



**ACCREDITING
COMMISSION
for COMMUNITY and
JUNIOR COLLEGES**

10 COMMERCIAL BOULEVARD
SUITE 204
NOVATO, CA 94949
TELEPHONE: (415) 506-0234
FAX: (415) 506-0238
[E-MAIL: accjc@accjc.org](mailto:accjc@accjc.org)
www.accjc.org

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University of Hawai'i

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Date: November 17, 2011

Memo to: Chancellors, Presidents, Accreditation Liaison Officers, Chief Instructional Officers, and Academic Senate Leaders

From: Barbara Beno, President *Barbara A Beno*

Subject: Draft Report on the Future of Accreditation by NACIQI

The National Advisory Committee on Institutional Quality and Improvement (NACIQI), the body that recognizes accreditors, has drafted a paper to provide guidance to Secretary of Education Duncan as he prepares Department of Education recommendations to Congress for the next Reauthorization of Higher Education. The draft paper will be discussed by NACIQI at its public meeting on December 1-16, 2011, in Arlington, Virginia. At that time, NACIQI will determine which of the many options represented in this draft paper it will move forward as recommendations to Secretary Duncan.

In 2008, NACIQI sought and obtained authority from the Secretary of Education to develop policy suggestions. NACIQI was disbanded in December 2008, and re-constituted in late 2010. It began work on draft recommendations in February 2011. The variety of ideas in this paper, some conflicting and some rather unformed, represents the diverse opinions of the membership of NACIQI. The Committee has asked for comment on its ideas by November 25, 2011. Institutions wishing to respond may write to NACIQI as follows:

Submission of Written Comments Concerning the Committee's Draft Report on the Reauthorization of the HEA: Submitters should provide written comments as a Microsoft Word document that is attached to an electronic mail message (email) or provide comments in the body of an email message. Email messages must be received no later than November 25, 2011, to aslrecordsmanager@ed.gov with the subject line "Written Comments regarding the draft report on the reauthorization of the HEA: Option Letter and/or Number."

Attachment

NACIQI Discussion Draft:

Higher Education Accreditation Reauthorization Policy Considerations

October 18, 2011

Background

In September 2010, the National Advisory Committee on Institutional Quality and Integrity (NACIQI) received a broad charge to provide advice to the Secretary of Education on the reauthorization of the Higher Education Act. NACIQI responded to this charge by undertaking a broad dialogue about what is working (and not working) in the current system of recognition, accreditation, and student aid eligibility.

In framing the issues for this dialogue, it was noted that the current system of recognition, accreditation, and student aid eligibility draws on a variety of players, definitions, and processes, which, in turn, pose a number of tensions, points of confusion, and areas of overlap. There are many actors: federal, state, professional/trade/membership organizations, and the public—all of whom play varying roles and have varying interests. There are commonalities and divergences among notions of “quality assurance,” “continuous improvement,” and “compliance.” There is confusion and incomplete overlap about compliance with regulation versus accreditation via peer review. And there is tension between notions of gate-keeping for student aid eligibility and notions of accreditation as a broader quality improvement and assurance process.

NACIQI considered a diverse range of topics in its deliberations and benefited from comments from federal and state actors, from accreditors, from beneficiaries of quality in higher education, and from accredited institutions, including perspectives from experts in education, policy, business, government, and beyond. Members agreed to focus on three main areas – the triad of actors in educational quality assurance; the scope, alignment, and accountability of accreditation activity; and regulatory burden and data needs. Following due consideration – including two public hearings, written comment, and extensive discussion -- this document provides a series of considerations to include in the NACIQI response to the Secretary’s invitation.

Observations and Considerations

The observations and recommended considerations outlined below fall in two sections. In the first are options related to the linkage between accreditation and Title IV fund eligibility. In the second section, a number of observations and options for consideration are provided should the course of action include retaining the role of accreditation agencies in Title IV eligibility.

