review that is cost-effective? How should we best promote the use of data and evidence in self-study and review without relying on the wrong metrics, becoming too prescriptive, or stifling creativity and diversity? MSCHE and the other regional commissions are well aware of issues like these. Addressing them appropriately represents a continuing challenge.
**Safe Space for Innovation within Accreditation:**
This country’s higher education community stands at a crossroads where such issues as cost, value, and access must be and are being addressed in a variety of ways. Innovations in technology and delivery are changing the face of higher education, yet it is often difficult for accreditors to allow innovative practices and at the same time remain within the boundaries of federal regulations. This challenge might be addressed by explicitly allowing accreditors to develop demonstration or pilot programs that would not put recognition of the agency in jeopardy.

**Regulations:**
While a certain level of regulation of accreditors is understandable given our role as “Title IV gatekeepers,” we have become increasingly concerned with the steady flow of increased regulations that often seems to approach constant regulatory change. New regulations, such as those focusing on defining “credit hour” and involving new rules on “state authorization,” have created significant burdens and challenges for institutions and accreditors alike while at the same time providing questionable real benefits for students and the public at large.

**Effective Collaboration:**
The Department, regional and specialized accrediting agencies, and state governments all have roles in reviewing and recognizing institutions of higher learning. Understanding separate roles and finding appropriate pathways for communicating and sharing information are especially important in this time of transition. However, sustaining collaborative relationships is a challenge and does not always happen.

**Conclusion**
I have spent most of this testimony explaining what accreditation is, how it works, and the many ways in which we are striving to improve. However, accreditation is far from perfect, and there is always room for improvement. As this Subcommittee moves
forward with efforts to reauthorize the Higher Education Act, we welcome the opportunity to work with you on ways not only to improve accreditation but to ensure that our system of higher education in this nation remains second to none.
Committee on Education and the Workforce
U.S. House of Representatives

Truth in Testimony Disclosure Form

Clause 2(g) of rule XI of the Rules of the House of Representatives and the Rules of the Committee on Education and the Workforce require the disclosure of the following information by all witnesses appearing in a non-governmental capacity. A copy of this form should be attached to your written testimony and submitted to the Committee at least 48 hours prior to the hearing.

1. Your Name (Please Print):
   Michale S. McComis

2. Organization(s) you are representing:
   AACSC
   National Accreditors
   [ ] N/A

3. With respect to each of the entities listed in response to question 2, please briefly describe your position or representational capacity.
   I am the Executive Director and CEO of the Accrediting Commission of Career Schools and Colleges, a national accrediting agency recognized by the U.S. Secretary of Education.
   [ ] N/A

4. Have you received any Federal grants or contracts (including any subgrants and subcontracts) since October 1, 2010, related to the subject on which you have been invited to testify?
   [ ] YES  [ ] NO

5. Have any of the entities you are representing received any Federal grants or contracts (including any subgrants and subcontracts) since October 1, 2010, related to the subject on which you have been invited to testify?
   [ ] YES  [ ] NO  [ ] N/A

6. If you answered "yes" to either question 4 or 5, please list the amount and source (by agency and program) of each Federal grant or contract (including any subgrants and subcontracts), and indicate whether the recipient of such grant was you or the organization(s) you are representing. You may list additional grants or contracts on additional sheets.
   [ ] N/A
7. Signature: 

8. Business Address and Telephone Number:

ACCSC
2101 Wilson Blvd, #302
Arlington, VA 22201  703.247.4520

Please attach a copy of this form to your written testimony.

Michale S. McComis, Ed.D.
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Testimony of Anne D. Neal
President, American Council of Trustees and Alumni

Before the Subcommittee on Higher Education and Workforce Training
of the House Education and Workforce Committee

June 13, 2013

Accreditation is not a household word. But it’s one of the most critical issues facing higher education. I want to thank Chairman Foxx and members of the Committee for taking time to discuss this system which by any measure has failed the taxpayer and failed American students and families.

So why do we have accreditation? In passing the Higher Education Act nearly 50 years ago, Congress linked accreditation and federal student aid to prevent students from squandering money on diploma mills. It took accreditors who had traditionally been peer review teams focused on self–improvement and made them gatekeepers of federal dollars. According to the Act, recognized accreditors were to serve as a “reliable authority” on the “quality of education or training offered.” In other words, the federal government delegated the determination of what schools would receive Pell grants and federal student loans to agents known as regional or national accreditors. Accreditation was thought to be a good proxy for quality. This assumption has been proven wrong.

Today, nearly 7,000 colleges, universities, and professional schools in the United States are accredited (sometimes by more than one accrediting body). And institutions rarely lose accreditation. Parents and the public mistakenly believe accreditation is a good housekeeping seal of approval, proof that an institution has passed rigorous tests and is capable of ensuring students will graduate with a quality education. Sadly, that’s not the case.

Higher education quality has declined under accreditors’ watch. Professors Richard Arum and Josipa Roksa recently reported in their book, Academically Adrift, that 45% of students didn’t demonstrate any significant improvement in critical thinking, reasoning, and writing skills during their first two years of college. After four years, a stunning 36% still didn’t show improvement. And this was among accredited colleges. Meanwhile, the American Council of Trustees and Alumni has reviewed nearly 1,100 accredited colleges and universities and found
that students today can graduate with vast gaps in their skills and knowledge; a mere 20% of the surveyed schools require students to study U.S. history or government; only 5% require economics, notwithstanding the importance of this subject in our global economy.

The Department of Education has, itself, documented troubling academic decline. The most recent National Assessment of Adult Literacy found that a majority of four-year college graduates could not compute the cost per ounce of food items or reliably compare two editorials. Employers, too, consistently report concerns that the quality of higher education is inadequate for workforce needs. We are talking about a national crisis.

Far from safeguarding taxpayer dollars and the public trust, accreditation is actually doing the opposite. In the 2011-12 school year, federal student aid amounted to $175 billion. Student debt now exceeds $1 trillion.

