The Inmates Running the Asylum?

An Analysis of Higher Education Accreditation

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Center for College Affordability and Productivity*

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Introduction

Accreditation in higher education originated as a means of communicating useful information about the quality of various institutions of higher education. Yet, over the past half century accreditation has evolved into a system for determining eligibility for the receipt of funds from third parties, most notably the federal government, but also in many cases state governments or private philanthropies.

If the nation were starting afresh on accreditation, we predict it would devise a radically different system than the one it has become over the past century. Would we have multiple regional accrediting agencies? We doubt it. Would the accreditors be private entities largely controlled by individuals themselves affiliated with the institutions that they certify? We doubt it. Would accreditation largely be “an-all-or-nothing” proposition, where institutions are simply “accredited” or “non-accredited” with few distinctions in between? We doubt it. Would an accrediting mechanism be permitted where key elements of the assessment are not available for public review? We doubt it. Would accrediting that sometimes emphasizes inputs rather than outcomes be permitted? Again, we doubt it. In short, there are numerous characteristics of today’s system of accreditation that are subject to questioning and criticism.

Americans spend vast amounts of money buying houses, cars, and major appliances—yet none of these things are “accredited.” We have developed other means of providing information. For example, Consumer Reports, J.D. Powers and Associates, and Underwriters Laboratories all give consumers information and the products they are purchasing, and private home inspections by disinterested third parties help assure that real estate transactions truly represent what buyers and sellers expect. Why, then, do we “accredit” colleges and universities? There are legitimate reasons, but the presumption that current methods are optimal is misplaced.

The typical policy paper on accreditation does a fine job of detailing the history of the system and major issues that confront it today. It then usually concludes by sketching out some recommended reform. However, while it may point out a few areas in which the proposed reform would be an improvement over the current system, there is rarely any discussion about how such a reform is better than the alternatives, or what impact it would have in other areas.

This paper takes a slightly different approach. While throughout we do discuss some of the historical role of accreditation, our main focus is on evaluating the performance of the current system and evaluating possible reforms. Thus, it is suggested that readers have some prior familiarity with the history and practices of accreditation.

Part one presents our analysis of accreditation’s performance. Because its role and function in higher education has changed over time, we find it worthwhile to discuss the history of accreditation very briefly. We identify four eras of accreditation in order to assess both its effectiveness and its changing role over time. To facilitate our analysis, we have devised a rubric with which to evaluate accreditation and reform proposals. The first column lists the main categories that we feel the accreditation system should be evaluated upon, including quality improvement, quality assurance, and promoting the health and efficiency of the higher education system. The second column breaks some of these categories into more refined
areas. Using this approach focuses the evaluation of the current system as well as proposed reforms on all of the most important dimensions and demonstrates how public policies addressing one issue can create or exacerbate problems in others. The scorecard also provides an abridged and illustrative summary of our analysis.

**Table 1:**
**A Rubric for Evaluating Accreditation**

<table>
<thead>
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<th>Quality Improvement</th>
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<tr>
<td>Quality Assurance (Accountability)</td>
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<td>Define (Appropriate) Measures of Quality</td>
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<td>Certify Quality</td>
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<td>Inform the Public</td>
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<td>Promote the Health and Efficiency of Higher Education</td>
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<td>Don’t suppress innovation by existing colleges</td>
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<tr>
<td>Don’t be a barrier to entry for new innovative colleges</td>
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<tr>
<td>Don’t impose unnecessary costs</td>
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Part two of the paper identifies the most commonly suggested reforms of, and replacements for, accreditation. We analyze the likely impact of each reform, and briefly discuss whether it would be appropriate given the goals as have been discussed. The third part of the paper builds off the conclusions of the first two parts to make the case for replacing the accreditation system. The final part lays out our recommendations.
Part 1: Evaluating Accreditation’s Performance

The Four Eras of Accreditation

While we will not provide a comprehensive history, the structure of accreditation “is more historical than logical,” resulting in a series of “accidental transformation[s]” as more and more responsibilities have been placed upon it. As Robert C. Dickeson notes, accreditation today is like an overloaded “pack animal” that “has been burdened with expectations and duties far beyond either its design or its capabilities.” It is therefore necessary to quickly recap some of the highlights of the history behind accreditation.

We’ve identified four main eras of accreditation: pre-1936, 1936 to 1952, 1952 to 1985, and post-1985. Although there is some ambiguity concerning the exact dates of the four eras, the dates generally correspond with the time in which accreditation took on a major new role.

Pre-1936: A Voluntary System to Inform the Public. Accreditation developed from a need in the late 19th century to define what a college-level education was and to distinguish institutions that possessed adequate capabilities for undertaking such studies. Prior to its development, there was no generally accepted criteria for what should be considered a college. Furthermore, there was widespread unfamiliarity with educational institutions beyond one’s own small geographic area. This lack of information combined to make it difficult for the better institutions to distinguish themselves and difficult for students to decide which institution to attend.

The better colleges thus formed regional, voluntary membership associations and established common definitions and admissions processes. In the early 20th century, these regional associations began to establish institutional standards, such as faculty size, length of educational programs, library size, and size of endowments which aspiring colleges were required to meet in order to gain accreditation. Accreditation decisions were based on information provided by the institutions themselves, a process that for the most part continues today. Accreditation soon became a marketable asset as a means of distinguishing colleges from the competition and provided a signal to the public that an institution was of high quality. This provided an incentive for colleges to voluntarily seek accreditation and for accreditors to maintain high standards.

This system would remain intact for the post-secondary education market throughout much of the 1930s as accreditation expanded its reach while the government continued to remain largely uninvolved in the sector. However, criticism of the accreditation process would begin to surface around this time as college officials began to complain that the quantitative, uniform standards used in accreditation were too rigid and superficial. Some critics said that the data gathered for accreditation decisions, while measurable, did not account for the diversity of institutions and their missions, placing too much emphasis on resource inputs and not enough on outputs. Many institutions believed that despite providing a high quality education to their students they were denied voluntary accreditation because, on paper, they did not measure up to these quantitative standards.
1936 to 1952: A Quality Improvement Role Is Added. Amidst growing criticism, one of the regional accreditors, the North Central Association (NCA), commissioned a report in 1936 that concluded that accreditation ought to be awarded based on a school’s “total pattern [presented] as an institution of higher education” and its ability to meet its stated educational mission. Following the report, NCA developed a qualitative approach that judged schools by their own institutional purposes, allowing for an institution that was deficient in one area, but with offsetting strengths in another, to still receive accreditation. The other regional associations soon followed suit in developing qualitative mission-specific accreditation evaluations which would eventually evolve into the self-study that remains the dominant process used for accreditation to this day.

By 1945, the North Central Association’s rhetoric had shifted from that of assuring high quality to that of “providing service” to its member institutions. During this time, accreditation increasingly sought to accomplish continued improvement in higher education rather than the rigid enforcement of universal standards. In doing so, a new mission for accreditation was added: In addition to sorting colleges by quality as before, it was now also supposed to help institutions improve.

1952 to 1985: A Quality Assurance Role Is Added. During the Second World War, Congress passed the original GI Bill in 1944, which provided veterans with financial assistance to pursue a college education at an institution of their choice, with the only limitation being that the institution be approved by its state education agency. As a result, very few restrictions were placed on where the veterans could spend the money, and there were reports of widespread abuse, resulting in heightened concern that too much of the money went to diploma mills that did not provide an adequate education. This led to a series of government investigations and Congressional hearings that, when the next GI Bill came about (the 1952 Korean War GI Bill), intensified the desire for an enhanced quality control mechanism to determine institutional eligibility.

This created something of a dilemma. While it was agreed that more quality control was needed, many in Congress and academia believed that the laissez faire attitude the government had historically taken towards higher education was wise, and that direct involvement by the government in determining institutional eligibility would jeopardize this traditional source of strength. A compromise was reached where the government would rely on the private accreditors to determine institutional eligibility. The 1952 bill required the Commissioner of Education, Earl McGrath, to “publish a list of nationally recognized accrediting agencies and associations he determines to be reliable authority as to the quality of training offered by an educational institution.” McGrath named the six current regional accreditation agencies to fulfill this quality control mechanism.

In addition to their prior roles, accreditation was now tasked with a quality assurance role as well. This marked the beginning of accreditation’s partnership with the federal government in monitoring institutional quality, with the accreditors acting as the gatekeepers to federal funds. It was during this time that accreditation as we know it today began to take shape. “Between 1950 and 1965, the regional accrediting organizations developed and adopted what are considered today’s fundamentals in the accreditation process: a mission-based approach, standards, a self-study prepared by the institution, a visit by a team of peers who produced a report, and a decision by a commission overseeing a process of periodic review.”

Although the GI Bill established the quality assurance role for accreditation, the amount of federal funding for veterans was relatively modest by today’s standards, and temporary in nature. As a result, accreditation, while more attractive for colleges, was not entirely necessary to remain competitive. But with the passage of the 1965 Higher Education Act (HEA), accreditation would become a near necessity. For the first
time, the federal government was establishing massive and permanent funding for higher education, and any school that wanted access to those funds had to be approved by the new gatekeepers: the accreditors.

The massive and permanent expansion of federal funding would significantly change the dynamics of higher education. The federal government’s involvement in financing higher education created an incentive to try and “game” the system by establishing substandard colleges, since once a college becomes accredited, federal money would continue to flow in year after year. Some colleges started to succeed in gaming the system, a task made easier by the fact that the accrediting agencies continued to see their primary role not as certifying quality for the public, but as helping the institutions improve. The associated scandals, especially high student loan default rates, would help give rise to the accountability movement in the mid 1980s.

**Post-1985: The Rise of the Accountability and Assessment Movement.** Concerns about the apparent decline in the quality of education, in addition to rising student loan default rates and a growing number of allegations of fraud and abuse of the federal financial aid programs gave rise to the accountability and assessment movement. While accountability and assessment as concepts relating to higher education have been around for a long time, Peter T. Ewell dates their emergence as a serious public policy consideration to around 1985. This movement would produce new government initiatives aimed at both colleges and the accreditors which were designed to better protect the public’s investment in higher education.

A few voluntary changes by accreditors did not alleviate political pressure to eliminate instances of abuse and reign in growing default rates, failures that Congress at least partially attributed to accreditation. There was some consideration of severing the tie between accreditation and federal financial aid in light of the perceived failure of accreditation, but rather than taking this action, Congress responded with the 1992 HEA reauthorization that created new regulations for colleges and accreditors. There were limitations placed on distance learning, the maximum percentage of a college’s budget that could come from federal aid, and new quality assurance responsibilities for the accreditors, such as student learning assessment requirements.

To many observers, the regulations have proven largely ineffective in preventing fraud and waste of federal funding, with the for-profit sector receiving considerable criticism. At the same time, the accreditors have resisted attempts to make quality assurance their primary function, instead preferring to focus on institutional improvement.

This is where things stand today. The federal government views accreditation as a mechanism to provide quality assurance as a safeguard for its financial aid funding. The accreditation community has declared that its primary purpose is to promote continuous quality improvement. College officials have mixed feelings about accreditation, with some viewing it as a burden that offers little bang for the buck, while others view it as a helpful process that provides outsiders’ perspectives. Meanwhile, the public has grown increasingly critical of higher education and, to the extent that it is even aware it exists, of the accreditation community.

**Quality Improvement**

Helping academic institutions to continually improve was the first major function added to accreditation, and arguably remains its focus today. Traditional quality improvement tasks associated with accreditation include assisting in the setting of reasonable goals and strategies, helping establish evaluation systems, providing an outside perspective and providing constructive criticism.
The decentralized nature of accreditation, combined with a lack of transparency, makes it difficult to evaluate the system's success in accomplishing its quality improvement goals. Nevertheless, it is possible to reach reasonable conclusions about the system's performance over the years.

The quality improvement function is not applicable in the pre-1936 era. During this time, accreditation existed essentially only to distinguish colleges by quality, and the quality improvement role had not yet emerged as a major focus. After 1936, accreditors increasingly introduced and focused on the quality improvement function. While it is difficult to say with certainty, there is reason to believe that accreditation was largely successful along this dimension in the 1936 to 1952 era. Because the system was still entirely voluntary, the accrediting agencies were presumably providing sufficient benefits in terms of quality improvement to justify the costs to the member colleges. If they were not, rational college leaders would not have opted to expend the time and resources needed to gain and retain accreditation. Thus, prior to 1952, we are inclined to agree with Mills that there was “little question that accreditation...was valuable in the early years of [the twentieth] century” in terms of improving educational quality.

This reasoning is rendered moot for the later eras, as the accreditors were assigned the gatekeeper function in 1952, and especially once federal money for financial aid dramatically increased in 1965. Whereas in earlier years colleges would only take part in accreditation if the benefits (e.g. signaling quality and/or helping the institution) outweighed the costs, accreditation was now viewed as a near necessity, regardless of its benefits in these dimensions.

Nevertheless, it appears that accreditation continued to perform satisfactorily as a quality improvement mechanism in the 1952 to 1985 era. This is evident because accreditors were given remarkable freedom of action within their new gatekeeper role, and for the most part, they choose to ignore their new role and continue to focus on the improvement role, though some during this period argued quite vocally that accreditation did not facilitate the “pursuit of excellence” by institutions.

