

**Information/Action Item**

***California Student Aid Commission***

What should Cal Grants pay for in the coming era of distance learning?

- a. Who provides oversight of distance learning and what kind of oversight is it?

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The California Student Aid Commission held a public hearing on distance learning in February 2012 as a means of fulfilling its legislative directive of providing policy leadership on student financial aid issues in California higher education. We postponed the presentations on the oversight of distance learning due to scheduling conflicts among presenters.

To recap, our perspective on financial aid policy is straightforward: How can the Commission not only increase students' access to higher education, but also ensure that they achieve their education goals? How can we reduce the burden of tuition debt that students and their families are compelled to assume to meet ever increasing costs? *No less important*: How can the Commission substantiate for taxpayers that their funds result in student learning and achievement? Finally, a related and *fundamental issue*: What should Cal Grants pay for?

Accreditation has traditionally served as an indicator of a certain standard of educational quality. Federal law requires colleges and universities to be accredited to be eligible to participate in federal student aid programs. Since federal financial aid eligibility is an institutional prerequisite for Cal Grants, accreditation also functions as a safeguard for California taxpayers and students.

Accreditation agencies are moving to adapt to the expansion of online learning, but there is a perspective, shared even by some accreditors, that appropriate oversight requires more than accreditation agencies. Tab 1.a is an article from the *Chronicle of Higher Education* providing general background on accreditation of online learning. [*Note: Documents or articles included in the sub-tabs should not be construed as endorsements by the Commission of any particular views stated in the documents or articles.*]

Concerns about the role of accreditation agencies are not limited to oversight of distance learning. Tabs 1.b and 1.c are two issue papers that were presented in 2006 to The Secretary of Education's Commission on the Future of Higher Education. Tab 1.b, *Assuring Quality in Higher Education: Key Issues and Questions for Changing Accreditation in the United States*, by Vickie Schray, presents an overview of accreditation and the issues involved in the debate over the need for changes. Tab 1.c, *The Need for Accreditation Reform*, by Robert C. Dickeson, is included to provide more detail about the concerns generating the debate over the need to reform. No

endorsement of any recommendation in the issue paper should be inferred - the Commission and staff have not considered or taken any position on accreditation.

Representatives of both the Accrediting Commission for Senior Colleges and Universities and the Accrediting Commission for Community and Junior Colleges, both organizations within the Western Association of Schools and Colleges (WASC), will present information on how WASC has responded to the challenges of distance learning and to the calls for reform of accreditation in general.

We have also invited representatives of the Bureau of Private Postsecondary Education to discuss the State's oversight of distance learning.

*Prepared by Keith Yamanaka, Chief Deputy Director*

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# 1.a

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#### Suggested Background Reading

Kelderman, Eric. (2011, November 6). Online Programs Face New Demands From Accreditors. *Chronicle of Higher Education*.

Retrieved from <http://chronicle.com/article/Online-Programs-Face-New/129608/>

*Note: Documents or articles included in the sub-tabs should not be construed as endorsements by the Commission of any particular views stated in the documents or articles*

<http://chronicle.com/article/Online-Programs-Face-New/129608/>

Chronicle of Higher Education

November 6, 2011

### **Online Programs Face New Demands From Accreditors**

By Eric Kelderman

In some circles, online education has a bad reputation. Accusations that some for-profit companies prey on unsuspecting students to rake in federal financial aid have led to image problems for the sector. Critics see online education, offered in particular by for-profit colleges, as the dark underbelly of higher education, with the quality of Internet courses second to the greed of unscrupulous investors.

And now the critics are counting on accreditors to clean up the problems.

The U.S. Education Department has issued new regulations to keep distance educators in check, and has pressured the groups that accredit colleges and universities to keep a tighter rein on those that offer online courses. Members of Congress blame accreditors for lax oversight of online programs that have engaged in alleged fraud and deception.

Accreditors counter that they are adapting to the fast-growing world of online education by requiring colleges to prove that students learn as much in distance courses as in face-to-face classes. Doubts about the merit of online education are less about quality and more about the business practices of for-profit colleges, the accreditors say. Because of that, they argue, their agencies are being asked to regulate issues outside their domain.

"What appears to be happening is that policy makers are asking accreditors to do things that they traditionally have not been doing," says Michale S. McComis, executive director of the Accrediting Commission of Career Schools and Colleges, a national organization that accredits about 800 private, for-profit institutions. "The Department of Education has a role to play, states have a role to play, and we have a role to play," he says. "Accreditation is not the only line of defense."

Accreditation of online courses has evolved as such programs have grown from a small niche in higher education to a staple at both nonprofit and for-profit colleges. The current tensions are just the latest surrounding the academic-accreditation process, which has involved a patchwork of accrediting groups and competing interests since it took root, in the late 19th century. Accreditation sets basic standards of academic quality, and then peer-reviewers assess whether colleges are meeting those standards, which vary by the type of accrediting agency. There are now six regional accrediting groups, which oversee a wide range of institutions, including community colleges, research universities, and for-profit colleges. There are also seven national accreditors that focus on a particular type of institutional mission, such as the Accrediting Commission of Career Schools and Colleges and the Distance Education Training Council, which accredits only colleges that offer most of their courses online.

Regulatory requirements for accreditation increased with the college-enrollment booms that followed World War II, further complicating the process.

In particular, the 1965 Higher Education Act made students' eligibility for federal student aid contingent upon their colleges' accreditation.

When online learning got under way, in the 1990s, the attitude of most accrediting groups was to treat it like something completely different from classroom learning, says Philip A. Schmidt, associate provost for compliance and accreditation at Western Governors University. The private, nonprofit, all-online university, which began offering courses to a few hundred students in 1999, now enrolls more than 25,000 students from across the country and is accredited by the Northwest Commission on Colleges and Universities, one of the six regional accrediting agencies, and also by the Distance Education Training Council.