NACIQI welcomes contributions to this process, and invites comment on the options addressed in each section as well as alternate suggestions to assist the committee in developing its recommendations to the Secretary. Commenters are encouraged to be specific about the results and consequences they envision in the event options described in the report were to be implemented.

Section I

The linkage of accreditation and eligibility for Title IV funds

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

A critical issue concerns the extent to which accreditation serves, and should continue to serve, a gatekeeping function for the determination of eligibility of federal Title IV funds. Deliberations on this issue suggest a range of views, outlined here.

OPTION TO CONSIDER "A:"

In service of the *retention of accreditation in the institutional eligibility process*, arguments focus on the determination of educational quality, the role of the federal government in educational determination, and matters of accountability. From this view, the accreditation system serves as a critical element in providing information about academic quality to satisfy the federal interest in assuring the appropriate use of federal funds. While this service may not have been envisioned at the origin of accrediting agencies, it nonetheless provides a valuable function in this process, and is uniquely appropriate for that function. Further, it is contended that the engagement of accreditation in the federal determination process enhances public accountability.

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

In this view, the point is also made that accreditors are the most experienced source of information about academic quality and should continue to play that part in the quality portion of the determination of eligibility. That is, while something as concrete and discrete as federal financial aid can be competently handled by rules-oriented staff, compliance with

academic regulations, standards, and expectations requires the involvement of academic specialists, who will be motivated to apply broad general understandings to local conditions. As a corollary, it is noted that accreditation attracts and deploys extraordinary academic talent in the service of quality assurance, and it is claimed that it does so in a cost-effective manner.

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

Additionally, sustaining a role of accreditation in the balancing of interests of the federal government, the states, the institutions, and the public, the accreditation system is one that does not subject institutions of higher education to rapid changes in how they will be judged for purposes of accreditation (and therefore federal financial aid). This can be contrasted with experiences of universities in several European countries when the government changes the rules precipitously and there is no independent “buffer body” to help absorb the shock and help ensure that changes are both real and appropriately incremental.

While opposing views may argue that accreditation has not been sufficiently publicly accountable, it can be argued that, as a function of its engagement in the federal aid eligibility process, government regulation has moved the accreditation system in the direction of accountability. Among the requirements pertinent here the requirement that a portion of accreditation commissioners be members of the public, and the requirement that accreditors have special processes to look after branch campuses and distance education.

OPTION TO CONSIDER “B:”

In service of the *separation of accreditation from the federal aid eligibility process*, it is argued that one of the strengths of American higher education is that it has, for centuries, been free from federal oversight or intrusion. In this view, the responsibility for institutional quality and self-improvement should rest exclusively with the institutions and/or the accrediting bodies; the federal government should not be in the business of engaging in the institutional self-improvement enterprise.

The inclusion of accreditation in the determination of eligibility for Title IV funds, however, introduces a federal interest in the accreditation standards and processes. With a federal

interest in accreditation standards and processes comes an array of consequences that are neither appropriate nor desirable. Among these is the undesired intrusion of the federal government into matters more appropriately assigned to institutions, their own governing bodies, and their academic peers. Also among the consequences is an assignment to an academic peer review enterprise a policing function that it may be neither willing, nor fully competent, to undertake.

Perhaps as a result of introduction of federal interest in the accreditation processes, the accreditors themselves find their standards, criteria, and requirements being shaped by a federal agenda quite apart from the traditions and interests of the voluntary peer review of an academic enterprise. Similarly, the institutions under review find themselves scrutinized in ways that may have questionable validity or relevance to their mission. Accreditors, institutions, and consumers find it difficult to comprehend what may be inconsistent decisions made by the myriad of accrediting bodies. Further, it is contended that those decisions have not been as effective as necessary in targeting poorly performing institutions and programs.