It is not surprising that the chorus for reform is growing on all sides of the political spectrum from President Obama who suggested an alternative accreditation system based on performance and results, to educators, outside experts, and citizens who are realizing that accreditation has privileged the status quo and restricted innovation in ways that undermine America’s global leadership. In their book, A Dream Deferred, professors Stoesz, Karger and Carrilio see accreditation as nothing more than an outdated industrial-era monopoly.

There are many good people doing their best to function in a broken system. And, as you have heard today, there are many who believe that the system is sound and that amendments are all that is necessary. But I would submit to you that it’s urgent for Congress to overhaul and completely modernize the quality assurance process. If we are going to achieve greater access, quality, and affordability (and we must), we need a simpler, transparent system that ensures financial stability, outlines key markers of academic quality, and allows accreditors to thrive as voluntary associations for the self-improvement of higher education.

Why is an overhaul of accreditation in the Higher Education Act needed? Let me explain six fundamental problems with the existing system.

**Gatekeeping and self-improvement don’t mesh.** As it currently exists, accreditation is a house divided against itself. The kind of peer review that assesses and enhances quality cannot thrive
alongside the gatekeeping function necessary to referee an institution’s eligibility to receive federal funds—a financial life and death issue for most colleges and universities.

**Accreditation is a perfect example of regulatory capture.** The very people who benefit from federal funds—administrators and faculty who constitute accrediting teams—are the people who determine whether federal funds should flow. They know they will be judged by similar accrediting teams, making them unwilling to apply rigorous accountability standards. Accreditors do not ensure a certain level of educational quality; instead they insist that colleges and universities devise their own means of assessing their “institutional effectiveness.” Given this self-referential system, it is no wonder that academic quality has declined under accreditors’ watch.

**Accreditors operate as a monopoly.** Accreditors describe themselves as private voluntary membership organizations. But, quite frankly, there is nothing voluntary about them. In order to receive federal financial aid, colleges and universities must be accredited under existing law (and one can count on one hand those schools which do not depend on taxpayer dollars). To become accredited, institutions must pay membership dues to one of the regional or national accrediting bodies. And because the federal approval process allows the regional accrediting bodies to divide the country into regional cartels, institutions such as University of North Carolina-Chapel Hill or the University of Ohio, under existing law, effectively have only one accrediting body they can join. Accreditors, in other words, can hold a gun to the heads of college and university members that seek approval to receive federal funds.

**Accreditation is a barrier to innovation and is putting our global leadership at risk.** Nearly 15% of U.S. college students study without ever setting foot on campus. The lecture as the primary means of delivering learning is rapidly being replaced by new teaching methods that blend technology and classroom experiences in ways that boost student outcomes. America’s leading universities and faculty are creating Massive Open Online Courses (MOOCs) in which hundreds and thousands of students from all parts of the world enroll in a single course. And students and families have, thanks to the worldwide web, a plethora of resources about colleges and universities that were not even imagined in 1952 when accreditation was first adopted. One only need to acknowledge the changes in the higher ed landscape to realize that a change in the regulatory process—which has no framework for dealing with MOOCs and is still
largely focused on the traditional constituencies of four-year bricks and mortar institutions—is long overdue.

**Accreditation is too costly.** At a time of limited resources, accreditation adds to institutional costs without providing clear benefits. Princeton provost and incoming president Christopher Eisgruber (Appendix A) in recent written testimony to the Department of Education’s National Advisory Committee on Institutional Quality and Integrity explained that the cost of federally-mandated accreditation often exceeds $1 million for a single institution and hundreds of hours of staff time. Stanford calculated that in 2009-10, it expended well over a million dollars towards reaccreditation, without even tallying the costs of the six years needed for the entire reaccreditation process. Vanderbilt University estimated that it devoted 5,000+ hours to accreditation-related work annually and that its School of Engineering devoted 6,250-8,000 hours annually, in years when reports were not due. The University of Michigan estimated $1.3 million direct and indirect costs. And this does not even begin to address the costs necessitated by other input-based standards, lengthy approval processes for institutional changes, and opportunity costs.

**Accreditation interferes with institutional autonomy.** Rather than ensuring “educational quality,” accreditors have increasingly intruded in governance and institutional matters to tie the hands of America’s colleges and universities. The ABA, which accredits many law schools, currently insists on a certain percentage of tenured professors, limits the amount of online learning, and compels a minimum number of instructional hours, all of which micromanage how a law school may be run— not to mention add cost. In 2012, although current University of Virginia policies reserve complete authority to the board in matters of hiring and firing a president, the Southern Association of Colleges and Schools placed UVA on warning, concluding that the University failed to comply with standards regarding governing processes and failed to consult the faculty before terminating the president. This is not the first time accreditors have engaged in what amounts to a power play with leaders on campus. In written testimony to NACIQI, then president of Dartmouth, Jim Yong Kim, now head of the World Bank, criticized accreditors for often substituting their own judgment for that of an institution’s trustees and administrators. And former University of Colorado president Hank Brown
concurred in a *Wall Street Journal* column calling on Congress to overhaul the failed accreditation system “before it’s too late” (Appendix B).

That’s why the time has come to replace accreditation as the linchpin of federal student aid.

I’d like to outline one option which has received support from Republican and Democratic members of NACIQI and been submitted to Secretary Arne Duncan in response to his request for advice on HEA reauthorization. Over a quarter of those voting supported the alternative, submitted by Neal and Arthur Rothkopf, former president of Lafayette College (Appendix C). This alternative would ensure baseline financial protection and provide key data on student learning in a far simpler and transparent system of quality assurance. And it would break the link between federal student aid and accreditation.

To protect the federal dollar, institutions would establish their financial stability, as they must do today, and post a statement on their websites, certified by an independent auditor, that they have sufficient resources to ensure that all enrolled students can be supported to the completion of their degrees. If the statement is not supplied, or is found inaccurate by the independent auditor, federal funds would be cut off. Alternatively, institutions could present a bond.

At the same time, schools would be required to provide families key information in a clear and readily accessible format on an *annual* basis, including cost of attendance; degree programs; graduation rates disaggregated by demographics; student loan default rates; student outcomes measured by licensure test results; and job placement rates much of which is already collected for the Department of Education’s College Navigator site. This could again be independently certified so that if the data is falsified or inaccurate, federal funds would be cut off.

