KEEPING COLLEGE WITHIN REACH: DISCUSSING PROGRAM QUALITY THROUGH ACCREDITATION

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BEFORE THE

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AND WORKFORCE TRAINING

COMMITTEE ON EDUCATION
AND THE WORKFORCE

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C O N T E N T S

KEEPING COLLEGE WITHIN REACH: DISCUSSING PROGRAM QUALITY THROUGH ACCREDITATION

Thursday, June 13, 2013
U.S. House of Representatives
Subcommittee on Higher Education and Workforce Training
Committee on Education and the Workforce
Washington, DC

The subcommittee met, pursuant to call, at 10:02 a.m., in room 2175, Rayburn House Office Building, Hon. Virginia Foxx [chairwoman of the subcommittee] presiding.

Present: Representatives Foxx, Petri, Walberg, Salmon, Guthrie, Brooks, Hudson, Hinojosa, Tierney, Bonamici, and Davis.

Also present: Representative Kline.

Staff present: Katherine Bathgate, Deputy Press Secretary; James Bergeron, Director of Education and Human Services Policy; Casey Buboltz, Coalitions and Member Services Coordinator; Heather Couri, Deputy Director of Education and Human Services Policy; Amy Raaf Jones, Education Policy Counsel and Senior Advisor; Nancy Locke, Chief Clerk; Brian Melnyk, Professional Staff Member; Krisann Pearce, General Counsel; Nicole Sizemore, Deputy Press Secretary; Emily Slack, Legislative Assistant; Alex Sollberger, Communications Director; Alissa Strawcutter, Deputy Clerk; Tylease Alli, Minority Clerk/Intern and Fellow Coordinator; Kelly Broughan, Minority Education Policy Associate; Jody Calemine, Minority Staff Director; Jamie Fasteau, Minority Director of Education Policy; Rich Williams, Minority Education Policy Advisor; and Michael Zola, Minority Deputy Staff Director.

Chairwoman FOXX. Good morning, everyone.

A quorum being present the subcommittee will come to order.

Welcome to today's hearing. I would like to start by thanking our panel of witnesses for joining us to discuss the accreditation process and its role in our nation's higher education system.

Based on an idea of self-regulation, accreditation was originally developed to assure and improve excellence in higher education programs When the federal government began putting money into higher education, accreditation took on another role by ensuring that the gate to federal funds is open only to qualified academic institutions.

Today, the federal government, states, and accrediting agencies, known collectively as "the triad," work together to determine which institutions are eligible to participate in federal student aid programs

Accrediting agencies are given a great amount of authority in the process, establishing standards and conducting peer review evaluations of postsecondary institutions.

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

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

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

These innovative methods of learning stem from the social and demographic changes that have fundamentally changed what it means to be a quote—"traditional student." Institutions are actively seeking opportunities to better serve a growing population of students who don't fit the usual quote—"first time, full time" mold, including students who are veterans, parents who are returning to school, and students who work full-time while earning a degree.

If standards to measure quality continue to be based on so-called traditional programs and students of the past, those institutions working diligently to innovate and serve the needs of today's students, while also seeking opportunities to offer more cost effective degree programs, could be at an accreditation disadvantage.

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

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

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

Again I would like to thank our panel for being here today. And I now recognize Mr. Hinojosa, the senior Democratic member of the subcommittee, for his opening remarks.

[The statement of Chairwoman Foxx follows:]

Prepared Statement of Hon. Virginia Foxx, Chairwoman, Subcommittee on Higher Education and Workforce Training

Good morning and welcome to today's hearing. I'd like to start by thanking our panel of witnesses for joining us to discuss the accreditation process and its role in our nation's higher education system.

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

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

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

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Again, I'd like to thank our panel for being here today and I will now recognize Mr. Hinojosa, the senior Democratic member of the subcommittee, for his opening remarks.

Mr. HINOJOSA. Thank you, Chairwoman Foxx.

Good morning, everyone.

I want thank our panel of distinguished witnesses for joining us for the committee's discussion on the role of accreditation and its relationship to program quality, accountability, and affordability in higher education.

As Congress works to reauthorize the Higher Education Act in a bipartisan manner, Congress must ensure that the accreditation process provides for high quality education programs that are worthy of student and taxpayer investment and lead to good family-sustaining jobs and careers.

Under current law, Title IV of the Higher Education Act, better known as HEA, authorizes the federal student aid programs and establishes a regulatory structure that includes three actors. Number one is the U.S. Department of Education; number two is the states; and number three is the accrediting agencies, better known as "the Triad."

The Higher Education Act recognizes the critical role that these actors play in providing a framework for shared responsibility and for ensuring that the gate to student financial aid programs opens only to those institutions that provide students with a high quality education.

While I agree that the federal government should not interfere in the operations, the curriculum, and the instruction of postsecondary institutions, I do believe that accrediting bodies and states must do a better job of enforcing minimum standards for program quality. Students, taxpayers, and the federal government must have a return on their investment.

Without a doubt, strengthening the accreditation process should involve increasing accountability. Accreditors should be empowered to institute a greater array of oversight and accountability tools to more closely monitor problematic institutions.

Finally, we should take care to consider learning wherever it occurs, even beyond the walls of traditional colleges. This committee should consider changes to the accreditation system that would enhance program quality; that would promote innovation; incentivize states and institutions to make college more affordable; and finally, increase student outcomes.

If the current system cannot accomplish that goal, we should consider establishing new gatekeepers that could help the Department of Education evaluate learning quality provided by education entities.

To be clear it seems to me a renewed emphasis on program quality should not stifle innovation. As you panelists know, some alternative learning models, including some of the massive, open, online courses are nonprofits. Because these alternative learning models are not institutions of higher learning, they are not eligible for Title IV funds.

An alternative accreditation model could serve to recognize high quality, on-line courses and degree programs to expand access to higher education for millions of students. With this in mind, I applaud the Secretary of Education, Arne Duncan and Under Secretary Martha Kanter for encouraging accrediting agencies and states to engage in a robust conversation about quality, innovation, and affordability in higher ed.

The reauthorization of HEA is an opportunity for us in Congress to discuss ways in which we can strengthen our current accreditation system, and I look forward to hearing from our experts on these vitally important issues.

Thank you, and I yield back.

[The statement of Mr. Hinojosa follows:]

Prepared Statement of Hon. Rubén Hinojosa, Ranking Member, Subcommittee on Higher Education and Workforce Training

Thank you, Chairwoman Foxx. Good morning! I want to thank our panel of distinguished witnesses for joining us for the committee's discussion on the role of accreditation and its relationship to program quality, accountability and affordability in higher education.

As Congress works to reauthorize the Higher Education Act in a bipartisan manner, Congress must ensure that the accreditation process provides for high quality education programs that are worthy of student and taxpayer investment and lead to good family-sustaining jobs and careers.

Under current law, title IV of the Higher Education Act (HEA) authorizes the federal student aid programs and establishes a regulatory structure that includes three actors: the U.S. Department of Education, the states, and the accrediting agencies, known as "the Triad."

The Higher Education Act recognizes the critical role that these actors play in providing a framework for shared responsibility and for ensuring that the "gate" to student financial aid programs opens only to those institutions that provide students with a high quality education.

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The reauthorization of HEA is an opportunity to discuss ways in which we can strengthen our current accreditation system, and I look forward to hearing from our experts on these vitally important issues. Thank you.

Chairwoman FOXX. Thank you Mr. Hinojosa.

Pursuant to committee rule 7(c), all subcommittee members will be permitted to submit written statements to be included in the permanent hearing record. Without objection, the hearing record will remain open for 14 days to allow statements, questions for the record, and other extraneous material referenced during the hearing to be submitted in the official hearing record.

It is now my pleasure to introduce our distinguished panel of witnesses.

Dr. Elizabeth Sibolski is currently the president of the Middle States Commission on Higher Education. Prior to joining MSCHE, she was director of University Planning and Research at American University in Washington, D.C.

Dr. Michale McComis serves as the executive director and chief executive officer of the Accrediting Commission of Career Schools and Colleges, managing the organization's day-to-day operations and overseeing the accreditation process for 750 postsecondary career-oriented vocational education institutions.

Ms. Anne Neal is the cofounder of the American Council of Trustees and Alumni, and has been president since 2003. Prior to joining ACTA, Ms. Neal served as general counsel and congressional liaison for the National Endowment for the Humanities.

Mr. Kevin Carey currently serves as the director of the Education Policy Program at the New America Foundation. Prior to joining New America, Mr. Carey worked as a policy director of Education Sector and as an analyst at the Education Trust and the Center on Budget and Policy Priorities.

Before I recognize you to provide your testimony let me briefly explain our lighting system. You will have 5 minutes to present your testimony. When you begin, the light in front you will turn green. When 1 minute is left the light will turn yellow. When the time is expired the light will turn red. At that point, I ask that you wrap up your remarks as best as you are able. After you have testified, members will each have 5 minutes to ask questions of the panel.

I now recognize Dr. Elizabeth Sibolski for 5 minutes.

STATEMENT OF DR. ELIZABETH H. SIBOLSKI, PRESIDENT, MIDDLE STATES COMMISSION ON HIGHER EDUCATION

Ms. SIBOLSKI. Madam Chair and members of the subcommittee, thank you for the opportunity to testify this morning on the role regional accreditors play in ensuring quality in our nation's system of higher education.

For 4 years I have served as the president of the Middle States Commission on Higher Education, and I am also serving as the current chair of the Council of Regional Accrediting Commissions.

All of the regional accrediting agencies are private, voluntary, nongovernmental, membership associations that define, maintain, and promote educational excellence and improvement.

MSCHE is one of seven commissions across six regions. Each region employs a modest staff to oversee the work of the commission while over 3,500 volunteers carry out the actual work of accreditation.

Collectively, the seven regional commissions accredit over 3,000 highly diverse institutions. Almost all of these rely on accreditation for eligibility to participate in federal student financial aid programs.

Each regional creditor must be recognized by the U.S. Secretary of Education as a reliable authority on the quality of education through a process which involves review by the National Advisory Committee on Institutional Quality and Integrity.

Under the U.S. DOE's guidelines for preparing and reviewing petitions and compliance reports, we regional accreditors and in fact all accreditors, are subject to roughly 100 separate requirements as part of the recognition process.

Each regional accreditor uses similar processes for initially accrediting institutions. Once accredited, institutions are monitored to ensure ongoing compliance and are re-reviewed for reaffirmation of accreditation.

In cases where an institution is not meeting standards, action is taken and the institutions are required to return to compliance with those standards.

Today, accreditation is very different from what it was a few years ago. Regional accreditors are working with institutions to facilitate approval of innovative offerings that would increase access and affordability.

At MSCHE, we are in discussions with institutions that are eager to explore approval for competency-based direct assessment programs. This past year NEASC approved what is widely viewed to be a landmark direct assessment program at Southern New Hampshire University and other regions are similarly engaged.

Commissions are doing more to streamline their own accreditation processes. The Higher Learning Commission is transitioning one of its current programs into two new pathways.