The rise of the accountability and assessment movement in the most recent era has resulted in accreditors coming under increasing pressure to emphasize their public accountability role. This has increasingly led to the development and enforcement of standards that emphasize compliance over consultation. One accreditor lamented the fact that many of those serving on committees have “imbedded in their minds the idea of accreditation as a compliance mechanism.” In our opinion, this has put considerable downward pressure on the performance of accreditors in the quality improvement role, though as noted before, it is difficult to evaluate how well accreditation actually performs due to the secrecy of the enterprise.

A decent argument can be made that accreditation is still successful in the quality improvement role. Some “college and university presidents identify accreditation as the key moving force behind strategic planning.” In addition, accreditation “provides an occasion for institutions and programs to engage in a sustained and serious process of self-examination,” with a CHEA survey indicated that 73% of those surveyed viewed “the opportunity to examine institutions and programs through self-study” as a benefit of accreditation, and that 53% viewed “gaining external feedback on performance that can be used for improvement” as a significant benefit.

However, a compelling case can be made that accreditation is not as successful in fostering quality improvement as it may have once been. This case rests on two main pieces of evidence.

The first is the numerous statements and actions by college administrators expressing the view that accreditation adds “little value to higher education.” “While accreditors view the accreditation process as an ‘investment,’ institutions often view it as a significant cost with little return on investment.” Some college leaders view the newfound compliance mentality as obstructing the improvement role. For instance,
some college administrators “often question an accrediting agency’s understanding of the specific circumstances at an institution or the depth of the agency’s commitment to the institution’s own goals.”

Overall, “many college officials believe they get little out of the standard process besides a stamp of approval. Administrators may spend years on a self-study to show that the college has met minimum requirements, only to see the document begin gathering dust within months of completion.” As Paula Lutomirski explained, “we produced this two-inch-thick document, and I don’t even have it on my shelf, because it’s not worth having.” This view is shared by many: “Former Rhodes College President James Daughdrill summed up the view of many college administrators when he said that accreditation is ‘an exercise in wasted time and money.’”

When given the opportunity to act on these views, college administrators do not hesitate to follow through. If an institution already has regional accreditation, while state licensing requirements do not require a specialized accreditation, some universities choose to forgo the latter. For example, some of the best teacher education programs “tend not to pursue NCATE accreditation at all.”

The actions of accreditors themselves serve as the second, and even more compelling, piece of evidence. A number of reforms that focus on enhancing quality improvement of accreditation have been initiated by accreditors in recent years. If the accreditation system was already performing its function well, there would be no reason for these reforms to be pursued.

For example, Sylvia Manning, the head of the largest regional accreditor, observed that “the compliance role is so onerous and so dominates the process that, in too many cases, colleges fail to get anything meaningful out of the improvement portion.” Similarly, Ralph Wolff, the head of the accreditor overseeing the Western states, wrote of a “developing sense on the part of institutions, especially the larger comprehensive ones, that all the investment in the accrediting process resulted in very little return on that investment or meaningful change. It became too often a time- and resource-consuming exercise to see if minimum standards were being met, and it had little lasting value.”

To their credit, both of the accrediting organizations mentioned above have been experimenting with new processes that seek to “separate ‘compliance’ from ‘improvement,’” with generally positive results. As UCLA’s Chand R. Viswanathan stated, “I had gone through accreditation previous times, and all you do is count the number of courses and what kind of requirements they satisfy… all these things are already worked out in an ongoing institution’… The new process, he says, focused on U.C.L.A. officials’ real concerns ‘and helped them reach their goals faster.’”

While some griping about the regulator by the regulated is to be expected, the loudly repeated statements about problems, as well as the actions that accreditors are taking to fix perceived weaknesses lead us to the conclusion that accreditation is doing an unsatisfactory job in the quality improvement dimension in the latest era. Again, that conclusion is tempered by the reality that much of the process of accreditation remains hidden. For an exercise in providing information, accreditation is mired in excessive secrecy and lack of transparency.

**Evaluation: Quality Improvement.** Prior to 1936, accreditation played no role in the quality improvement function for higher education. Starting around 1936, accreditation adopted a mission-based approach that began focusing on quality improvement. As this was prior to the involvement of any federal financing of higher education, submitting to accreditation remained a voluntary act on the part of the colleges. Given that accreditation continued to grow, we suspect that its performance in the quality improvement role was satisfactory in the years between 1936 and 1952. Even after the federal government...
took up a more active roll in providing student aid in 1952, accreditation seemed to continue to perform its quality improvement function satisfactorily for a number of years. Finally, when allegations of federal financial aid abuse and waste became widespread in the late 1970s and early 1980s, the government increased pressure on the accreditors to provide public accountability. Given the current views and actions of colleges and accreditors, we believe that one of the consequences of this pressure was to shift accreditors’ concerns from consultation to compliance, and that this harmed their quality improvement performance. We therefore conclude that accreditation’s performance in quality improvement has become unsatisfactory in the latest era.

### Table 2

**HISTORICAL PERFORMANCE IN THE QUALITY IMPROVEMENT CATEGORY**

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<tbody>
<tr>
<td>Quality Improvement</td>
<td>NA</td>
<td>✔</td>
<td>✔</td>
<td>✔ (−)</td>
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Note: NA = not applicable, (✔+) = superb performance, ✔ = satisfactory performance, (✔ (−)) = unsatisfactory performance, and F = failure.

**Quality Assurance**

For the last six decades, accreditation has been tasked with providing public accountability for federal spending on higher education. Federal aid has grown remarkably over the years, rising from $1.7 billion in 1963-64 to $116.8 billion in 2008–09 (in constant 2008 dollars), a real increase of 10 percent per year. By providing a quality assurance function, accreditation is supposed to protect society from wasteful spending on fraudulent educational programs.

Defining appropriate measures of quality and certifying that colleges have met some minimum standard of quality are necessary (but not necessarily sufficient) conditions for any system that hopes to reliably provide quality assurance. In addition, while it is theoretically possible to hold colleges accountable for their spending of public money without revealing much information to the public or policy makers, it is much more likely that a system with transparent processes and public reporting of results would be more effective in this regard.

**Define (Appropriate) Measures of Quality**

The determination of reasonable measures of quality is a minimal requirement of any system hoping to provide a quality assurance role. In keeping with the stated rationale of providing a public accountability mechanism, these measures should be related to what it is that public money is funding.

Prior to 1952, there was considerably less public money involved, so accreditors did not have a role in public accountability per se. Thus, this category is largely not applicable to accreditation in the earliest era. This is not to say that accreditors of this era did not define standards, but merely that they were not defined with public accountability needs in mind. It is also useful to note that of the standards that were adopted, the vast majority were quantitative measures of inputs and financial resources, with a few standards pertaining to degree requirements or outcomes. Since the accreditors of that era were mostly concerned with distinguishing among classes of institutions, these were useful measures. Colleges that
could afford vast libraries, credentialed teachers, etc. were quite different from those that could not.

Once accreditation assumed the gatekeeper function in 1952, this criterion became very important in ensuring public accountability. The methods used were developed ad hoc, and for the most part, the accreditors reverted to a reliance on measures of inputs. To get accredited one basically had to mimic other colleges in terms of input usage. While it was perhaps understandable for the accrediting agencies to adopt superficial standards initially, when public funding was both limited and temporary, the new federal funding initiatives of the 1960s required much improved oversight. However, the accrediting agencies failed to deliver.

The main reason for this failure is that the system relies too heavily on colleges to self-regulate. For example 83% of the board for Middle States Commission on Higher Education is comprised of people that work for institutions that they then accredit. Similar numbers are just as pervasive in the other regional accreditors. The mere fact that accreditors were given the public accountability role didn't change the fact that accrediting agencies were started by colleges to serve their own interests. One might even view accreditation as a “cartel” made up of various participants with the goal of restricting competition from non-members of the cartel. Ultimately, it’s not surprising that “a system that is created, maintained, paid for and governed by institutions is necessarily more likely to look out for institutional interests.”

One of the ways in which they do so is by keeping standards low: “when the people who decide what constitutes academic quality will themselves be judged on academic quality, it’s no wonder that the bar is set low.”

It is undeniable that over the years, the accreditors have adopted some measures of quality; however, they have too often adopted inappropriate, and in some cases counterproductive, measures. There are two main problems with the accreditors’ measures.

First, many of their measures focus on the wrong things. Accreditation is obsessed with inputs. “For decades, universities and colleges have wanted to define academic quality in terms of resources: faculty scholarship and degrees, the depth and breadth of curricular offerings, and the presence of topflight laboratory, library, and like facilities,” and accreditors have been the willing enforcers of this desire. As Malcolm Gillis, president of Rice University lamented, “the accreditors are not interested in what or how the students learn, but how many square feet of classroom space we have per student.” In addition, accreditors have from time to time imposed standards for non educational matters, such as course loads, professor salaries, and diversity. It should go without saying that just because a university spends enough money on libraries or research, or has “low enough” teaching loads does not guarantee that it is providing an education worth the public’s (or even the student’s personal) investment.

The second problem with the accreditors’ measures is one of omission. Measures simply do not exist for crucially important aspects of higher education. There is a complete lack of standards for fundamentally important aspects of higher education such as student learning and outcomes for graduates. There is “a growing consensus on the need to measure student learning. This requires defining what students should know and be able to do and providing evidence that this has been accomplished.” But “the regional accrediting commissions have historically refused to define minimum standards… The Regionals currently have no mechanism for assuring adherence to minimum threshold standards across the institutions they accredit.”

As one faculty member observed, “we are so wedded to a definition of quality based on resources that we find it extremely difficult to deal with the results of our work, namely student learning.”

Since 1992, accreditors have been required to collect evidence of student learning, but the college lobby has ensured that these are self designed assessments. Thus we are left in the peculiar position in
which the "standards for accreditation, which vary by region, are based on an institution's self-study of
the extent to which the institution feels it has met its own purposes." Needless to say, the government
is not satisfied with this outcome. The Spellings' Commission on the Future of Higher Education was
highly critical of the system's failure to provide "solid evidence, comparable across institutions, of how
much students learn in colleges or whether they learn more at one college or another." Even accreditors
find this state of affairs unsatisfactory, with one accreditor complaining that "even though a focus on stu-
dent learning assessment and outcomes needed to become more of a priority for us and institutions, we
found that the ones we reviewed were repeatedly 'just getting started.'" The lack of progress in this area
is compelling evidence in favor of a fundamental restructuring of accreditation.

Gaining accreditation today is remarkably similar to gaining accreditation a century ago. While the list
of inputs measured has changed somewhat due to technological and social developments, the core issue is
essentially the same: is enough money being spent on a given list of inputs? The failure of this approach
should be apparent if we acknowledge that the federal government is not providing in excess of $117 bil-
lion per year to American colleges just so we can make sure that libraries are big enough and that college
professors have Ph.D's. The government—as well as the taxpayers it represents—expects to see a return on
its investment in the form of substantial gains in knowledge and proficiency in a student's field of study.

The rationale for public funding of American higher education hinges on the promotion of economic
growth and equality of opportunity, the enhancement of graduates' job prospects and life satisfaction,
and a belief that higher education leads to a more politically and culturally engaged citizenry. The exist-
ing processes that determine whether an institution is accredited and eligible for federal aid are inade-
quate at measuring an institution's effect on any of these purported rationales.

Continuing to measure only the inputs used and processes followed by colleges does nothing to gauge
the value added knowledge their students acquire or the post graduate success they achieve, and there-
fore cannot help provide meaningful public accountability. Thus, the accreditors have utterly failed to
define appropriate measures of quality in both the 1952 to 1985 and the post-1985 eras.

**Evaluation: Define (Appropriate) Measures of Quality.** Prior to the federal government's involvement
in financing higher education, accreditation's idea of setting measures of quality was essentially based on
a set of inputs and a few processes. Although this helped to distinguish the haves from the have-nots in
higher education, it did not serve a public accountability function, nor was it intended to do so. This cri-
terion is therefore not applicable in the first two eras of accreditation.

However, accreditation became intertwined with federal aid beginning with the 1952 GI Bill, and it
has continued to use similar standards, which have very little to do with student learning or outcomes.
The accountability and assessment movements that began in 1985 have done very little thus far in moti-

### Table 3

**HISTORICAL PERFORMANCE IN THE DEFINITION OF MEASURES OF QUALITY CATEGORY**

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Note: NA = not applicable, (+) = superb performance, (++) = satisfactory performance, (+-) = unsatisfactory performance, and F = failure.
vating accreditors to define appropriate measures, including those to assess student learning, despite regulation pushing them in that direction. We therefore believe that accreditation has failed in the task of defining appropriate measures of quality for both the 1952 to 1985, and post-1985 eras.

Certify Minimum Quality

From a public policy perspective, “the overriding public interest in accreditation over the last 50 years has been defined in terms of protecting consumers as well as federal and state student grant and loan programs from flagrant fraud and abuse.”51 In other words, accreditation is supposed to protect the country from funneling money to diploma mills, or at the very least, accreditation includes “the process of determining the degree of quality which separates the acceptable from the ‘not quite acceptable.'”52

By giving the accrediting agencies a gatekeeper role in determining institutional eligibility for federal funds, a system accustomed to sorting colleges and helping them improve “inherited functions sometimes beyond its scope and expertise.”53 The system nevertheless worked adequately at first, since there was a relatively small amount of federal money involved and the temporary nature of that money mitigated attempts to game the system. The lack of sustained federal funding, as well as the input standards that many diploma mills couldn’t afford, combined to allow the accreditation system prior to 1965 to do a fairly good job in marginalizing diploma mills. It should be emphasized that it was not that the standards set by the accreditors were well suited to ensuring a minimum quality for education, but rather that the input standards were often prohibitively costly for diploma mills (or any new college for that matter) to acquire since federal funding was limited and temporary.