When online learning "was something very new, 15 years ago, we thought, Whoa, we need to look at this," says Sylvia Manning, president of the Higher Learning Commission of the North Central Association of Colleges and Schools. The regional accrediting group counts all but a few of the nation's largest for-profit colleges among its member institutions.

The six regional accrediting agencies responded to the early growth of distance education by adopting in 2001 a common set of broad standards meant to determine if a college is well suited to offer online courses and if it is using the best practices to deliver them. Those guidelines, which were revised in 2006, recommend, for example, that colleges show evidence that faculty members who teach online courses have been appropriately trained to use the medium, and that student-support services are sufficient.

Until the past year, students were flocking to online education. Nearly a third of all students in higher education took at least one course online in 2009, according to an annual report of the Sloan Consortium, a nonprofit group that studies and promotes online learning. As overall college enrollments grew 2 percent from 2008 to 2009, the number of students in online courses increased by 21 percent, the Sloan study found. Nearly two-thirds of the colleges surveyed—both for-profit and nonprofit—said online learning was a critical part of their strategic plans.

And with the growth of distance education, accreditors have begun to realize that online courses can be just as good, or as bad, as face-to-face courses, says Ms. Manning. Instead of focusing solely on the differences in the two settings, she says, accreditors are moving to consider what students are learning in both sectors.

But many people still recognize that online education must improve in key areas of retention and graduation, says Thomas J. Snyder, president of Ivy Tech Community College, in Indiana, which has had a 60-percent increase in enrollment in online courses over the past five years. Ivy Tech, the state's public, two-year college system, has put in place extra assessments to determine whether students are prepared for the self-discipline and demands of online courses.

With large numbers of students dropping out of online programs, determining which students will succeed has become a widespread concern, says Mr. McComis, of the accrediting group for career colleges. "What we've always said ... is that online education is not for everybody."

As the number of online students has risen, so has the amount of federal student aid that is used to pay for distance education. The hundreds of for-profit colleges that rely heavily on online education receive nearly 90 percent of their revenue from federal student aid. And those funds do not include dollars paid through the G.I. Bill, which provides tuition benefits to veterans and their families, who are aggressively recruited by for-profit colleges.

The growing amount of federal tax money paying for online education has attracted the attention of the Education Department and some members of Congress, who are concerned that for-profit colleges are putting profit ahead of educational quality.

In late 2009, the Education Department's Office of the Inspector General recommended limiting, suspending, or terminating the accrediting authority of North Central's Higher Learning Commission, which oversees colleges in 19 states in the middle of the country. The proposed penalties were the result of the commission's decision to accredit American InterContinental University, a for-profit college owned by the Career Education Corporation. The inspector general was concerned that some students who took some classes online were receiving too much credit for the short duration of the courses.

The inspector general's report sparked a Congressional hearing in June 2010—one of many held by Democrats to probe the practices of for-profit colleges and online education and accreditation—and a stricter new rule defining credit hours.

Accreditors were also brought before Congress in August 2010, when an investigation by the Government Accountability Office alleged widespread abuses in the recruiting and enrollment of students at for-profit colleges.

There are signs that the stricter regulatory environment is having an impact. New-student enrollments at the 10 largest for-profit colleges [were down](#) an average of 14 percent this year, according to company financial disclosures and analysts' reports. And accreditors are starting to take a harder look at the business operations of for-profit colleges, in part to prevent even greater involvement by state and federal regulators.

The Accrediting Council for Independent Colleges and Schools, a national group that reviews more than 850 career-oriented colleges, has introduced an optional category of accreditation. It would require companies that own such colleges to demonstrate that they have adequate policies to prevent misbehavior. Under the new model, which is now a pilot program at two colleges, the council will look at the companies' strategic and financial planning and how they plan to maintain educational quality as enrollments grow.

The Western Association of Schools and Colleges, a regional accreditor, is considering far-reaching changes to allay concerns about Bridgepoint Education, a for-profit company that is seeking accreditation. Bridgepoint, which operates two small campuses in Colorado and Iowa, enrolls nearly all of its 80,000 students online. It has been called a "scam" by U.S. Sen. Tom Harkin, an Iowa Democrat, who cited because of its high dropout rate, low per-student spending, and eye-popping executive compensation. Ralph A. Wolff, president of the Western accrediting group, says Bridgepoint's finances will be independently audited. Bridgepoint did not respond to requests for comment. Western is considering making its accreditation reports public and requiring institutions to set actual benchmarks for retention and graduation.

Bridgepoint's Iowa campus was originally accredited by North Central's Higher Learning Commission, after the company bought a small, private nonprofit college in the state. The commission no longer automatically grants accreditation in such transactions. Last year, for example, it denied a request to transfer the accreditation of Dana College, a small, religiously affiliated college in Nebraska, to a group of private investors seeking to buy it. Dana has since closed.

Many people in the field think accreditation agencies are being burdened with issues beyond their reach. Accreditors have neither the staff nor the legal authority to conduct actual investigations. And accreditation reviewers are volunteers, usually from peer institutions, who are experts in higher education but not corporate malfeasance.

There is widespread discussion about overhauling accreditation in the next reauthorization of the Higher Education Act, in 2013 at the earliest. Suggestions include no longer making accreditors the gatekeepers for federal financial student aid. That would, however, remove accrediting agencies' greatest leverage over institutions.

Accreditation should primarily be about preserving and improving the quality of an education, while allegations of fraud and deception in disbursing financial aid should fall to federal regulators, says Ms. Manning, of the North Central accrediting group.

"One important thing to remember, which is often forgotten, is that it is not the case that accreditation is the only thing that stands between an institution and access to federal student financial aid," she says. "Accreditation is a gatekeeper but not the sole gatekeeper."