The Northwest Commission recently updated their process making it more strategic, analytical, and outcomes based. We have reacted to the demand for increased transparency as well. MSCHE posts significant information about areas of required follow up with our institutions on our website.

Both WASC commissions have expanded the information available on-line including team reports and beginning this month SACS will initiate a process of posting a form of disclosure for all institutions following their reaffirmation.

We recognize the demand for more information about student achievement. NEASC has been working to expand availability of data on retention and graduation rates.

WASC/ACCJC is now asking institutions to report annually on institution level, student achievement, and outcomes data while WASC Senior has a new process to evaluate retention and graduation data.

Our regional agencies face numerous challenges though. For example, how do we expedite the accreditation process while remaining thorough and careful in what we do? How can we move to quickly sanction an institution that is substandard while still providing the necessary due process protections? How should we balance the competing needs for thorough review, with review that is cost-effective and timely?

Congress can play a key role in helping us address some of these challenges. For example, our efforts to promote innovative practices would be enhanced if the Higher Education Act explicitly allowed accreditors to develop demonstration or pilot programs.

We also urge the administration to rethink the steady stream of new regulations such as those focusing on state authorization. These regulations often present significant burdens for institutions and accreditors alike, without producing significant new benefits.

Accreditation is far from perfect and there is always room for improvement. However, if there is a single message I would leave today, it is that academic communities continue to provide the most effective way to evaluate quality in higher education today.

Thank you.

[The statement of Ms. Sibolski follows:]

Prepared Statement of Dr. Elizabeth H. Sibolski, President, Middle States Commission on Higher Education

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

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

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

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

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

Structure

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

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

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

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

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

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

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

Process

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

Deciding whether to apply and whether to make institutional changes

This is an initial period of inquiry during which the institution has an opportunity to learn about and judge its position relative to MSCHE requirements and expectations.

Submitting an application that demonstrates eligibility for accreditation

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

Commission staff visit

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

Applicant assessment team visit

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

Updated accreditation readiness reports and candidate progress visits

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

Self-study and the evaluation team visit

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

Becoming accredited

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

Once accredited, institutions are monitored by the Commission to ensure on-going compliance and within the context of reaffirmation of accreditation. While there is variation among regional processes, MSCHE works within a decennial time frame that includes two main accreditation events that result in accreditation decisions in the first year and in the fifth year.

MSCHE uses a three-stage decision-making process both for initial accreditation and for reaffirmation of accreditation. In the first stage, peer reviewers consider reports and evidence presented by the institution and develop an action recommendation. A second-stage review happens in one of the Commission's standing committees. This review allows for a look across a number of similar reviews and gives us a mechanism for considering consistency and fairness in the decisions that have been made. Adjustments are possible as the committee then makes its action recommendations to the full Commission. The final stage of review rests with the full Commission, which can make further adjustments in reaching a final accreditation action.

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

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

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

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

If warranted, a special visit by an evaluation team at the institution will be scheduled.

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

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

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

Accreditation 2.0

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

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

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

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

Promoting Innovation in Educational Programs

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

- At MSCHE, we are in discussion with several institutions that are eager to explore approval for competency-based/direct assessment programs.
- Meanwhile, this past year, the New England Association of Schools and Colleges (NEASC) approved what is widely viewed as a landmark program at Southern New Hampshire University which will provide access to federal financial aid for a degree program offered without credits or semester terms—a so-called "direct assessment" program—making these programs more accessible, affordable and focused on outcomes. That program has now been approved by the U.S. Department of Education for participation in federal financial aid programs.
- NEASC is also focusing on the role of accreditation in considering "credits from elsewhere"—credits that students bring with them or credits that institutions recognize or validate for non-collegiate study. This will lead to a discussion of the institution's responsibility to assure the quality of anything for which it awards, recognizes or accepts credits (e.g., Straighter Line, MOOCs, competencies, prior learning assessments).
- The Higher Learning Commission (HLC), which accredits institutions throughout the Midwest and as far west as Arizona, has moved forward with a pilot program to enable institutions to authorize the offering of competency-based programs as a means of reducing the time required to complete a degree and the cost.
- The Southern Association of Colleges and Schools (SACS) recently received its first proposal for a competency-based program, and will be convening a task force to examine the relevant issues in more detail.

Streamlining the Accreditation Process

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

- At MSCHE, we are renewing our accreditation process, including looking at ways to change aspects of our 5th-year reporting in order to streamline that activity.
- The Higher Learning Commission (HLC) is in the process of transitioning one of its current programs for maintaining accreditation into two new Pathways—the Standard Pathway and the Open Pathway—both of which would reduce the reporting burden on institutions by collecting as much information and data as possible from existing institutional processes and in electronic form as they naturally occur over time.
- The Northwest Commission on Colleges and Universities (NWCCU) has shortened its accreditation cycle from ten years to seven years. The foci and requirements of the Commission's new accreditation reports streamline the process without compromising the rigor or value to institutions and the Commission. The process is more strategic, analytical, and outcomes-based and is driven by an institution's own stated mission, core themes, and objectives.

Increasing the Transparency of the Accreditation Process

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

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

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

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

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

Enhancing Focus on Student Outcomes

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

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

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

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

• For the past five years, many NEASC institutions have agreed to display retention and graduation rates for part-time students, transfers and on-line students. This goes beyond the information on first-time, full-time students currently collected by the Integrated Postsecondary Education Data System (IPEDS). This month NEASC is convening a meeting to develop consensus on what retention and graduation rates are most useful for non-first-time-full-time students.

• WASC/ACCJC is now asking institutions to report annually on institution-level student achievement data and student learning outcomes data, and is monitoring this information, which comes from the institutions' annual reports.

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

Improving On-going Monitoring of Institutions

While ongoing monitoring has always been a component of accreditation, as I have outlined above, the increased complexity of higher education—particularly related to financial information—has demanded we do more.

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

• WASC Senior has begun using specially trained finance teams who review audits and financial ratios every three years to identify financial issues, in addition to conducting annual reviews of institutional audits.

The examples I have just outlined point out the significant work regional accreditors are doing to respond to the changing landscape of higher education. However, these examples also point out the value of the "regions" being able to test new approaches and to build upon the best practices developed elsewhere.

Challenges

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

Explaining Accreditation as it Exists Today

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

Addressing Dilemmas in Accreditation

Regional accrediting agencies face numerous dilemmas in the current environment. How can we expedite accreditation activity while remaining thorough and careful in what we do? How can we move to quickly sanction a substandard institution while still providing appropriate due-process protections? How should we balance the competing needs for thorough review and review that is cost-effective? How should we best promote the use of data and evidence in self-study and review without relying on the wrong metrics, becoming too prescriptive, or stifling creativity and diversity? MSCHE and the other regional commissions are well aware of issues like these. Addressing them appropriately represents a continuing challenge.

Safe Space for Innovation within Accreditation

This country's higher education community stands at a crossroads where such issues as cost, value, and access must be and are being addressed in a variety of ways. Innovations in technology and delivery are changing the face of higher education, yet it is often difficult for accreditors to allow innovative practices and at the same time remain within the boundaries of federal regulations. This challenge might be addressed by explicitly allowing accreditors to develop demonstration or pilot programs that would not put recognition of the agency in jeopardy.

Regulations

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

Effective Collaboration

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

Conclusion

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

Chairwoman FOXX. Thank you, I now recognize Dr. Michale McComis for 5 minutes.

STATEMENT OF DR. MICHALE McCOMIS, EXECUTIVE DIRECTOR, ACCREDITING COMMISSION OF CAREER SCHOOLS AND COLLEGES

Mr. MCCOMIS. Good morning.

Madam Chair and members of the subcommittee, my name is Dr. Michale McComis, and I am the executive director of the Accrediting Commission of Career Schools and Colleges, ACCSC, a private, nonprofit, independent, national accrediting agency recognized by the United States Secretary of Education.

I am honored to appear before the subcommittee this morning to discuss accreditation; the contribution that it makes to the quality of education in this country.

Accreditation has been relied upon for educational quality assessment purposes by the federal government for 6 decades. Although accreditation has come under increased scrutiny by policymakers, accreditation can and should continue to serve in his gatekeeping capacity albeit in a strengthened form.

Accreditation employs an earnest and collaborative approach within a peer-reviewed network that identifies best practices and assesses how well an institution meets those best practice standards. It is not nor can it be a one-size-fits-all system with rudimentary metrics that do not take into account subjective and qualitative elements of an institution's operations and success.

Accreditation derives its strength from four essential pillars that are built upon a foundation of peer review. Those pillars are one, standards or best practices; two, self-evaluation; three, ongoing institutional improvement; and four, accountability.

The success of any accrediting agency is based upon the strength of each of these fundamental pillars in the agency's system of accreditation and the strength of the peer review foundation.

Accreditation also takes different forms and serves a myriad of institutions and as such, institutions will be accredited by agencies with different standards and different expectations of learning and outcomes. This is both appropriate and necessary and through this lens the differences amongst accreditors should be viewed as a strength to our system.

I recognize that Congress has a vested interest in ensuring the strength of accrediting agencies. As such, the Congress should seek to make changes to the Higher Education Act that will provide such assurances, strengthen accreditation, but without injecting undue federal intrusion into the academic processes of higher education or that might serve as a barrier to innovation.

Judgments regarding the effectiveness of accreditation should not lose sight of the fact that the oversight of higher ed is a shared responsibility amongst accreditors, states, and the federal government.

Triad partners working together strengthens the existing oversight system and retains the positive qualities of accreditation and the expertise that peer review represents and delivers.

So then, how can accreditation be strengthened through the Higher Education Act? The following are some suggestions for the subcommittee to consider.

Outcomes. Outcomes measures are not a one-size-fits-all solution and should not be mandated by the Congress or the U.S. Department of Education. However, accreditors working with their accredited institutions must define the right set of measures and metrics to evaluate institutional and student success and hold those institutions accountable to those outcomes.

Transparency. Accreditors should be required to provide useful disclosures, responsible disclosures, of the accreditation actions taken that can help the general public make informed decisions about the quality of an institution or program.

Credit hour definition. The complex federal definition of a credit hour should be removed from current regulations and an accreditor should be required to define the elements of a program that go into quality assessment paradigms.

Accreditation area of focus. It may be useful to require accreditors to focus narrowly on the types of institutions accredited in order to ensure strong peer-review foundation and solid measures related to outcomes and accountability.

Transfer of credit. Accreditors should be required to have and enforce standards that prevent institutions from unfairly or unjustifiably denying credit transfer.

Changing accreditors. Institutions that have been subject to a monitoring sanction from one accreditor should not be allowed for federal financial aid purposes to seek a new accreditor for some set period of time after the sanction has been lifted.

Other areas for the subcommittee to consider have been included in my written testimony, including the appeals process and strengthening substantive change requirements.

I hope the subcommittee finds these recommendations useful as it goes about its work, and I am happy to provide additional details regarding each.

