**U.S. Senate, Committee on Health, Education, Labor and Pensions**

**Testimony of Anne D. Neal**

**President, American Council of Trustees and Alumni**

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The mere mention of accreditation typically evokes the glazing over of eyes and a rapid escape from the room.

That is why I am so grateful to the Chairman and members of the Committee for understanding that accreditation is not just an obscure policy issue --important only to a few insiders. Accreditation is a regulatory policy whose application is having real– and I will argue NEGATIVE -- consequences -- in the lives of students and taxpayers. We must redesign and reform quality assurance to strengthen the quality of colleges and universities, promote competition and innovation and provide accountability. To do that, we must end accreditation as a gatekeeper for Title IV.

As you all know, accreditation was initially a voluntary system helping institutions improve. Teams of faculty paid discerning visits to institutions -- generally neighbors in the region -- to offer confidential advice. It was peer review at its finest.

In making accreditation a gatekeeper, Congress believed it was ensuring educational value by applying the successful private peer review process to quality assurance. Other countries have educational ministries. With accreditation, they thought, we can keep the feds out of higher ed by having private membership bodies determine where Title IV flows. We can have our cake and eat it too.

I would submit to you: that premise was fundamentally wrong. We have had sixty years of experience with this. While this system has been in place, quality has gone down; debt has gone up to record highs; and the quality of American higher education is being questioned more than ever before. The Department of Education conducts the National Assessment of Adult Literacy and two surveys (1992 and 2003) have shown that a majority of college graduates cannot compare the opinions in two editorials or compute the cost of food items when given the price per ounce.

The groundbreaking report, *Academically Adrift*, by Professors Richard Arum and Josipa Roksa similarly shows that many students at a range of institutions – large and small, public and private, all accredited – are graduating with little or no cognitive gain after four (or more) expensive years. All the while we are spending nearly two times the per-student average of any industrialized nation. Put simply, the accreditation system has been a regulatory failure that deceives students and families.

If we want to know why academic quality has gone down, it is because accreditors are not and cannot be "reliable authorities" as to the quality of education or training offered, as required by statute. Accrediting bodies are membership bodies, made up of the very people who benefit from Title IV, faculty and administrators.

It should come as no surprise that accrediting standards remain guild-like,[1] often privileging, for example, tenured professors or mandating a limit on online learning. They give lip service to academic freedom, but have allowed disturbing speech codes to proliferate. They give lip service to a coherent general education, but have allowed diffuse curricula to abound. They give lip service to student learning, but enforce no minimum quality thresholds. They require essentially the same thing of every institution, whether high-risk or low-risk. Harvard which has a 97% (six-year) graduation rate pushes the same papers as the University of Maine-Augusta, which has a 14% graduation rate in six years.

And the process is costly – in terms of direct costs and opportunity costs – deflecting institutions from innovation and self-determination at a time when higher education needs to be nimble. Notably, even vastly wealthy institutions like Princeton and Stanford are complaining about the cost, intrusiveness, and burdensome nature of accreditation. It is yet worse for small colleges with limited operating budgets.

In their six decades of existence, one can virtually count on one hand the number of schools accreditors have closed down – and virtually none because of academic quality. Accreditors have often told me that they simply cannot shut down a school because it would deprive students of federal financial aid. The goal has been access – not academic success. By refusing to focus rigorously on educational value, accreditors have allowed students to take out debt when there was little or no likelihood of graduating. Student debt now exceeds $1 trillion. And those most likely to be heavily in debt—are students from disadvantaged backgrounds.

And what does a school do if it is being abused by an accreditor? Suffer. Under current law, the accreditors have been able to carve up the country into regions. This effective monopoly gives virtually no choice to institutions; they are stuck, allowing accreditors to hold a gun to their head. There are more than a few high-profile cases of accreditors bullying universities on matters of governance and management, far outside the realm of traditional academic peer review. Trustees at the University of California, the University of Virginia, and Tiffin have found themselves

[1] Campbell University in North Carolina was placed on probation because its standard faculty teaching load was 15 hours per week. The accreditors insisted that 12 hours was the maximum acceptable load, so the school solved the problem by consolidating class sections. Instead of the relatively small classes students had come to expect, after accreditation, students found themselves in classes of 60 or more. George C. Leef and Roxana D. Burris, "Can College Accreditation Live Up to Its Promise?", American Council of Trustees and Alumni, July 2002, http://www.goacta.org/images/download/can_accreditation_live_up_to_its_promise.pdf.

spending time responding to accreditors' second-guessing of their oversight and management, when they might more profitably have focused on instruction and student success. [2]

**No There There**

With all due respect to my fellow panelists, when it comes to accreditation there is no there there. Accreditation provides no threshold standard. It offers no ranking, no data about individual programs or departments, no comparability in assessment of student learning. What we have, in the words of Professor Milton Greenberg, is a "confidential process that hides an institution's advantages and disadvantages."