But between 1965 and 1985, the certification role of accreditation saw deterioration relative to past performance. Federal monies were massive and permanent, giving diploma mills an incentive to enter the sector. Moreover, “rather than focusing on quality assurance for the public, which was what Congress intended, accreditors in fact view themselves as promoting institutional improvement, a role that the voluntary system initially fulfilled.”54 In spite of their new role as gatekeepers of federal funding, “accreditors do not think of their primarily role as federal agents.”55 As James T. Rogers, former executive director of one of the accrediting agencies said, “We’ve never liked to view what we’ve been doing as being regulators.”56 This was problematic, since they were the primary regulators of higher education.

Needless to say, since accreditors would “rather be advisers than policemen,”57 they have largely ignored their role in certifying a minimum quality. One former president of Brown University noted as early as 1960 that the “accrediting procedure does not protect us from wretched and fraudulent institutions.”58 Accreditors “do not endeavor to assess the quality of individual programs or departments... If the accreditation system does not even attempt to examine the educational quality of individual programs, what ground is there for assuming the ‘general quality’ of the institution?”59

While there were obviously problems providing certification, we would argue that accreditation still deserved an unsatisfactory rating (rather than outright failure) on this measure in the 1952–1985 era due to its success (with help from direct government regulation) in marginalizing diploma mills in the earlier years. But the certification role of accreditors has deteriorated in the current era. Many observers complain that “accreditors have vague, widely varying standards and are reluctant to crack down on weak colleges.”60 This reluctance is largely due to the fact that eligibility for federal student aid is conditioned upon being accredited, so removal of accreditation would likely result in the death of the institution. Accreditors are so reluctant to take this step that “one looks in vain for instances where accreditation has been denied because of low educational value to students... Colleges and universities simply do not lose
their accreditation because of a judgment by the accreditors that the curriculum is weak, the faculty poor and the students don’t learn much.”61 This reticence towards revoking accreditation has existed for more than fifty years.62

To get a sense for how reluctant accreditors are to act, note that between 2003 and 2008, the percentage of community colleges being “sanctioned, or warned that their accreditation could be stripped, ranged from 0 to 6 percent,” and that “only one two-year institution [in California], Compton Community College, has ever lost its accreditation.”63 It is possible that Compton Community College was the only California community college to do an inadequate job educating its students, and that less than 6 percent of all community colleges are in danger of doing so. But this is unlikely, especially when one notes the constant warnings about the dangers of underfunding combined with the conventional wisdom that the sector has been underfunded year after year.

Indeed, “On the rare occasion that accreditors do suspend or terminate an institution’s accreditation, it isn’t due primarily to educational concerns. Typically, institutions are sanctioned because of financial shortcomings,” as was the case with Southeastern University.64 Southeastern remained an accredited university for over two decades despite “perpetual dysfunction” and being “mired in obscurity, mediocrity, cronyism, and intermittent corruption.” As Kevin Carey put it, “Accreditation had come to mean evaluating yourself against standards of your own choosing in order to indirectly receive large amounts of free government money.”65 The result of which is “chronic failure at hundreds of colleges nationwide, obscure and nonselective institutions where low-income and minority students are more likely to end up with backbreaking student-loan debt than a college degree.”66 Southeastern finally lost accreditation in 2009, not for failing to educate its students, but for financial insolvency. However, for years the accreditors were reluctant to withdraw qualification and thereby deny student aid, since the university desperately needed the flow of cash to survive as an institution. Because nearly everything concerning accreditation is kept so secret, it is impossible to tell how many more Southeasterns are out there, how much federal financial aid money they are wasting, and how many students are victims of academic fraud.

While accreditation is rarely denied or revoked for educational reasons, there are institutions that are denied accreditation, so we know that the accreditors are providing certification of something. Unfortunately, that “something” has little relation to the quality of education provided. For instance, a 2006 study by the former president of Teacher’s College at Columbia University concludes that accreditation has failed to provide even a minimum standard for quality of education programs, and even those standards which accreditors have set up to measure quality are “misplaced and outdated,” allowing programs with low quality to receive their stamp of approval.67 As Leef and Burris document, “The accreditation system is not based on an evaluation of the results of an institution, but rather upon an evaluation of its inputs and processes. If the inputs and processes look good, acceptable educational quality is assumed. It is as if an organization decided which automobiles would be allowed to be sold by checking to make sure that each car model had tires, doors, an engine and so forth and had been assembled by workers with proper training— but without actually driving any cars.”68

The failure of accreditation to perform the certification function is increasingly apparent. In fact, the more experience one has with higher education, the less likely one is to believe that accreditation ensures meaningful educational standards. Respondents to the CHEA survey mentioned previously “who had attended college were more likely to think that educational programs must meet only minimal standards to be accredited… Those who had earned a degree were even more likely to believe that only minimal standards need be met.”69
Evaluation: Certify Minimum Quality. As with the definition of appropriate measures of college quality, the certification of minimum quality was not a function of accreditation prior to 1952. Again, it was the emergence of federal funding for higher education, and the reliance upon accreditors to function as gatekeepers that changed this. While accreditation has never been designed to perform this role adequately, it nevertheless did a satisfactory job for the first decade or so of the third era. The numerous requirements for costly inputs were fairly effective in deterring diploma mills from entering the field in a time of modest and temporary federal funding. Once federal funding became permanent and massive, however, diploma mills had an incentive to game the system, and were able to do so because the accreditors continued to ignore their public accountability responsibilities and focus on the improvement role instead. We therefore rate their deteriorating performance from unsatisfactory in the era of 1952–1985 to outright failure in the current era.

### Table 4

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<th>Historical Performance in the Certification of Quality Category</th>
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Note: NA = not applicable, (✓ +) = superb performance, ✓ = satisfactory performance, (✓ – ) = unsatisfactory performance, and F = failure.

Inform the Public

Another important public function of accreditation is to provide information on colleges to the public and policy makers as well as current and prospective students. There are two primary concerns in regard to public information. The first addresses whether colleges are sorted by quality (however defined) in such a way as to provide useful information. The second arose with federal funding, and asks whether the process itself is transparent enough to instill confidence in the decisions of the accreditors.

Prior to the establishment of federal financial aid programs, accreditation was completely voluntary. Because it was not universal, having accreditation meant something. Those institutions that were accredited by reputable accreditors stood out as better than those that were not (or were accredited by a lesser accrediting body). This provided useful information for students, as it served as a signaling device and functioned as an early ranking of colleges. And because accreditation was largely a private affair, transparency was not really an issue in this period. Thus, in the earlier two eras, we conclude that accreditation did a satisfactory job of providing the public with information on college quality.

Once the federal financial aid programs became established fixtures of the educational landscape, however, accreditation’s performance deteriorated. The primary reason is that because accreditation is now so important to an institution’s financial survival, it has become near universal. In other words, “Once a badge of distinction, accreditation has now become so commonplace as to be of negligible benefit to either educational consumers or the institutions themselves.”

For example, Harvard has the same accreditor as Central Connecticut State University, though one suspects that there is a large difference between those two schools (as suggested by the more prominent college rankings guides which consistently place Harvard near or at the top but do not even rank Central Connecticut State). Indeed, it is impossible to avoid the conclusion that “if students and parents were interested in trying to learn all
they could about a college or university they are considering, the accreditation system is of little assistance to them.”

Increased federal funding also came with the new “expectation that accreditors should provide the public with information.” Accreditation has always been a rather private affair, and that hasn’t changed. What did change was that accreditors were given a public role as gatekeepers, and for the public to have confidence in the process there needs to be transparency. But the accreditors did not adapt to this new function, and largely insist on keeping nearly everything concerning accreditation secret.

The primary reason that accreditors resist transparency is that they are focused on the quality improvement role. In order to be effective in the quality improvement role, “accreditation has been designed to provide candid, confidential, critical feedback to institutions without embarrassing or endangering the institution—which would in turn discourage frank engagement with problems and challenges.” In other words, accreditors promise discretion to colleges in order to get the candid self-assessment necessary to improve these institutions. If accreditors were more transparent, it would create “a disincentive for colleges to speak openly with accreditors about their problems.”

Accreditors see little point in providing information to the public since they view their role as helping institutions improve regardless of their current condition. To the extent that informing the public makes institutions less candid, there is even more reason to resist transparency. As a result, virtually everything about accreditation continues to be shrouded in a veil of secrecy. Accreditation reports are kept secret, and the only information available to the public is whether the institution has or does not have accreditation. In the words of Milton Greenberg, “It is essentially a confidential process, which hides an institution’s advantages and disadvantages.” Even once an institution has ceased to exist, accreditors still refuse to disclose any information about it. We therefore conclude that accreditation’s performance in this category has deteriorated relative to its past performance, and believe that it has failed in the latter two eras.

**Evaluation: Inform the Public.** Providing information to the public is the category within the quality assurance function where accreditation has historically been strongest. While the process was not transparent, it nevertheless provided useful information, leading us to conclude that accreditation did a satisfactory job in the pre-1936 era.

In the era from 1936 to 1952, accreditors became increasingly focused on the quality improvement role, which required discretion and secrecy so as to avoid embarrassing member colleges. While this would be a problem later on, accreditation was still a voluntary private affair, and still provided some useful information to the public. Therefore, accreditation was serving social purposes in a reasonably satisfactory fashion.

Once accreditors were given the gatekeeper role for federal funding, virtually every institution in operation needed to have accreditation. This near universality erased the information on college quality that

| Table 5: Historical Performance in the Inform the Public Category |
|-------------------|----------------|----------------|---------------|---------------|

Note: NA = not applicable, (✓+) = superb performance, ✓ = satisfactory performance, (✓−) = unsatisfactory performance, and F = failure.
used to be provided by accreditation, while the focus on improvement ensured that the system was clouded in secrecy. Indeed, it is usually impossible for the public to discern whether real improvement occurs at all. We consider the accreditation system as largely a failure in this regard, since it neither provides useful information to the public, nor is transparent enough to give us confidence in accreditation decisions.

**Promote the Health and Efficiency of Higher Education**

While pursuing the quality improvement and quality assurance functions, it is desirable that the accreditation regime does not undermine higher education’s overall health and efficiency. It is of the utmost importance to preserve higher education’s historical sources of strength, including institutional autonomy and a wide diversity of institutional missions and practices. One of the strengths of American higher education, relative to the rest of the world, is precisely the large amount of real choices consumers have as to what institutions to attend. Similarly, research activity is no doubt enhanced by the diversity of centers for exploring problems, often leading to more creativity than is present in monolithic systems under one set of controls.

It is also important that the efficiency of the sector not be undermined. Future progress depends upon fostering innovation, so it is important that accreditation does not suppress innovation by existing institutions, nor act as a barrier to entry for new ones. It is also important to not unnecessarily increase costs.

**Preserve Historical Strengths**

*Maintain Independence/Autonomy of Colleges*

One of the main reasons that American higher education is the envy of the world is that it has been free of governmental and political interference to a larger extent than the higher education sectors in other countries or even the K-12 education sector in this country. The importance of autonomy for institutions of higher education has been established in theory and verified by experience, and it has long been recognized that accreditation plays a crucial role in muting undue political pressures on higher education. In the words of A. Lee Fritschler:

> Throughout history political involvement in the classroom has yielded negative consequences, including, most visibly, outright purges of faculty members and courses in Eastern Europe and prohibitions on teaching evolution in the United States. Less extreme but more prevalent are the bureaucratic excesses that result from political intrusion in the classroom; they are one of the things that account for the static higher-education systems in many Western European nations.

Fritschler goes on to argue that “academic institutions perform best when government does not intervene in overseeing their core functions, namely definition of curriculum, teaching, evaluation of students, retention and promotion of faculty” since “one does not have to look back far in history nor farther than across the Atlantic to find examples where aggressive government intervention in the core functions has destroyed whole systems of higher education.” Fortunately, the general public grasps the importance of autonomy for institutions of higher education, with four out of five Americans saying that “the best way to ensure academic excellence is to make sure politicians don’t interfere” and registering “disagreement with the idea that government should control what gets taught in the college classroom.”
Prior to their gatekeeper role, accreditors really had no leverage over institutions, and therefore did not pose any threat to institutional autonomy. Also, there is at least one fairly prominent instance during this period when accreditors “helped to safeguard or restore the academic integrity of institutions subjected to political indignity” when accreditation was revoked after state officials excessively meddled with a school.82 Therefore, we’ve rated the accreditation system as doing an exceptional job of maintaining institutional autonomy in the eras prior to 1952.

Once given the gatekeeper role, accreditors essentially gained regulatory authority over colleges. They nevertheless shied away from abusing it, and from 1952 to 1985 the system largely preserved institutional autonomy. The accreditors themselves made few new demands, and the system continued to serve as a “buffer, keeping government at arm’s length from colleges and universities.”83 We therefore rate the accreditation system as performing satisfactorily in this dimension from 1952–1985.