As the executive director of a national accrediting agency, I am keenly aware of the important role that accreditation plays as a gatekeeping entity in the Triad, and that questions remain regarding accreditation's effectiveness.

To that end, I look forward to the continuing dialogue on ways to strengthen accreditation as a means to ensure that it continues to fulfill its role as gatekeeper to the Title IV federal student financial aid programs.

Thank you again for the opportunity to testify before the subcommittee, and I stand ready to answer any questions you may have.

[The statement of Mr. McComis follows:]

Prepared Statement of Dr. Michale S. McComis, Executive Director, Accrediting Commission of Career Schools and Colleges (ACCSC)

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

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

Accreditation has four essential pillars that are built upon a foundation of peer review. Those pillars are: 1) standards or best practices, 2) self-evaluation and assessment, 3) on-going institutional assessment and improvement, and 4) accountability.

1. Standards: Through peer review, best practices are established and mandated;
2. Self-evaluation: Institutions are evaluated internally and externally and assessed as to how well they meet standards and can demonstrate success through student outcomes;
3. On-going Institutional Assessment and Improvement: Expectations of significant and on-going institutional assessment and improvement are established; and
4. Accountability: Institutions are held accountable for compliance with standards and outcomes—to include the loss of accreditation—when expectations are not met.

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

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

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

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

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

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

Macro Areas

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

Generally, outcomes measures should be a reflection of how an institution performs relative to standards (i.e., best practices) and should minimally require institutions to assess learning and competency attainment as well as:

- Rates of retention or graduation;
- Rates of employment and certification/licensure exam pass rates in career and professional programs and measures related to "employability" [1] in other program areas; and
- Measures of student and graduate satisfaction.

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

2. Accreditation Area of Focus: It may be useful to require accreditors to focus narrowly the types of institutions accredited to ensure a strong peer-review foundation. This is known as the "bucket" approach whereby types of institutions are grouped into buckets with an accreditor that is focused on that specific type of institution e.g., career- and vocationally-oriented institutions, community colleges, liberal

[1] By "employability" I mean assessments made by graduates and employers about how well the graduate was prepared to enter the workforce based on the education received. This could serve as an appropriate outcomes measure for student pursuing education in many liberal arts fields.

arts colleges and universities, research universities, etc. This approach may allow for better peer-to-peer evaluation and bring about better measures related to outcomes and accountability.

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

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

5. Credit Hour Definition and Clock Hour Conversions: Seat-time requirements for funding programs do not preserve academic integrity nor promote competency assessment and as such the federal definition of a credit hour and the complex clock-hour conversion formulas should be removed from the federal regulations. If accreditors are going to be the purveyors of educational quality assessment, then accreditors should be given the discretion necessary to define the elements that go into the assessment paradigm.

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

Micro Areas

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

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

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

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

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

Chairwoman FOXX. Thank you very much.

I now recognize Ms. Anne Neal for 5 minutes.

STATEMENT OF ANNE D. NEAL, PRESIDENT, AMERICAN COUNCIL OF TRUSTEES AND ALUMNI

Ms. NEAL. Good morning, and thank you, Madam Chairman and members of the committee.

If policymakers and parents think of accreditation at all, they typically assume that it is a good housekeeping seal of approval, but it is not. As I have outlined more fully in my written testimony, accreditation has failed the taxpayer and failed American families.

It has not insured quality, or transparency; imposes significant costs on colleges and universities; interfered and institutional autonomy and proven a barrier to innovation.

Given these flaws, it is not surprising that there has been increasing bipartisan support for change. Indeed President Obama has suggested reforming accreditation or replacing it with a system focused on performance and cost.

It is time for Congress to overhaul this broken system. Let me explain why. Accrediting agencies have a schizophrenic existence that makes them unable to protect the public interest.

Peer review is by nature collegial and designed to help, but not mandate institutional improvements. The only quality assurance tool is to revoke accreditation, which is a death sentence for most institutions and something accreditors don't want to do.

This is due in part to the fact that accreditation is a revelatory capture. The very people who benefit from federal funds, administrators and faculty, are the people who determine whether federal funds should flow.

Congress' hope that it could rely on membership-based accrediting agencies and their peer review process to be reliable authorities on quality was misplaced. Accreditors are also barriers to innovation.

Today the American higher education landscape is changing rapidly and as we have heard from Representative Foxx, leading universities and faculty are creating MOOCs many students never even enter a classroom, yet accreditation is focused largely on bricks and mortar institutions with little framework for dealing with these new models.

Under the current regime, in fact, as you have heard from Dr. McComis, institutions are being forced to focus on concepts such as seat time when keeping a bottom in every seat is part of the problem, not part of the solution.

Accreditation is also secretive, the consumer essentially knows only one thing; that the so-called seal of approval has been bestowed, but it doesn't mean that the college meets high standards or even that all of its programs are good.

Federal dollars are flowing today to schools that graduate fewer than a quarter of their students in 6 years. The consumer is being duped and Congress is letting it happen.

Accreditation interferes with governance and management, and it is costly and burdensome when college costs are already too high. Duke, Stanford, and the University of Michigan have reported spending over $1 million dollars on accreditation, and Princeton expects much the same. One can only guess the hardship imposed on less wealthy schools in these difficult times.

Of course we might accept the cost if accreditors effectively guaranteed educational quality, but they have not. The National Assessment of Adult Literacy found that a majority of 4-year college graduates could not reliably compare two editorials or compute the cost per ounce of food items.

As I am sure you have heard in your districts, employers consistently complain that their college graduates can't write, think critically, or offer the services they need. This is a national crisis and it is surely not quality assurance.

It is time to break the link between federal student aid and accreditation. One option provided to you would ensure baseline financial protection and provide key data on student learning in a far simpler and more transparent system of quality assurance.

To protect the federal dollar, institutions would establish their financial stability certified by an independent auditor. Federal funds could be cut off in cases of noncompliance and institutions would have the option to present a bond.

Schools would also be required to provide key information in a clear and readily accessible format such as cost of attendance, graduation rates disaggregated by demographics, repayment rates, license or test results; much of what is already collected for the Department of Education's College Navigator site.

This could again be independently certified. Removing the gatekeeping function for Title IV puts all institutions on a level playing field in terms of access to federal funds.

This consumer-friendly alternative would not create new federal benchmarks or inappropriately insert the federal government into the workings of our colleges and universities. It would instead empower individuals to make their own educated choices and allow institutions to focus on key metrics of student success.

I look forward to further discussion.

[The statement of Ms. Neal follows:]

**Prepared Statement of Anne D. Neal, President,
American Council of Trustees and Alumni**

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

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

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

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

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

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

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

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

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

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

Accreditation is a perfect example of regulatory capture. The very people who benefit from federal funds—administrators and faculty who constitute accrediting teams—are the people who determine whether federal funds should flow. They know they will be judged by similar accrediting teams, making them unwilling to apply rigorous accountability standards.

Accreditors do not ensure a certain level of educational quality; instead they insist that colleges and universities devise their own means of assessing their "institutional effectiveness." Given this self-referential system, it is no wonder that academic quality has declined under accreditors' watch.

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

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

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

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

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

I'd like to outline one option which has received support from Republican and Democratic members of NACIQI and been submitted to Secretary Arne Duncan in response to his request for advice on HEA reauthorization. Over a quarter of those voting supported the alternative, submitted by Neal and Arthur Rothkopf, former president of Lafayette College (Appendix C).

This alternative would ensure baseline financial protection and provide key data on student learning in a far simpler and transparent system of quality assurance. And it would break the link between federal student aid and accreditation.

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

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

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

And let me be clear. This alternative would not create any new federal benchmarks or insert the federal government into the workings of our colleges and universities. It would, instead, empower individuals to make their own educated choices and allow institutions to focus on key metrics of student success. Indeed, the proposal takes its cue from Stanford provost John

Etchemendy, who stated in written testimony that, "accreditation is no substitute for public opinion and market forces as a guide to the value of the education we offer."

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

Meanwhile, accreditors would return to their original function—voluntary institutional self-improvement—where their judgment would reflect the best practices of their peers and no longer be confused by the competing and contradictory gatekeeping role. They would offer their stamp of approval in education much as the very distinguished LEED system does in architecture.

There, through voluntary standards, LEED has made Gold, Silver, and Platinum universally-recognized in the marketplace for environmentally-friendly construction. The power of the LEED imprimatur rests in the honest and objective application of meaningful criteria—and needs no governmental mandate.

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

APPENDIX A

May 26, 2011

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

Dear Chairman Phillips,

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

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

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

- Stanford University calculates that in 2009-10 it expended $849,000 for the portions of staff time that were formally dedicated to its reaccreditation effort. Stanford's estimate does not include travel expenses or the time of faculty members and others participating in the project; Stanford estimates that the all-in cost would exceed $1 million for the year. The estimate, moreover, is for only a single year: Stanford has been working on achieving reaccreditation for four years and has two more remaining.

- Cornell University describes its most recent reaccreditation effort as a 2.5 year project that required substantial work from seventy-five people, including forty staff members, twenty-two faculty members, five trustees, and eight students. Cornell expended more than $300,000 in addition to the salaries of the staff members who worked on the project.

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

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

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

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

The second observation is that all this work provides little educational benefit. Investments must be judged against their return, and the staggering expenditures required by the reaccreditation process would be more tolerable if they produced valuable improvements in educational quality. Reaccreditation reviews, if tailored to and informed by appropriate educational judgment, can provide institutions with valuable feedback: Princeton, for example, has benefited from the advice it received from peer review teams during past reaccreditation processes. Unfortunately, however, the increasing burdens that plague the reaccreditation system today have no such compensating virtues. On the contrary, they arise because accreditors are increasingly substituting pointless data collection demands for informed peer judgment.

Princeton witnessed a striking illustration of this trend in connection with its recent mid-term review. The external evaluators who analyzed Princeton's Periodic Review Report on behalf of the Middle States Commission on Higher Education described the University's assessment plan, which relies heavily on peer review, as appropriate to the University's mission. The evaluators—Provost Tom Apple from the University of Delaware and Provost Mark Kamlet from Carnegie Mellon University—went on to characterize Princeton's assessment efforts as "impressive." The Commission, however, ignored the judgment of its own peer review team and requested a "progress letter … documenting comprehensive, integrated, and sustained processes to assess institutional effectiveness and student learning outcomes …." Princeton's academic leadership then met with a delegation from the Commission to try to understand this surprising decision. During the meeting, President Shirley Tilghman asked what Princeton should be doing in addition to the work that the Commission's own reviewers regarded so favorably. One commissioner responded by praising another university which, he said, had filled an entire room with black three-ring binders stuffed with documents. Remarkably, the commissioner said nothing about the content of the binders. What matters most to him, apparently, is simply the volume of data collected. Peer judgment is out, bureaucratic data collection is in, and the resulting burden is severe.