Accreditors do not ensure a certain level of educational quality; instead they insist that colleges and universities devise their own means of assessing their "institutional effectiveness." The statute and regulations require accreditors to address "success with respect to student achievement in relation to the institution's mission, which may include different standards for different institutions or programs, as established by the institution…." Given this system, it is no wonder that academic quality has declined under accreditors' watch.

Paring back the existing regulations – even insisting that they focus only on matters that are clearly related to educational quality —will not make a difference because the accreditation system will remain a self-referential, membership-driven exercise.

**Failure to Provide Transparent Information**

Accreditation is also a failure because it is an opaque process. Students need clear information about quality and financial stability to have the best chance for success – yet accreditation fails to provide that information.

[2] Administrators at the University of California system, for example, wanted to get a handle on rising administrative costs. But when the Regents attempted to investigate and address runaway administrative costs, they found themselves accused by accreditors of being "unnecessarily harsh" with administrators. Rather than being allowed to focus on student needs, the trustees had to expend countless hours responding to the accreditors who were operating as nothing more than defenders of the status quo.

When the trustees fired and then rehired a president at the University of Virginia, they found their institution placed on warning by accreditors because of trustees' alleged failure to consult with the faculty. Never mind the fact that the Virginia legislature – not to mention Thomas Jefferson – had reserved plenary authority to the board on matters of appointment and oversight of the president. See H. Brown, Protecting Students and Taxpayers: The Federal Government's Failed Regulatory Approach and Steps for Reform, pp. 5-6, Sept. 2013, http://www.goacta.org/images/download/protecting_students_and_taxpayers_report.pdf

When the trustees at Tiffin University decided to improve their bottom line by providing low income students an affordable quality education through an online branch, they found their decision being second-guessed by the accreditor, and ultimately shut down. The accreditor's action has resulted in a lawsuit for tortious interference with contract. https://www.insidehighered.com/sites/default/server_files/files/2015-05-14%20Complaint.pdf

All students are hurt when institutions do not provide transparent information and do not deliver good outcomes. But the negative impact is greatest on those students who typically have the most limited financial means and are least familiar with how higher education works.  It isn't just that they don't graduate; it is that they often leave with lots of student debt and few employment prospects.  This is morally indefensible, and the blame should be placed squarely on colleges and their accreditors.

As you prepare for reauthorization of the Higher Education Act, we encourage you carefully to examine the system of quality assurance established by Congress to protect the use of taxpayer funds. Last significantly changed in 1965, the current gatekeeping process – accreditation – that provides colleges and universities access to federal Title IV higher education student loans and grants no longer meets the needs of higher education in 2015.

A modern system of quality assurance would:

- Provide clear, consistent – and comparable -- information annually about price, financial aid, demographic success and grad rates to help parents and students make decisions.

- Not overwhelm colleges with counterproductive and costly red tape.

- Free accrediting agencies to focus on their original mission of self improvement through peer review by ending one-size-fits-all regional monopolies and letting them once again become organizations of peer institutions.

- Allow high-quality, innovative forms of higher education to emerge.

We encourage you to consider three commonsense reforms to the quality assurance mechanisms in the Higher Education Act to meet the above goals.

**1. Create Direct, Expedited Recognition for Title IV using Risk-Adjusted Scrutiny.**

In an effort to protect taxpayer dollars, weed-out diploma mills and bad actors, and reduce red tape on good actors, regulatory resources should be focused on the highest risk institutions. Congress should create a mechanism for colleges and universities which have a low financial risk as currently determined by the U.S. Department of Education's Financial Responsibility Standards to register with the Department proof of (1) learning gains using a nationally normed assessment and/or professional certification and licensure exams, and (2) that they measure and accurately report price, financial aid, graduation and student learning outcomes.  Independent third-party audits of this information would need to be submitted and the Department could impose stiff sanctions for false reporting.[3]

[3] Notably, 22 top education and civic leaders raised concerns about the immense financial burdens of accreditation and urgently called on Congress to consider ending accreditors' gatekeeping role.   See Governance for a New Era: A Blueprint for Higher Education Trustees. The group was chaired by former Yale University president Benno Schmidt and included Business Roundtable president John Engler, Maryland Regent Thomas McMillen; former US Senator and University of Colorado president Hank Brown; former Lafayette College president Arthur Rothkopf;

Upon registration, the Department would expeditiously certify eligible institutions as recognized by the Secretary for purposes of receiving Title IV funding.

