

# REPORT TO THE U.S. SECRETARY OF EDUCATION

---

## Higher Education Act Reauthorization

## Accreditation Policy Recommendations



U.S. DEPARTMENT OF EDUCATION

NATIONAL ADVISORY COMMITTEE ON INSTITUTIONAL QUALITY AND INTEGRITY

\_\_\_\_\_/s/\_\_\_\_\_  
**Jamienne S. Studley**  
**Chair**

April 2012

U.S. DEPARTMENT OF EDUCATION  
NATIONAL ADVISORY COMMITTEE ON INSTITUTIONAL QUALITY & INTEGRITY  
HIGHER EDUCATION ACT REAUTHORIZATION  
ACCREDITATION POLICY RECOMMENDATIONS

---

Table of Contents.....	i
Committee Members.....	ii
Introduction.....	1
The linkage of accreditation and eligibility for federal funds.....	2
The “Triad” of actors in educational quality assurance.....	3
The federal and state roles in quality assurance.....	4
The role and scope of accreditors .....	5
Data as an essential tool in quality assurance.....	6
Data in service of public and consumer information.....	8
The role of the NACIQI as a federal advisory body.....	8
Appendix.....	9
Motions .....	10
Acknowledgements.....	16

U.S. DEPARTMENT OF EDUCATION  
NATIONAL ADVISORY COMMITTEE ON INSTITUTIONAL QUALITY & INTEGRITY  
HIGHER EDUCATION ACT REAUTHORIZATION  
ACCREDITATION POLICY RECOMMENDATIONS

---

**NACIQI MEMBERS\***

Jamienne S. Studley, J.D., NACIQI Chair (ED)  
President and Chief Executive Officer  
Public Advocates Inc.  
San Francisco, California

Cameron C. Staples, J.D., NACIQI Chair (11/2010 -6/2011) (ED)  
President and Chief Executive Officer  
New England Association of Schools and Colleges  
Bedford, Massachusetts

Arthur J. Rothkopf, J.D., NACIQI Vice-Chair (HR)  
President Emeritus  
Lafayette College  
Easton, Pennsylvania

Susan D. Phillips, Ph.D., NACIQI Reauthorization Subcommittee Chair (ED)  
Provost and Vice President for Academic Affairs  
The State University of New York at Albany  
Albany, New York

Bruce Cole, Ph.D. (S)  
Senior Fellow  
Hudson Institute  
Washington, D.C.

George T. French, Jr., Ph.D. (HR)  
President  
Miles College  
Fairfield, Alabama

---

\* The Committee is composed of 18 members of which six are appointed by the Secretary of Education (ED); six are appointed by the Speaker of the House of Representatives (HR); and six are appointed by the President Pro tempore of the U.S. Senate (S). The appointing authority of each member is noted.

U.S. DEPARTMENT OF EDUCATION  
NATIONAL ADVISORY COMMITTEE ON INSTITUTIONAL QUALITY & INTEGRITY  
HIGHER EDUCATION ACT REAUTHORIZATION  
ACCREDITATION POLICY RECOMMENDATIONS

---

Arthur Keiser, Ph.D. (HR)  
Chancellor  
Keiser University  
Fort Lauderdale, Florida

William E. Kirwan, Ph.D. (HR)  
Chancellor  
University System of Maryland  
College Park, Maryland

Earl Lewis, Ph.D. (ED)  
Provost and Executive Vice President for Academic Affairs  
Emory University  
Atlanta, Georgia

Wilfred McClay, Ph.D. (S)  
SunTrust Bank Chair of Excellence in Humanities  
University of Tennessee at Chattanooga  
Chattanooga, Tennessee

Anne D. Neal, J.D. (S)  
President  
American Council of Trustees and Alumni  
Washington, D.C.