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

Sincerely,

Christopher L. Eisgruber

APPENDIX B

THE WALL STREET JOURNAL

By HANK BROWN | January 15, 2013

The Rise of the Accreditor as Big Man on Campus

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

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

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

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

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

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

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

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

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

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

In 2007, when the University of California regents attempted to deal with runaway administrative costs through modest salary and benefit changes, they found themselves spending precious time responding to accreditor complaints that trustees were "unnecessarily harsh" with administrators. These are not isolated incidents. Across the country, boards of trustees are being effectively sidelined in their oversight responsibility, in deference to accreditor pressure.

The American Council of Trustees and Alumni recently filed a complaint with the Department of Education decrying SACS's interference with the University of Virginia governance powers and processes established by Thomas Jefferson himself. Anyone who knows American history, and regrettably few students do, would realize that Jefferson would be mighty upset to learn that a bunch of federally empowered bureaucrats are overstepping their authority and interfering with the internal governance of his university.

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

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

Mr. Brown is a former U.S. senator from Colorado and former president of the University of Colorado and University of Northern Colorado.

APPENDIX C

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

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[1]. 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[2]. 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[3]. 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[4]. Employers consistently report concerns that the quality of higher education is inadequate for workplace needs[5]. This is not quality assurance and we shouldn't pretend otherwise.

[1] To our knowledge, the accreditation system is highly unusual in outsourcing to private entities decision-making over such significant sums of taxpayer money, especially given the conflicts of interest and inconsistencies in the application of accrediting standards.

[2] CHEA Fact Sheet #1, Profile of Accreditation, revised, August 2011: "6632 accredited institutions were certified to participate in the federal Title IV (Student Assistance) Program in 2008-2009."

[3] Mark Kutner, Elizabeth Greenberg, and Justin Baer, A First Look at the Literacy of America's Adults in the 21st Century (Jessup, MD: National Center for Education Statistics, 2005) http://nces.ed.gov/NAAL/PDF/2006470.PDF

[4] Richard Arum and Josipa Roksa, Academically Adrift (Chicago: University of Chicago Press, 2011).

[5] 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; Raising the Bar.

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[6]. Delinking accreditors from their federal gatekeeper role is essential to achieving this end[7]. 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.

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

[7] Note the critique that the president of CHEA, Judith Eaton, offers of the draft final report in 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."

This would also eliminate the serious conflicts of interest that exist under the accreditation system. Funding of the accrediting agencies comes from the same institutions they are supposed to regulate. The very people who benefit from federal funds, moreover – administrators and faculty who constitute accrediting teams – are the self-same people that determine whether federal funds should flow. They know they will in turn be judged by similar accrediting teams, making them loath to apply rigorous quality measures. It is as if the Federal Government allowed banks to decide which banks are safe and then empowered them to determine those eligible for access to Federal Reserve loans and other benefits.

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

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

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

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

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

- Tuition, fees, cost of attendance, net cost and available financial aid

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

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

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

In its recommendations, the majority concludes that accreditation is "cost effective." In fact, it is not. Witnesses to NACIQI uniformly suggested that accreditation is contributing to the crippling cost of higher education. In testimony, Princeton Provost Christopher Eisgruber explained that the cost of federally-mandated accreditation often exceeds $1 million for a single institution and hundreds of hours of staff time. Stanford Provost John Etchemendy argued that "accreditation is no substitute for public opinion and market forces as a guide to the value of the education we offer."[8] 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.

[8] NACIQI received substantial testimony on the costs of accreditation. And many parties supported a comprehensive study of costs including ACE, AAU, Norwalk Community College and Bristol Community College. A motion calling for a specific study of the cost of accreditation was voted down on the grounds that the costs were self-evident. Yet the draft final report claims that accreditation is cost-effective.

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). [9]

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

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

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Chairwoman FOXX. Thank you very much.
I now recognize Mr. Carey for 5 minutes.

STATEMENT OF KEVIN CAREY, DIRECTOR OF THE EDUCATION PROGRAM, THE NEW AMERICA FOUNDATION

Mr. CAREY. Thank you, Madam Chair, Ranking Member Hinojosa, and members of the committee.

The federal government disperses $150 billion per year in support of higher learning and nearly every dollar goes to an accredited college or university. Students, parents, and taxpayers rely on the accreditation system to protect their interests. That system is failing.

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

Last year 454 colleges reported 6-year graduation rates below 30 percent. All of them were accredited. Academic standards are in decline; students work half as much as they did in the 1960s, while the proportion of all course grades given an A rose from 15 to 43 percent.

Nearly 20 percent of students report studying less than 5 hours a week outside of class all at accredited institutions. There are currently almost 6 million Americans in default on student loans taken to attend accredited colleges and universities. Why has this happened?

Well, I echo the comments of my colleague, Anne Neal; a system built around collegial peer review is different than a system built around necessary regulation of organizations taking large amounts of taxpayer dollars.

There is also a financial conflict of interest built into the system. Accreditors are financed by fees and dues paid by the same institutions they evaluate. This is like bond rating firms giving AAA ratings to mortgage backed securities sold by the same firms that pay their fees. It does not work out well in the long run.

Accreditors use those fees to conduct work that is largely hidden from view while Congress has restricted the ability of accreditors to enforce academic standards.

Colleges are free to define their own standards of learning which accreditors must accept. Unsurprisingly, nearly all colleges believe they are successful. Unfortunately research such as Richard Arum and Josipa Roska's "Academically Adrift," which found limited or no learning among a large number of college graduates suggests otherwise.

Accreditation is also a major barrier to innovation. Imagine if in 1970 Toyota had needed General Motors' permission to start selling cars and was required to build the same kind of cars in the same way using the same labor contracts in the same kinds of factories.

The American automobile market would have been very different and not in a way that was good for consumers and competition. Because of accreditation, that is basically the way higher education works today.

Imagine for example that a Nobel prize-winning scientist wanted to create a startup company that did nothing but offer the world's greatest undergraduate physics curriculum on-line and charge one-tenth as much money as typical students pay today.

Under current law, a student could give their Pell Grant or Stafford Loan money to the most dysfunctional or chronically mediocre college in America, but not to that Nobel Prize winner and his or her company. Why? Because of accreditation.

The problem is not that the Nobel Prize winner's startup would fail to meet existing accreditation standards; it is that existing accreditation standards don't even apply to that kind of scenario.

So we recommend the following changes to the accreditation process. Accreditors should create multiple tiers of approval to distinguish excellent institutions from those who only meet minimal standards.

They should be required to publicly disclose all accreditation documents including negative information about local colleges.

Congress should remove financial conflicts of interest from the system. Instead of paying the same organizations that evaluate them, colleges should pay accreditation fees to the U.S. Department of Education, which would then disburse money to accreditors based on volume and performance. Accreditors that approve colleges with high default rates on federal student loans, for example, would be financially penalized.

Students would also benefit from creating a new system of approving innovative higher education organizations, not just colleges, to receive federal financial aid. Under such a system, organizations would be allowed to seek approval for individual programs or even individual courses that meet high standards of value and quality.

They would have to disclose what learning outcomes students would need to achieve, what process would be used to evaluate those outcomes, and the actual student learning results on an ongoing basis.

To ensure that such a new system promoted needed price competition in higher education, we would suggest that available financial aid per course be set at 50 percent of the current per course average amount available for a full-time student receiving a Pell Grant.

In other words, organizations applying for approval under this system would have to meet much greater standards of transparency and accountability for learning and do it for half as much money compared to colleges working under the existing system.

This would create the kind of market competition and downward pressure on prices that is the only real solution to the long-term cost crisis in American higher education.

This is not a problem that can be regulated away. We need new competitors in the market to provide better services for less money, and we need the accreditation system to not stand in the way.

Thank you very much.

[The statement of Mr. Carey follows:]

Prepared Statement of Kevin Carey, Director, Education Policy Program, New America Foundation

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

And it is failing.

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

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

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

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

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

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

The accreditation system did not stand by and allow costs to skyrocket and standards to decline because accreditors are indifferent to these problems. They did it because the accreditation system is not equipped to solve these problems. It never has been, and never will be, as currently designed.

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

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

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

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

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

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

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

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

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[1] *http://collegecost.ed.gov/catc/Default.aspx#*
[2] *http://www.collegeresults.org/*
[3] *http://www.nber.org/papers/w15954.pdf*
[4] *http://newamerica.net/publications/policy/cracking_the_credit_hour*

And even if they had such capacity, Congress has enacted restrictions over the years that give institutions significant freedom from accreditors' attempts to define high-quality learning.

Accreditors are required to evaluate success "with respect to student achievement in relation to the institution's mission, which may include different standards for different institutions or programs, as established by the institution * * *" The law further stipulates that a college shall not be restricted in its ability "to develop and use institutional standards to show its success with respect to student achievement * * *" [emphasis added]

In other words, colleges are free to define their own standards of academic success, which accreditors must accept. Unsurprisingly, nearly all colleges believe they are successful.

Unfortunately, research such as Richard Arum and Josipa Roksa's Academically Adrift, which found "limited or no learning" among a large number of college graduates, suggests otherwise.

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

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

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

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

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

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

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

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

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

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

The following changes to accreditation can help fix this problem.

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

- Require accreditors to create multiple tiers of accreditation. The current system is binary an institution is in the club, or it is out. This provides little consumer information and the inevitable effects of log-rolling and bureaucratic pressure create low minimum standards. Accreditation status is essentially meaningless for the best colleges and too meaningful for the worst. Accreditors should reduce the burden on institutions that succeed in serving students well while place greater scrutiny on less-successful colleges, including plans for stronger monitoring, meaningful improvement plans, and a clear timeline for eligibility loss.
- Require accreditors to publicly disclose all accreditation documents. The possible benefits of secrecy to the peer review process are outweighed by the interests of transparency and public disclosure. As long as accreditors are serving a public function by granting and denying access to the Title IV financial aid system, their work should be available to see.
- Remove financial conflicts of interest. Instead of paying the same organizations that evaluate them, colleges should pay accreditation fees to the U.S. Department of Education, which would then disburse money to accrediting organizations based on volume and performance. Accreditors that approve colleges with high default rates on federally subsidized student loans, for example, would be financially penalized.

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

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

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

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

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

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

- Real standards of quality. The current accreditation system evaluates organizations, not learning. Programs and courses approved under the new system would have to disclose what learning outcomes students would need to achieve, (B) What process would be used to evaluate those outcomes, and (C) Actual student learning results on an ongoing basis.
- Better value for students, families and taxpayers: To ensure that the new system promotes needed price competition in higher education, available financial aid per course would be set at 50 percent of the current per-course average amount available for a full-time student receiving a Pell grant.
- Multiple tiers of performance. An organization's success in serving students should be reflected in what types and amounts of aid it can receive, as well as how much administrative burden it faces. High-quality providers in the new system should have fewer time-consuming obligations, while those that struggle should be subject to stronger ongoing monitoring and expectations for improvement or loss of eligibility.

In other words, organizations applying for approval under the new system would have to meet much greater standards of transparency and accountability for learning results and do it for half as much money, compared to colleges working under the existing accreditation system.