In this perspective, it can be argued that the federal interest in the appropriate use of Title IV funds can and should be much more limited in its focus. From some points of view, the federal interest can and should be satisfied by proof of financial integrity—an analysis that would be quite apart from the activities of accreditation. From other points of view, it is suggested that financial integrity information, alone, is insufficient to serve the federal interest, and that some baseline standards set by Congress could serve as a reasonable and minimal proxy for quality and accompany financial integrity information. (It is noted here that there are many suggestions about what the minimal proxy might be, and how the standards might be defined.)

Finally, there is also concern that the federal government has uniquely outsourced its responsibilities for \$175 billion annually in student aid to private entities. Further of concern is that these entities are controlled by the very institutions that benefit from the Federal funding, creating a potential conflict of interest in the determination process.

OPTION TO CONSIDER “C:”

In service of a modification of the linkage between accreditation and institutional eligibility, an argument might be made to create a hybrid system in which accreditation review and baseline financial integrity were deployed albeit in different ways. While very preliminary in consideration, such a system might proceed in a stepwise fashion, beginning with federal review of compliance with baseline federal financial responsibility and performance measures. Once institutions passed this review, eligibility to participate in the Title IV programs could be attained by either satisfying specified heightened federal quantitative

performance criteria or securing accreditation from an approved accrediting entity. Key questions about such an approach might include: “What would constitute relevant ‘heightened’ performance criteria?” “Under what conditions might an institution be allowed to make such an election (e.g., Available only to institutions or programs of certain types? Available to institutions or programs that had demonstrated successful performance for a specified duration?)” and “How would the federal government set the performance measures that would establish sufficient indicia of educational success that an institution or program would not be required to secure accreditation?”

Section II

Observations and options if aid eligibility remains linked to accreditation

In this section, a number of observations and options for consideration are provided should the course of action include retaining the role of accreditation agencies in Title IV eligibility. These begin with an analysis of the context of the triad of actors involved in quality assurance, offers some perspective on the roles, functions, and opportunities for change for each, examines the essential data by which quality is determined, and closes with suggestions about the role of NACIQI itself.

The “Triad” of actors in educational quality assurance

With three main actors (federal, state, and accreditor) in the quality assurance enterprise, the responsibilities of the members of this triad are not fully clear. There appear to be both overlaps in responsibilities and gaps where necessary responsibilities are not fully covered.

Option to consider “1:” Clarify and articulate common understandings about the responsibilities of each member of the triad.

Option to consider “2:” Coordinated/increased communication among actors would serve to achieve greater commonality across the quality assurance/eligibility enterprise. Increased communication among the members of the triad may benefit identifying common concerns and shareable data.

Option to consider “3:” Assign the financial issues—compliance, stability, viability, and so forth—exclusively to the federal level, reducing that burden on accreditors. Promote the state’s engagement with consumer protection and investigation, whether within or outside the processes of accreditation—and decrease the evaluation of program quality. Focus accreditor activity on program quality improvement. In short, reduce overlap, increase specialization.

The federal interest in quality assurance

The federal interest in accreditation includes the assurance that taxpayer funds are used in accordance with the principle that a well-educated citizenry promotes individual and community well-being, economic competitiveness and workforce development, and civic participation. In this vein, it is of keen federal interest to insure that funds are only used for those educational activities that address these goals in an adequate manner. Thus, the federal interest is not satisfied by consideration of financial stability/compliance data alone but must include both financial and quality assurance standards.

The federal interest may also include consumer protection and assisting consumers in making post-secondary education choices.

The federal interest may also include promoting the improvement of education and the institutions that provide it.

In seeking to advance these interests, the federal member of the triad might serve in a manner that sets standards and expectations for some elements, but also in a manner that convenes and promotes communication and collaboration across the triad.

The state role in quality assurance

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

Option to consider “4:” Determine those mechanisms that best insure that critical quality assurance/eligibility expectations are met across institutions and agencies nationwide.

Note that this might entail setting a clear expectation concerning state participation, or, alternatively, strengthening the federal-accreditor dyad to ensure consistent and coherent application of critical standards

Option to consider “5:” The convening capacity and function of the federal level might be beneficially used to develop models for triad articulation and to promote greater engagement and consistency across states.