Removing the gatekeeping function for Title IV puts all institutions on a level playing-field in terms of access to federal funds. At the same time, this alternative provides more consumer protection and quality assurance than the current accreditation system provides.

And let me be clear. This alternative would not create any new federal benchmarks or insert the federal government into the workings of our colleges and universities. It would, instead, empower individuals to make their own educated choices and allow institutions to focus on key metrics of student success. Indeed, the proposal takes its cue from Stanford provost John
Etchemendy, who stated in written testimony that, “accreditation is no substitute for public opinion and market forces as a guide to the value of the education we offer.”

This new system would model transparency and accountability, and it would be a considerable contrast to the existing accreditation system whose stamp of approval offers virtually no public information. If you look at the websites of accredited institutions in your Districts, you will find little more than that the school is accredited, and, on occasion, a disclaimer — even more disquieting — namely, that the accreditation does not apply to any programs at the school, only the institution.

Meanwhile, accreditors would return to their original function — voluntary institutional self-improvement — where their judgment would reflect the best practices of their peers and no longer be confused by the competing and contradictory gatekeeping role. They would offer their stamp of approval in education much as the very distinguished LEED system does in architecture. There, through voluntary standards, LEED has made Gold, Silver, and Platinum universally-recognized in the marketplace for environmentally-friendly construction. The power of the LEED imprimatur rests in the honest and objective application of meaningful criteria — and needs no governmental mandate.

There is no time to wait. It’s time to realize accreditation as a gatekeeper for federal student aid is ineffective and intrusive. If we want to lower the cost to colleges and universities and reduce federal intrusion in higher education, we can start by demanding an end to this opaque, outdated regulatory system that benefits college insiders — at the expense of students and taxpayers.
May 26, 2011

Susan D. Phillips
Provost and Vice President for Academic Affairs
State University of New York at Albany
Albany, NY 12222

Dear Chairman Phillips,

This letter responds to your request for comments regarding the regulatory burden and data needs imposed by accreditation requirements for institutions of higher education. We are grateful for the opportunity to comment upon these burdens, because in recent years they have escalated dramatically and without justification.

At Princeton, where our next decennial reaccreditation is more than two years away, we are currently recruiting a new full-time Assistant Dean of the College to meet the demands of the accreditation process. The Assistant Dean will work roughly half-time on accreditation. The remainder of the Assistant Dean’s time will be devoted to tasks now performed by the Deputy Dean of the College, who will use the liberated time to lead Princeton’s reaccreditation effort. Although the Deputy Dean and the newly hired Assistant Dean will have principal responsibility for the reaccreditation project, Princeton expects that many other cabinet-level and sub-cabinet officials will have to dedicate substantial fractions of their time to reaccreditation. These officials include the Dean of the College, the Dean of the Graduate School, the Vice Provost for Academic Programs, the Vice Provost for Institutional Research, the Budget Director and Associate Provost for Finance, the Registrar, and the Associate Registrar for Reporting and Institutional Research. We anticipate that the President, the Provost, and multiple faculty members and committees will also have to spend substantial amounts of time on the effort.

The total cost of this work will undoubtedly be high. Indeed, the experiences of our peers provide some startling benchmarks by which to forecast the ultimate price tag:

- Stanford University calculates that in 2009-10 it expended $849,000 for the portions of staff time that were formally dedicated to its reaccreditation effort. Stanford’s estimate does not include travel expenses or the time of faculty members and others participating in the project; Stanford estimates that the all-in cost would exceed $1 million for the year. The estimate, moreover, is for only a single year: Stanford has been working on achieving reaccreditation for four years and has two more remaining.
Cornell University describes its most recent reaccreditation effort as a 2.5 year project that required substantial work from seventy-five people, including forty staff members, twenty-two faculty members, five trustees, and eight students. Cornell expended more than $300,000 in addition to the salaries of the staff members who worked on the project.

Vanderbilt University estimates that its College of Arts and Sciences devotes 5000+ hours to accreditation-related work annually and that its School of Engineering devotes 6250-8000 hours of work to such efforts annually; these are baseline workloads, and Vanderbilt notes that they are even higher in years when reports are due.

Duke University reports that it incurred roughly $1.5 million in costs, mostly for faculty and staff time, in the last two years of its most recent decennial review. In addition, Duke now spends more than $500,000 annually to comply with the accreditor’s ongoing demands pertaining to academic assessment and related matters.

The University of Michigan incurred direct costs of more than $1 million over a four-year period in connection with its accreditation review in 2010. Michigan estimates its indirect costs for the review at more than $300,000, a number that still does not include the time of faculty and staff across the University who provided information and other assistance to its reaccreditation team. The $1.3 million total of direct and indirect costs is roughly four times greater than what Michigan spent on its previous accreditation review.

These burdens are huge by any standard but they become even more disturbing when supplemented by two other observations. The first is that Stanford, Cornell, Vanderbilt, Duke, Michigan, and Princeton are universally recognized as leading universities in the world. Students from throughout America and around the globe covet the opportunity to study at these places, and professors from around the world covet the opportunity to teach and conduct research there. We agree that all universities must participate in periodic accreditation proceedings, but the system is broken if it takes multiple years, and millions of dollars, to verify that Stanford, Cornell, Vanderbilt, Duke, Michigan, or Princeton should be recognized as an accredited provider of higher education.