William Pepicello, Ph.D. (HR)  
President  
University of Phoenix  
Phoenix, Arizona

Beter-Aron Shimeles, Student Member (ED)  
Occidental College (Class of 2010)  
New York City Operations Coordinator for Peer Health Exchange  
New York, NY

U.S. DEPARTMENT OF EDUCATION  
NATIONAL ADVISORY COMMITTEE ON INSTITUTIONAL QUALITY & INTEGRITY  
HIGHER EDUCATION ACT REAUTHORIZATION  
ACCREDITATION POLICY RECOMMENDATIONS

---

Carolyn G. Williams, Ph.D. (HR)  
President Emeritus  
City University of New York  
Bronx Community College  
Bronx, New York

Larry N. Vanderhoef, Ph.D. (S)  
Chancellor Emeritus  
University of California-Davis  
Davis, California

Frank H. Wu, J.D. (ED)  
Chancellor and Dean  
University of California, Hastings College of the Law  
San Francisco, California

Federico Zaragoza, Ph.D. (ED)  
Vice Chancellor of Economic and Workforce Development  
Alamo Community College District  
San Antonio, Texas

U.S. DEPARTMENT OF EDUCATION  
NATIONAL ADVISORY COMMITTEE ON INSTITUTIONAL QUALITY & INTEGRITY  
HIGHER EDUCATION ACT REAUTHORIZATION  
ACCREDITATION POLICY RECOMMENDATIONS

---

## INTRODUCTION

In September 2010, the National Advisory Committee on Institutional Quality and Integrity (NACIQI) received a broad charge to provide advice to the Secretary of Education on the reauthorization of the Higher Education Act. The NACIQI responded to this charge by undertaking an extended dialogue about the current system of recognition, accreditation, and student aid eligibility.

In framing the issues for this dialogue, we noted that this system of recognition, accreditation, and eligibility draws on a variety of players, definitions, and processes. There are many actors-- federal, state, professional/trade/membership organizations, and the public—all of whom play varying roles and have varying interests. Common across all is the understanding that a well-educated citizenry promotes individual and community well-being, economic competitiveness and workforce development, and civic participation. Also common is an interest in assisting individuals in making informed post-secondary educational choices, in consumer protection, and in the continuing improvement of education and the institutions that provide it. However, there are both commonalities and divergences among notions of “quality assurance,” “continuous improvement,” and “compliance.” There is confusion and incomplete overlap about compliance with regulation versus accreditation via peer review. And there is tension among notions of gate-keeping for student aid eligibility, mechanisms of public accountability, and notions of accreditation as a broader quality improvement and assurance process. This complex system has been admirable in many ways in addressing the needs of quality assurance in a dynamic and diverse environment. However, new challenges and the multiplicity of actors and issues pose a number of tensions, points of confusion, and areas of overlap.

We considered a diverse range of topics in our deliberations and benefited from comments from federal and state actors, from accreditors, from beneficiaries of quality in higher education, and from accredited institutions, including perspectives from experts in education, policy, business, government, and beyond. We agreed to focus on three main areas – the triad of actors in educational quality assurance; the scope, alignment, and accountability of accreditation activity; and regulatory burden and data needs. Our present focus in these three areas should not be taken to mean that there are not many additional areas of importance that merit policy evaluation. Following due consideration – including public hearings, written comment, and extensive discussion -- this document provides our recommendations in these three areas in response to the Secretary’s invitation.

U.S. DEPARTMENT OF EDUCATION  
NATIONAL ADVISORY COMMITTEE ON INSTITUTIONAL QUALITY & INTEGRITY  
HIGHER EDUCATION ACT REAUTHORIZATION  
ACCREDITATION POLICY RECOMMENDATIONS

---

**The linkage of accreditation and eligibility for federal funds**

Common across the areas selected for consideration is the tension among notions of gate-keeping for institutional eligibility for student aid, mechanisms of public accountability, and notions of accreditation as a broader quality improvement and assurance process. With a substantial federal investment in education (over \$175 billion available in Title IV funding for student aid in 2011), the federal process for determining aid eligibility has, to date, included institutional or program accreditation as its assurance of the quality of the education endeavors to which federal funds might be directed.

A critical issue concerns the extent to which accreditation serves, and should continue to serve, a gatekeeping function for the determination of eligibility of federal funds. Deliberations on this issue covered a range of views, and concluded with the recommendation to retain accreditation in the institutional eligibility process.