In the current period, it is still true that the accreditors have been phenomenally successful in keeping the government from undermining institutional autonomy. But the accreditors themselves have often taken advantage of their position to do so. From the schools’ point of view, there is little difference between the federal government making demands under threat of withholding federal funding, or an accreditor making demands under threat of withholding federal funding. Everyone acknowledges that having the government prescribe missions or dictate how to achieve them would infringe on institutional autonomy, but very few seem to realize that there is just as much “danger to institutional autonomy and diversity among institutions… when institutional accrediting agencies prescribe missions or specific steps to achieve missions.”84 And yet “accreditors are free to impose standards that go beyond those Congress has mandated, using their leverage to push institutions toward any agenda they wish.”85 They have too frequently used their power as federal gatekeepers to “apply intrusive prescriptive standards and [enforce] ideological tests and other criteria unrelated to educational quality.”86

**Imposing Ideology.** The concern for diversity stressed by many in the higher education arena apparently does not extend to the diversity of ideas. Much too frequently, accreditation has been used to establish and enforce ideological views. Two recent examples stand out. First, the National Council for Accreditation of Teacher Education (NCATE) “demands that schools of education assess the 'dispositions,' or opinions, of teacher trainees as a requirement for accreditation.”87 A second example is the Code of Ethics of the Council on Social Work Education (CSWE).

In both of these examples, students can be subjected to disciplinary punishment and academic sanction if they are not ideologically aligned with their professors. Indeed, the faculty at the Missouri State School of Social Work used the CSWE standards to subject students to “ideological ‘bullying’ (a term that both students and faculty used to describe the actions of certain professors), and producing a learning environment that reviewers called ‘toxic.’”88

**Above the Law.** Accreditors have also at times imposed standards that would require institutions to break the law. The American Bar Association, which accredits law schools, told colleges that “a constitutional provision or statute that purports to prohibit consideration of gender, race, ethnicity, or national origin in admissions or employment decisions is not justification for a school’s non-compliance” with the Association’s diversity requirements. There is something deeply troubling in the willingness of the organization that oversees the training of those who are tasked with upholding the law encouraging others to ignore the law when it suits them. Fortunately, not everyone was caught up in such muddled thinking, with the Amer-
ican Law Deans Association retorting that “the accrediting body inappropriately inserts itself into the internal affairs of the institutions it accredits… and does so in a way that forces homogeneity, and conversely stifles innovation and diversity, among law schools.”

Interfering with University Governance. It is worthwhile to remember that accreditation is just one of the three hurdles that a school, whether prospective or established, generally must satisfy. The other two are “federal certification of financial and administrative capability” and “state licensing or approval to operate in a state.” In the course of licensing colleges, especially public colleges, states generally insist on various mechanisms such as Boards of Trustees or Regents to ensure that adequate oversight and consideration is given to public concerns. These “trustees are the ultimate fiduciaries of a college or university. Their outside experience and perspective constitute an important check on the senior administrative insiders who to a great degree run both the universities and the accreditation agencies.”

Unfortunately, the check on university administrators has been hampered as “accreditors have extended their reach in ways that inappropriately intrude upon governance and trustee oversight.” Some examples:

- “The Western Association of Schools and Colleges (WASC)… initiated in 2006 a review of leadership and board activities at the University of California… Far from promoting the public interest, accreditors forced the regents and chancellors to devote precious time, not to mention taxpayer dollars, responding to their meddling and inaccuracies.”

- “The Southern Association of Colleges and Schools… standards insist that the President—and not the board—is in charge when it comes to major pieces of the academic enterprise.”

- “In a case involving Auburn University… The regional accreditor sanctioned the board in 2003 for meddling in administrators’ affairs and put the school on a one-year probation for what The Chronicle of Higher Education reported was ‘trustee meddling in the university’s administration and for a lack of commitment to the accreditation process.’ The sanction was lifted only after three outside investigators found no basis for the penalty and trustees signed a personal statement of commitment to the accreditation process.”

These examples raise the important question of why “federally approved accreditors—who, almost without exception, are university administrators and faculty members whose interests may conflict with those of engaged trustees—have the power to second-guess boards, boards that have the ultimate legal responsibility for higher education governance?” To be sure, it is sometimes true that trustees become engaged in day-to-day operations of an institution in a manner that potentially undermines institutional improvement. Nonetheless, on the whole trustees play a potentially important and useful role of overseeing institutional affairs, and acts that weaken their ultimate authority are potentially quite worrisome.

For these reasons, we believe that the accreditation system has performed in less than a satisfactory fashion in terms of maintaining institutional autonomy in the most recent period.

Evaluation: Maintain Independence/Autonomy of Colleges. Prior to the federal government’s involvement in the financing of higher education, accreditation was completely voluntary and had no regulatory-like powers over institutions. Before 1952, accreditation was therefore exceptional in preserving institutional autonomy. Between 1952 and the beginning of the accountability and assessment movement in 1985, accreditation continued to perform satisfactorily in this function, as the agencies imposed few demands on
institutions and served as a buffer from governmental interference in their affairs. Since 1985 though, accreditors have too often utilized its position as gatekeeper to exert regulatory-like power over institutions to impose non-education related mandates, reducing institutional autonomy. Accreditation must be judged unsatisfactory for its negative role in terms of maintaining institutional autonomy in the post-1985 era.

It is worthwhile to note that these issues contribute to a brewing legal battle, as accreditors have essentially been given governmental power but are not currently subject to restrictions on their actions. As Jeffrey C. Martin points out, “A serious First Amendment problem arises in recognizing an agency and giving it authority over federal student aid eligibility that it then uses to infringe an institution’s academic freedom.” He argues that the “changes to accreditation have made it more likely “that the decisions of accrediting agencies constitute ‘state action’ subject to constitutional strictures.”

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<td><strong>HISTORICAL PERFORMANCE IN THE MAINTENANCE OF INDEPENDENCE/AUTONOMY CATEGORY</strong></td>
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Note: NA = not applicable, (√+) = superb performance, (√) = satisfactory performance, (√–) = unsatisfactory performance, and F = failure.

**Maintain Diversity of Institutions and Missions**

Another traditional source of strength for American higher education has been the diversity in both the types of institutions and their missions. Having options between vocational or liberal arts schools, residential or commuter institutions, faith-based and non-religious colleges and a plethora of other differences both gives the student more choices about what type of education to pursue, and also allows the schools to develop the different practices and policies that allow them to more capably accomplish their missions.

Accreditation's performance on this dimension mirrors that of the autonomy dimension, and for the same reasons. In the earlier eras, accreditors did not have much leverage over colleges, since the system was entirely voluntary. They were given some power in the 1952 to 1985 era, but for the most part did not use it, as they still viewed their primary role as fostering quality improvement. As pressure was brought to focus on quality assurance, accreditation took a stronger regulatory stance, and some accreditors have used their power to curtail diversity among institutions.

While homogenization is arguably not the goal of accreditor actions, it is nonetheless the outcome as “some accrediting associations have adopted biased and intrusive review criteria that infringe upon institutional autonomy and self-governance. The ultimate result has been the homogenization of American higher education.” Colleges with alternative missions can be punished for being different. Take, for instance, Thomas Aquinas College:

[The college] was threatened with a loss of accreditation due to the fact that its avowedly Catholic, traditional orientation had no room for the multicultural courses that its accreditor, the Western Association of Schools and Colleges, was prescribing at the time (1992). The ‘Great Books’ curriculum at Thomas Aquinas was the very key to
the school’s mission—so much so that there were no elective courses at all… president Thomas Dillon chose to complain that, ‘In the name of advancing diversity with-in each institution, [proponents of diversity] are imposing their own version of conformity and threatening true diversity among institutions.’\textsuperscript{99}

This threat brought forth considerable criticism of the accreditor. Then President of Stanford, Gerhard Casper, “argued that the Commission was ‘attempting to insert itself in an area in which it has no legitimate standing,’”\textsuperscript{100} and former Education Secretary Lamar Alexander “concluded that it was not appropriate for an accreditation agency to wield what amounted to federal power in a manner that threatened academic freedom and diversity among institutions.”\textsuperscript{101}

Another avenue in which the diversity of institutions is being curtailed is for-profit colleges. The regional accreditation agencies have historically been hostile towards profit-seeking colleges, leaving them to rely on national accreditation to gain access to federal funds, with the former type of accreditation often being prohibitively expensive and risky to pursue, and the latter often viewed with much skepticism. Because the accreditation process is such a significant barrier to entry, some for-profit companies have resorted to buying struggling non-profits in order to acquire their accreditation. Many in the higher education community do not approve of this practice and have suggested that “accrediting agencies should block” this from happening and that such actions should trigger “a full accreditation review.”\textsuperscript{102}

The accreditation community appears to have begun listening to such advice, as the Higher Learning commission recently refused to transfer Dana College’s accreditation to a group of investors because the accreditor speculated that the owners would alter the school’s mission, effectively forcing the closure of the 126 year old private college.\textsuperscript{103} While it is somewhat refreshing that the accreditation community believes that it should prevent some colleges from having accreditation, it is distressing to realize that this belief has very little to do with student learning or graduate outcomes, but rather focuses solely on the presumed implications of the tax status of the provider.

**Evaluation: Maintain Diversity of Institutions and Missions.** Our evaluation of accreditation in maintaining diversity in missions among institutions mirror those for the autonomy dimension: exceptional in the pre-1936 and 1936 to 1952 eras, satisfactory in the 1965 to 1985 era, and unsatisfactory in the current era. In both cases, the reason for the deterioration is the same. Prior to 1952, the accreditors lacked the leverage to influence colleges in unacceptable ways. They were given that leverage in the 1952 to 1985 era, but did not wield it for the most part. More recently, some accreditors have occasionally used their power to try and curtail diversity among institutions by insisting on non-educational requirements that reduce institutional diversity.

**Table 7**

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Note: NA = not applicable, (✔+ )= superb performance, ✔ = satisfactory performance, (✔ – ) = unsatisfactory performance, and F= failure.
Promote Efficiency

Higher education, similar to other economic activities, needs to be efficient in order to remain viable. Regardless of how much of a benefit higher education provides, if the costs to achieve those benefits are prohibitively high, the higher education system will be ultimately unsustainable. To be effective, accreditation should not suppress innovation, serve as a barrier to entry, or impose unnecessary costs.

Don’t Suppress Innovation by Existing Colleges

As tuition costs continue to soar, higher education is in dire need of innovation that can help lower costs. Many observers have suggested that higher education has remained resistant to the productivity gains experienced in most industries through the use of modern technology. In promoting an efficient higher education system, accreditation should not suppress innovations that have the potential to improve productivity.

Because accreditation was so new when it first emerged, many of the established colleges were essentially grandfathered in. Moreover, standards had yet to be developed that would restrict their freedom of action in any meaningful sense. Thus, prior to 1952, the accreditation system gets high marks for not restricting innovation by existing colleges.

From 1952 to 1985 there was an increase in the responsibilities placed on accreditation by the government as well as an increase in the need of institutions to obtain and retain accreditation. These concurrent trends placed enormous pressure on accreditors (in the form of a desire for consistency as well as to protect themselves legally) to adopt a quantitatively verifiable framework for assessing schools. Unfortunately, the only quantitative aspects of higher education that were easily verifiable tended to be inputs and processes. But if accreditation dictates the inputs to be used, and the manner in which they are to be used, then there is little room for institutions to innovate along these dimensions. Indeed, such requirements can be so “micro managing as to suffocate creativity [and] innovation, which is what is beginning to happen.”

It is true that there are large swaths of higher education in which institutions are free to experiment and innovate however they see fit. But it is equally true that there are some areas where they are not free to do so. Part of this is attributable to a bias towards the status quo on the part of accreditors. Because accreditors must themselves be federally recognized (or “accredited”, as it were) they are afraid of losing that recognition. Brittingham notes that “recognition as a regulatory system is not friendly to experimentation by accreditors with new ways of doing business; any change an accreditor considers potentially threatens its federal recognition.” While this bias towards the status quo is certainly understandable on some level, it nonetheless leads to a system that sometimes suppresses innovation. This tendency towards the status quo is also evidenced within institutions themselves, as college administrators at times stifle innovations by faculty or others within an institution by claiming (spuriously) that such action would threaten their accreditation.

A prime example of accreditation stifling innovation is illustrated by engineering accreditation (performed by the American Board of Engineering and Technology, or ABET). A number of employers and educators had grown unsatisfied with the education being delivered in the nation’s engineering schools, and set about reforming old programs and designing new ones to improve the quality of education. But “institutions that attempted to develop more flexible and innovative programs were increasingly harassed in accreditation reviews and were forced to make their curricular requirements more restrictive to avoid loss of accreditation. ABET had clearly become a stumbling block to reform” and the agency “could well be characterized as a protector of the status quo.”

Dissatisfied employers and colleges pressured ABET to reform and to focus more heavily on gauging
student learning. Such a shift would, incomprehensibly, put it at risk of losing federal recognition as an accreditation agency. Thus, “ironically, ABET... voluntarily withdrew from the recognition system because it wanted to focus more directly on student learning outcomes and concluded it could not follow that path the way it wanted to while maintaining federal recognition.” 109

Some continue to insist that accreditors do not suppress innovation, pointing out that there are processes by which innovative programs can be implemented. What they often fail to mention is that these same processes often throw insurmountable obstacles in the way. For instance, the time required by one accreditor “for an innovative program to be approved is eight years.” This quite clearly is an example of “a process that lends itself to maintaining the status quo” while pretending to be open to innovation.