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- The Chronicle of Higher Education
- 1255 Twenty-Third St, N.W.
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# 1.b

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- a. Who provides oversight of distance learning and what kind of oversight is it?
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#### Suggested Background Reading

Schray, Vickie (2006) *Assuring Quality in Higher Education: Key Issues and Questions for Changing Accreditation in the United States*

Retrieved from

<http://www2.ed.gov/about/bdscomm/list/hiedfuture/reports/schray2.pdf>

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A NATIONAL DIALOGUE:  
The Secretary of Education's Commission  
on the Future of Higher Education

## ISSUE PAPER

*Fourth in a series of Issue Papers released at the request of Chairman Charles Miller  
to inform the work of the Commission*

### Assuring Quality in Higher Education: Key Issues and Questions for Changing Accreditation in the United States

Vickie Schray

*Summary. Accreditation in the United States has evolved over the years in response to the changing higher education environment. There are at least three major changes in the current environment. One is the growing demand for increased accountability. Another is reduced funding and rising costs and pressures to find more cost-effective solutions in every aspect of higher education. Finally, there is the changing structure and delivery of higher education including new types of educational institutions and the increasing use of distance learning that allows institutions to operate on a national and global scale. This paper seeks to describe the current accreditation system and frame the key issues for discussion.*

#### Introduction

For more than 100 years, the accreditation system in the United States has been used as the primary vehicle for defining and assuring quality in the delivery of higher education services. In this complex public-private system, recognized accreditation organizations develop quality standards and manage the process for determining whether institutions and programs meet these standards and can be formally accredited. Accrediting organizations play a key "gatekeeper" role in higher education because accreditation is used to determine whether higher education institutions and programs are eligible to receive the over \$80 billion in federal and state grants and loans available annually and provides the primary means to inform and protect consumers against fraud and abuse.

There has been growing criticism of higher education and the accreditation system and a growing debate over how to change accreditation. This growing debate centers around three major sets of questions and issues:

- Assuring Performance. How can the accreditation system be held more accountable for assuring performance, including student-learning outcomes, in accrediting institutions and programs?
- Open Standards and Processes. How can accreditation standards and processes be changed to be more open to and supportive of innovation and diversity in higher education

- including new types of educational institutions and new approaches for providing educational services such as distance learning?
- Consistency and Transparency. How can accreditation standards and processes be made more consistent to support greater transparency and greater opportunities for credit transfer between accredited institutions?

While the accreditation system has taken steps in recent years to address these issues, after almost twenty years of dialogue and debate, there is still no clear consensus on how to change accreditation to respond to these new demands.

Given the critical role of accreditation in assuring quality in higher education and providing a gateway to federal and state funding, the Secretary of Education's Commission on the Future of Higher Education will, as part of its national dialogue, review the current system of accreditation and seek input from the accreditation community and other higher education stakeholders on how to change accreditation.

The purpose of this paper is to provide a basic understanding of the current system and propose the key issues and questions for use in this dialogue.

### Overview of Accreditation

Accreditation was originally practiced by colleges as a means to determine quality in high schools, so that higher education institutions could be assured that secondary graduates met acceptable standards for admission. Later, colleges themselves began to participate in accreditation to assure that credits earned by transfer students from one higher education institution to another would be acceptable. Accreditation later evolved into a private, non-governmental "self-regulation" system for universities and colleges to assure that both public and private institutions of higher education and their programs met acceptable levels of quality.

After World War II and with the passage of the G.I. Bill, the accreditation system began to change. With the growth in federal student aid the federal government began to use this non-governmental accreditation system to determine the eligibility of higher education institutions to receive federal student financial assistance and other federal funds. States used similar strategies and made the accreditation system the key "gatekeeper" for both federal and state funding.

Accreditation in the United States has since evolved into a large and complex public-private system that is designed to assure quality in higher education and be the gatekeeper for access to federal and state funding. The accreditation process still remains a largely voluntary process controlled by private accreditation organizations with strong connections to the higher education community. However, because most higher education institutions and programs are dependent on federal and state student grants and loans, accreditation is becoming increasingly a requirement for doing business in higher education. And, the federal government is playing a larger role in ensuring that private accreditation organizations are protecting the public interest in assuring the quality of postsecondary education institutions and programs

The accreditation system reflects the diversity and decentralized structure of higher education with a range of accreditation organizations using different standards and processes in making accreditation decisions. The accreditation system has enormous reach in the United States involving almost 100 public and private accrediting organizations that accredit more than 6,400 institutions and 18,700 programs.

This process is managed by national, regional, and specialized accreditation organizations, many times called "accreditation agencies." The accrediting organizations develop the quality standards or criteria for accreditation, develop and manage the accreditation process, and make the final decision on accreditation.

There are three types of accreditation organizations — regional, national, and specialized or programmatic.

- Regional accrediting agencies operate in six different regions in the U.S. and review entire institutions. Of the 2,963 regionally accredited institutions, 97.4% are traditional, non-profit, degree-granting colleges and universities.
- National accrediting agencies operate throughout the country and review entire institutions. Of the 3,458 nationally accredited institutions, 35.9% are degree granting and 64% are non-degree granting, 20.9% are non-profit and 79% are for-profit. Many of the nationally accredited institutions are single-purpose institutions (e.g., information technology).
- Specialized accrediting agencies operate throughout the country and address programs, departments, or schools in specific fields (e.g., business, law) that are parts of an institution. Some specialized accrediting organizations also accredit professional schools or other specialized or single purpose institutions. Some specialized accrediting agencies are state government agencies such as agencies responsible for regulating healthcare professions. There are 18,713 of these accredited programs and single purpose institutions.