In arriving at this recommendation, we considered the determination of educational quality, the role of the federal government in educational determination, and matters of accountability:

The accreditation system serves as a critical element in providing information about academic quality to satisfy the federal interest in assuring the appropriate use of federal funds. While this service may not have been envisioned at the origin of accrediting agencies, accreditation nonetheless provides a valuable function in this process, and is uniquely appropriate for that function. Accreditors are the most experienced source of information about academic quality and should continue to establish and assure consistency with academic quality standards in the determination of eligibility. Compliance with academic regulations, standards, and expectations requires the involvement of academic specialists, who apply broad general understandings to local conditions. As a corollary, it is noted that accreditation attracts and deploys extraordinary academic talent in the service of quality assurance, and does so in a cost-effective manner.

There is value in sustaining the determination of quality as a non-governmental function. In this, we note that a strength of American higher education has been its freedom from federal determination of institutional quality and self-improvement processes. The responsibility for evaluating how well an institution is accomplishing its educational work can and should rest exclusively with the institutions and/or the accrediting bodies. With accreditation being a system of self-regulation, the involvement of member institutions in the process of establishing the standards and then applying them in volunteer peer review, accreditors also promote understanding of the expectations and buy-in for the standards and policies.

U.S. DEPARTMENT OF EDUCATION  
NATIONAL ADVISORY COMMITTEE ON INSTITUTIONAL QUALITY & INTEGRITY  
HIGHER EDUCATION ACT REAUTHORIZATION  
ACCREDITATION POLICY RECOMMENDATIONS

---

While some may consider that accreditation has not been sufficiently publicly accountable, it is notable that, as a function of its engagement in the federal aid eligibility process, the accreditation system has moved in the direction of greater accountability by including, among other provisions, requirements that a portion of accreditation commissioners be members of the public.

Ultimately, all regulation in an enterprise as complex and diverse as American higher education is self-regulation, and it is necessary that member institutions be sufficiently involved and invested in understanding the issues, arriving at self-regulatory solutions, and establishing principles to ensure institutional compliance.

In making the recommendation to retain the link between accreditation and aid eligibility, we recognize that this is a time of considerable focus on quality in higher education, with emerging areas of serious concern about value, standards, outcomes, cost, transparency, and accountability. Accreditors and their various constituencies must confront these challenges vigorously and do so in ways that continue to offer significant value and rigor in quality assurance. Their effort must also be considered in light of the full array of actors and processes with responsibilities for determining and enforcing quality standards.

As a consequence, accompanying our recommendation to retain the link between accreditation and aid eligibility are a number of additional observations and recommendations. We begin with consideration of the context of the triad of actors involved in quality assurance, offer some perspective on the roles, functions, and opportunities for change for each, examine the essential data by which quality is determined, and close with suggestions about the role of NACIQI itself.

**The “Triad” of actors in educational quality assurance**

With three main actors (federal, state, and accreditor) in the complex and evolving quality assurance enterprise, the responsibilities of the members of this triad understandably are not fully clear. There are both overlaps in responsibilities and gaps where necessary responsibilities are not fully covered. Our recommendations include the following:

1. Clarify and articulate common understandings about the responsibilities of each member of the triad.
2. Coordinate/increase communication among actors to achieve greater commonality across the quality assurance/eligibility enterprise. Increased communication among the members of the triad may identify common concerns and shareable data.
3. Encourage the states’ engagement with consumer protection and investigation, whether within or outside the processes of accreditation.



**The federal and state roles in quality assurance**

In addition to its shared interest in educational quality, consumer protection, and assisting consumers in making post-secondary education choices, the federal role in accreditation includes the assurance that taxpayer funds are only used for acceptable educational activities. This assurance cannot be satisfied by evaluation of financial stability/compliance data alone but must include both financial and quality considerations.

The federal member of the triad could be expected not only to set expectations for the elements for which it is responsible, but also to convene and promote communication and collaboration across the triad.

Among states, there is considerable variability in the responsibilities that different states assume, yielding uneven coverage of those areas of responsibility specifically allocated to states. The inconsistency of state approaches also renders some institutions triply-monitored, while others are actively monitored only by the federal and accrediting members of the triad. Our recommendations concerning the state role include:

4. Determine what mechanisms will best insure that critical quality assurance/eligibility expectations are met across institutions and agencies nationwide.
5. Draw on the convening capacity and function of the federal level to develop models for triad articulation and to promote greater engagement and consistency across states.