If no organizations choose to compete under these conditions, there would be no harm to the taxpayers. If, however, innovative organizations approved under this system used new technology to create a new market for high-quality, low-cost higher education programs, it would alter the dynamics of the higher education market, forcing existing colleges to improve quality and reduce prices on behalf of students.

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

Chairwoman FOXX. Thank you very much Mr. Carey.

I thank all the witnesses again.

I now recognize the chairman of the Higher Education Workforce Committee, Mr. Kline, for 5 minutes.

Mr. KLINE. Thank you, Madam Chair.

Thank the witnesses for being here today for excellent testimony. It is an issue which we have been struggling with frankly and debating among ourselves and as we look at reauthorizing the Higher Education Act, this we think is a very key piece to that.

So let me start Ms. Neal with you. You are suggesting that we dramatically reform the accreditation process and you were talking about information being made available to students and parents and so forth. Would there be no word called accreditation in your system?

Ms. NEAL. Thank you very much. In my system, the accreditors could still flourish and in fact it envisions returning accreditors to their original role which was to serve as voluntary, private, peer-review organizations.

So they could in fact do the very things that we have heard from both accrediting bodies and Kevin Carey. They could have tiers of approval. They could have sector-based approval. They could have a range of approvals that would provide considerably more information to consumers than they receive now, but what they would not have is the gatekeeping role.

So I think we could be assured under this system rather than the conflict between self-improvement and accountability and quality assurance.

In this case they would simply be self-improvement, peer-review groups, aiding and assisting institutions that chose to have their assistance.

Mr. KLINE. So in that system what would the role of the Secretary of Education be in this gatekeeping business?

Ms. NEAL. The gatekeeping would essentially be set by financial solvency, which would be established as it is now by the Department of Education, but what we would add is an independent statement that would be certified—so that the Department of Education could proceed and sanction and take away federal dollars from an institution that is not federally financially solvent.

And then we would also have institutions providing key data for families seeking to go to college, which quite frankly are just not available now. As I said earlier, when schools are accredited we really don't know anything about them, and accreditors themselves say that it does not ensure that programs in school are good.

It simply is a blanket seal that really tells us very little and as Kevin has indicated, masks the fact that many of these institutions are graduating less than 25 percent on the federal dollar.

Mr. KLINE. You use the term "independent agency." What would that be?

Ms. NEAL. Independent—well, in this case, this would be an independent auditor—what we are envisioning—I am sorry, what we are envisioning is that the institutions would indicate to students that they would have sufficient resources to pay for them in the event that they went belly up.

And that this then would be certified by an auditor. Similarly, information about a particular outcome, about price, about license rates could be certified by an independent auditor so that in the case that they are engaging in fraud or deceiving the consumer, actions could be taken against them. So we would have some basic stability and insurance for the consumer as well as information.

Mr. KLINE. Okay, thank you very much.

Dr. Sibolski and Dr. McComis, how much time does it take for an institution to become accredited initially? And do you have any idea what the expense associated with that might be?

Ms. SIBOLSKI. Let me take the first answer on that. For an initial accreditation it can take up to 3 years for an institution to go through the process that exists today, and that is because there are several steps, and my full testimony does outline what all of those steps are that we take an institution through.

One of the reasons for that amount of time is so that we are being sure that we are accrediting an institution that will be solidly accreditable and that we won't find ourselves 6 months after having accredited an institution with a need to put that institution on sanction of some sort.

So we want to be careful and we want to be sure that an institution is doing an application for us and then doing a clear self-study.

You had another question in there?

Mr. KLINE. Cost.

Ms. NEAL. The cost. Actually no, I haven't done a study of cost of that. Certainly could be done, but it hasn't to this point.

Mr. KLINE. Okay. I certainly have some follow-up questions, but I can see the light is orange and getting ready to go red, and I am in an ever sort of futile effort to convince my colleagues that we ought to stay within the time limit, but at some point if others don't ask we'll come back to you for answers on the record about what is the time and what is the cost for an already accredited institution to open another campus, for example. So anyway thank you very much for your testimony, and I yield back.

Chairwoman FOXX. Mr. Hinojosa, I recognize you for 5 minutes.

Mr. HINOJOSA. Thank you.

My first question is to Mr. Carey. New models of education and learning are happening everywhere. Distance learning and all that has exploded here in the last 5 years.

It is becoming clear that many Americans are learning important skills both inside and outside the classroom. However, it is very difficult to gain access to Title IV money and perhaps rightly so. Should the evolution of new high quality, low-cost centers of learning like MOOCs, which I think stands for massive open-line courses, have the opportunity to access Title IV funds?

Mr. CAREY. Thank you. I believe they should. I think that the kind of competition the higher education market needs won't come from other colleges. It will come from flexible, low-cost providers of higher education that are nimble that focus on certain aspects of the college experience. They don't need to provide everything to everybody as the——

Mr. HINOJOSA. I agree with you, but in this case if we were to get what you are talking about and I agree with, could the current accreditation system we are using accommodate these new and unique entities? Or should an alternate system be created in tandem with the current one?

Mr. CAREY. The current accreditation system cannot accommodate them. It is a club of colleges that admits other colleges to the club. I believe we do need an alternate system to work in tandem with the existing accreditation to provide access to Title IV funds so new organizations can compete on a level financial playing field if they are willing to subject themselves to high standards of quality and value on behalf of students.

Mr. HINOJOSA. Thank you.

Ms. Neal, are there regulatory functions that the department and the U.S. Congress have delegated to accreditors that might be better handled by others?

Ms. NEAL. As I indicated in my proposal, the Department of Education has delegated to accreditors this quality review, but in essence they have really provided no guarantee of quality.

So what I think—appreciating the need to give autonomy to our colleges and universities since that has been a great strength, the greatest strength of American higher education—I think a system that will ensure baseline stability and then provide consumer information is one that will intrude the least but provide the most protection, which we don't really have under the current system.

Mr. HINOJOSA. Ms. Neal, you, in your statement, indicate that accreditation is too costly and you mentioned some of the Ivy League schools like Princeton and Stanford, Vanderbilt, University of Michigan all saying that they are going to be spending plus or minus $1 million, plus thousands of staff hours to do this accreditation. How can that be changed?

Ms. NEAL. Again, I think that the process that we currently have is a burdensome one. As you have heard, it takes multiple years. It requires vast piles of paper-pushing. Often a focus on matters that do not relate directly to educational quality, which is the very purpose of the accreditors according to the existing Higher Education Act.

We see numerous accrediting bodies focusing on governance, focusing on management. For instance the American Bar Association has a certain percentage of tenured professors that it requires. It limits on-line learning for students. It also restricts instruction. It does not allow the institution to make these decisions on its own. These are all cost-inducing efforts by the accreditors that have very little to do with quality.

Mr. HINOJOSA. You also said in your statement that some of the accreditation is secretive. How can they make it secretive?

Ms. NEAL. Well again this is the nature of peer review. Peer review is for self-improvement. Collegial bodies are helping one another to try to enhance better quality.

Now one can question whether or not that has happened at all, but the essence of this peer-review, self-improvement is not to tell the world. It is to quietly work together to figure out how to do things better.

So it is essentially contradictory when you are trying to have a quality assurance accountability regime.

Mr. HINOJOSA. And the President, in your remarks, you said President Obama suggested an alternative accreditation system based on a performance and results to the educators, outside experts, and citizens. Is that realistic? Can that be done?

Ms. NEAL. Well, I certainly think that it underscores the broad-based concern about the current system. Obviously the President does not feel that it is focusing properly on affordability and on performance, and certainly my remarks would second that.

I think the proposal that I set forth which is on financial stability and key data—it is interesting to note that that was supported by a bipartisan group of members of the National Advisory Committee on Institutional Quality and Integrity.

So I think that there is broad-based support across the party line here to do some radical changing of the accreditation system in order to protect the consumer and to keep basically the federal government out of the workings of our colleges and universities.

Mr. HINOJOSA. I yield back.

Chairwoman FOXX. Thank you, Mr. Hinojosa.

A thought that strikes me in terms of your comments about secrecy as someone who has been through accreditation, the thing that hit my brain was that old saying, "a camel is a horse designed by committee."

As I think about accreditation and the pain that most schools go through, I think about that in terms of all the machinations that happen and while you are trying to get some good things out of it, you wind up with a camel instead of a horse.

I don't know if that helps you any or not but I think people that have been through it could identify with that.

I now recognize Mr. Walberg for 5 minutes.

Mr. WALBERG. Thank you, and what does a subcommittee design then? I would ask the—what does a subcommittee design then? I will leave that for later.

Dr. Sibolski, interested in hearing your testimony, and specifically the insight you gave on how schools go about becoming accredited.

As you know tuition prices continue to climb. Students just expect that every year and wonder in amazement how in the world they are going to afford it.

As student tuition dollars fund all types of higher education activities, I am curious as to the actual cost and I go back to what our full committee chairman requested about costs.

When we have schools such as University of Michigan that come upwards of $1 million to go through the accreditation process, it has to have some impact upon our students and students' tuition.

I think you indicated that you don't have a cost figure for what it would cost an institution of higher education to go through the initial accreditation process, am I right?

Ms. SIBOLSKI. That is correct.

Mr. WALBERG. So you wouldn't have any understanding then of what it would take a school to go through reaccreditation either?

Ms. SIBOLSKI. Actually I could answer that, I think. While there are some indications out there of the type that Ms. Neal commented on, there are also some other studies that have been done.

One in particular that I am familiar with is a doctoral dissertation that was done by someone out in California that addressed the cost of reaccreditation, and found through that study that the average price was a good bit lower than what the research universities had indicated in the testimony previously.

Even at that though, I have to admit that what the result was that came out in that study, was that over the course of 7 to 10 years what would be a normal accreditation cycle, the price was still someplace in the neighborhood of $400,000.

So do the math and it is going to be $50,000 or $60,000 a year. That is not inconsequential and we know it, and some of what we try to do is to make sure that an institution is using the process not just to become accredited, but to do something that will be of benefit to the institution, too.

So while we have to do self-studies, we certainly want an institution to look at areas where they believe that they need to make some improvements. Perhaps focusing on planning and budgeting, perhaps focusing on areas like student learning outcomes assessment.

Mr. WALBERG. In your term as president, how many schools have gone through the accreditation process?

Ms. SIBOLSKI. Oh gosh, we do—the Middle States Association has—the Middle States Commission on Higher Education has 532 accredited and candidate institutions and we run on a 10-year cycle.

I have been there about 10 years so we have been through that full cycle and the accreditation actions are taken both at the 5-year period and at the 10-year period. So just double up the number and that is probably a good estimate.

Mr. WALBERG. Okay.

Dr. McComis, I guess I would ask you, I saw you doing some calculating down there. What would be the cost for a school to go through initial accreditation and subsequently reaccreditation?

Mr. MCCOMIS. Congressman, for initial accreditation the average length of time is 2 years. Direct costs to ACCSC as an agency is less than $10,000. It depends on the size of the institution; the larger the institution is, the more on-site evaluators are required for that process.