The federal government, through the United States Department of Education (Department), and the Council on Higher Education Accreditation (CHEA) both recognize accrediting organizations. The federal process is distinct from the CHEA non-governmental process. The Department's criteria for recognition and the recognition process are different than the criteria and process used by CHEA. Only organizations recognized by the Department are able to accredit educational institutions and programs making them eligible to receive federal student financial assistance and other federal funding. CHEA regularly publishes a listing of regional, national, and specialized accrediting organizations that are recognized by the department, CHEA and both. In November 2005, CHEA reported that the Department recognized 60 accreditors, 61 accreditors were recognized by CHEA or undergoing a CHEA review and 37 of these accreditors were both Department and CHEA recognized (Attachment A).

**Federal Government Recognition.** Since the 1950's, the federal government has used this non-governmental accreditation system to determine the eligibility of higher education institutions to receive federal student financial assistance and other federal funds. A federal recognition process for national and regional accreditation organizations was established in the Office of the U.S. Commissioner of Education to produce a list of federally recognized accreditation organizations.

This recognition process, including the quality standards used in the process, were then put into federal law in the Higher Education Act (HEA) as amended. This linkage between accreditation and federal funding increased the incentives of public and private educational institutions to be accredited by a federally recognized accreditation agency. It also increased the need for a close relationship between the federal government and accreditation organizations in establishing accreditation standards and practices to ensure quality.

The primary role of the federal government is to recognize accreditation organizations to accredit educational institutions and programs to make them eligible to receive federal student financial assistance and other federal funding. The U.S. Department of Education recognizes accrediting organizations to ensure that these organizations are, for the purposes of the Higher Education Act of 1965, as amended (HEA), or for other Federal purposes, reliable authorities regarding the quality of education or training offered by the institutions or programs they accredit. The department lists an organization as a nationally recognized accrediting organization if the organization meets the quality criteria or standards for recognition.

The U.S. Department of Education has established standards for use in the recognition of accrediting organizations based on federal legislation. According to these criteria or standards, any "recognized" organization must demonstrate that it has an accreditation process that effectively addresses the quality of the institution or program in the following areas:

1. Success with respect to student achievement in relation to the institution's mission, including, as appropriate, consideration of course completion, State licensing examination, and job placement rates.
1. Curricula.
2. Faculty.
3. Facilities, equipment, and supplies.
4. Fiscal and administrative capacity as appropriate to the specified scale of operations.
5. Student support services.
6. Recruiting and admissions practices, academic calendars, catalogs, publications, grading, and advertising.
7. Measures of program length and the objectives of the degrees or credentials offered.
8. Record of student complaints received by, or available to, the agency.
9. Record of compliance with the institution's program responsibilities under Title IV of the Act, based on the most recent student loan default rate data provided by the Secretary, the results of financial or compliance audits, program reviews, and any other information that the Secretary may provide to the agency.

The Secretary's National Advisory Committee on Institutional Quality and Integrity (NACIQI) and the Accrediting Agency Evaluation Unit within the Office of Postsecondary Education at the U.S. Department of Education were established to carry out the federal responsibilities in accreditation. The responsibilities of the NACIQI and the Accrediting Agency Evaluation Unit are listed in Attachment B.

**Non-Governmental Accreditation and Recognition.** As noted above, the non-governmental accreditation system was designed as a self-regulation mechanism for higher education to ensure basic levels of quality in education through a peer-evaluation of educational institutions and

programs. In this approach, national and regional private non-profit organizations called "accreditation organizations" develop quality standards and processes for determining if educational institutions and programs meet these standards.

The accreditation process is voluntary and must be requested by educational institutions or program. Institutions and/or programs that request an agency's review and that meet the agency's quality criteria or standards are then "accredited" or formally certified by that agency. The process usually involves five key features: (1) self-study by the institution requesting accreditation, (2) peer review conducted primarily by faculty, administrators and members of the public, (3) site visits of the peer review team, (4) recognition actions by the commissions of the accrediting agency, and (5) monitoring and oversight over a designated time period ranging from every few years to ten years.

For more than 50 years, this non-governmental accreditation system has been coordinated by a non-governmental coordinating agency. The Council for Higher Education Accreditation (CHEA) was created in 1996 and is the currently the entity that coordinates this system. CHEA is a membership organization made up of approximately 3,000 colleges and degree granting universities. The primary role of CHEA is to assure and strengthen academic quality and ongoing quality improvement in courses, programs, and degrees through the accreditation process.

CHEA also promotes the integrity and coordination of non-governmental accreditation through a formal recognition process for accreditation organizations involving five major recognition standards. Since 1998, these five standards have ensured that accreditation organizations address how an educational institution:

1. Advances academic quality;
2. Demonstrates accountability;
3. Encourages purposeful change and needed improvement;
4. Employs appropriate and fair procedures in decision-making; and
5. Continually reassesses accreditation practices.

However, accreditation agencies recognized by CHEA still have wide latitude in addressing and implementing these five standards. Although these standards promote greater integrity and consistency, they still allow accrediting organizations to retain different accreditation standards and processes. Again, they also are different than the standards or recognition criteria used by the federal government.

### Key Issues and Questions for Changing Accreditation

As described earlier, the growing debate over changing accreditation has centered around three major sets of issues and questions. This section provides background for each and then provides a list of more detailed questions for discussion.

**Assuring Performance Issues.** The first set of issues and questions relate to how the accreditation system can be held more accountable for assuring performance, including student-learning outcomes, in accrediting institutions and programs.

Many proponents of greater public accountability in higher education and accreditation argue that the most important evidence of quality is performance, especially the achievement of student learning outcomes. This has led to a number of national and state efforts to identify a broad range of performance indicators or measures including access, productivity and efficiency, student learning, degree completion, and economic returns from postsecondary education. Many of these performance measures and indicators are represented in *Measuring Up: The National Report Card on Higher Education* (National Center for Public Policy and Education, 2004).