States' historic and justifiable responsibility for educational quality and protection of their citizens, might well be promoted through focused state attention to their areas of traditional expertise, especially consumer protection and pursuit of fraud and misleading commercial promotion. At the same time, the presumption that state boundaries define the delivery and oversight of education may in some respects be inconsistent with the newer methods of education that are not tied to land boundaries, and the multiplicity and inconsistency of state regulation may hamper both effective application of quality standards and educational diversity and innovation. Our recommendations in this regard include:

6. Evaluate whether the diversity of state regulation across the country might be shaped to incorporate recognition of the growth of cross-state (and, indeed, cross-nation) educational activity.
7. Encourage state effort to assure the adequacy of consumer information and the accountability of institutions and programs providing education within the state. State experiences and "best practices" would be a useful topic of conversation in a federally-convened

U.S. DEPARTMENT OF EDUCATION  
NATIONAL ADVISORY COMMITTEE ON INSTITUTIONAL QUALITY & INTEGRITY  
HIGHER EDUCATION ACT REAUTHORIZATION  
ACCREDITATION POLICY RECOMMENDATIONS

---

process, as would the development of a common understanding of a minimum level of consumer protection.

**The role and scope of accreditors**

As accreditation agencies continue to play an essential role in the determination of eligibility for Title IV funding, it will be important to address the challenges that follow. Accreditors accept the responsibility of demonstrating adequate rigor in accountability to assure that all accredited institutions meet reasonable standards of educational performance and that unacceptably weak institutions are not eligible for student aid.

Just as the accreditation system did not originate with the intent to serve federal student aid eligibility functions, it also did not originate in the context of educational diversity and reach that exists today. The regional foundations of some accreditor organization may be due for re-assessment by those entities as the diversity of educational activities and missions have expanded within a region, and as educational activity and mission increasingly span regional and national boundaries.

Of note is that the regional commissions have accredited under one tent, research universities, state colleges, liberal arts institutions, community colleges, and special purpose institutions. This system keeps these very different institutions accountable to a single set of standards within each region, promoting mobility for transfer students, and students seeking a higher degree, as well as reasonable consistency for the various degree levels. Our recommendation in this regard includes:

8. Encourage a dialogue within the accreditation community about the structure and organization of the accreditation enterprise. The diversity of educational activity and mission today may call for a system of accreditation that is aligned more closely with mission or sector or other educationally relevant variable, than with geography. This dialogue may also afford institutions greater opportunity to choose among accreditors.

Currently, it appears that both federal and accreditor participants in the quality assurance enterprise are relatively undifferentiated in their reviews. That is, the same level of scrutiny and intensity of review is given to accreditors and institutions with longstanding competent performance on quality indicators as is given to those that might be fragile, unstable, low-performing, rapidly expanding or changing, or newly-approved. Our recommendations concerning flexibility and nuance in the review process include:

9. Afford the federal and accreditor participants greater opportunity and encourage them to distinguish among applicants with more varied levels and durations of review, such that the greater review effort is addressed to accreditors and institutions that present greater potential

U.S. DEPARTMENT OF EDUCATION  
NATIONAL ADVISORY COMMITTEE ON INSTITUTIONAL QUALITY & INTEGRITY  
HIGHER EDUCATION ACT REAUTHORIZATION  
ACCREDITATION POLICY RECOMMENDATIONS

---

cause for concern and those whose circumstance may call for additional, supplemental, or heightened review. Ensure that such distinctions do not engender discriminatory action nor arise from the application of differential standards.

10. Afford accreditors greater opportunity and encourage them to design systems for expedited review.

11. Afford accreditors greater opportunity to offer more gradations in their accreditation decisions.

Taken as a whole, the accreditation process should be measured by reasonable cost-benefit standards, in which regulatory obligations, effort and cost are consistent with the results in terms of important protections and quality control. Some current requirements are essential to allow accreditors to evaluate institutional or program quality, while others may be seen as unnecessarily intrusive, prescriptive, and granular in ways that may not advance system goals nor match institutional priorities, and as costly in resources such as time, funds, and opportunity. Here, our recommendation is:

12. Undertake substantial modification to the existing statutory and regulatory criteria, and their application, to make them where possible less intrusive, prescriptive, costly, and granular while maintaining the essential quality controls of gatekeeping.