The second observation is that all this work provides little educational benefit. Investments must be judged against their return, and the staggering expenditures required by the reaccreditation process would be more tolerable if they produced valuable improvements in educational quality. Reaccreditation reviews, if tailored to and informed by appropriate educational judgment, can provide institutions with valuable feedback: Princeton, for example, has benefited from the advice it received from peer review teams during past reaccreditation processes. Unfortunately, however, the increasing burdens that plague the reaccreditation system today have no such compensating virtues. On the contrary, they arise because accreditors are increasingly substituting pointless data collection demands for informed peer judgment.
Princeton witnessed a striking illustration of this trend in connection with its recent mid-term review. The external evaluators who analyzed Princeton’s Periodic Review Report on behalf of the Middle States Commission on Higher Education described the University’s assessment plan, which relies heavily on peer review, as appropriate to the University’s mission. The evaluators—Provost Tom Apple from the University of Delaware and Provost Mark Kamlet from Carnegie Mellon University—went on to characterize Princeton’s assessment efforts as “impressive.” The Commission, however, ignored the judgment of its own peer review team and requested a “progress letter … documenting comprehensive, integrated, and sustained processes to assess institutional effectiveness and student learning outcomes ….” Princeton’s academic leadership then met with a delegation from the Commission to try to understand this surprising decision. During the meeting, President Shirley Tilghman asked what Princeton should be doing in addition to the work that the Commission’s own reviewers regarded so favorably. One commissioner responded by praising another university which, he said, had filled an entire room with black three-ring binders stuffed with documents. Remarkably, the commissioner said nothing about the content of the binders. What matters most to him, apparently, is simply the volume of data collected. Peer judgment is out, bureaucratic data collection is in, and the resulting burden is severe.

We believe, as President Shirley Tilghman said in her letter of January 14, 2011, that the roots of these problems are structural: a regional system of accreditation, in which geographically-defined agencies try to design standards that apply to vastly different kinds of higher education institutions, no longer serves this country well. Whether or not our diagnosis is correct, it has become distressingly obvious that the burdens imposed by the current system are impairing education and driving up its cost rather than improving it. We are grateful to NACIQI for its willingness to examine this problem and encourage creative solutions to it.

Sincerely,

Christopher L. Eisgruber
Appendix B
By HANK BROWN | January 15, 2013

The Rise of the Accradiator as Big Man on Campus

The gatekeepers of federal student aid wield too much influence in higher education.

Who’s in charge of our colleges and universities—their boards of trustees or the accreditation organizations that are the gatekeepers of federal aid? That’s the question I’m left asking after a decision by the Southern Association of Colleges (SACS), one of six regional accreditors recognized by the U.S. Department of Education and the Council for Higher Education Accreditation, to put the University of Virginia, founded in 1819 by no less than Thomas Jefferson, on “warning.”

SACS’s action comes in the wake of efforts by the University of Virginia’s governing board this summer—later reversed—to remove President Teresa Sullivan in favor of a leader more aggressively focused on cost controls. After months of criticism and second-guessing of the board’s decision, last month the accreditor sanctioned the university and placed it on a warning status pending further investigation.

As the former president of two universities, I know this is not the first time accreditors have inappropriately injected themselves into governance issues and contributed to the breakdown of oversight in higher education. As the organizations that control access to federal student aid, accreditors hold much sway over colleges and universities. When they interfere with institutional autonomy there are few trustees—or presidents for that matter—who are willing to cry foul.

Accreditors are supposed to protect students and taxpayers by ensuring that federal aid flows only to schools with “educational quality.” But accreditors increasingly interfere in institutional decision-making and use their bully authority to tie the hands of colleges and universities. Frankly, there’s nothing more intimidating to schools—public or private—than the threat of losing accreditation and with it federal financial aid. That’s why most presidents and trustees quietly accede to accreditors’ demands.

When it comes to accreditors’ real assignment—ensuring educational quality—the record is dismal. According to the 2003 National Assessment of Adult Literacy, conducted by the Department of Education’s National Center for Education Statistics, the literacy of college-educated citizens dropped significantly between 1992 and 2003. Of college graduates, only 31% were classified as proficient in reading compared with 40% in 1992.

Academic rigor has also declined, evidenced by rampant grade inflation. Fully 43% of all grades at four-year universities today are As. Given this low bar, it is perhaps not surprising that the National Assessment of Adult Literacy found that a majority of four-year college graduates—yes, college graduates—were unable to satisfactorily compare two editorials or compute and compare the cost per ounce of food items. Is it any wonder that employers consistently report that college graduates lack the skills and knowledge needed for America to compete in the global work force?

Under the accreditors’ watch, student-loan debt in the United States has topped a trillion dollars, exceeding that of credit-card debt. That’s outrageous. Yet taxpayer dollars are still on the line, as the student-loan default rate climbs, and students continue to borrow and borrow. This serves neither the interests of taxpayers nor students. By almost any measure, the accreditation system designed to protect the taxpayer and ensure quality is a public policy and regulatory failure.

For decades, these accreditors have effectively guarded the status quo, focusing on process and resources rather than on educational excellence. The law school accreditor, the American Bar Association, for example, demands a certain percentage of tenured professors at each school and limits the amount of online learning that can be offered.

The accrediting body known as the Western Association of Schools and Colleges has repeatedly undermined institutional decision-making. Most famously, in 1992 it threatened the accreditation of California’s Thomas Aquinas College unless it changed its exemplary Great Books curriculum of classic readings, a central component of that Catholic institution’s course work, to make it more “open.” At least the accreditors had the wisdom to back down.

In 2007, when the University of California regents attempted to deal with runaway administrative costs through modest salary and benefit changes, they found themselves spending precious time responding to accreditor complaints that trustees were “unnecessarily harsh” with administrators. These are not isolated incidents. Across the country, boards of trustees are being effectively sidelined in their oversight responsibility, in deference to accreditor pressure.
The American Council of Trustees and Alumni recently filed a complaint with the Department of Education decrying SACS’s interference with the University of Virginia governance powers and processes established by Thomas Jefferson himself. Anyone who knows American history, and regrettably few students do, would realize that Jefferson would be mighty upset to learn that a bunch of federally empowered bureaucrats are overstepping their authority and interfering with the internal governance of his university.

Let us hope that the Department of Education makes it clear to SACS and the rest of the accreditors that they are out of line. Accreditors should concern themselves with the quality of the education an institution provides and not the politics, squabbles and decision-making processes of trustees. If accreditors are allowed to overrule trustees’ decisions, American higher education will lose the diversity, flexibility and independence that has made it great.

It is time for the University of Virginia and presidents and boards across the country to say no to this meddling, and it is time Congress recognizes what a failure the system of accreditation has been. Over the years, accreditation has increased costs without protecting quality. A new, transparent system of quality assurance is needed to protect the public—before it’s too late.