This Direct, Expedited Recognition process is analogous to companies which file for an IPO with the SEC – they make public key, audited information and then are free to conduct their business. This would be an *option* only for low-risk institutions using financial scrutiny already performed by the Department. It would require a modest certification fee, thus needing no new taxpayer funds for the Department to administer.

Utilizing risk-adjusted scrutiny would allow the Department and accrediting agencies to spend more time on bad actors while placing lighter burdens on high quality institutions which would no longer need to go through the lengthy and cumbersome traditional accrediting process in order be eligible for Title IV funding. This system would NOT result in more direct federal involvement. Accreditors would not be second guessing mission. There would be no federal requirements about standardization of student learning outcomes and assessment.

In this system, schools could have different standards and different programs. They would voluntarily provide basic information about grad rates, retention rates, repayment rates and employment. New institutions with limited financial resources could, in turn, provide protection by posting a surety bond.

In this system, proof of educational value would release Title IV funds.

Would this disadvantage schools with underserved populations? No. It would actually elevate those that are doing a good job. The nationally normed tests like CLA, CAAP, and Proficiency Profile are based on the cohort of students served. In other words, these tests take the students where they find them. This would not be a one-sized fits all solution, not a single kind of exam, like NCLB. Institutions using other forms of nationally normed assessments (including trade certifications) could also present those results in fulfillment of this requirement.

Accreditation could be continued, even mandated– but <u>not as a gatekeeper</u> for federal funds.

**2. <u>End Regional Monopolies and Return to True Peer Accrediting Agencies</u>.**

Accreditors do not sell their services in competition with other firms. Rather, for the vast majority of colleges and universities, six regional accreditors operate as monopolies, overseeing nearly every school in their region – from the local design school to a top five world-renowned research university. This creates incentives to adopt standards and processes that focus on the lowest common denominator and may be meaningless in many contexts. The American Council of Education (ACE) convened a taskforce from colleges and accrediting bodies that concluded: "the current regional basis of accreditation is probably not the way America would structure the system if starting from scratch."

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and former University of Northern Arizona president Clara Lovett.
http://www.goacta.org/images/download/governance_for_a_new_era.pdf

Congress should eliminate any explicit or implicit anti-trust protection from accrediting agencies that allows them to carve up the country into monopolistic regions. Congress should explicitly direct the Secretary of Education only to recognize for Title IV gatekeeping purposes accrediting agencies that either are very specialized – i.e., serving a specific type of institution such as community colleges or a very narrow geography (such as one state like the New York Board of Regents already does) or operate nationally. Finally, Congress should eliminate from statute any requirement that an institution wishing to join a new accreditation organization must first notify and/or get approval from the Department or Secretary.

Ending regional monopolies will encourage more innovation among accrediting agencies and free colleges and universities from being stuck with an agency that may be ineffective, overly costly and unresponsive.

Accreditors could develop important differentiation (i.e., liberal arts, research) and perhaps even a highly-sought-after top-level certification for outstanding schools. Look at LEED Certification in architecture – gold, platinum and silver -- it is a perfect example of a private system that sets a real marker of quality!

**3. <u>Eliminate the existing "blank check" provision in the statute.</u>**

The existing Higher Education Act limits the Secretary of Education's authority to establish criteria for accreditation agencies outside the scope of statute, but it provides that accreditors may adopt additional standards outside the realm of the statute. This "blank check" provision has effectively permitted private nonprofit entities to interfere in governance and management matters – raising serious Constitutional concerns. The elimination of this provision would ensure that accreditors are focused on matters of academic quality, which are properly and historically the focus of peer review.

America's colleges and universities are among the finest in the world. As they seek to meet the demands of a modern workforce and economy, the sweeping changes technology is bringing to learning and pedagogy, and changing demographics of students, it is vital that the quality assurance process modernize with them as well.

Thank you.