**Data as an essential tool in quality assurance**

While it is clear that data must be the basis on which decisions are made, there is concern that the quality assurance enterprise collects more and different data than is necessary for quality review. The usefulness of the collected data to consumers, institutions, accrediting authorities, or the federal government has been questioned, especially given the inconsistency among definitions that limit data comparability and policy reliance. While some data may be useful to some parties, the burden of acquiring that data may be too high for its utility, the data are not available to consumers in a manner that is useful to them, or both. Our recommendations concerning data include:

13. Reconsider data that are collected by all accreditation, state, and federal agencies. In this reconsideration, evaluate the costs of data collection relative to its utility and appropriate use.

14. Wherever possible and of value, share data provided to and analysis conducted by the federal government (e.g., regarding institutional financial responsibility) to assist accreditors in reviews

U.S. DEPARTMENT OF EDUCATION  
NATIONAL ADVISORY COMMITTEE ON INSTITUTIONAL QUALITY & INTEGRITY  
HIGHER EDUCATION ACT REAUTHORIZATION  
ACCREDITATION POLICY RECOMMENDATIONS

---

15. From the above reconsideration of data, costs and benefits, define a specific set of data that is needed as a minimum to address (a) federal interest and/or (b) institutional improvement. This would entail:

- (1) Developing a set of consistent definitions and appropriate metrics for use in the accreditation process. Achieving convergence of agreement about definitions may—without altering the state regulatory authority or interest—assist states in becoming more aligned in their regulations and thereby provide institutions whose activity crosses borders with fewer divergent data demands.
- (2) Insuring that this data is accurate and meaningful, and consistent across institutions, without specifying minimum thresholds to be applied across all institutions. All data requirements should account for distance education modalities.
- (3) The specific set of minimum data would not preclude accreditors from requiring data appropriate for their philosophy and specialty. Accrediting agencies can and should consider what additional data is needed for the function of continuous institutional improvement. However, additional requirements for data collection should be developed with an assessment of its burdens and sufficient lead time for the data to be compiled.

16. A data set with common definitions might beneficially include data on such outcomes as completion/graduation, licensure or job placement (where appropriate), and/or other indices of career progress. Note that this consideration does not include specification of student learning outcome measures, nor of uniform thresholds on any measure to be applied across all institutions.

17. The accuracy of data is so central to eligibility and to consumer decisions that it may be appropriate for critical data elements to be independently audited under specified circumstances. It may also be appropriate to review the penalties for submission of fraudulent, inaccurate, or misleading data.

18. Some types of data may require that systems be developed in order to compile the information in a manner that protects privacy of individuals appropriately. Recognizing the controversy concerning national unit record systems, further consideration could be directed to how completion (graduation) data might be gathered in a privacy-protected manner.

19. Explore and implement how the Integrated Postsecondary Education Data System (IPEDS) data could be made more accurate, timely, and useful.

U.S. DEPARTMENT OF EDUCATION  
NATIONAL ADVISORY COMMITTEE ON INSTITUTIONAL QUALITY & INTEGRITY  
HIGHER EDUCATION ACT REAUTHORIZATION  
ACCREDITATION POLICY RECOMMENDATIONS

---

**Data in service of public and consumer information**

To address the concern about lack of transparency in the accreditation process, data collected for accreditation by accrediting agencies should be available to the public by both the institution and the accrediting agency in a format that is consistent, meaningful, and perhaps prescribed. It is a reasonable goal is to afford students and the general public the opportunity to make accurate comparisons based on facts. Our recommendations in this regard include:

20. Make accreditation reports about institutions available to the public. Further discussion is needed about what reports to include, and about how to increase information and transparency while sustaining other critical values in the accreditation process
21. Increase the number of knowledgeable public members on accreditation decision making boards.