Mr. Brown is a former U.S. senator from Colorado and former president of the University of Colorado and University of Northern Colorado.
Appendix C
Alternative to the NACIQI Draft Final Report

Submitted by Anne Neal and Arthur Rothkopf
March 16, 2012

Recommendation: Break the link between federal student aid and accreditation.

The federal government currently spends over $175 billion in student financial aid, and cumulative student loan debt already exceeds one trillion dollars. Clearly, the federal government has a rightful interest in the accountability of American higher education. However, the current system designed to ensure academic accountability – accreditation – is dysfunctional and neither protects the federal dollar nor ensures academic quality.

Far from being the generally “admirable” system of quality assurance outlined in the draft final report, accreditation is a broken system. With accreditors as gatekeepers, nearly 7000 colleges and universities across the country are accredited and have access to federal funds. Once accredited, institutions rarely lose their accreditation. And yet the Department’s own National Assessment of Adult Literacy finds that a majority of four-year college graduates could not reliably compare two editorials or compute the cost per ounce of food items. Professor Richard Arum of New York University – who appeared before NACIQI – and Professor Josipa Roksa of the University of Virginia reported that more than half of the students they surveyed at a wide range of accredited colleges and universities learned little or nothing in their first two years.

Employers consistently report concerns that the quality of higher education is inadequate for workplace needs. This is not quality assurance and we shouldn’t pretend otherwise.

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1 To our knowledge, the accreditation system is highly unusual in outsourcing to private entities decision-making over such significant sums of taxpayer money, especially given the conflicts of interest and inconsistencies in the application of accrediting standards.
2 CHEA Fact Sheet #1, Profile of Accreditation, revised, August 2011: “6632 accredited institutions were certified to participate in the federal Title IV (Student Assistance) Program in 2008-2009.”
3 Mark Kutner, Elizabeth Greenberg, and Justin Baer, A First Look at the Literacy of America’s Adults in the 21st Century (Jessup, MD: National Center for Education Statistics, 2005) http://nces.ed.gov/NAAL/PDF/2006470.PDF
A substantial part of the problem lies in the dual—and conflicting—nature of accreditation. The accreditors want to be gatekeepers for federal funding on the one hand and self-improvement experts on the other. The two roles simply do not mesh. The combination of these two functions, says the draft final report, is the best system available because it is nongovernmental and imports the voluntary system of quality assurance and self-improvement that existed before the adoption of the Higher Education Act.

But accreditors are not, in fact, voluntary private actors. As gatekeepers of federal financial aid, accreditors function as agents of the federal government. They have the ability to permit or withhold federal funds—a matter of life and death for institutions. It is because of this very powerful role that a number of institutional witnesses raised serious concerns about growing regulatory prescriptions and intrusiveness, and about inconsistencies in findings in the accreditation process. Notably, a significant number of the recommendations in the draft final report risk creating an even more intrusive accreditation system—that will raise costs and impinge on institutional autonomy.

The draft final report would have it both ways. It wants accreditors to continue to act as private peer review teams, but then seeks special federal intervention—such as insurance coverage for the “more risky litigation-prone elements” of gatekeeping. If accreditors genuinely want to be private peer review teams, they can be—by returning to the voluntary system of quality assurance and self-improvement that existed before they were made gatekeepers of federal funds. Delinking accreditors from their federal gatekeeper role is essential to achieving this end. Neither the federal government nor accrediting agencies acting as its surrogate can address the complex issues that comprise academic quality.

It is time to return to the original vision of accreditation: peer institutions advising and critiquing one another in a voluntary, yet rigorous system of self-improvement.


6 The Veterans’ Readjustment Assistance Act of 1952 stipulated that students could only use funding provided by the Act to attend accredited institutions. The gatekeeping role of accreditation was augmented further with the 1965 Higher Education Act which created new comprehensive federal student aid programs which only accredited schools were eligible to administer. See further: Peter T. Ewell, U.S. Accreditation and the Future of Quality Assurance: A Tenth Anniversary Report from the Council for Higher Education Accreditation (Council on Higher Education Accreditation, Washington, DC: 2008) 40.

7 Note the critique that the president of CHEA, Judith Eaton, offers of the draft final report in CHEA mail 8.1 (February 22, 2012). Dr. Eaton emphasizes the necessity of reducing, rather than increasing the federal role in institutional improvement: “In contrast to the path of greater federal involvement proposed by the report, robust institutional and faculty leadership for quality and accountability builds on the strengths that have brought the higher education enterprise to where it is today and offers greater promise to students and society.”
This would also eliminate the serious conflicts of interest that exist under the accreditation system. Funding of the accrediting agencies comes from the same institutions they are supposed to regulate. The very people who benefit from federal funds, moreover – administrators and faculty who constitute accrediting teams – are the self-same people that determine whether federal funds should flow. They know they will in turn be judged by similar accrediting teams, making them loath to apply rigorous quality measures. It is as if the Federal Government allowed banks to decide which banks are safe and then empowered them to determine those eligible for access to Federal Reserve loans and other benefits.

Accreditation currently gives students and parents a false sense that accredited schools have passed a meaningful test of quality when they have not. Real public accountability cannot and should not be imposed by accreditors but should come from the institutions themselves. And this accountability can be provided far more cheaply and more effectively by simply demanding evidence of financial stability and transparent consumer information.

**Recommendation:** Initiate a new simplified and cost-effective system of quality assurance that tells the public what it needs to know and protects taxpayer dollars.

**Financial assurance:** Currently, the federal government undertakes a baseline financial review to ensure institutional solvency. This review should continue with the understanding that the Department should enforce it stringently – refusing financial aid to students at those schools that are not financially sound. In addition, institutions should be required to post a statement, certified by an independent auditor, that they have sufficient resources to ensure that all enrolled students can be supported to the completion of their degrees. If that statement is not supplied, federal funds would be cut off.

**Consumer information on key measures of quality:** In the days before families could research institutions online, accreditation offered a voluntary seal of approval that said these colleges and universities offer a quality curriculum. But public information today is both cheap and simple. The existing system of largely opaque self-studies and reviews provides little information to the public and obscures whether or not institutions are doing a good job of educating their students.