States’ historic and justifiable responsibility for educational quality and protection of their citizens, might be promoted through focused state attention to areas of traditional expertise – including consumer protection and pursuit of fraud and misleading commercial promotion. At the same time, the presumption of state boundaries to define the delivery and oversight of education may in some respects be inconsistent with the newer, and growing, methods of education that are not tied to

land boundaries. With a growing number of educational activities and institutions (or accreditors) that cross state boundaries, the multiplicity and inconsistency of state regulation may hamper educational diversity and innovation.

Option to consider “6:” Evaluate the ways in which state regulation diversity across the country might be shaped to incorporate recognition of the growth of cross-state (and, indeed, cross-nation) educational activity.

Option to consider “7:” Achieving convergence of agreement about *definitions* may—without altering the state regulatory authority or interest—assist states in becoming more congruent in their regulations and thereby provide institutions whose activity crosses borders with fewer divergent data demands.

Option to consider “8:” State effort might usefully be directed to assuring the adequacy of consumer information and, through investigation and enforcement, the accountability of institutions and programs providing education within the state.

The role and scope of accreditors

If accreditation agencies continue to play a role in the determination of eligibility for Title IV funding, it would be important to address the challenges that follow. In this regard, accreditors carry the responsibility of demonstrating adequate rigor in accountability to assure that all accredited institutions meet reasonable standards of educational performance and that unacceptably weak institutions are not eligible for student aid. The peer review process of accreditation is well suited to the development and improvement process, but may not be well suited to gate-keeping accountability. The peer review process presents conflicts that may be difficult to reconcile with a policing function, and that function may in turn make it difficult for accreditation team members to operate with full independence from their peers. Moreover, the potential for risk and legal action may be greater than a single accretor is prepared to sustain. Finally, accreditors are not held accountable for the performance of the institutions or programs they approve.

Option to consider “9:” Consider either assigning the more risky, litigation-prone elements of the gatekeeping function to a different quarter (e.g., a more independent entity or process created by accreditors collectively) or providing resources and/or indemnification to accreditors to reduce the legal risk and burden.

Option to consider “10:” Expect NACIQI to ask accreditors to report on the performance of the universe of institutions/programs they accredit and to consider mechanisms to make accreditors responsible in some tangible fashion for that overall performance.

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

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

Option to consider “11:” The diversity of educational activity and mission today calls for a system of accreditation that is aligned more closely with mission or sector or other educationally relevant variable, than with geography.

Option to consider “12:” Institutions may be afforded the opportunity to choose among accreditors.

Currently, it appears that both federal and accreditor participants in the quality assurance enterprise are undifferentiated in their reviews. That is, the same level of scrutiny and intensity of review is given to accreditors and institutions with longstanding competent performance on quality indicators as is given to fragile, unstable, low-performing or newly-approved institutions or programs.

Option to consider “13:” Authorize the review process to incorporate notions of risk assessment, including more varied levels and durations of review, such that the greater review effort is addressed to the accreditors and institutions that present greater potential cause for concern and those whose circumstance may call for additional, supplemental, or heightened review.

Option to consider “14:” Allow accreditors flexibility to design systems for expedited review, noting some required elements as well as triggers that indicate that a full review is required.

Option to consider “15:” Afford accreditors the opportunity to offer more gradations in their accreditation decisions.

Taken as a whole, the accreditation process can be seen as both intrusive and prescriptive in ways that may not match institutional priorities, and as costly, in resources such as time, funds, and opportunity.

Option to consider “16:” Undertake a comprehensive study of the costs of the accreditation process.

Option to consider “17:” Undertake substantial modification to the existing statutory and regulatory criteria to make them less intrusive and prescriptive.

Data as an essential tool in quality assurance

While it is clear that data must be the basis on which decisions are made, there is concern that the quality assurance enterprise collects too much data and data of the wrong type. The usefulness of the collected data to consumers, institutions, accrediting authorities, or the federal government has been questioned. While some data may be useful to some parties, the burden of acquiring that data may be too high for its utility, the data is not available to consumers in a manner that is useful to them, or both. Further, it sometimes appears that accrediting agencies collect data from institutions because they mistakenly perceive the federal government requires it.