**The role of the NACIQI as a federal advisory body**

We want to be sure that this body and our activities add value to the recognition process, exercising independent judgment and addressing significant priority issues. Further, we have the opportunity to provide greater leadership and perspective on the design and effectiveness of the accreditation and quality assurance process. The occasion of agency review for recognition provides us and the accreditation community the opportunity to be better informed about the shifts, challenges, successes, and good practices of the various parts of the quality assurance enterprise. Our recommendations for the role of NACIQI include:

22. Expect NACIQI to ask accreditors to report on the performance of the universe of institutions/programs they accredit.
23. Continue to expect NACIQI to play a role in system review, monitoring, dialogue and exchange, and policy analysis and recommendations to advise the Secretary. This role could include developing standards to meet changing realities in education, identifying needed flexibility in accreditation standards, and assessing system wide outcomes and consistency.
24. Just as our recommendations provide the basis for greater nuance or gradation in the accreditation determination of institutions and programs, so too might NACIQI consider greater nuance or gradation—indicating a range that includes both honors and caution--in the recognition determination regarding accreditation agencies.

U.S. DEPARTMENT OF EDUCATION  
NATIONAL ADVISORY COMMITTEE ON INSTITUTIONAL QUALITY & INTEGRITY  
HIGHER EDUCATION ACT REAUTHORIZATION  
ACCREDITATION POLICY RECOMMENDATIONS

---

APPENDIX

U.S. DEPARTMENT OF EDUCATION  
 NATIONAL ADVISORY COMMITTEE ON INSTITUTIONAL QUALITY & INTEGRITY  
 HIGHER EDUCATION ACT REAUTHORIZATION  
 ACCREDITATION POLICY RECOMMENDATIONS

---

**MOTIONS**

Motions	Petitioner/ Seconded by	Vote/ Disposition
<p><b>Main Motion:</b></p> <p>I move to advance the draft report as it stands for adoption by the full committee.</p>	<p>Petitioner: Susan Phillips</p> <p>Seconded by: Cameron Staples</p>	<p>Vote: 9 Yes/ 2 No</p> <p>Disposition: Motion passes</p>
<p><b>Substitute Motion:</b></p> <p>I move that the comment submitted on March 16, 2012 to NACIQI entitled <u>Alternative to the NACIQI Draft Final Report</u>, submitted by Anne Neal and Arthur Rothkopf, be substituted in its entirety for the Draft Final Report. The Alternative Report can be found on pages 11-15.</p>	<p>Petitioner: Arthur J. Rothkopf</p> <p>Seconded by: Anne Neal</p>	<p>Vote: 4 Yes/ 7 No</p> <p>Disposition: Motion fails to pass.</p>
<p><b>Subsidiary Motion: #1</b></p> <p>I move to add at the end of the document the following statement:</p> <p>“We advance these recommendations with the further guidance that their consideration and/or implementation be undertaken with recognition that determination of quality be solidly recognized as a non-governmental and nonfederal function.”</p>	<p>Petitioner: Susan Phillips</p> <p>Seconded by: Cameron Staples</p>	<p>After discussion, the motion was withdrawn</p>
<p><b>Subsidiary Motion: #2</b></p> <p>I move to delete the substantive recommendation in Number 8 and the language in the preceding paragraph that tracks with it setting up that Number 8 recommendation.</p>	<p>Petitioner: Cameron Staples</p> <p>Seconded by: Susan Phillips</p>	<p>Vote: 11 Yes/ 1 No</p> <p>Disposition: Motion passes</p>
<p><b>Subsidiary Motion: #3</b></p> <p>I move to delete the last two sentences of recommendation 9 which include the sentences that start with “the diversity of education activity” and ends with “dialogue may afford institutions greater opportunities to choose among all accreditors.”</p>	<p>Petitioner: Susan Phillips</p> <p>Seconded by: Cameron Staples</p>	<p>Vote: 5 Yes/ 6 No</p> <p>Disposition: Motion fails to pass</p>

## **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<sup>1</sup>. 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<sup>2</sup>. 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<sup>3</sup>. 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<sup>4</sup>. Employers consistently report concerns that the quality of higher education is inadequate for workplace needs<sup>5</sup>. This is not quality assurance and we shouldn’t pretend otherwise.

---

<sup>1</sup> 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.

<sup>2</sup> 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.”

<sup>3</sup> 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>

<sup>4</sup> Richard Arum and Josipa Roksa, *Academically Adrift* (Chicago: University of Chicago Press, 2011).