To address the need for public accountability and quality assurance, institutions should be required to provide a set of basic information – much of which is already collected for the Department of Education’s College Navigator site – on their homepages (along with the certification described above) that will present in a clear and accessible format key data for quality and affordability:

- Tuition, fees, cost of attendance, net cost and available financial aid
Degree programs offered
Graduation rates, disaggregated by demographics; transfer rates as available
Retention rates
Student loan default rates
Student outcomes: licensure test results (as appropriate); value-added assessments of collegiate skills, if utilized; job placement rates. Institutions may, at their discretion, include other information for consumers such as alumni and employer satisfaction data; graduate or professional school placement data; and the nature and requirements of their degree programs.
Other data that the United States Congress deems appropriate.
Substantial penalties would apply to falsification of these metrics.

The Department of Education should also post the information on its website in an accessible and understandable way.

Recommendation: Reduce the cost of higher education by eliminating the cost of federally mandated accreditation.

In its recommendations, the majority concludes that accreditation is “cost effective.” In fact, it is not. Witnesses to NACIQI uniformly suggested that accreditation is contributing to the crippling cost of higher education. In testimony, Princeton Provost Christopher Eisgruber explained that the cost of federally-mandated accreditation often exceeds $1 million for a single institution and hundreds of hours of staff time. Stanford Provost John Etchemendy argued that “accreditation is no substitute for public opinion and market forces as a guide to the value of the education we offer.” We agree.

Not only does accreditation raise costs, it also seriously undermines institutional autonomy. When Congress decided to make accreditors gatekeepers of federal financial aid, it did so in the belief that faculty and administrators would protect the autonomy of American higher education. In fact, a substantial number of witnesses— institutions currently accredited – argue that the accrediting staffs have started to substitute their own regulatory agendas for those of our colleges and universities.

In written testimony, Dartmouth President Jim Yong Kim raised concerns that accreditation staff often substitute their own judgment for that of an institution’s trustees and administrators.

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8 NACIQI received substantial testimony on the costs of accreditation. And many parties supported a comprehensive study of costs including ACE, AAU, Norwalk Community College and Bristol Community College. A motion calling for a specific study of the cost of accreditation was voted down on the grounds that the costs were self-evident. Yet the draft final report claims that accreditation is cost-effective.
Delinking accreditation from the gatekeeper role would address this problem. Congress should give institutions the freedom to use their own best judgment on how to carry out their educational objectives most effectively, provided that they make available to the public the data it needs to make informed choices. At the same time, accreditors would play an ever more important role in voluntary quality improvement.

**Recommendation: Break the accreditor monopoly.**

The current regional structure of accreditation is “increasingly unsuited to American higher education” and can “constrain innovation, creativity, and improvement.” Those were the words of President Kim of Dartmouth and Princeton President Shirley Tilghman, and we are in full agreement. At a time when higher education is global in nature and geographic boundaries have been eliminated by the realities of the Internet, retaining the regional limitations will simply maintain anticompetitive cartels.

**Recommendation: Create a consumer-friendly expedited alternative.**

Congress should, at the very least, create a consumer-friendly expedited alternative for reaccreditation, allowing previously accredited institutions to certify key information about financial solvency and key measures of quality (as outlined above).  

9

At the present time, accreditation offers a misleading reassurance to the public that an institution that bears its seal of approval offers a quality education and good value for the investment of public and private funds. As such, it is an expensive, counterproductive system. The recommendations described above offer effective alternatives to those presented in the draft final report. Their advantages rest in making the key elements of consumer protection clearer and more accessible to the public, while setting accreditation free to resume its traditional role of encouraging best practices and continuous quality improvement.

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9 In testimony submitted, a range of parties expressed interest in an expedited option including Princeton University, C-RAC, ACE, and AAU.
**Truth in Testimony Disclosure Form**

Clause 2(g) of rule XI of the Rules of the House of Representatives and the Rules of the Committee on Education and the Workforce require the disclosure of the following information by all witnesses appearing in a non-governmental capacity. A copy of this form should be attached to your written testimony and submitted to the Committee at least 48 hours prior to the hearing.

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I am a member of the National Advisory Committee on Institutional Quality and Integrity which advises the Secretary of Education on Accreditation.

The views presented are my own and do not represent the views of NACI.
7. Signature:  

8. Business Address and Telephone Number:

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Please attach a copy of this form to your written testimony.
Written Statement of Kevin Carey

Director, Education Policy Program
New America Foundation

Before the

Committee on Education and the Workforce
Subcommittee on Higher Education and Workforce Training
U.S. House of Representatives

Hearing on "Keeping College Within Reach: Discussing Program Quality through Accreditation"

June 13, 2013
It is difficult to overstate the importance of higher education accreditation. Of the $150 billion per year in grants and loans that the federal government disburses in support of higher learning, nearly every dollar goes to an accredited college or university. Students, parents, and taxpayers rely on the accreditation system to protect their interests. Accreditation is the only college quality control system of national scope, the only mechanism by which the federal government decides who gets to be a college and who does not.

And it is failing.

College is becoming more and more expensive, pricing out middle and lower income families and driving more students into debt they cannot repay. At the same time, the quality of the education colleges are providing is increasingly suspect. Only half of students who start college earn a degree within six years, and the latest research suggests that many of those who graduate don’t learn very much.

Recent years have seen broad evidence of abuse and consumer exploitation at for-profit and non-profit colleges alike. All of them were accredited.

According to the U.S. Department of Education, 89 four-year colleges increased their net price by over 40 percent between 2008 and 2010. All of them were accredited.¹

Last year, 454 college reported six-year graduation rates below 30 percent. All of them were accredited.²

Nearly six million people are currently in default on billions of dollars in federal student loans, facing the prospect of ruined credit, ballooning payments, and years of financial struggle because their degrees aren’t worth the price they paid. All of that money was borrowed to attend accredited colleges and universities.

Meanwhile, academic standards are in decline. In 1961, full-time college students studied full-time, devoting 40 hours a week to class and academic work. By the 2000s, the average had dropped to 23 hours per week.³ At the same time, the proportion of all course grades given an “A” rose from 15 to 43 percent.⁴ Grades are going up as student effort goes down. Nearly 20 percent of students report studying less than five hours a week outside of class—all at accredited institutions.