When I say direct costs I mean the application process, the on-site evaluation processes that go with that, would be less than $10,000.

Mr. WALBERG. So Baker College in my district would go through the process in 2 years, $10,000 cost?

Mr. MCCOMIS. Depending on the size of that organization.

Mr. WALBERG. Okay.

Ms. Neal, you have had some extremely constructive criticisms and that the fact that you indicated that parents mistakenly believe that this is a good seal of approval. Expand a little bit on what you see as changes that can be made in Higher Education Act reauthorization that would make it better for these parents to understand that they are getting the bang for their buck?

Ms. NEAL. Well, as we heard from Kevin we are looking at $150 billion to $175 billion in student financial aid. We are also looking at $1 trillion in default. So this is a major issue for you all and for the American people.

And so I think there is a great concern that we find a quality assurance system that will protect the federal dollar and that will also ensure quality and provide information to families who are seeking to find a college.

And so I think today the system that we have really just doesn't do that. As I indicated, the consumer is provided virtually no information and in fact, I think is often deceived by the so-called good housekeeping seal of approval because it may mask the fact that the institution is graduating very few people and that many of the students have massive debts.

It really doesn't tell the consumer much of anything, and I think what we need to do to protect the federal dollar is to have essentially a guarantee that the institutions which are receiving funds are financially stable and will be able to compensate students and then to also to provide information that will be key indicators of student success at colleges and universities.

And I know when Shirley Tilghman spoke to the National Advisory Committee on Institutional Quality and Integrity talking about issues such as alumni satisfaction, graduation rates, placement rates; these sorts of criteria that will help the consumer to be able to compare and contrast between institutions and to be a set of standard data that could be outlined that would make it much easier for parents to walk with their wallets to a better value and a better institution.

Mr. WALBERG. Thank you.

Chairwoman FOXX. Mrs. Davis, you are recognized for 5 minutes.

Mrs. DAVIS. Thank you Madam Chair.

Thank you all for being here.

I noticed, Dr. McComis, you have actually had a fairly extensive time to look at institutions and the career institutions that you have been involved in, and in fact a number of them you have acted on.

Do you—would you suggest that some of the institutions you look at are more risky and in fact does that indicate why some of those were not accredited? What do you think is going on? How do you compare to other accrediting institutions?

Mr. MCCOMIS. Well, I have been with the agency for 18 years. Over the last 10 years or so just kind of looking at some rough numbers, we have taken, you know, close to 85 actions to revoke accreditation.

I look at that as a part of the accountability process; that institutions change over time, they become different, they grow, they become participants in federal financial aid programs.

And it is an important part of the process to continually look at whether or not that institution meets the best practice standards, give them an opportunity to make those demonstrations, and if they cannot, then the accountability side of the accreditation process must begin to ensue and have action taken.

Mrs. DAVIS. As we look at innovation then, how does that fit in? And especially with MOOCs, what are we doing then to ensure that we are moving forward and providing for that innovation and yet making certain that the cost factor is something that families can handle, that young people can handle?

Mr. MCCOMIS. Well I can speak—my agency has an allowance for consortium and partnerships to be part of the accredited process and part of the program, but the institution still retains responsibility for that.

So with that partner that an institution can work with, they may not be accredited or accreditable as Mr. Carey has pointed out, but it can be part of the program. That institution however still has to retain the responsibility and the accountability for all the elements of the program.

So we have put that in place in order to allow for innovation, to allow for portions of courses to be offered by entities that might not otherwise be accreditable through our normal process.

Mrs. DAVIS. Could the rest of you weigh in on, what should this look like? I mean, as we move forward, where does that fit in?

I think the other issue that is really important is how do we judge outcomes as far as the opportunities for young people to move on into the workforce?

One of the things we know about providing that information, and we talk about that as it relates to the G.I. bill, for example, and what institutions our veterans are going to, the ability to be able to, you know, indicate the chances of getting jobs after they leave a particular institution.

How do you feel that that actually is indicated in the accreditation? Should it be? What kind of data should be handled as we look at that issue as well? Anybody want to—Mr. Carey?

Mr. CAREY. I think, couple of things. There are many opportunities now to gather exactly the kind of information you are talking about. We can calculate for individual programs, many college or university the percentage of people going on to get jobs and how much money they make.

We know from surveys that the vast majority of students go to college for one reason and that is to get a better job. So absolutely, we should create that kind of information. We should provide it to students and parents ahead of time so they can make smart choices.

And I believe that if we are going to approve new models, innovative kinds of approaches to higher education, we should set a higher bar. We should set a very high bar for people who want to do new things and work outside the system and that bar should be defined in terms of student learning outcomes and ultimately whether people are able to get jobs and pay back their loans.

Mrs. DAVIS. Is that for information for people though, or is it part of the accreditation?

Mr. CAREY. I believe it should be both. There were really no minimal standards in the accreditation process in terms of student outcomes. You can be an accredited college and graduate 15 percent of your students every year, and I can point you to examples of colleges where in fact that is the case.

There are no minimum standards in terms of the percent of students who get jobs or whether they can pay their loans back. That is all to the extent that we have such standards those are parts of federal regulation.

So I do think they should be part of accreditation as well.

Mrs. DAVIS. Ms. Neal, did you want to comment? I am sorry.

Ms. NEAL. I wanted to also talk about the innovation question. I mean, the current accreditation process is a decennial, every 10-year process. It is not one that is keeping up with changes, and in fact, as I think we have heard, it inhibits and hurts change in a very rapidly changing higher education landscape.

And as Kevin has indicated, many of the things that we are seeing come on board are the ones that are most likely to provide access and affordability; two things that we want for Americans.

So the current system really can't handle it. How can it be handled? There are certain things out there now which are beginning to address this, for instance, ACE now does an approval process for individual courses so it is possible for them to obtain credit.

And again, this is a very interesting area because transfer of credit is also a very costly issue and it is one that is not well handled by accreditation. It keys into issues of articulation agreements and one of the questions that ACTA and Kevin and others have raised is the privileging by accrediting organizations of their own accredited institutions in the matter of transfer so that often it may even be difficult to transfer a SACS credit to another one because two different accrediting agencies have accredited.

This obviously is not a good situation and we have in fact asked the Department of Education and Secretary Duncan to report to us on what the costs of this transfer difficulty are causing for students.

Chairwoman FOXX. Ms. Neal, I am sorry. We are going over considerably, and I am trying to be fair to everybody.

Mr. Guthrie, you are recognized for 5 minutes.

Mr. GUTHRIE. Thank you, Madam Chairman. I appreciate that very much.

And actually, what Ms. Neal did lead into the question I was going to ask, the first question I was going to ask any way and Dr. Sibolski, in your written testimony you talked about—and what we have heard a lot is that the accreditation process stifles innovation.

We have heard that and we have also heard that it is very expensive and so—but in your written testimony you said that accreditation agencies are reforming their processes to adapt to innovations within higher education, to be more compliant with innovation and try to make it cheaper.

So what have your colleagues done to make the process of accreditation easier or cheaper or to react to more—be more reactive to innovation for institutions?

Ms. SIBOLSKI. I think two different areas that you are actually asking about right there. So let me take innovation first.

We certainly are as outlined in my testimony, trying to deal with—in the most direct instance right now, competency-based education, and an awful lot of what is out there right now is going—seems to be going in that direction where seat time is not what we really would be measuring, but certainly we want to look at skills, abilities, and so on as students move through a program.

The current rules that we operate under do not allow us to work with competency-based education, so we have to, sort of, morph that into something that is acceptable through the financial aid programs and that is through direct assessment programs.

So, right to begin with, we have a little bit of confusion with our institutions about—so what is it that they are really asking about and how do we try to work with this.

We are dealing with that right now, and with the Middle States Commission we have several institutions that have done wonderful programs in competency-based education that have been accredited actually by disciplinary accreditors but are not eligible for Title IV programs. We are trying to fix that.

So that speaks to the innovation area. In terms of trying to change our processes, we are aware of the cost. We are aware of the need to try to pare this down, and I think the question becomes how do you do that and still address some of the questions that were towards the end of my oral testimony—how do you make sure that you are doing a thorough job of doing the accreditation activity and still make sure that it is cost effective and timely. That is a tough thing to try to negotiate.

But again, we do some processes that allow institutions that are in good stead with us to actually move into a kind of accreditation that allows smaller teams to visit, that allows——

Mr. GUTHRIE. I have only got so much time and I want to ask one more question so I——

Ms. SIBOLSKI. All right.

Mr. GUTHRIE [continuing]. And I appreciate that very much. I appreciate what—but, Mr. Carey, you were talking about—I understand if a Nobel Prize winner in physics wants to teach a physics course, I would love for my kid to be able to go take that course whether it's on-line or whatever.

But when we are dealing with federal tax dollars and—how do you know you get what you pay for—and I would guarantee you if we would say you can follow whatever course you take your money can follow you, there will be a lot of people popping up teaching courses.

And it is easy to bring up the example of Nobel Prize winner because that is self-evident, that is somebody that can teach a course or at least have something to learn from, but how would you police what I would guess would be somebody popping up on every corner trying to teach a course if the money followed that.

Mr. CAREY. I would say that anybody who wanted to get approval under such an alternate system would have to guarantee three things.

One, very explicit statement exactly what was being taught and what students were expected to learn.

Two, what is the process by which learning results are going to be evaluated.

And three, what are those learning results reported to the public on a real-time basis so anybody whether it be a lawmaker, a regulatory body, a state legislator, a parent, or a student can see exactly what is going on.

Those are three standards that we do not apply currently to accredited colleges and universities. You can't even tell what the syllabus is for a lot of classes unless you email the professor and ask and it is up to him or her to give it to you.

So I think by setting a high bar of at the minimum transparency for what is being taught, how it will be assessed, and what the results are, we are actually setting a much higher standard than we currently have.

Mr. GUTHRIE. Would you argue that that if you go to an accredited university—each course should be accredited? Is that what you are—not accredited like in the traditional way, but the way you are suggesting?

Mr. CAREY. I think that we should for the new system if people just want to sell one fantastic course and do nothing else but specialize because I think that is where a lot of innovation and competition happens in market places; if people who specialize compete with large organizations, then yes——

Mr. GUTHRIE. It would be somebody outside of a traditional university or college. This would be—you would still have an accredited university that you go to or you could do these alternative—you would have an alternative accreditation for alternative courses?

Mr. CAREY. Yes, that is correct.

Mr. GUTHRIE. I am out of time so I yield back, Madam Chairwoman. Thank you.

Chairwoman FOXX. Thank you, Mr. Guthrie.

Mr. Tierney, you are recognized for 5 minutes.

Mr. TIERNEY. Thank you.

And thank the witnesses for the testimony.

Dr. McComis, I am going to ask you this question. I think I am asking the right person. How is it possible that for so many for-profit private institutions who have such an incredibly high default rate on their student loans is such a—and very poor graduation rate factor remain in the good graces of the accreditors and get accreditation to begin with and keep it?