States have taken a major leadership role in establishing performance accountability systems to drive improvement in higher education. Most states have now established performance-reporting systems for higher education that address one or more performance measures (Wellman 2003, SHEEO, 2005). It is important to note that these performance accountability systems and related state regulatory systems (e.g., program approval, proprietary school certification) represent another layer of quality assurance in higher education that is largely disconnected from and inconsistent with the quality standards and processes used in accreditation.

There has been a long-standing debate on the whether accreditation should be accountable for assuring performance to the government and the public that higher education institutions and programs are effective in achieving results, especially student learning outcomes. Currently, accreditation standards focus primarily on resource and process standards (e.g., faculty qualifications, facilities and support services) and do not require evidence that institutions have achieved results consistent with their missions, especially student learning outcomes. They also maintain that accreditation has a long way to go in establishing quality standards for student assessment to assure that institutions can and do provide valid and reliable evidence of student learning outcomes (Ewell, 2002).

Recently, federal and state policy-makers have called for accreditation to require accredited higher education institutions and programs to report valid and reliable information on their performance to the general public. This can be most clearly seen in the debate over whether accreditation should be responsible for consumer profile systems proposed in the reauthorization of the Higher Education Act. However, there is no agreement on how this proposed requirement in accreditation would be linked to existing federal and state reporting requirements including state performance accountability systems.

The federal government and accreditation organizations have taken some steps to address many of these criticisms of higher education and the accreditation system. The federal government and accreditation organizations now make explicit reference to performance outcomes or measures of institutional effectiveness in their quality standards. Many accreditation organizations also make explicit reference to providing information on institutional effectiveness to the general public. Some accreditation organizations, especially those driven by professional licensure, have moved to "outcome-based accreditation." Other accreditation organizations have held forums and workshops on how to balance the emphasis on resources, processes, and outcomes in accreditation decisions and how to improve evidence of student learning. However, implementation has been limited and inconsistent across the accreditation community.

### Assuring Performance Questions

- What is the appropriate balance between resource and process standards and evidence of performance (including student learning outcomes) in the overall accreditation decision?
- Should accreditation be held accountable for assuring that institutions and programs have clearly defined student learning outcomes and valid and reliable assessment systems for providing evidence of student learning? If so, what is the best approach for doing this? How should this be coordinated with national and state efforts to promote external assessment systems?
- Should accreditation be held accountable for assuring that accredited institutions provide valid and reliable information to the public on performance along with other types of consumer information? If so, how should this requirement be linked to federal and state reporting requirements and performance accountability systems?
- What is the best approach for establishing new accreditation standards and processes for accreditation organizations that address these issues?

**Open Standards and Processes Issues.** The second set of issues and questions relate to how accreditation standards and processes can be changed to be more open to and supportive of innovation and diversity in higher education including new types of educational institutions and new approaches for providing educational services such as distance learning.

The accreditation system in the United States was originally designed to recognize and support diversity in institutional mission and structure for traditional place-based educational service delivery. However, some believe this system has not been sufficiently updated to promote the growing diversity in types of educational institutions, especially for-profit institutions and new approaches to educational service delivery such as distance learning. They also question whether traditional standards and processes allow for innovations that have the potential to improve access and performance and reduce costs within both traditional and non-traditional educational institutions.

The rise of private, for-profit entities has also prompted discussions about how best to assure and promote quality in higher education based on leading public and private practices. Some critics argue that the quality standards used in accreditation are out-of-date and do not reflect leading quality practices at leading higher education institutions and in government and the private sector. They argue that accreditation standards should be redesigned to promote these leading quality standards and practices such as those in the Baldrige criteria.

Many accreditation organizations are addressing these issues. They have explored the implications of new types of educational institutions and distance learning for revising and updating current quality standards in accreditation (Eaton, 2002). Some accreditation agencies have reviewed leading quality standards such as the Baldrige criteria and have incorporated them into their standards and processes, especially for how to promote continuous improvement in higher education. However, significant concerns still remain about whether accreditation organizations are going far enough.

### Open Standards and Processes Questions

- Do current accreditation standards and processes used by many accreditation organizations create barriers to innovation and diversity including new types of educational institutions and new approaches for providing educational services such as distance learning?
- If so, how do we create new process, resource and performance standards that are unbiased and are open to all types of educational institution and approach for delivering educational services including distance learning?
- What can be learned from leading quality standards and practices in the public and private sectors such as Baldrige?
- What is the best approach for establishing new accreditation standards and processes for accreditation organizations that address these issues?

Consistency and Transparency Issues. The third set of issues and questions address how accreditation standards and processes can be made more consistent to support greater transparency and greater opportunities for credit transfer between accredited institutions.

As described earlier, the accreditation system in the United States has a very decentralized structure that reflects the diversity in the types and missions of higher educational institutions and programs in the United States. This has long been considered a major strength of the current system. However, some have argued that the current decentralized structure of accreditation is not consistent with the growing national and international scope of operations of higher education and poses major problems in establishing standards and processes for quality assurance. They question the need for regional accreditation organizations when most higher education organizations offer educational services throughout the country and the world.

The lack of consistency and transparency in the accreditation system has now created major concerns about whether the accreditation community is able to assure consistent levels of quality and be counted on to support national and state efforts to improve performance, promote innovation, and expand credit transfer. The concern is growing as students are increasingly earning credits at multiple higher education institutions and through many different types of delivery systems putting additional pressure on the system to recognize and grant transfer credit.

Accreditation organizations have attempted to promote the need for greater consistency and coordination. For example, CHEA established a core set of recognition standards and a recognition process for improving the quality and consistency of accreditation in the United States and has promoted guidelines and principles for credit transfer. However, there still remain major differences across national and regional accreditation organizations.