The accreditation system did not stand by and allow costs to skyrocket and standards to decline because accreditors are indifferent to these problems. They did it because the accreditation

² http://www.collegeresults.org/
³ http://www.nber.org/papers/w15954.pdf
⁴ http://newamerica.net/publications/policy/cracking_the_credit_hour
system is not equipped to solve these problems. It never has been, and never will be, as currently designed.

If Congress wishes to make meaningful process on the twin crises of college cost and quality, it will need to think about accreditation and quality control in very different ways.

* * *

The organization that accredits most colleges here, in Washington, DC, is called the Middle States Commission on Higher Education. It was founded in 1887 by a group of colleges that joined forces to lobby the government for tax breaks. (Some things don’t change.)

Middle States became one of the six so-called “regional” accreditors that dominate higher education quality control today. Those organizations evolved into their current form in the first decades of the 20th century, as voluntary non-profit clubs that performed peer review. This remains the heart of accreditation. Officials from other accredited colleges perform site visits and render a broad judgment on the procedures, structures, and attributes of their peers. At the same time, the colleges being evaluated undergo a lengthy “self-assessment.” It is by nature a complicated and opaque process, involving many meetings and a lot of paperwork. College officials say it is valuable for self-reflection and continuous improvement, and there is no particular reason to disbelieve them.

The problem is that this very old, secretive process of voluntary peer review has been twisted over the years to serve a variety of additional purposes for which it is ill-suited. Most significantly, the federal government outsourced the job of protecting taxpayer and student interests to voluntary accreditation associations. Accreditors are the principal gatekeepers to hundreds of billions of dollars in federal Title IV aid. If you are accredited, you can become rich and famous running a college or university. If you are not accredited, the financial cards are so heavily stacked against you that there is no real opportunity to be a college at all.

This creates several large problems. There are huge incentives for logrolling. Every college that sends a representative to a peer review team knows that its turn for evaluation will eventually come. It is no surprise, then, that colleges hardly ever lose accreditation, despite years or decades of poor performance.

There is also a financial conflict of interest built into the system. Accreditors are financed by fees and dues paid by the same institutions they evaluate. This is like bond rating firms giving Triple-A ratings to mortgage-backed securities sold by the same firms that pay their fees. It doesn’t work out well in the end.

Accreditors use those fees to conduct work that is largely hidden from view. Candid evaluations of problems and weaknesses are not made available to the public. Accreditors and colleges insist that this is necessary for peer review, which may be true. But it also means that
accreditation provides little or no useful information to students choosing colleges, and that the public’s agent of quality control is concealing information from the public itself.

The scope of accreditation review is also limited by a combination of capacity constraints and Congressional limitations. Organizations such as Middle States have roughly 40 employees to oversee more than 800 institutions, meaning there is no way to engage in meaningful oversight of all the schools it works with.

And even if they had such capacity, Congress has enacted restrictions over the years that give institutions significant freedom from accreditors’ attempts to define high-quality learning. Accreditors are required to evaluate success “with respect to student achievement in relation to the institution’s mission, which may include different standards for different institutions or programs, as established by the institution….” The law further stipulates that a college shall not be restricted in its ability “to develop and use institutional standards to show its success with respect to student achievement…” [emphasis added]

In other words, colleges are free to define their own standards of academic success, which accreditors must accept. Unsurprisingly, nearly all colleges believe they are successful. Unfortunately, research such as Richard Arum and Josipa Roksa’s Academically Adrift, which found “limited or no learning” among a large number of college graduates, suggests otherwise.

The result is that many institutions are visited only once or twice a decade, and the review is limited mostly to organizational policy and procedure. Accreditation involves no legitimate investigation of how much students are learning or what kind of academic standards, if any, are enforced. The existing accreditation process simply does not allow for such questions to be asked, or answered. That is why standards have fallen so far under the aegis of accreditation.

And despite the minimal oversight, accreditation is still very burdensome for colleges. The self-evaluation for Georgetown University’s recent re-accreditation process, for example, is 107 pages long, not counting 33 separate appendices, which include the “OADS Organization Chart,” “Faculty Sizing Planning, 2005-2006 (Appendix 18 from Georgetown University’s Periodic Review Report for the Middle States Commission on Higher Education, May 2007),” the “STIA Curriculum Map,” and “Enlarged Figures for Standard 14.”

The accreditation process is also a major barrier to innovation. Accreditation is a club, and if you want to join the club, or be allowed to stay in the club, you have to show that you’re like the other members. This all but eliminates the possibility of price competition from new entrants to the higher education market, which is the only thing that will solve the nation’s college cost problem in the long run.

Imagine if, in 1970, Toyota had needed General Motors’ permission to start selling cars. To get that permission, it had to demonstrate, after a number of years involving many meetings and a great deal of paperwork, that it would build the same kind of cars as General Motors in the same kind of way—the same weight and styling and gas mileage, in the same kinds of factories, with
the same labor contracts. The American automobile market would have been very different, and not in way that was good for consumers and competition.

That’s the way higher education works today. New entrants to the college market are in a Catch-22: They have to conform to the standard model and enroll students before they can become accredited, but they need accreditation to compete on a level financial playing field and enroll students. It’s little wonder that while whole American industries have been transformed in recent decades, most of higher education looks remarkably the same — except it’s a lot more expensive.

Virtuous competition does not come from new organizations built to be as large, expensive and complicated as the old ones. Instead, it comes from nimble, flexible competitors using the latest technological innovations to offer customers a better service for a lower price.

Assume, for example, that a Nobel prize winning scientist wanted to create a start-up company that did nothing but teach the world’s greatest undergraduate physics curriculum online, a multi-course sequence that uses the latest discoveries in cognitive science along with cutting-edge teaching tools. Because of economies of scale, and because such an organization would be unburdened by administrative bloat and decades or centuries of tradition, it could charge one-tenth as much as a typical student pays today.

Under current law, a student could give their Pell grant or Stafford loan money to the most dysfunctional or chronically mediocre college in America — but not to the Nobel Prize winner. Why? Accreditation. The problem is not that the Nobel Prize winner’s start-up company would fail to meet existing accreditation standards. The problem is that existing accreditation standards don’t even apply to such a higher education organization.