Wherever accreditors have set standards or requirements, institutional innovation has been suppressed. A university cannot try a creative new approach to providing access to library materials if the accreditor insists on doing things the traditional way. Consider for example the Council on Social Work Education (CSWE). They have numerous “accreditation requirements related to faculty, student development, curriculum, and innovative programs.” Carol S. Drolen argues that these requirements “deter curriculum innovation” and that “in addition to the very real possibility that this standard infringes on academic freedom” it also potentially reduces educational quality since “it very likely deters faculty in some situations from using the texts or instructional strategies of their choice, specifically ones that are the most creative and innovative.” 111

Evaluation: Don’t Suppress Innovation by Existing Colleges. In light of the evidence mentioned above, we view accreditation’s performance on the dimension of not suppressing innovation by existing institutions as deteriorating from exceptional (pre-1952), to satisfactory (1965 to 1985), to unsatisfactory in the post-1985 era.

TABLE 8
HISTORICAL PERFORMANCE IN THE SUPPRESSION OF INNOVATION BY EXISTING COLLEGES CATEGORY

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<tbody>
<tr>
<td>Suppression of Innovation by Existing Colleges</td>
<td>✓+</td>
<td>✓+</td>
<td>✓</td>
<td>✓–</td>
</tr>
</tbody>
</table>

Note: NA = not applicable, (✓+) = superb performance, ✓ = satisfactory performance, (✓–) = unsatisfactory performance, and F = failure.

Don’t Be a Barrier to Entry for New Innovative Colleges

New colleges are an even more important source of new ideas for improving higher education and one of the best ways to disrupt the status quo. Ensuring that new and innovative colleges can be established requires that the quality control mechanism is not used as a barrier to entry.

When accreditation was completely voluntary, the barrier to entry problem had not yet developed. Accreditors could of course deny a college their accreditation, but since that decision was not tied to any federal money, the extent to which this discouraged new colleges was negligible.

From 1965 to 1985 we believe that accreditation was reasonably satisfactory in this regard. The system started out reasonably hospitable to different and new institutions (as long as it wasn’t for-profit). Even
the traditional bias against for-profits was not insurmountable. When accreditors were first given their gatekeeper role, there were some “vocational, unaccredited schools for which there were no accrediting associations… [so] governmental officials had encouraged their development. For example, William Goddard, an owner of several well-known profit-making schools, organized the National Association of Trade and Technical Schools after such encouragement.”112

Those days are long past however. The combinations of misbehavior by some schools (especially for-profits), and the shift towards an emphasis on compliance in accreditation reviews have created a hostile environment for new colleges. Many now argue that “the existing accrediting regime… hinders new institutions from entering and innovating”113 and “educational innovators say the process is inflexible and discourages creative approaches.”114 Accreditation now functions as a barrier to entry, keeping new institutions with innovative ideas from participating in the field.

Part of the problem is a “built-in catch-22 for innovators and entrepreneurs — you can’t be accredited (get access to public money) until you have proved yourself in advance. You can’t prove yourself in advance—prospectively—unless you are accredited.”115 The difficulty of obtaining accreditation for a new institution has led many for-profit companies to buy struggling not-profit colleges just to inherit their accreditation. Entrepreneur Michael Clifford has suggested that regional accreditation has a fair market value of around $10 million to an acquirer, as that is the amount that it would take to start a regionally accredited college, a “process that could take up to ten years and has only a 50-50 chance of success.”116

But even supposing the barrier to entry issue was resolved, there would still be a major problem. Accreditation focuses so heavily on inputs and processes that even if new institutions were allowed to enter the field, they would be severely restricted in terms of what they could actually do. The system has evolved in such a way that it largely prescribes what inputs institutions should use and how they should use them. In other words, accreditors, while tasked with certifying the ends, have instead mandated the means to be used while almost completely ignoring the ends. But if the inputs that must be used and the way in which they are used are predetermined, that severely restricts the ability of new colleges to innovate. This “severely limits the advancement of new models of higher education” leading one observer to conclude that “accreditation today is the biggest barrier to innovation and change in higher education.”117

Consider, for example, the case of StraighterLine, a company that offers a number of introductory courses. The company has an innovative business model that hosts traditional course material online, and arranges for online tutors to be available to students whenever they need help. This saves on the most costly resource used to provide an education—an instructor’s time. This allows StraighterLine to offer courses for a fraction of the cost of a standard college. However, the accreditation process restricts StraighterLine from selling its services directly to students, since only institutions, not courses, can be accredited. As a result StraighterLine is forced to partner with traditional universities, who often charge much more for the course.118

**Evaluation: Don’t be a barrier to entry for new innovative colleges.** Accreditation did not serve as a barrier to entry for new innovative colleges prior to 1952 because it did not have the power to prevent entry. In the 1952–1985 era, accreditation performed satisfactorily in this regard. The expansion of higher education in this era forced accreditors to be lenient when it came to the standards for entry. However, in the period since 1985, accreditation has too often become a barrier to entry. It remains too embedded in its traditional measures of institutional quality to allow innovative ideas to gain momentum in transforming...
higher education from an inefficient system of the paper-based past to the modern and productive information-age economy. We therefore consider accreditation as performing unsatisfactory in this area.

### Table 9

| Historical Performance in the Barrier to Entry for New Innovative Colleges Category |
|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Innovative Colleges             | ✔+                              | ✔+                              | ✔                               | ✔=                             |

Note: NA = not applicable, ( ✔+) = superb performance, ✔ = satisfactory performance, ( ✔-) = unsatisfactory performance, and F = failure.

### Don't Impose Unnecessary Costs

Any system that serves the purposes that accreditation does will have costs associated with it. When evaluating the current system, it is useful to distinguish between direct and indirect costs. Direct costs include line items such as membership fees, site visits, evaluation and in-kind expenditures to prepare for the process. These costs are generally relatively low.

In addition to the direct costs, there are indirect costs that follow from the actions necessary to comply with accreditation recommendations. These recommendations often encourage money to be spent in order to satisfy the accreditation committee. These costs are “borne by the institutions themselves” and can be substantial.  

**Direct Costs.** One of the greatest advantages of our current accreditation system is that as far as direct costs are concerned, it is dirt cheap, and always has been. In 1998, “the average total expenditure by public four-year institutions was $63,000.” If the system actually achieved all its stated goals, this would be considered a phenomenally cheap mechanism of improving and assuring quality.

The reason it is so cheap is that it relies heavily on faculty and administrator volunteers. In 2007, the regional associations “relied on 3,580 volunteers” from the colleges “compared with only 129 full-time staff.” While there are legitimate questions raised by such a heavy reliance on volunteers from the very colleges being accredited, that does not change the fact that the direct costs of the system are incredibly inexpensive.

The only real issue concerning the direct costs of accreditation is the fact that many institutions have to deal with many different accreditors. Indeed, about a quarter of survey respondents complained of the burden of “responding to the needs of multiple accreditors.” While this concern should not be dismissed lightly—for example, “A medical school may be examined by 40 or 50 separate accrediting agencies,”—the overall conclusion remains that accreditation is relatively inexpensive in terms of direct costs. However, these low direct costs have not prevented some university administrators over the years from complaining about how much time, money, and energy are wasted each year by excessive reliance on personal visits of accrediting teams.

We therefore give accreditation relatively high marks in all periods for keeping direct costs low.

**Indirect Costs.** The indirect costs that universities face are the costs of complying with accreditors’ recommendations. Unfortunately, “Accreditors have a tendency to recommend actions by schools that will
require them to use scarce resources to little or no purpose.” These often entail significant opportunity costs, diverting funds from better alternative uses. Prior to 1952, accreditors couldn’t force colleges to spend money because the associations and membership were voluntary. If an accreditor imposed a requirement that the institution disagreed with, the college could simply choose not to seek accreditation from that organization.

As so many other things, this changed once the accreditors were given gatekeeper functions. Accréditor “recommendations” would henceforth be viewed more appropriately as demands, and “few if any accreditation visits will end without some ‘suggestions’ for improvement that may affect the campus budget for many years.”

Unfortunately, the “accreditation process rarely lends itself toward efficiency, productivity improvement, or ‘cost cutting.’” In fact, many of the accreditors’ demands drive up college costs while having a tenuous impact on the education provided.

The examples below are just some of the more blatant instances of accreditors recommending changes that indirectly drive up costs.

**Demanding Lower Teaching Loads.** The number of courses that professors teach in a term is referred to as their teaching load, and it can clearly affect the quality of teaching. Too many courses will leave professors with insufficient time for preparation, office hours, grading, and advising. Professors are also often expected to perform other duties, such as conducting research and serving on administrative committees. It seems quite clear that the universities, departments, and professors are in the best position to determine the appropriate teaching load based on all these factors, but accreditors have been known to interfere and demand lower course loads. For example, “Campbell University in North Carolina was placed on probation because its standard faculty teaching load was 15 hours per week. The accreditor insisted that 12 hours was the maximum acceptable load.” Complying with such a demand would require hiring many additional faculty members, which would obviously drive up the costs for the college.

**Demanding Teachers Possess Certain Credentials.** While there is little doubt that professors need to be knowledgeable about the subject material in order to be effective teachers, it does not follow that every instructor must possess a Ph.D or even a Master’s degree. As William James observed over a century ago, “Is not our growing tendency to appoint no instructors who are not also doctors an instance of pure sham? Will any one pretend for a moment that the doctor’s degree is a guarantee that its possessor will be successful as a teacher?” Nevertheless, “Accreditors’ recipe for educational inputs often includes the idea that colleges should employ individuals who hold ‘appropriate degrees’… Restricting hiring to individuals with these credentials may not lead to better teaching, but is virtually guaranteed to drive up costs.”

**Demanding Excessive Planning.** Leef and Burris note that “accreditation teams have a predilection for recommending ever more planning by schools.” The incentive for accreditors to demand more study of issues like campus safety or diversity, regardless of the previous level of study, simply to provide cover for themselves. This excessive planning can entail the diversion of money and leadership effort away from potentially more appropriate uses.

While the examples listed above apply to most accreditors, by far the worst offenders in demanding spending with little regard to institutional circumstances or goals are the specialized accreditors. These
are the accreditors that evaluate specific programs or fields, and they often come to the conclusion that the institution is shortchanging whatever field they represent. This is unsurprising, given that “specialized accreditors often attempt to benefit faculty members in particular disciplines—at the expense of broader institutional needs.” As John V. Lombardi, the president of the University of Florida complained, “They blackmail us… If they say your department of astrophysics needs 12 spaceships and you have only 10, you had better get the other two… You take the money from the history department because it doesn’t have an accrediting lobby to protect it.”

Specialized Accreditors. “The most egregious example” of a specialized accreditor acting in the interests of the field rather than the institution is the American Bar Association. “Many of the ABA accreditation rules have only gossamer connections to the quality of legal education,” but that hasn’t prevented the ABA from insisting on all types of requirements that while costly to satisfy, yield no educational benefit. Many of these requirements “have a laser-like focus on the perquisites of being a law professor—down to specifying the number of square feet in each faculty member’s office.” In the 1990s, the ABA went so far as to dictate the salaries of law professors until the Justice Department wrangled a consent decree directing the ABA “to concern itself with academic quality instead of resources.”

Because of the incessant calls for more resources in their particular area, the specialized accreditors are largely “viewed as a guild designed to protect the guild.” In the words of Jon Provost, “you can get a fair picture of the world of specialized accreditation by imagining 250 or so would-be ABAs, each carving for a finer grade of ivory in its part of the tower.”

This is problematic, since the “misplaced priorities” of accreditors often results in “driving up costs or reallocating (or misallocating) institutional resources.” For instance, Peter Magrath, former president of the University of Missouri recalled when “the accrediting committee from the American Bar Association insisted that we should have a new building. The problem was that you had people making decisions about the use of university resources who didn’t have an overall perspective.” They were insisting on a new building without knowing if that was in fact the best use of the university’s scarce resources.

All too often, the outcome of accreditation in general and specialized accreditation in particular is to pressure colleges to spend more money, often inappropriately. As one accreditor acknowledged, “To read [accreditation] reports in which time and again, teams called for institutions to spend more money—often for physical facilities, libraries, or faculty—but hardly ever were these recommendations connected to improving the outcomes of the learning experience. We assumed that this result would occur but never verified that the changes had had this effect.” Spending on inputs is continually encouraged, and “peer-institution analyses… showed that each new expenditure was ‘appropriate.’” Yet at no point is it explained how the additional spending will improve student learning nor are any actual effects evaluated after the spending occurs. Needless to say, this relentlessly drives up the cost of college without improving learning.

Evaluation: Don’t Impose Unnecessary Costs. The costs of accreditation can be broken up into direct and indirect costs. The direct costs of accreditation are, and have always been, low. Prior to 1952, the indirect costs were low as well, since membership was voluntary. Since then, however, the indirect costs have become a more pressing problem. The tragedy is that colleges are currently required to spend massive amounts of money on things that have never been shown to lead to higher student learning.
Because the vast majority of accreditation’s costs are of the indirect variety, they are given more weight in our evaluation. We conclude that accreditation deserves high marks before 1952, merely a satisfactory evaluation for the 1952 to 1985 era, but an unsatisfactory rating in the post-1985 era.