### Consistency and Transparency Questions

- Is there a need to improve the standardization and consistency of the standards and processes used by accreditation organizations for quality assurance? If so, what is the best approach for getting this done?

- How can accreditation be used to promote credit transfer within higher education? What is the best approach for getting this done?

**Attachment A**

**Comparison of Federal and CHEA Recognized Accreditation Organizations**

Attached

## Attachment B Federal Roles and Responsibilities in Accreditation

The Secretary's National Advisory Committee on Institutional Quality and Integrity (NACIQI) provides recommendations to the Secretary of Education regarding:

The establishment and enforcement of criteria for recognition of accrediting organizations or associations under Subpart 2 of Part H, Title IV, of the HEA.

- The recognition of specific accrediting organizations or associations or a specific State approval agency.
- The preparation and publication of the list of nationally recognized accrediting organizations and associations.
- The eligibility and certification process for institutions of higher education under Title IV, of the HEA.
- The development of standards and criteria for specific categories of vocational training institutions and institutions of higher education for which there are no recognized accrediting organizations, associations, or State organizations in order to establish the interim eligibility of those institutions to participate in Federally funded programs.
- The relationship between (1) accreditation of institutions of higher education and the certification and eligibility of such institutions, and (2) State licensing responsibilities with respect to such institutions.

The Accrediting Agency Evaluation Unit within the Office of Postsecondary Education at the U.S. Department of Education provides support for the Secretary's National Advisory Committee on Institutional Quality and Integrity and:

- Conducts a continuous review of standards, policies, procedures, and issues in the area of the Department of Education's interests and responsibilities relative to accreditation;
- Administers the process whereby accrediting organizations and State approval organizations secure initial and renewed recognition by the Secretary;
- Serves as the Department's liaison with accrediting organizations and State approval organizations;
- Provides consultative services to institutions, associations, State organizations, other Federal organizations, and Congress regarding accreditation;
- Interprets and disseminates policy relative to accreditation issues in the case of all appropriate programs administered by the Department of Education; and
- Conducts and promotes appropriate research.

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## Information/Action Item

### *California Student Aid Commission*

What should Cal Grants pay for in the coming era of distance learning?

- a. Who provides oversight of distance learning and what kind of oversight is it?
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#### Suggested Background Reading

Dickeson, Robert C. (2006) *The Need for Accreditation Reform*

Retrieved from

<http://www2.ed.gov/about/bdscomm/list/hiedfuture/reports/dickeson.pdf>

*Note: Documents or articles included in the sub-tabs should not be construed as endorsements by the Commission of any particular views stated in the documents or articles*

A NATIONAL DIALOGUE:  
The Secretary of Education's Commission  
on the Future of Higher Education

## ISSUE PAPER

*Fifth in a series of Issue Papers released at the request of Chairman Charles Miller to inform the work of the Commission*

### The Need for Accreditation Reform

Robert C. Dickeson

*Summary: Accreditation of higher education in the United States is a crazy-quilt of activities, processes and structures that is fragmented, arcane, more historical than logical, and has outlived its usefulness. Most important, it is not meeting the expectations required for the future. This paper distinguishes between the institutional purposes and the public purposes of accreditation, and suggests one significant alternative to the status quo.*

#### What Does Accreditation Mean?

"Accreditation" can mean one or more of the following:

- A college or university receives *general* accreditation from one of six regional accrediting organizations, depending upon its geographic location. These bodies are voluntary organizations that are run by higher education institutions themselves, and accredit entire institutions. The standards for accreditation, which vary by region, are based on an institution's self-study of the extent to which the institution feels it has met its own purposes. Regional accrediting bodies are funded by dues and fees paid by member institutions.
- Special purpose institutions, including proprietary career colleges, receive accreditation from one of 11 national accrediting organizations. These bodies are run by the institutions that are the objects of the accreditation, and are funded by dues and fees paid by member institutions.
- An academic program within an institution may seek *specialized* accreditation from one or more of the 66 specialized and professional accrediting organizations established for these purposes. Specialized accreditation is usually voluntary; an institution may choose to seek accreditation in an academic field (business, nursing, e.g.), but is not required to do so. In fields such as law and in numerous health professions, licensure is dependent on graduation from an accredited program. Standards for specialized accreditation are set by the profession or academic discipline, and generally are focused on inputs (proportion of faculty with terminal degrees, student-faculty ratios, etc.) rather than outcomes. Some academic programs have more than one specialized accrediting body, and the institution chooses which body – and its attendant standards – it wishes to use. Specialized accreditation is often seen as "guild-centric."

- Accrediting organizations themselves are “recognized” by a national coordinating organization, the Council for Higher Education Accreditation (CHEA). CHEA itself is only a few years old, having succeeded to this role after the dissolution of its predecessor organization. CHEA, according to its charter, seeks to “strengthen” accreditation by coordinating the other accrediting organizations.
- The 50 states get involved with accreditation through licensure and certification requirements established to regulate certain careers or professions. College programs in teacher education, for example, are accredited by individual states in order for graduates of those programs to receive state certification to teach. Programs and standards vary among the 50 states.
- The Federal Government also recognizes accrediting organizations. Federal recognition aims to assure that the standards of accrediting organizations meet expectations for institutional and program participation in federal initiatives, such as student aid. This recognition is a powerful lever. Without accreditation institutions would not be authorized to disburse federal financial aid.

### What Are the Purposes of Accreditation?

Sorting through all of the competing and sometimes conflicting jurisdictions, processes and structures, there are two major purposes for accreditation in the United States: institutional purposes and public purposes.