Option to consider “18:” Reconsider data that are collected by all accreditation, state, and federal agencies. In this reconsideration, evaluate the costs of data collection relative to its utility.

Option to consider “19:” Wherever possible and of value share data provided to and analysis conducted by the federal government (e.g., regarding institutional financial responsibility) to assist accreditors in reviews and risk assessment

Option to consider “20:” From the above study of data and the costs, define a specific set of data that is needed as a minimum to address (a) federal interest and/or (b) institutional improvement. This would entail:

- (1) Developing a set of consistent definitions and appropriate metrics for use in the accreditation process. *(For example, the word “completion,” referring to graduation, may have inconsistent meanings according to different agencies and states.)*
- (2) Articulating the provisions to insure that this data is accurate, reliable, valid, and consistent across institutions, without specifying minimum thresholds to be applied across all institutions. All data requirements should account for distance education modalities.
- (3) The specific set of minimum data would not preclude accreditors from requiring data appropriate for their philosophy and specialty. Accrediting agencies can and should consider what additional data is needed for the function of continuous institutional improvement. However, additional requirements for data collection should be developed with an assessment of its burdens and sufficient lead time for the data to be compiled.

Option to consider “21:” A data set with common definitions might beneficially include data on such outcomes as completion/graduation, licensure (where appropriate), job placement, and/or other indices of career progress. Note that this consideration does not include specification of student learning outcome measures, nor of uniform thresholds on any measure to be applied across all institutions.

Option to consider “22:” The determination of the appropriate thresholds in a common data set (the question “is this good enough, for this sector, for this institution, for this time?”) would be set by the accrediting body, which would be expected to justify its application of thresholds in its ED and NACIQI review for recognition.

Option to consider “23:” The reliability of data is so central to eligibility and to consumer decisions that it may be appropriate for critical data elements to be independently audited under specified circumstances. It may also be appropriate to review the penalties for submission of fraudulent, inaccurate, or misleading data.

Option to consider “24:” Some of these types of data may require systems be developed in order to compile the information in a manner that protects privacy of individuals appropriately.

Option to consider “25:” Completion (graduation) data could be gathered through a privacy-protected national unit record system.

Option to consider “26:” The definitions articulated could be mandated for federally-approved accrediting agencies and encouraged for state agencies.

Data in service of public and consumer information

The presumption should be that data collected for accreditation by accrediting agencies should be available to the public by both the institution and the accrediting agency in a format that is consistent, meaningful, and perhaps prescribed. It is a reasonable goal is to afford students and the general public to make accurate comparisons based on facts.

Option to consider “27:” Accreditation reports about institutions should be made available to the public.

Option to consider “28:” The public interest would be better served by increasing the number of knowledgeable public members on accreditation decision making boards.

The role of NACIQI as a federal advisory body

NACIQI and others want to be sure that this body and its activities add value to the recognition process, exercising independent judgment and addressing significant priority issues. Further, NACIQI has the opportunity to provide greater leadership and perspective on the design and

effectiveness of the accreditation and quality assurance process. There is interest within the Committee and beyond in using the occasion of agency review for recognition as an occasion also to inform the NACIQI and the accreditation community about the shifts, challenges, successes, and good practices of the various parts of the quality assurance enterprise.

Option to consider “29:” Continue to ask NACIQI to play a role in system review, monitoring, and policy analysis and recommendations to advise the Secretary. This role could include developing standards to meet changing realities in education, identifying needed flexibility in accreditation standards, and assessing system wide outcomes and consistency.

Option to consider “30:” Just as these options to consider above provide the basis for greater nuance or gradation in the accreditation determination of institutions and programs, so too might NACIQI consider greater nuance or gradation in the recognition determination of accreditation agencies.