We know that the prospect of such programs is not science fiction. Right now, the world’s greatest colleges and universities are serving millions of students through Massive Open Online Courses, or MOOCs, taught by leading professors at universities including Stanford, Harvard, and M.I.T. At the moment, it’s free to take these courses. But it’s easy to imagine students paying a small fee to take a proctored exam, or receive additional one-on-one tutoring. Yet they could not use their federal financial aid to pay for these services, and the reason is accreditation.

Students and families across America are increasingly calling for someone to solve the problem of rising college costs. No such solution is possible in a higher education system ruled by institutional accreditation. As long as incumbent colleges get to decide what the meaning of “college” is as long as only “colleges” as we have historically known them can compete financially on fair terms — higher education will continue to become more ruinously expensive, and deeply rooted quality problems will not improve.
The following changes to accreditation can help fix this problem.

First, there a number of opportunities to improve the existing regime of institutional accreditation. They include:

- **Require accreditors to create multiple tiers of accreditation.** The current system is binary—an institution is in the club, or it is out. This provides little consumer information and the inevitable effects of log-rolling and bureaucratic pressure create low minimum standards. Accreditation status is essentially meaningless for the best colleges and too meaningful for the worst. Accreditors should reduce the burden on institutions that succeed in serving students well while place greater scrutiny on less-successful colleges, including plans for stronger monitoring, meaningful improvement plans, and a clear timeline for eligibility loss.

- **Require accreditors to publicly disclose all accreditation documents.** The possible benefits of secrecy to the peer review process are outweighed by the interests of transparency and public disclosure. As long as accreditors are serving a public function by granting and denying access to the Title IV financial aid system, their work should be available to see.

- **Remove financial conflicts of interest.** Instead of paying the same organizations that evaluate them, colleges should pay accreditation fees to the U.S. Department of Education, which would then disburse money to accrediting organizations based on volume and performance. Accreditors that approve colleges with high default rates on federally subsidized student loans, for example, would be financially penalized.

Accreditors could choose not to conform to these new requirements, in which case they could continue to operate as they were historically founded—voluntary nonprofit organizations with a primary mission of conducting peer review. They would not, however, have the authority to grant colleges eligibility to receive Title IV funds.

The second set of needed accreditation changes involve creating new methods of giving innovative, high-quality, low-cost higher education organizations access to the federal Title IV system. This approach reflects policy ideas recently advanced by both Democrats and Republicans. In policy documents accompanying the 2013 State of the Union Address, President Obama proposed “establishing a new, alternative system of accreditation that would provide pathways for higher education models and colleges to receive federal student aid based on performance and results.” The distinction between “higher education models” and “colleges” suggests liberating students from the incumbent college model and allowing entrepreneurs to develop new methods and designs that meet rigorous quality standards.

In his response to the State of the Union, Senator Marco Rubio called for “student aid that does not discriminate against programs that non-traditional students rely on,” again suggesting that
the time has come to create new opportunities for non-traditional organizations to receive federal financial aid.

Some of these innovations can be advanced using existing statutory authority. The U.S. Department of Education recently wrote a “Dear Colleague letter” describing how colleges can be approved to offer courses and programs under the “direct assessment” provisions of the Higher Education Act. The “experimental sites” provisions of HEA also hold promise for supporting and seeding innovation. It will be important for established accreditors to help facilitate this process and not stand in the way of colleges that are working to adopt innovative, high quality, low cost higher education models that serve the needs of diverse students.

But in the long run, students would benefit most from creating a new system of approving innovative higher education organizations—not just colleges—to receive federal financial aid. Such a system would have the following characteristics:

- **Course- and program-level approval.** The “traditional” college student who takes all of his or her courses from a single institution is already a thing of the past. Most students who earn bachelor’s degrees today accumulate credits from multiple institutions, and this trend is likely to continue. The archaic practice of limiting financial aid to colleges that offer complete degree programs is a barrier to innovation and price-reducing competition. Both non-profit and for-profit colleges should be allowed to seek approval for programs and individual courses that meet high standards of value and quality.

- **Real standards of quality.** The current accreditation system evaluates organizations, not learning. Programs and courses approved under the new system would have to disclose (A) What learning outcomes students would need to achieve, (B) What process would be used to evaluate those outcomes, and (C) Actual student learning results on an ongoing basis.

- **Better value for students, families and taxpayers:** To ensure that the new system promotes needed price competition in higher education, available financial aid per course would be set at 50 percent of the current per-course average amount available for a full-time student receiving a Pell grant.

- **Multiple tiers of performance.** An organization’s success in serving students should be reflected in what types and amounts of aid it can receive, as well as how much administrative burden it faces. High quality providers in the new system should have fewer time-consuming obligations, while those that struggle should be subject to stronger ongoing monitoring and expectations for improvement or loss of eligibility.

In other words, organizations applying for approval under the new system would have to meet much greater standards of transparency and accountability for learning results and do it for half as much money, compared to colleges working under the existing accreditation system.
If no organizations choose to compete under these conditions, there would be no harm to the taxpayers. If, however, innovative organizations approved under this system used new technology to create a new market for high-quality, low-cost higher education programs, it would alter the dynamics of the higher education market, forcing existing colleges to improve quality and reduce prices on behalf of students.

Without major reforms to the accreditation system, the American higher education system is doomed to more of the same: rising prices, declining quality, missed opportunities for upward mobility, and a diminishment of the nation’s human capital in a time when education is the key to economic prosperity and civic life.
Committee on Education and the Workforce
U.S. House of Representatives

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3. With respect to each of the entities listed in response to question 2, please briefly describe your position or representational capacity.

I direct the Education Policy Program at the New America Foundation

□ N/A

4. Have you received any Federal grants or contracts (including any subgrants and subcontracts) since October 1, 2010, related to the subject on which you have been invited to testify?

□ YES  □ N/A  □ No

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| 8. Business Address and Telephone Number: | New America Foundation  
1899 L Street NW, Suite 400  
Washington, DC 20036 |

*Please attach a copy of this form to your written testimony.*