#### *Institutional Purposes*

1. Colleges and universities use accreditation for self-improvement. By conducting a self-study and having it validated by an external group of peers, institutions can take a look at themselves and determine institutional progress over time.
2. Institutions assert that accreditation helps advance academic quality. “Quality” in this sense usually equates to inputs, such as the admission profile of students, the qualifications of faculty, the equipment allocated to a particular discipline, etc.
3. Accreditation is linked to planning. Often the results and recommendations of an accreditation visit find their way into institutional plans and budgets in subsequent years. Accreditors typically expect institutions to demonstrate that planning has taken place. College and university presidents identify accreditation as the key moving force behind strategic planning.
4. Institutions use accreditation as a medium of inter-institutional exchange. Academic credit from another institution, if it is to be accepted at all, is accepted only from an accredited institution. Only students with degrees from accredited institutions are admitted into graduate and professional schools at a university. And faculty and staff are hired only if their degrees were awarded by accredited institutions.

#### *Public Purposes*

1. The primary public purpose of accreditation is consumer protection. Because the public cannot investigate every aspect of postsecondary institutions, it relies on accreditation to sort through good from bad, the legitimate operation from the diploma mill, so that it can be assured that the credentialing powers of institutions are valid.

2. Accreditation should assure that the public interest is honored, particularly with respect to the public investment. Institutions not only receive funds from public sources, they benefit from tax-exempt status and from the ability to generate tax-deductible contributions. The public has a need to know that the return on its investment is sound, and that the preferred status enjoyed by institutions is justified.
3. The public has a right to know about quality. Are the credentials conferred by institutions of high quality? Is the institution a trusted source of knowledge? Does the research conducted by the institution meet standards of excellence? Does the institution operate with integrity? Are the products of the institution competitive globally? Good accreditation would answer these questions.
4. There are numerous stakeholders in higher education that must rely on solid accreditation: students and prospective students; families that provide support to students; donors and grantors; employers who hire graduates; and the general public. All stakeholders need consistent, clear and coherent communication about the results of the education provided and the value of institutional products.

***Any serious analysis of accreditation as it is currently practiced results in the unmistakable conclusion that institutional purposes, rather than public purposes, predominate.***

There are historic and practical reasons for this situation:

1. Accreditation in the United States was started by institutions. Beginning in 1885, the New England Association of Schools and Colleges was established by institutions seeking some means of assuring inter-institutional quality. The other five regional organizations followed suit and were created by the institutions in their respective jurisdictions by 1919.
2. Accreditation is maintained by institutions. Although the regional organizations employ professional staffs to coordinate accreditation activities (New England has a staff of seven to oversee accreditation at 253 degree-granting institutions, e.g.), the bulk of the work is undertaken by hundreds of volunteer faculty and staff from the very institutions being accredited.
3. Accreditation is paid for by institutions. Through a system of dues and fees, usually based on the size of the institution and the costs of candidacy and site visits, the accreditation organizations are funded by institutions.
4. Accreditation coordination, through CHEA, was the product of institutional presidents, who, recognizing that overall coordination was needed, created CHEA in 1996.
5. Institutional interests predominate over public interests in the overall direction of accreditation. As the table below indicates, most regional accrediting bodies have included some members of the public in their higher education governance structures.

All this is not to suggest that institutions are ignorant of or antagonistic toward the public purposes of accreditation. But a system that is created, maintained, paid for and governed by institutions is necessarily more likely to look out for institutional interests.

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**PUBLIC MEMBERSHIP ON REGIONAL  
ACCREDITATION BOARDS/COMMISSIONS**

<u>Organization</u>	<u>Members</u>	<u>Public Representatives</u>
New England	23	6 (26%)
Middle States	27	0
North Central	17	3 (8%)
Southern	77	11 (14%)
Northwest	24	4 (17%)
Western	20	3 (15%)

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### What Are Some of the Problems With Accreditation?

1. *America's reputation for quality higher education is in jeopardy of slipping.*
  - The Organisation for Economic Co-Operation and Development in Paris recently reported that, among its 30 member nations, the United States now ranks 7<sup>th</sup> in the percentage of the population that enters postsecondary education and then completes a bachelor's degree or postgraduate program. In large part, this statistic is due to higher education's dismal record at student attainment. Accreditation should identify and report on student success. By so doing, students and families can make enrollment decisions based on better information, institutions can be put on notice to improve student success rates, and policy makers can reward institutions that achieve high success goals.
  - The National Assessment of Adult Literacy, released in December, shows that the average literacy of college educated Americans declined significantly from 1992 to 2003, and revealed that just 25 percent of college graduates scored high enough on the tests to be deemed "proficient" from a literacy standpoint. What role should accreditation play in this shameful outcome? From what institutions did these adults graduate? If accreditation is to have any meaning, achieving standards of literacy – prose, document and quantitative – should be at the core of institutional approval by accrediting organizations.
  - Fully one-third of students enter postsecondary education needing academic remediation in reading, writing and/or mathematics. Accreditation should evaluate the efficacy of institutional admissions policies and practices: are institutions admitting students who have some reasonable expectation of success, or are they playing a numbers game for financial purposes? Has the inflow of under-prepared students resulted in a lowering of standards for graduation? Institutional assessment at the course level is undertaken through the assignment of grades, and yet grade inflation is reported as a national problem. What is accreditation doing to assure that quality is not suffering as a result?
  - A recent survey of 4-year college presidents revealed that 74.5 percent of presidents feel that "Colleges and universities should be held more accountable for their students' educational outcomes." Accreditation should transform this impression – shared by many in the public and by public policy makers – into reality.