<sup>5</sup> Linda Barrington, Jill Casner-Lotto, *Are They Really Ready to Work? Employers’ Perspectives on the Basic Knowledge and Applied Skills of New Entrants to the 21st Century U.S. Workforce* (The Conference Board, Corporate Voices for Working Families, The Partnership for 21st Century Skills, and the Society for Human Resource Management [New York, NY and Washington, DC: 2006]) [http://www.p21.org/storage/documents/FINAL\\_REPORT\\_PDF09-29-06.pdf](http://www.p21.org/storage/documents/FINAL_REPORT_PDF09-29-06.pdf); Raising the Bar.



U.S. DEPARTMENT OF EDUCATION  
NATIONAL ADVISORY COMMITTEE ON INSTITUTIONAL QUALITY & INTEGRITY  
HIGHER EDUCATION ACT REAUTHORIZATION  
ACCREDITATION POLICY RECOMMENDATIONS

---

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<sup>6</sup>. Delinking accreditors from their federal gatekeeper role is essential to achieving this end<sup>7</sup>. 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.

---

Employers’ Views on College Learning in the Wake of the Economic Downturn (Hart Research Associates, Washington, DC: 2010) [http://www.aacu.org/leap/documents/2009\\_EmployerSurvey.pdf](http://www.aacu.org/leap/documents/2009_EmployerSurvey.pdf).

<sup>6</sup> 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.

<sup>7</sup> Note the critique that the president of CHEA, Judith Eaton, offers of the draft final report in CHEAmail 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.”

U.S. DEPARTMENT OF EDUCATION  
NATIONAL ADVISORY COMMITTEE ON INSTITUTIONAL QUALITY & INTEGRITY  
HIGHER EDUCATION ACT REAUTHORIZATION  
ACCREDITATION POLICY RECOMMENDATIONS

---

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

U.S. DEPARTMENT OF EDUCATION  
NATIONAL ADVISORY COMMITTEE ON INSTITUTIONAL QUALITY & INTEGRITY  
HIGHER EDUCATION ACT REAUTHORIZATION  
ACCREDITATION POLICY RECOMMENDATIONS

---

- 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.”<sup>8</sup> 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.

---

<sup>8</sup> 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.

U.S. DEPARTMENT OF EDUCATION  
NATIONAL ADVISORY COMMITTEE ON INSTITUTIONAL QUALITY & INTEGRITY  
HIGHER EDUCATION ACT REAUTHORIZATION  
ACCREDITATION POLICY RECOMMENDATIONS

---

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).<sup>9</sup>

---

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.

---

<sup>9</sup> In testimony submitted, a range of parties expressed interest in an expedited option including Princeton University, C-RAC, ACE, and AAU.

U.S. DEPARTMENT OF EDUCATION  
NATIONAL ADVISORY COMMITTEE ON INSTITUTIONAL QUALITY & INTEGRITY  
HIGHER EDUCATION ACT REAUTHORIZATION  
ACCREDITATION POLICY RECOMMENDATIONS

---

ACKNOWLEDGEMENTS

The National Advisory Committee on Institutional Quality and Integrity (NACIQI) is indebted to many individuals for their invaluable contributions to the completion of this report. We are grateful to our many colleagues and constituents who provided written and oral comments; they were enormously helpful in our deliberation of the complex accreditation issues. We also acknowledge with sincere appreciation the following individuals and organizations for sharing their insights and knowledge to help us in framing the issues, pointing out difficult parts of the conversation, and providing a context as we took up these very challenging issues:

Kevin Carey, Policy Director, Education Sector

Bryan J. Cook, Director, Center for Policy Analysis, American Council on Education

Judith S. Eaton, President, Council for Higher Education Accreditation

Peter Ewell, Vice President, National Center for Higher Education Management Systems

Mollie Ramsey Flounlacker, Associate Vice President for Federal Relations, Association of American Universities

Terry W. Hartle, Senior Vice President, Division of Government and Public Affairs, American Council on Education

Marshall Hill, Executive Director, Nebraska Coordinating Commission for Postsecondary Education

Christine Keller, Executive Director, Voluntary System of Accountability, Association of Public and Land-Grant Universities

David Rhodes, President, School of Visual Arts

Robert G. Templin, Jr., President, Northern Virginia Community College

Shirley Tilghman, President, Princeton University

Ralph Wolff, President and Executive Director, Western Association of Schools and Colleges, Accrediting Commissions for Senior Colleges and Universities