**TABLE 10**

**HISTORICAL PERFORMANCE IN THE IMPOSITION OF UNNECESSARY COSTS CATEGORY**

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</thead>
<tbody>
<tr>
<td>Imposition of Unnecessary Cost</td>
<td>✓+</td>
<td>✓+</td>
<td>✓</td>
<td>✓–</td>
</tr>
</tbody>
</table>

Note: NA = not applicable, (✓+) = superb performance, ✓ = satisfactory performance, (✓–) = unsatisfactory performance, and F = failure.
Part 2: Reforms of and Replacements for Accreditation

In this section, we will discuss several ideas for reform of the existing accreditation system, as well as several alternative systems that could potentially replace accreditation in the role of providing quality assurance.

Publishing Accreditation Reports

Requiring accrediting bodies to publish reports detailing their findings is one common reform option. Under the current system, accreditors do not make their assessments of universities publicly available. Generally, the information released only indicates whether or not an institution has received accreditation. Since nearly every college has accreditation, this is not very informative. Nor does it inspire confidence in accreditation decisions. In the words of one former accreditor, “The secrecy of peer review has actually become counterproductive in terms of credibility with the public.” 142

While technically private agencies, accrediting bodies are providing public functions, particularly as they pertain to publicly supported institutions of higher learning. In many states, open records laws and other legislation is designed to provide transparency in government. Large amounts of public funds are used, even at most private institutions, so the insistence on transparency through publishing reports seems well placed.

The more expansive goal of providing the public with information on the finances, operating procedures, external evaluation and learning outcomes is urgently needed in higher education, and the achievement of that goal would be greatly enhanced if accreditors would make more information available to the general public. Relatively independent assessments of the strengths and weakness of individual institutions would allow for more informed consumer and public policy decisions. As the system functions today, accreditation does very little, if anything, to assist either group in making informed decisions concerning higher education.

The main downside to increased transparency is that colleges would become less forthcoming in their dealings with accreditors. As David L. Warren, president of the National Association of Independent Colleges and Universities said, there are worries “that constructive criticism in the reports, designed to spur improvements, would be taken out of context in press reports and characterized as a major deficiency.” 143 This leads “some accreditation officials to fear that more public disclosure will result in: an adversarial, rather than collegial, accreditation process; a smothering of trust critical to self-analysis; unwanted press coverage of school problems; and schools withholding information.” 144 This could diminish the effectiveness of accreditors along the quality improvement dimension, since they cannot help colleges to address their weaknesses if the colleges are deliberately hiding them in fear of negative publicity.

In our view, the objection that publishing accreditation reports might embarrass the institution is overblown and is trumped by the great public benefit that publication would yield. Shouldn’t weaknesses in these institutions be exposed to public scrutiny? Since third parties—especially taxpayers—fund much of higher education, does not the public have a right to know how what are essentially governmental-mandated observers assess these institutions?

Fundamentally, “Unless the system produces sufficient data in a transparent manner with the capacity to make public comparison of results with other practitioners, it will ultimately fail.” 145 Requiring
accreditation reports to be published would greatly increase transparency at little cost, especially if reasonable decisions are made about what is to be disclosed.

### Table 11

<table>
<thead>
<tr>
<th>The Effects of Publishing Accreditation Reports</th>
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<tbody>
<tr>
<td>Quality Improvement:</td>
</tr>
<tr>
<td>Inform the Public:</td>
</tr>
</tbody>
</table>

Note: (+) represents an improvement in performance in this category, (–) represents a deterioration in performance in this category.

**Move Away from Binary Decisions**

Another needed reform would be to move away from the binary yes/no judgment. The current system “works like a light switch—either it’s on or it’s off… Accreditors would greatly improve their worth to the public if they would delve into the strengths and weaknesses of colleges and universities rather than just scanning to make sure that they fit the general profile of acceptability.” In other words, no mechanism exists to signal the level of quality or to allow meaningful comparison among accredited institutions. Moving away from the binary yes/no decision would change that. For instance, institutions could be explicitly evaluated on a dozen or so categories, with accreditation requiring sufficiency in 8 or 9 and plans for improvement in the rest. Or, numerical rankings could be developed in various categories of inquiry, with a minimum aggregate score needed to be accredited.

One of the main benefits of this reform would be an increase in the information on college quality provided to the public. "If there were levels of accreditation, institutions would compete for honored spots," and the winners of this competition would be easily identifiable. The additional information provided by a tiered accreditation system would lead to a better public understanding of standards and quality, and the different levels of accreditation would provide an important insider counterweight to external college rankings, such as those by *US News and World Reports* and *Forbes*. Indeed, we would argue that the importance of college rankings in consumer decisions is likely directly a result of the failure of accreditors to offer a meaningful alternative. People don’t want to know whether Slippery Rock State University is “acceptable” (accredited), but how it compares with comparable peer schools, and rankings such as those of *US News & World Report* and *Forbes* provide them with that information.

This has not happened essentially because colleges, who largely still control the accreditation process, do not want information released that would hurt them competitively. They perceive it in their institutional interest to minimize knowledge about the quality of the educational offerings of colleges. That, however, is clearly inimical to the public interest.

In addition, with a non-binary, more precise, evaluation system, accreditors would have a greater ability to sanction colleges and enforce minimum quality requirements. Under the current system, “Their decisions are so starkly up or down that, as a consequence, they hardly ever deny accreditation. As a regulatory tool, they are about as effective as a sledgehammer.” This would likely change if we had more distinct levels of accreditation that indicated different levels of quality.

It is possible that innovation would also be enhanced. An “experimental” category of accreditation could be made available that granted the students of promising new ventures access to financial aid, with the results of the new venture being evaluated for effectiveness after a set number of years. Since the
results of the evaluation would not imperil the rest of the institution, new and existing colleges would be more willing to try new things.

The main drawback of such a proposal is that in the absence of reliable measures of student learning, accreditors would likely default to their input- and process-based criteria. Thus, a tiered system would likely evolve into a caste-like system where institutional expenditure is the main determinant of the type of accreditation granted, improperly giving the impression that some institutions are of higher quality merely because they spend more. This would increase indirect costs, as institutions would face another incentive to match the spending of colleges in the highest rated tier.

Overall, this is a promising reform, even more so if combined with an emphasis on basing decisions on student learning or other outcomes. Moving towards some uniform national indicators of academic performance and measures of “value added” by the university experience would seem highly appropriate.

### Table 12

<table>
<thead>
<tr>
<th>The Effects of Moving Away from Binary Decisions</th>
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<tbody>
<tr>
<td>Certify quality: +</td>
</tr>
<tr>
<td>Don’t suppress innovation by existing colleges: +</td>
</tr>
</tbody>
</table>

Note: (+) represents an improvement in performance in this category, (–) represents a deterioration in performance in this category.

### Increase Competition Among the Accreditors

Institutions have virtually no choice as to whom will do general institutional accreditation, as they are forced to use the agency in their region. The exception is the option to pursue national accreditation, yet this path has a stigma of being inferior. Some critics of accreditation have thus described the regional accreditation system as cartel-like, with each accreditor granted a regional monopoly with a guaranteed market for customers without having to provide much benefit.150 As a result, there is little to no competition between accreditors for the right to certify a college or university as eligible for federal student aid.

Allowing colleges to seek accreditation from any approved provider in the country would likely result in colleges soliciting bids from a number of agencies who would compete to provide accrediting services for each institution. This would likely enhance performance in regard to their improvement role since the exit option for colleges would give accreditors a greater incentive to provide useful advice and services. Whether this competition results in better measures of quality is open to debate. Some believe it would likely result in “a troubling form of competition—competition for the lowest standards.”151 Others believe that “schools that wanted to differentiate themselves by virtue of their high standards, serious teaching, sound curriculum and so forth might seek out selective accreditors whose certification would be a mark of distinction.”152 It is likely that there is some truth to both of these views. One consequence is that there would likely be a decline in the certification of quality, as at least some accreditors would engage in a race to the bottom. However, the differentiation of accreditors would provide useful information, since accreditors who engaged in race to the top would offer a mark of distinction to member colleges. A good analogy would be academic journals. While there are certainly some journals with low standards, any given field has a handful of top journals with high standards, and academics publishing in those journals are distinguished from those that don’t.
Presumably, additional accreditors would enter the field and none would have a captive audience anymore. This implies that the system would not be as big of a barrier to entry and that we would see less suppression of innovating ideas by existing colleges. We would also likely see a reduction in indirect costs, as colleges moved away from accreditors that made unreasonable demands concerning the spending of institutional resources.

**TABLE 13**

**THE EFFECTS OF INCREASING COMPETITION AMONG THE ACCREDITORS**

<p>| | |</p>
<table>
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<tbody>
<tr>
<td>Quality Improvement:</td>
<td>+</td>
</tr>
<tr>
<td>Define (Appropriate) Measures of Quality:</td>
<td>=</td>
</tr>
<tr>
<td>Certify Quality:</td>
<td>−</td>
</tr>
<tr>
<td>Inform the Public:</td>
<td>+</td>
</tr>
<tr>
<td>Don’t suppress innovation by existing colleges:</td>
<td>+</td>
</tr>
<tr>
<td>Don’t be a barrier to entry for new innovative colleges:</td>
<td>=</td>
</tr>
</tbody>
</table>

Note: (+) represents an improvement in performance in this category, (−) represents a deterioration in performance in this category, and (=) represents no change in performance in this category.

**Alternatives to Accreditation**

The above proposals for reform all essentially keep the current system in place and try to reform certain aspects of it. The proposals mentioned below deviate from those above in that they seek to have accreditation abandon the quality assurance function entirely. Quality assurance is then to be handled by some other entity, and accreditation would revert to its historical role of focusing on quality improvement.

**A Quick Note on Quality Improvement.** One recurring theme in the proposals below concerns enhancement in the quality improvement function. The reason for this is that accreditors are currently tasked with a role in fostering quality assurance, which they do not view as essential, and indeed view as a distraction from their true purpose, which they understand to be a focus on quality improvement.

All of the proposed reforms below remove the quality assurance role that is currently in the hands of accreditors. Without being prodded by the government to focus on quality assurance and compliance, the accreditors could focus more exclusively on their role in quality improvement. This is both their preferred activity and is more in line with their capabilities and historical mission. In addition, by severing the tie between accreditation and federal funding, colleges would no longer be forced to endure anything accreditors decide to mandate. Colleges would only seek out accreditation if its benefits were greater than its costs. Therefore, we would expect to see progress in the quality improvement function for all of the reforms below.

**The Market**

The first alternative system to accreditation as it is currently practiced would be to end the quality assurance role by cutting the tie between accreditation and federal funding, relying on the free market to provide public accountability.

A compelling case can be made for this proposal:
The reason for linking the two at the time of the GI Bill was to protect against the squandering of federal funds on institutions that provided an education in name only. Experience has shown, however, that many accredited institutions now provide an education in name only. If accreditation ever served as a reliable proxy for acceptable educational quality, it no longer does.\textsuperscript{153}

Moreover, some believe that recent legislation has effectively already “removed their quality assurance role altogether, saying it is essentially up to the institutions to decide what ‘quality’ is, while accreditors are presumably left free to meddle, as they often do, in matters unrelated to educational quality.”\textsuperscript{154} In other words, accreditors to date have not performed the quality assurance role effectively, and Congress has mandated that they not at all do so. There is therefore little reason to continue to tie accreditation status to institutional eligibility.

**What Would Improve?** Cutting the tie between accreditation and federal funding would have a few advantages. Accreditation would once again be completely voluntary, and because accreditors would no longer have quasi-governmental power, they could no longer essentially force institutions to do what they wished. This would allow colleges to ignore inappropriate recommendations from accreditors. Institutions would therefore gain much more freedom of action, leading to improvement in the maintenance of institutional autonomy and diversity, a reduction in the suppression of innovation by existing colleges, a reduction in barriers to entry by new colleges, and a reduction in costs.

**What Would Stay the Same?** The definition of appropriate measures of quality would likely stay the same. The accreditors currently refuse to actually define what students should get out of college, and they largely do so at the behest of the colleges themselves. The colleges are supposed to individually determine what quality means, and removing the accreditors from the equation would not change this.

The information provided to the public would probably stay roughly the same. While the current system does an abysmal job of providing the public with information, there is little reason to expect that to change. It is likely that we would see the emergence of a class of certifiers that distinguish schools along various criteria, essentially ranking the colleges. However, there is nothing stopping the emergence of organizations that could do this under the current system. Moreover, several major publications already publish rankings of colleges, so it is not clear how much more information would be provided by the implicit rankings provided by the new accreditors.

**What Would Deteriorate?** We would expect to see deterioration only in the certifying of quality. Some argue that letting the market perform this task would be acceptable:

The self-interest of students and parents reduces the problem of fraudulently low-quality education that the accreditation requirement was supposedly needed to prevent to one of de minimis proportions. If there were instances of educational fraud by institutions receiving federal funds, it would be better policy to ban them from receiving federal funds for a period of years than to compel all to participate in an accreditation system that has, in the view of some observers, more cost than benefit to educational institutions. That is the approach the government takes with the Food Stamp program. Rather than
trying to limit Food Stamp use to approved stores, the government looks for cases of fraud and prosecutes them.\textsuperscript{155}

The market is indeed capable of performing the quality certification function for a vast array of products and services. For example, there is no need for a quasi-governmental agency to certify the quality of restaurants (there are health inspectors, but they only establish whether the restaurant follows health codes, they do not pass any judgment of the quality of food served). Consumers can go wherever they wish, and through a combination of direct experience with the product, communication with others that have direct experience, and independent third party reviews, make informed decisions about which product to buy. Restaurants that provide higher value can be expected to displace those that offer lower value. A similar mechanism is at work in “certifying” quality for any number of other products, from cars to magazines.