Mr. MCCOMIS. Well, certainly many national accreditors look at program level outcomes or institutional level outcomes. That is a primary factor that is reviewed. As part of the Higher Education Act and regulations that ensued from that, there are requirements for accreditors to look at cohort default rates and to evaluate the extent to which institutions encourage students to pay those loans back.

And my agency for example does a number of things to monitor on an annual basis those——

Mr. TIERNEY. I guess—I hear what you are saying but can you answer the question? How is it that they continually have these high default rates and low graduation rates, but keep getting accreditation and retaining it?

Mr. MCCOMIS. Well, the graduation——

Mr. TIERNEY. Who is not doing their job?

Mr. MCCOMIS. I am sorry?

Mr. TIERNEY. Who is not doing their job in the accreditation area?

Mr. MCCOMIS. The benchmark by which cohort default rates—and this is why the triad is so important as a measure for the Department of Education to look at and to make a determination as to whether or not——

Mr. TIERNEY. Then you are saying that you don't do that; that is the department's job?

Mr. MCCOMIS. We don't set particular rate numbers to evaluate the effectiveness of the program for cohort default rates.

Mr. TIERNEY. Right. You could, but you don't. All right.

Ms. Neal, I am all for transparency. I think that is an excellent thing only I just talked about one example where it doesn't quite work no matter how transparent we are in making sure that people know about the high default rates and low graduation rates, people keep flocking to a lot of these private for-profit schools and ending up with a lot of debt and no certificate or no graduation diploma.

So do you agree there has to be something more than just information because I don't think there is any evidence so far that indicates that all the information that they have—and we put a lot of transparency in the last higher ed bill, but unfortunately, we don't see that that is driving a lot of consumer decisions?

People are still sending their kids to very expensive institutions and not having the costs held down.

Ms. NEAL. Two things. I think that clearly we have seen abuses and problems in the for-profit sector, but I think it is also fair to say that we are finding the same kinds of problems in terms of low graduation rates and defaults in the nonprofit sector——

Mr. TIERNEY. To a much different degree.

Ms. NEAL [continuing]. So I think we have to be fair across the sectors here because we have got failure everywhere.

Mr. TIERNEY. So my question is, though—I agree that there is failure everywhere, but it is exponentially higher in the for-profits on the private schools on that, but on just transparency, if we relied just on transparency, I don't think there is any evidence that shows us that it is going to be the answer.

Ms. NEAL. It is always true to say that a consumer may pick a bad place and it may not be the best one, but it gives——

Mr. TIERNEY. Well, but we are the federal government giving money—we have got a responsibility to be accountable so we don't want——

Ms. NEAL. Well absolutely, which is why I think coming up with a system that provides key data that admittedly our imperfect proxy for quality but will provide a consumer with some sense of graduation rates——

Mr. TIERNEY. How are you going to get—I hear all that. And I don't mean to argue with you, I just got limited time. Great. You have all this information. You have all the data. You throw it all out there, who is to say the consumer is going to use it properly or use it at all? There are a lot of people expecting to send their kids to a——

Ms. NEAL. I trust individuals to make good decisions for themselves and I think——

Mr. TIERNEY. Okay, despite the lack of evidence that that is going to happen.

Mr. Carey, who is going to set the standards in your system?

Mr. CAREY. So I—one way in which I may differ from Ms. Neal is I do think that there needs to be a regulatory function. I know that this is always a tricky conversation to have about creating new federal regulatory power, but when we are dispersing again $150 billion a year into the system, that is where we are.

I think that—but I don't think that the setting of the standards needs to come from accreditors necessarily. One could imagine for example groups of scholars; one could imagine industry groups contributing to the process——

Mr. TIERNEY. But we are still in the imagination stage in this. We haven't firmed up an idea of who this is going to be.

Mr. CAREY. Right.

Mr. TIERNEY. So we are a long way from that on that basis. I was just trying to find out how much developed we had this idea and I just note that, you know, having somebody have a Ph.D. in physics putting an online course out in physics doesn't mean they can teach anybody. I mean, we have all seen some pretty boring and noncommunicative Ph.D.s out there so I think it has got to be something beyond that on that basis and I guess we are still looking to find out who set the standards and to make——

Mr. CAREY. I agree.

Mr. TIERNEY. All right.

Thank you. I yield back.

Chairwoman FOXX. Thank you, Mr. Tierney.

Mr. Hudson, you are recognized for 5 minutes.

Mr. HUDSON. Thank you, Madam Chairman.

I thank the witnesses for being here today. I actually have a chart I want to put up if the staff could throw that up.

This is a—it is a little difficult to see but this is a chart that was given to me from a community college president in my district that outlines the process of accreditation that he goes through when accrediting the college.

I will just highlight a few things here. It is a little difficult to see, but he begins the process and starts to organize January 2011 and then goes through each step of this process all the way up to the end with the board action June 2014.

So we are looking at a 3.5 year process. This is for a tiny rural community college in a rural and disadvantaged community in my district.

Obviously I am—I recognize the key role that community colleges play particularly in areas like North Carolina that I represent. I am a former trustee of a community college. The community college—we have excellent colleges in North Carolina that play a critical role in job retraining and helping create jobs in our communities.

And—but what I am hearing from many of the college presidents is that compliance with the accreditation process is taking 3 to 4 years. It is extremely burdensome.

In this college example, their compliance report was 371 pages plus thousands of pages of electronically-linked supporting documentary evidence.

The college president said that he is having to take personnel away from the classroom to help prepare these reports. It is an incredibly onerous process for the colleges.

I guess addressed to Dr. McComis, you have heard Ms. Neal's model for an alternative to accreditation. I would just like to offer you an opportunity to maybe respond to this process.

Is there a way that we can do this that isn't so burdensome, that doesn't take so much time for the college, so much cost for the college, pulling people out of the classroom? How would you respond to this?

Mr. MCCOMIS. Well, certainly the accreditation process is one that requires institutions to go through a process of self-evaluation to demonstrate to their accreditor that they are meeting those best practice standards, and yes, that takes evaluative time and it takes effort and it takes thinking on part of administrators and faculties to come together in a partnership and in a group to make those kinds of assertions for themselves to make that demonstration to the accreditors that is there to look at the quality assessment paradigm that they are meeting those best practice standards. That is part of the gatekeeping function. That is why the federal government relies upon accreditation to do that.

Now, for national accreditors, the institutions tend to be smaller and the time periods tend to be less and the costs tend to be less than a much larger research institution or college or university for the regionals.

The average length of time for an institution to go through a renewal process with my agency is just over a year. Cost again is about—direct cost is about $10,000.

So——

Mr. HUDSON. With all due respect, that is different from what I am hearing.

Mr. MCCOMIS. Well, again, the institutions tend to be smaller——

Mr. HUDSON. Well this is a small community college, I promise you, in a rural community in North Carolina. This is not a major institution. Sorry for interrupting, but——

Mr. McCOMIS. No—so again for an institution accredited by my agency again it takes about again for the renewal a little over a year and a direct cost to my organization of about $10,000.

But the process is what is important and what Ms. Neal is describing is one that takes away that assessment of all of those input standards, all of those best practices.

Governance functions already exist and they aren't producing the quality either, so to take away the regulatory component or the oversight component of accreditation seems counterintuitive to me.

We—there is no evidence that governance alone or the institutions alone are going to be able to produce any more quality or meet any more expectations than what accreditation has attempted to produce.

Mr. HUDSON. Thank you for your answer.

And Ms. Neal, with the rest of my time, would you like to respond to that? I mean, I find your model interesting. I certainly think the current model is too burdensome for our colleges. We need to move toward something else. Maybe if you could respond to what the doctor was saying.

Ms. NEAL. I just wanted to concur that the cost really is not being matched by the benefits. I think for institutions such as the one in your district, and already college costs are too high, so I think we really in an effort to protect the federal dollar and to protect the consumer we have to find a way that will be simple, understandable, not costly, and I think that is why this alternative prescription which does keep a regulatory role of the Department of Education that is ensuring financial stability, I think there is a list that comes out regularly about institutions that may or may not meet the asset test that is required and it is not even clear to me that even when those schools are on that asset test that they are closed down.

So I think we would demand that the Department of Education be more punctilious in applying financial stability and that would be its regulatory role, and then we would fall back on consumer information as an additional component.

Mr. HUDSON. What—well, my time is expired. I will see if we have another round, but thank you, Madam Chair.

Chairwoman FOXX. Thank you.

Ms. Bonamici, you are recognized for 5 minutes.

Ms. BONAMICI. Thank you very much, Chairwoman Foxx.

And thank you all for this fascinating discussion. I don't think there is any question here that all of us are committed to find ways to improve not only accessibility in terms of cost but also quality and this is an important discussion in that regard.

Ms. Neal, in your testimony you cite "Academically Adrift" and you talk about the troubling academic decline and how the quality of higher education is inadequate; you call it a national crisis—that is pretty alarming.

And Mr. Carey, you sound to some similar alarms with—you say academic standards are in decline and I was especially interested in the—and the significant decrease in the number of hours that students study—pretty alarming.

But I wonder if we could talk a little bit about how much of that really has to do with accreditation. It sounds pretty clear that there are some changes that need to be made in the accreditation system. No question, but how much of that change is actually going to solve what you have identified as this national crisis?

If we fix the accreditation system, we still haven't fixed the funding cuts. We still haven't fixed the problem of a whole generation of students who have gone through K-12 education with a limited curriculum narrowed; they are missing arts and music and classes that lead to critical thinking. So if we fix accreditation, could you opine about how much we have actually made a dent in what you have identified are the challenges?

Mr. CAREY. Well I certainly wouldn't suggest that fixing accreditation will solve all of those problems, but I do think accreditation plays a key role. We know that the long-term trends in higher education as you said declining academic standards, prices going up and up and up, and it is not that the people—it is not that the accreditors are indifferent to those problems, it is just that as the system is built, they don't really have any power to solve them.

So in addition to solving the finance problems in the preparation of students in our K-12 schools and a host of other issues, we need a quality control infrastructure that encourages—that is such high academic standards and encourages competition in the marketplace from colleges or other kinds of organizations that can prove that the quality of their academic offerings are very high and at a high value for students, and we don't have that now.

Ms. BONAMICI. I understand what you are saying, but is there any indication that if we had some sort of solution to accreditation—I know it is costly, it takes a long time—I assume for the purposes of this question that that is done, is there any indication that that is going to change the challenges of the students who study fewer hours or aren't graduating? Is that really going to solve the issue or is it just a piece of the puzzle?

Ms. NEAL. Well, we certainly—if we relieve our institutions of what one person has described as a bureaucrat's dream and a thinking person's nightmare, the accreditation system, I think we will give just the opportunity costs that are lost in processing this paper in a system that really has not guaranteed quality control, I think will help these institutions to focus more closely on academic quality.

I mean effectively today, institutions are competing on their climbing walls and things that do not relate to education and the accreditation process has certainly done nothing to turn that attention away.