2. *The public's need for critical information is not being met.*
  - Students and parents lack reliable information about college-going, including admission requirements, available programs, actual costs, the availability and extent of financial aid, and the range of accessible postsecondary options. Accreditation should insist on greater transparency by colleges and universities in the information they share publicly, and expect that the public has complete access to relevant data about college access, costs, attainment success and the extent to which standards were enforced.
  - Higher education institutions and their associations have ignored repeated requests for transparency by national commissions and higher education organizations (National Commission on the Cost of Higher Education (1997); Business-Higher Education Forum (2004); Association of Governing Boards Ten Public Policy Issues for Higher Education (2005), to cite a few). Accreditation should include transparency as a condition of continued approval.
  - Accrediting organizations do not all agree that the public either needs additional information or that sharing it is wise. Some accreditation leaders fear that more public disclosure will result in: an adversarial, rather than collegial, accreditation process; a smothering of trust critical to self-analysis; unwanted press coverage of school problems; and schools withholding information. Still other accreditation leaders deny the very existence of public demand for more information and point out that typical accreditation reports do not contain the kind of information that the public wants. Finally, some accreditation leaders understand that more information is necessary, and observe that other countries' institutions provide it without negative effect.
  - In the absence of accreditation providing information that the public wants, the void has been filled by *U.S. News & World Report*, whose annual analysis and rankings of institutions has become the most popular publication of that organization. Institutions that complain about the *U.S. News* approach to public accountability should insist that accreditation organizations fulfill this responsibility by asking the right questions – and publishing the answers.
3. *Traditional approaches to accreditation are not meeting today's needs.*
  - Technology has rendered the quaint jurisdictional approach to accreditation obsolete. Some standards actually vary by region. The rise of distance learning and electronic delivery of educational content across borders means that provider and student can be nations apart. Campuses and content today ignore geographic boundaries. More and more students are crossing state lines to complete their education and enrolling in multiple institutions, often simultaneously. Accreditation should refocus efforts on student achievement for the growing number who undertake alternative forms of education, and expand international quality assurance efforts.
  - Accreditation currently settles for meeting minimal standards. Nearly all institutions have it, very few lose it, and thus its meaning and legitimacy suffer. Institutions are not accepting credits from other accredited institutions, presumably because they do not believe that accreditation equals quality. Basing accreditation on truly rigorous standards and differentiating among levels of quality attainment would more accurately reflect the higher education landscape. If there were levels of accreditation, institutions would compete for honored spots (much as they do now for *U.S. News* rankings) and higher education's stakeholders could differentiate among institutions, depending upon stakeholder interests.

- Accreditation is conferred typically for a ten-year period. Historically this term made sense when faculty volunteers were required to write self-studies and to perform site visits. The explosion of knowledge, the power of information technology and the pace of institutional change, however, have made a decade too long a period for timeliness. Accreditation should concentrate on key qualitative and quantitative measures that can be collected, retrieved, analyzed and published on a continuous basis.
- Accreditation structure is archaic and contains too many layers and filters. For example, public concerns are expressed through elected officials, who communicate to CHEA, which communicates with accrediting organizations that communicate finally to institutions. The complaint process of the accrediting organizations is hardly user-friendly, and the stated policies about complaints make it clear that the accrediting organization will not interfere with institutional prerogatives. This process reflects the criticism that accreditation is the captive of the institution.
- Most of the costs of accreditation in the United States are borne by the institutions themselves. Costs include the dues and fees paid to regional, national and specialized organizations, the released-time granted to faculty and staff who volunteer to serve accrediting organizations, and the labor and technical costs of conducting institutional self-studies. As institutions are under pressure to cut costs, conducting quality accreditation should not be diminished or jeopardized.
- There is an over-reliance on volunteers in the important accreditation process. As institutions hire fewer and fewer full-time faculty, there are increasing pressures on such remaining faculty to fulfill on-campus duties and also meet external accreditation responsibilities.

### How Can Accreditation be Reformed?

The reform of accreditation in the United States is necessary because accreditation has become too important to remain the exclusive prerogative of the very institutions being accredited. Accreditation has long been viewed by institutions as a key artifact of their autonomy. Yet the collision of forces beyond the institution demand more integrity in the process.

These forces include:

- The shift from measuring inputs to assessing and reporting outcomes, especially student achievement.
- The recognition that, with 70 percent of the nation's high school students moving into postsecondary education, accreditation is an increasingly national concern.
- The heavier reliance of the nation on higher education to improve quality of life, economic development, and global competitiveness through teaching, research and public service.
- The increasing investment in higher education, from public and private sources, with concomitant expectation of a positive return.
- The expanded importance of higher education, as seen through the eyes of its many stakeholders.

The alignment of accreditation and accountability, the alignment of institutional and public purposes, the alignment of importance and quality, and the alignment of investment and return

could possibly be strengthened by the creation of a new organization, operating with new standards and processes, for the nation's benefit.

### **An Alternative: The National Accreditation Foundation**

A new organization could achieve the multiple needs for alignment. The Congress and the President could enact legislation creating The National Accreditation Foundation. If created, the National Accreditation Foundation would be a private-public operating partnership, enabled to:

- Create and maintain quality standards for the nation's postsecondary institutions that are at once rigorous and transparent.
- Superintend new accreditation processes for institutions and programs that are more efficient and effective.
- Communicate with the public the results of accreditation decisions so as to improve information and accountability.
- Succeed to the current accreditation responsibilities of federal agencies, including eligibility for financial aid and federal research support.
- Create and maintain a permanent endowment from private and public sources, income from which will assure a professional level of accreditation for the nation going forward.

The Foundation would be governed by a board composed of representatives of the public, institutions of postsecondary education, business and industry, and state and federal governments. The governing board would select a chief executive and such professional staff as would be necessary to implement its purposes and validate its legitimacy.

The Foundation would leverage its authority to seek improvement in measurement of educational outcomes, secure more uniform standards among the states in career and professional certification, advocate for a stronger, more innovative higher education system, and promote the public interest in the success of American postsecondary education.

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