If this same mechanism functioned with higher education, there would be no problem with relying on the market to certify quality. However, higher education has a number of relatively unique characteristics that complicate the issue. To begin with:

It is virtually impossible to know the true quality of an undergraduate degree: the student purchases the service only once, participates in the provision of the service, the service provided is a capital asset, there is no secondary market for degrees, and the value of the degree may not be known for years after it is purchased.\textsuperscript{156}

All of these distort the information that prices signal in a well functioning market. Adding to the confusion is the non-profit or public status of most institutions, the principal-agent problem, peer effects, and college as a status good.\textsuperscript{157} All of these conspire to cloud informed decision making. We therefore have little confidence in the ability of the market to send the appropriate signals about college quality, at least beyond the extent that is currently in practice by popular college guides and rankings systems.

We would note, however, this is not truly an example of “market failure.” Markets operate efficiently when information on alternatives is widely available at low costs, and that is not true with colleges in large part because they conspire to NOT provide information that would be of great interest to consumers: information about educational services and even about those who are funding those services.

If the market is unable to enhance informed decision making, then we are likely to see a significant deterioration in the certification of quality in higher education. For all of its flaws, accreditation is fairly effective at marginalizing diploma mills, and this result would be lost once the market was put in charge of certifying quality. In its place, we would likely see a free for all of fly by night schools trying to grab federal funding in a marketplace unable to distinguish among high quality colleges and diploma mills.

**Would Such a System Be Appropriate?** Overall, the importance of the quality certification role and the significant deterioration that we would expect to see leads us to conclude that this is not a desirable alternative. If at some point in the future, reliable measures of student learning are devised, this would allow for direct determinations of college quality to be made. It would then be feasible and appropriate to rely on the market. Moving to that goal should be an aim of policymakers. But until there are measures of student learning publicly available that allow for direct comparisons of colleges, relying heavily on the market is inadvisable.
The Effects of Replacing Accreditation with the Market

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<td>Promote the Health and Efficiency of Higher Education:</td>
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<td>Define (Appropriate) Measures of Quality:</td>
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<td>Inform the Public:</td>
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<td>Certify Quality:</td>
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Note: (+) represents an improvement in performance in this category, (–) represents a deterioration in performance in this category, and (=) represents no change in performance in this category.

The Government

Another alternative to the current accreditation system would involve shifting the quality assurance roles from the accreditors to the government. Some argue that “the federal government should not use accreditors as its proxies; it should establish its own set of criteria for Title IV eligibility and enforce those standards.” This type of proposal has resurfaced throughout the post-1952 history of accreditation. One of the earliest pushes occurred in the early 1970s when the Newman Committee recommended a “comprehensive, uniform, government-controlled system of eligibility for postsecondary institutions.”

Such a government run system would be analogous to creating a Food and Drug Administration (FDA) for higher education. The federal government would be directly in charge of determining the effectiveness of educational practices, and would allow those that it approved of while disallowing those that it did not, all supposedly in the name of protecting the public.

What Would Improve? Given the underlying trends that gave rise to the accountability movement, it is difficult to imagine scenarios under which an FDA of higher education would not be expected to lead to a number of improvements in the quality assurance area. For starters, we would expect to see improvement in the definition of appropriate measures of quality. To the extent that accreditors have stressed evaluating student learning, it is often at the insistence of the government. It is highly likely that the government would continue to focus on devising methods of determining how much students learn. While the government would probably continue to rely too heavily on standards involving inputs, the additional focus on student learning would be most welcome.

We would also likely see improvement in the enforcement of minimum standards. Under the current system, accreditors are too reluctant to take away an institution’s accreditation. Comparatively, the political process shows much less restraint. Entire sectors have been known to come under attack, as evidenced by the most recent crusade against for-profit colleges. It is highly unlikely that diploma mills could be established or continue to operate for any significant length of time in such an environment.

Lastly, more information would be released under such a regime. Because they would not have a quality improvement role that relies on candid self-assessments, the government would not have as much potential to publish embarrassing things as the accreditors. Moreover, the government is accustomed to operating in a more transparent manner, and would not be as reluctant to release their major findings.

What Would Deteriorate? In contrast to the improvement we would see in the quality assurance functions, the health and efficiency of higher education would be dramatically hurt by an educational FDA.
Both of the historical strengths of higher education we've highlighted would be badly eroded. Institutional autonomy would be greatly circumscribed if the government was the ultimate judge of what constitutes a valid education. Rather than maintaining or encouraging diversity, every institution would be pushed towards a common politically popular vision once a set of universal standards were in place. In other words, an FDA for education "would represent the ultimate in centralization, standardization and uniformity."\textsuperscript{160}

The efficiency of higher education would be further impaired as well. Government agencies are notorious for being unable or uninterested in innovating. In the few areas where they succeed in encouraging innovation it is either by giving grants to largely unmonitored private parties (through agencies such as the NSF or NIH) or by studying methods of achieving a known goal (such as NASA or Defense projects). Neither of these is appropriate for higher education. Innovation by existing universities would likely be stifled, and innovative new colleges would be even more disadvantaged, caught in a catch-22 of not being allowed to operate until they have demonstrated their effectiveness while not being able to prove their effectiveness without being allowed to operate.

Lastly, such a system would likely be much more costly than is currently the case. The direct costs would certainly rise, as the volunteers in today's system were replaced by government bureaucrats. Indirect costs would likely go up as well, as the government would likely have more onerous paperwork and reporting requirements. It is possible that costs would decline if the government reined in "recommendations" that required spending more money. However, the history of the budgets of government runs programs renders this highly unlikely.

\textbf{Would Such a System Be Appropriate?} Overall, installing an FDA for higher education would make our system much more like those found in Europe, whose colleges are typically subject to much greater government control. A minimal level of educational quality could be assured with greater confidence, but the higher education sector itself would be much more uniform, stagnant, and ineffective, similar to the current state of the public K-12 education system.

It should be noted that "there is no fear of federal interference more often expressed than that of the government imposing some 'one size fits all' standard for quality."\textsuperscript{161} There is virtually unanimous agreement among those in the academy that direct government involvement of this type is to be avoided with many observing that "the DOE has made clear that it is not a good judge on issues of academic quality, and the prospect of its telling others how to promote academic quality is grimly amusing."\textsuperscript{162} This leads to the conclusion that "the risks of going down the road of bureaucratic federal intervention in teaching and learning are far greater than the likely benefits."\textsuperscript{163}

We are in complete agreement with the academy on this score. While we find the improvement in the

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\textbf{Certify Quality:} & + \\
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\textbf{Promote the Health and Efficiency of Higher Education} & – \\
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\end{tabular}
\caption{The Effects of Replacing Accreditation with the Government}
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Note: (+) represents an improvement in performance in this category, (–) represents a deterioration in performance in this category.
quality assurance role to be a significant benefit of an FDA-like system, it comes at too high a cost in terms of higher education's overall health and efficiency. Relying on the government to perform the quality assurance role currently tasked to accreditors would be too much like curing the disease by killing the patient.

A Centralized Accrcreditator

Accreditation is said to be an example of regulatory capture, which occurs when the supposedly regulated gain control of the regulatory process. Accreditation was started, funded and maintained by colleges, and is staffed largely by college employees, so it is perhaps not surprising that "any serious analysis of accreditation as it is currently practiced results in the unmistakable conclusion that institutional purposes, rather than public purposes, predominate."164

To address this problem, another proposal seeks to install a more centralized accreditor that is less beholden to the universities. There are two main variations of this proposal. The first is to create one national accreditor. The other seeks to recreate for higher education the regulatory structure of the financial sector. In the financial sector, the Securities and Exchange Commission (SEC), a government agency, has the authority to set accounting standards. However, for the past few decades, they have relied upon a private organization, the Federal Accounting Standards Board (FASB), to set the standards.165 A similar arrangement could be used in higher education, with the Department of Education or some agency tasked with determining institutional eligibility (or for recognizing accrediting agencies), but relying on a private organization to actually make the determination. Under either the sole accreditor or FASB model, the government would exercise more but not complete control over the accreditation system. At the same time, the institutions would exert less control. The best way to think about the likely implications of this reform would be if the accreditors were less constrained by institutional pressure, and more constrained by governmental pressure.

We predict that the ultimate effects are likely to be in the same direction as under the previous government model, but of lesser magnitude, since the centralized accreditor would be subject to more pressure from the institutions than the government would be.

What Would Improve? The new accreditation system would either voluntarily choose to focus more on the quality assurance aspects, or would be pressured into doing so by the government. This would yield improvements in adopting more appropriate measures of quality. It remains the case that some current and past accreditation officials were the main impetus in moving towards measures of outcomes and student learning, however reluctantly others have followed. The enforcement of minimum quality criteria would also likely see improvement. A centralized accreditor would be less reluctant to shut off funding for substandard colleges.

We would also expect an improvement in the quantity and quality of information available to the public. A centralized accreditor would still probably insist on non-disclosure for as much as possible, especially information concerning self-studies and improvement efforts. But the government's huge financial interest in higher education, and the resulting pressure to be more transparent and focus more on the quality assurance role would give the centralized accreditor both the motivation and the means to release more meaningful information about colleges. Moreover, because standards would be more consistent, institutional comparisons would be easier to make.

Somewhat counterintuitively, we would expect costs to decrease. The direct costs of setting up a national accreditor, or a national accreditor of accreditors would be higher than under the current system. But the
indirect costs would be lower, since specialized accreditors would be marginalized. Specialized accreditors are a major source of higher costs in higher education, and reducing their power to “recommend” additional spending in their field would yield significant costs savings.

**What Would Deteriorate?** Just as with the governmental model, we would likely see deterioration in the health and efficiency of higher education under a centralized accreditor. While a centralized accreditor would be more attune to institutional concerns regarding autonomy and diversity than the government, they could suppress the freedom of action of colleges just the same. As Judith S. Eaton says, such a system would “undermine the strength and diversity of U.S. higher education.” Moreover, the lack of other accreditors with which to compare actions would make it less likely that unduly restrictive actions would be noticed and addressed. The FASB model for recognizing accreditors comes out better than the national accreditor in this regard, since it theoretically allows for multiple accreditors, analogous to the existence of multiple ratings agencies within the financial sector. But it should be noted that under such a system, all the different accreditors would be pushed in the direction of uniformity.

By centralizing quality control, the new system would also reduce the ability of new and existing colleges to innovate. Under the current decentralized system, there are escape hatches – just because one accreditor refuses to allow some innovative new practice doesn’t mean that they all will. But when there is only one accreditor (or if they all make similar decisions because they are all accredited themselves by one organization), than there would be no such escape hatch. Such a scenario would be dangerously analogous to direct governmental control.

**Would Such a System Be Appropriate?** A national accreditor or an accreditor of accreditors would not be appropriate, except as the only viable alternative to the federal government acting as accreditor. A national accreditor would be better than a government accreditor, but not by much. Similarly, an accreditor of accreditors following the FASB model would be a bit better than either, but is still “an unlikely model for precise emulation” since “FASB, to be successful, insists on one-size-fits-all standards, an anathema to higher education.”

A national accreditor or a FASB for higher education would either continue to ignore the quality assurance role in order to focus on the improvement role, or (more likely) would be pressured by the federal government into focusing more on it. Regardless, innovation and the health and efficiency of higher education would likely suffer. Therefore, we don’t recommend this as an alternative to accreditation.

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<th>Table 16</th>
<th>THE EFFECTS OF REPLACING ACCREDITATION WITH A CENTRALIZED ACCREDITOR</th>
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<td>Quality Improvement:</td>
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<td>Define (Appropriate) Measures of Quality:</td>
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<td>Don’t impose unnecessary costs:</td>
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<td>Promote the Health and Efficiency of Higher Education:</td>
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Note: (+) represents an improvement in performance in this category, (–) represents a deterioration in performance in this category.
Measure What They Learned or What They Can Do

Under the current system, measures of inputs and processes are used as proxies for quality. The final set of alternatives involves fundamentally changing that. There are two main variations. The first involves measuring what students learn, the second involves measuring what student can do.

The idea of measuring what students learn is most commonly associated with what is called a qualifications framework. Modeled on a quality assurance mechanism common in Western Europe, a qualifications framework would seek to determine what students should learn (in each degree or in general), and then evaluate whether the students actually learned it, usually through the use of qualifying exams.169

The idea of measuring what college graduates can do is most commonly associated with the concept of licensing or certification. Under this scheme, exams would be used to assess the competence of graduates on things that they would be expected to know or be able to do. For instance, in order to become a certified accountant, one must pass the CPA exam that attempts to measure one’s mastery of accounting practices.

Determining institutional eligibly under these alternative proposals is straightforward—only those programs or institutions that do a sufficient job in increasing student performance on these exams would have access to federal funding.