So I do believe that eliminating a process and that is costly, time-consuming, and secretive, and allowing then institutions to focus their energies on what we truly need—student learning and value added at our institutions—then yes, we will advance the cause of higher quality.

Ms. BONAMICI. And this may be a tough question to answer because of the link between the financial aid and accreditation, but has anybody ever studied whether students and families actually look for accreditation? They have to if they are getting financial aid, but is it something that is important to them or are they looking for the good climbing wall?

Ms. NEAL. Again, I think that there is this general perception by families to the extent that they think about it at all is that if they see it they think, ah, Good Housekeeping seal of approval, but in fact, that is not and so I think it is deceiving parents to the extent that they think about it.

And of course, obviously, if they want to take federal dollars, they have to go to an accredited institution. So subliminally at least, they are thinking about it.

Ms. BONAMICI. All right. In my remaining time, I know Ms. Neal you mentioned the accreditation started we are concerned about diploma mills and I share Mr. Tierney's concerns about these for-profit colleges with low graduation rates, are you convinced that we can devise and accreditation system that still protects students and families?

Ms. NEAL. I think on the issue of diploma mills, frankly accrediting bodies have not been good in addressing that. I think if we look to the triad, if we look to the states, the consumer protection and the attorney generals in the states have been fairly effective in dealing with diploma mills and consumer fraud. And I think we have to remember that the states play a significant role in helping to ensure quality in this regard.

Ms. BONAMICI. My time has expired. Thank you, Madam Chairwoman.

Chairwoman FOXX. Ms. Bonamici, I really appreciate your honing in on the things you honed in on. I think what we are not talking about today but that you are skirting around in your questions is we haven't decided in this country what the mission of higher education is, I think and that sort of is the nub of the issue I think you are getting at.

Mrs. Brooks, you are recognized for 5 minutes.

Mrs. BROOKS. Thank you, Madam Chairman.

And thank you to the panel for being here. I too have come from a community college where prior to serving I was a senior vice president and general counsel for Ivy Tech Community College, and so my questions are going to be a bit on the credit hour issues, the transfer of credits, and then the competency-based education which I am looking and hoping that we are moving toward in some manner.

And Dr. McComis, you mentioned in your testimony that that credit hour regulation is one example of federal regulations that inhibit innovation in higher ed, and as we are getting ready to go through the reauthorization of the Higher Ed Act, can you please share with us any other regulations or any other examples of things we might need to be looking at very specifically that are preventing that innovation?

We also have while I was at Ivy Tech, Western Governors University was started in Indiana and I think our you know, more traditional schools are very leery of things like Western—WGU and—but it is providing an incredible opportunity for a lot of adults to get their degrees, and I am just curious, what are some of the things we should be thinking about with respect to accreditation and innovation?

Mr. MCCOMIS. Well, on the specific issue of the credit hour and direct assessments which is the term that is used in the current regulations, relieving the tension that exists between those two different things and within the regulatory framework and through the Higher Education Act.

So making clear that institutions and accreditors can look for and should look for those innovative designs and to use the tools that already exist and enhance those as I described before, there are allowances for consortium and partnership, written agreements between non-accreditable and accreditable institutions through the regulatory framework. And I would enhance those and look at ways to broaden and embrace that.

But again, always keep the accountability with the institution because that really is where the locus of that control and locus of responsibility should retain.

Mrs. BROOKS. Ms. Neal, I am curious where your thoughts are with respect to the competency-based education and with technology having, you know, moving at such an incredible pace, where does our—where should we be looking at that with respect to the reauthorization of Higher Education Act?

Ms. NEAL. Well again, I think we really want to welcome these new delivery models which provide greater access and are much more affordable than most of the traditional modes of delivery that the current accreditation system deals with.

So I think as we look to reauthorization, obviously a system should be put in place that welcomes and is receptive to these new methods.

I think our current system quite frankly privileges reputation because it really doesn't provide any information as to value, and I think the lack of consumer information makes the focus on climbing walls or other things because it is so hard to find out, is the school actually adding value.

So I think there are many hidden gems out there, for example, the School of Liberal Arts College in Oklahoma, which for less than $10,000 is providing a rigorous core curriculum, but how do parents find out about it? Under the current system of accreditation, they would never know.

Mrs. BROOKS. I have one other question with respect to transfer of credits, and I am curious in the accreditation process when a community college system specifically encounters many obstacles in transfer, how is that taken into account during the accreditation process?

So for instance, a 4-year, your traditional 4-year academic institution often will deny community college programs different transfers of credit and how is that being dealt with in your institutions?

Mr. MCCOMIS. So as I mentioned in my written testimony, I think that it is important for accreditors to have standards that say that institutions cannot deny credit along those—and they should take—go through the process of making a determination about the transferability of those.

And there have been, through the accreditation community, written statements and agreements that accreditation that should not be the sole reason why credits are denied.

It is not accreditation that causes the denial, it is the decisions that are made by institutions and I believe that that is why standards are so important to say to institutions, you cannot deny transfer of credit based upon something as simple as that other agency or where it came from or the type of school.

Every student should have the opportunity to demonstrate that their English 101 or whichever course it is, is equivalent to and institutions should respect that and go through that process.

Mrs. BROOKS. Thank you, and I agree.

And I yield back. Thank you.

Chairwoman FOXX. Thank you very much.

I have a couple of questions and then we'll be wrapping up.

Ms. Sibolski, I wonder—in your written testimony you talk about how credit hour and state authorization regulations have created significant burdens for institutions and accreditors. My colleagues and I have been concerned about these regulations as well.

In fact, the implementation of this state authorization regulation has been delayed, somewhat, yet again because of opposition from Congress, states, and colleges and universities.

Can you discuss why these regulations are burdensome to accreditors and institutions?

Ms. SIBOLSKI. Sure. Let me first of all talk about the state authorization issue. There is an awful lot of confusion out there and although I think there have been some Dear Colleague Letters that have been published about this, is it enough? Clearly it is not. The kind of questions that we are getting from our institutions indicate to us that they don't know what they are supposed to do and when they are supposed to do it.

That is a terrible situation for an institution to be in, and although it is a problem across the country, we know that it is specifically a problem in California.

And although I can't comment directly on that, it is not my region, I would just simply note that that is the case. So if we are going to add regulations to institutions, we have certainly got to give them the tools to understand what it is that they are being asked to respond to and give them appropriate time to do that.

I think that has not happened in this case. And so in addition to that, the credit hour rules are a problem for us because of the volume of what we are now having to look at for institutions.

Should we be looking and have we been looking in the past that things like the regulations that institutions use to define academic quality? Yes. In this case, we are looking at policies on credit hours.

We should be looking at that level but then to ask something like a large research university, to go through a sample of all of its courses that we are selecting in order to review specifics in each course represents a level of attention to detail that we have not been at before, and if that is where we need to go, then we need to get common understanding about it.

Chairwoman FOXX. Would you say that level of detail is another phrase for intrusion?

Ms. SIBOLSKI. Yes, I would.

Chairwoman FOXX. Thank you. I know I don't have a whole lot of time, so I am going to ask you and Dr. McComis to respond to this next question as quickly as you can.

Could you compare and contrast the accreditation processes in turn—and emphasis that you have on inputs versus outputs? This is a great concern to me and others.

Ms. SIBOLSKI. Just very quickly, when I joined the accrediting commission some 10 years ago, we were looking much more at inputs. The focus of our standards on student learning outcomes are really now on what are the skills, abilities, and knowledge that a student graduates with. As so we really are focusing on the outputs.

It is still a struggle to work with our institutions to get there, but we are all of us working on it.

Chairwoman FOXX. Dr. McComis?

Mr. MCCOMIS. It is a balance that needs to be achieved between those two and one informs and drives the other. So to rely solely on outcome standards would prevent the rich evaluation that an institution goes through the review of its own inputs and evaluative process.

But having said that, the reliance upon at the end of the day, what were the objectives of the institution? What was the student to know through going through that program? Did they learn those things? And can we measure that learning?

What are the rates of graduation? And at institutions like those that my agency accredits, how many of those folks got jobs at the end?

Chairwoman FOXX. Well, thank you all very, very much for being here today. I am going to make a few closing comments, and I want to go back to what I think Ms. Bonamici was getting at about looking at the mission of higher education.

I do think that that is something that we are not agreed upon in this country at all and haven't perhaps ever been agreed upon on it.

I want to in a way, apologize to Ms. Neal for having to cut her off because it really pains me to do that for any of you because all of you have brought great information to us today.

I think in many ways that these hearings are an archaic way of doing business. I have felt that since we got here. We talk about the need for innovation and the need to use technology, and yet here we are in Congress, not being very good role models in terms of how we get out information.

But I frankly haven't found a better model, but I think we do get sometimes some very revealing information and sometimes stunning things. I think the comment about there being no minimal standards for outcomes in accreditation really struck me, Mr. Carey, and I appreciate your bringing that up because I do think that is something that the American people don't understand and Ms. Neal, brought it up in her comments, her good way of looking at that that people think accreditation is the Good Housekeeping seal of approval and yet we really don't know what that means.

Parents and students, Mr. Tierney wants to know is can we get consumers to use information. Well, they are not getting very good information and if that is all they know.

I am concerned about Mr. Tierney's comments about the high default rates and low graduation rates only in the for-profit sector. If you look at the high default rates and low graduation rates as you said, Ms. Neal, and I appreciate your saying that, it exists across the sectors.

There are certainly plenty of nonprofits that have those same characteristics. So I think it is an issue we have to deal with in all of higher education.

We haven't even touched the issue of disciplinary accreditors and as I was going over the material last night in preparation for this today, I thought, oh my goodness, we are not talking about the American Bar Association, we are not talking about business schools being accredited and what they go through, nursing schools, schools of education.

I mean, we—this is only the tip of the iceberg that we are talking about because practically every discipline has their own accreditation process and they are very, very expensive and they are very, very time-consuming.

So again, we are not very good at innovating here ourselves, but I do think we are stifling innovation in higher education with our accreditation process.

Those who are in are in great shape in most cases, but those who are trying to get in the system have a much higher bar to jump over it seems to me than those who are already in and that is not fair, and my colleagues all the time are talking about fairness and that is something that hardly ever comes up.

So I want to say thank you again very much for stimulating some thought and some good conversations here. I think all of you have brought a lot of good information to us today.

We haven't answered all the questions that people have, I think, but that is good. In education, what we should be doing is stimulating thinking. That is not what is always happening in our institutions of higher education, but I hope it is happening with hearings like this.

And so I want to thank you all again for taking the time to do this, and I want to thank the staff, too, because I think the staff does a wonderful idea—wonderful job of bringing in people who can help inform us.

We are all torn six ways from thunder and don't have the time to do all of the reading we need to do and the educating of ourselves and the staff points us gently in the right direction a lot of times in ways that we wouldn't go ourselves. So, thank you all very much.

There being no further business, the subcommittee stands adjourned.

[Whereupon, at 11:36 a.m., the subcommittee was adjourned.]

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