These two approaches have a big advantage over the current system. Instead of measuring inputs and processes, and assuming that they lead to desirable learning outcomes, the outcomes themselves are the measure of quality. The main drawback is that this requires appropriately defining what is to be learned or expected of graduates and devising assessments that can measure learning or skills along those dimensions. Thus, these reforms are contingent upon being able to design an appropriate content, certification, and/or licensing exams that are widely accepted as both: a) testing for the appropriate knowledge and skills; and b) accurately distinguishing those that are knowledgeable/skilled from those that are not.

This is currently impossible for most broad categories. As one skeptic put it, “Let us imagine that professors of engineering around the world have been called together by government regulators to produce a single test or curriculum that will encompass every field of study within the engineering discipline… It would be a bureaucratic nightmare to come up with a definition of the field, or fields, to develop a test for all students and grade them on that test.”170 But even for a broad field such as engineering, there is already such a test, the Fundamentals of Engineering exam. Administered by the National Council of Examiners for Engineering and Surveying, the exam is used by many state licensing boards.171

Moreover, the chance of developing a successful exam increases as the topic of study gets narrower. So while it is highly unlikely that a suitable exam for something like the bachelor’s in business administration (B.B.A.) could be designed, it is conceivable that one for a subfield like accounting could be. In fact, there already is an exam, the Uniform Certified Public Accountant Examination, for accountants. The bar exam for lawyers is another well known and widely used certification exam, and the Chartered Financial Analyst certification is becoming more common for financial analysts. Such qualifying exams are in widespread use in Western Europe.

Essentially, the basic idea behind these two alternatives to accreditation is to develop a CPA or bar exam for other disciplines. Any number of organizations could devise these types of exams, from existing test makers like the College Board and ACT, to field based organizations such as the American Economic Association, to foundations like Carnegie, Lumina, and Gates, or even quasi-independent government agencies like the National Science Foundation, not to mention completely new organizations started for the explicit purpose of designing such tests.

The performance of a program’s students on the exam(s) could then be used as a measure of the quality
of their educational offerings. Programs that do not sufficiently increase their graduates' performance on these exams could have their eligibility for federal funding terminated.

For simplicity’s sake in evaluating the impact these alternatives would likely have, we have grouped these proposals together because they tend to lead to improvement and deterioration in similar ways, though the magnitudes can vary.

**What Would Improve?** To begin with, we would see massive improvement in the definition of appropriate measures of quality. No longer would we need to rely on proxies of quality, like input usage. Rather, there would be a direct objective measure of a program’s quality, namely, the extent to which it increases students’ performance on the qualifying/licensing/certification exam. It should also be pointed out that adjusting for the quality of students admitted is fairly straightforward, and doing so would avoid biasing measures of success in favor of more selective institutions.

We would also see massive improvement in the certification of minimum standards, as quality would be defined in terms of meeting some minimum standard of educational value added. Revoking eligibility of programs that did not improve their student’s performance (or do not improve it enough) would provide clear certification that eligible programs meet some minimum standard. One big advantage of this approach is that accreditation decisions can be reached at a much lower level than the level of the entire institution. For example, an institution could be accredited to offer degrees in accounting and early American history, but not in chemical engineering, all based on their students' performance on the relevant exams. Accreditation could even be offered at the course level, again, presuming a suitable exam could be devised.

This would drastically reduce the importance of any one accreditation decision, which would be beneficial. It is inconceivable that a large institution like the University of Texas would lose accreditation because of subpar performance in one field. This, of course, allows for subpar performance to persist. Making accreditation decisions at a lower level would allow for the termination of accreditation for only those areas with subpar performance without endangering the rest of the institution.

We would also see massive improvement in the information provided to the public. With an objective measure of student performance, it is fairly straightforward to determine the relative quality of education provided by each program. If program X and program Y start with similar students and teach in similar ways, but program Y’s graduates score higher on the certification exam, it is safe to conclude that they are providing a superior education. Since the performance of each program's students on these exams would be publicly available, students, parents, and policy makers could make much more informed decisions. Magazines and newspapers would regularly publish pieces detailing not only what programs provide the best education, but also which ones provide the best value (cost adjusted quality).

Institutional autonomy would also increase. Because eligibility decisions would be based on objective measures of output, there would be no need for restrictive input and procedural requirements. While the current system largely prescribes what inputs colleges should use and how they should be used, under the new system, colleges would be free to use whatever means they deemed necessary, so long as they produced results.

Along similar lines, some types of innovation would be encouraged. Specifically, existing and new colleges would be much freer to experiment and innovate with new ways of accomplishing traditional things. So while the outcome of teaching students calculus will not change, colleges would have the incentive and capability to try new ways of achieving that goal, for instance by altering the curriculum or teach-
ing practices. New practices that proved to be successful would likely be noticed by other providers and quickly emulated, leading to a state of continual improvement through competition.

Our guess is that the indirect costs of the new system would decline. This follows from the observation that accreditors, especially specialized ones, would no longer be able to insist on costly input and procedural requirements, since eligibility would be based on direct measures of outcomes. Partly offsetting this is the possibility that costs could be driven higher by the enhanced comparison of colleges. The new system would, for the first time, give institutions clear guidance on which educational practices are most effective and pressure them into adopting them or face going out of business, similar to how market-driven industries function. Whether this increases or decreases costs depends on whether effective practices are more or less expensive than current practices. Since the literature on the cost effectiveness of many current practices is inconclusive, and the learning outcomes of higher education have not been adequately studied, it is difficult to say what effect this would have on costs. The fact that the public would have measures of quality adjusted by costs, it may well be this system would foster greater price competition in higher education.

**What Would Stay the Same?** We would expect institutional diversity to stay roughly the same. The greater data availability on outcomes would facilitate comparisons and rankings. This would put much greater pressure to adopt best practices—defined as whatever the best performing colleges are doing. If the exam is truly testing the right things in the right ways, then this is arguably a good thing in the sense of increasing the effectiveness of our colleges. Nevertheless, this increased pressure to mimic the best colleges will tend to reduce the diversity within higher education. Offsetting this is that it is very likely that there are multiple ways to achieve a goal. It could be that certain educational practices are equally effective, or more effective for certain types of students. This would tend to increase diversity. Without more information, we assume that these forces will roughly balance out, leaving the diversity of institutions unchanged.

**What Would Deteriorate?** One area that would see deterioration would be innovation in the sense of creating new educational programs. The practice of evaluating colleges at the program or course level rather than the institutional level would make it more difficult to create a course of study in a brand new field or to develop a new program with a multi-disciplinary focus. Under the current system, an institution that already has accreditation is free to offer these types of programs. But granting approval at the program level requires that the field be well established enough for there to be consensus on both the content to be covered as well as an exam for evaluating performance. Neither of these conditions will be satisfied in a new or multidisciplinary field.

Lastly, the direct costs of the new system would be much higher than under the current system. Developing, administering, and continually revising certification exams would be much more expensive than relying on volunteers to conduct evaluations.

**Would such a system be appropriate?** The current system makes virtually no attempt to measure learning outcomes in a useful way, and either a qualifications framework or certification process would change that. By moving to a system based on student learning outcomes, we would see drastic improvement in all aspects of the quality assurance function. The health and efficiency of higher education would also generally improve, with the main exceptions being that radically new fields and innovation would face more obstacles, and the system might well cost more (however, higher direct costs associated with the
accreditation procedures might be fully offset by greater efficiencies associated with increased price competition arising from greater information provided to the public).

The main problems with this model are a lack of consensus and practical issues. The qualifications framework and the certification alternatives require a consensus on what students should be learning as well as exams to measure learning or capabilities. Without widespread agreement on these issues, these proposals are impractical. We therefore largely support efforts to define a common core of knowledge that all students of an academic discipline should understand. The fact that Graduate Record Examinations and other tests are given in large numbers of disciplines makes us believe this problem could largely be overcome, but has not to this point because of inertia or opposition on the part of institutions.

TABLE 17(151,327),(848,801)

THE EFFECTS OF REPLACING ACCREDITATION WITH A CERTIFICATION OR QUALIFICATIONS FRAMEWORK

| Define (Appropriate) Measures of Quality: | + |
| Certify Quality: | + |
| Inform the Public: | + |
| Maintain independence/autonomy of colleges: | + |
| Maintain diversity of institutions and missions: | = |
| Don’t suppress innovation by existing colleges: | +/- |
| Don’t be a barrier to entry for new innovative colleges: | +/- |
| Don’t impose unnecessary costs: | Indirect Costs (+), Direct costs (–) |

Note: (+) represents an improvement in performance in this category, (–) represents a deterioration in performance in this category, and (=) represents no change in performance in this category.
Part 3: The Case for Replacing Accreditation

While we have determined that commonly recommended reforms of accreditation would be largely beneficial, they really do not go far enough. Rather, we believe it is preferable to replace accreditation as the provider of quality assurance. Most of American economic life thrives well without accreditation—why not higher education?

We want to emphasize that “no completely satisfactory solution to the eligibility problem exists.”172 With that in mind, it should be acknowledged that some claim the status quo is the most desirable of the possible systems. The argument is essentially that there is no way to adequately provide quality assurance without wrecking the higher education system. Currently, the consensus needed to rely on a qualifications framework or a certification based system is lacking, so only direct government determination and involvement in colleges’ decisions could hope to establish and enforce adequate quality, but this would destroy university autonomy, diversity, and innovation.

If this were the case, it truly would be better to settle for the status quo, since it manages to somewhat limit the extent of diploma mills, doesn’t restrict institutional autonomy as much as direct government involvement would, and is cheap as well. However, this case relies on higher education’s lobbyists successfully fighting off governmental desires for accountability indefinitely, and is therefore unlikely to be a stable outcome, as evidenced by even its defenders descriptions of it as “schizophrenic”173 and “fragile.”174 Arguments for the status quo essentially give up on trying to nudge higher education’s ‘establishment’ (headquartered around DuPont Circle in Washington, D.C.) from accepting reforms that are in the national interest even though they might threaten the narrow interests of individual higher education participants.

Given the documented problems and the inherent instability of the current system, it is wise to seriously consider alternatives. Indeed, we believe that accreditation in its current form needs to be abandoned entirely. This conclusion follows from the following observations.

Accreditation Does Not Currently Provide Sufficient Quality Assurance

The first observation that leads us to believe that accreditation is in need of drastic reform is our assessment that it does an inadequate job in providing quality assurance. In their role as gatekeepers, accreditors are supposed to ensure that federal funds are used only at valid educational institutions. To do so, at a minimum, accreditors would need to establish appropriate measures of quality, certify the quality of colleges based on those measures, and provide the public with information on college quality. Accreditation does none of these things. In fact, accreditation lets “each institution or program [establish] its own goals and [select] its own metrics through which to assess them.”clxviii This is analogous to letting drug makers determine if new medicines are safe and effective—the outcome is not guaranteed to be bad, but there is nothing stopping it from being so. The bottom line is that accreditation does not define appropriate measures of quality, does not certify that colleges meet minimum levels of quality, and does not provide enough useful information to the public or policy makers to enable them to hold institutions accountable. It therefore fails to fulfill the quality assurance role that it has been assigned.
Limited Improvement. It would be remiss of us not to mention that accreditation has seen limited improvement along these dimensions in the form of a decline in inappropriate requirements, and a push for the establishment of measures for things like learning outcomes, but the progress has been unsatisfactory. It would also be remiss not to mention why we have seen this limited improvement. Inappropriate requirements have declined due to public reporting of embarrassing policies of accreditors, and the baby steps taken towards requiring student learning outcomes have also been spurred primarily by external pressure, most notably the 1992 and 1998 renewals of the Higher Education Act.

These reforms in theory required accreditors to demand learning outcomes from the nation's colleges. However, as Leef and Burris document, schools “can satisfy the accreditation criteria by merely showing that they have adopted some program to assess their 'effectiveness,' without any independent verification that the program actually works.” They astutely conclude that “simply meeting one's own goals is not equivalent to an objective demonstration of educational quality.”

Another effort to spur accreditation to examine student learning was launched in 2006 and killed shortly thereafter. As Peter T. Ewell summarizes, in the wake of the Spellings Commission report:

The U.S. Department of Education quickly moved to implement its recommendations on accreditation... First, the department employed negotiated rule making…to require accreditors to set specific 'bright line' standards of student achievement… In a second line of attack, the secretary directed the National Advisory Committee on Institutional Quality and Integrity (NACIQI)—the federal body responsible for approving accrediting organizations to act as gatekeepers for federal funds—to be more aggressive in pressing accreditors to examine student learning outcomes against defined objective standards… If fully implemented, the provisions of the 2007 negotiated rule-making process and the new posture of NACIQI would have significantly transformed the accountability role of assessment. But all of this was put on hold in the summer of 2007 when the Senate passed its version of the reauthorization act. Led by Tennessee Senator and former Secretary of Education Lamar Alexander, this bill explicitly prohibited the secretary from pursuing new regulations.

There are also some indications that the limited gains that have been achieved are being reversed, as accreditors again revert to a focus on improvement.

Why Aren’t there Adequate Measures of Academic Quality? Since it is clear that “any serious analysis of accreditation as it is currently practiced results in the unmistakable conclusion that institutional purposes, rather than public purposes, predominate,” we should ask why there are no useful measures of academic quality.

Perhaps it is simply not possible to establish meaningful measures when it comes to learning outcomes. Some argue that “for many [colleges] the student bodies are so different and the set of peer institutions so small that comparisons made for purposes of public accountability would be meaningless or misleading—and potentially harmful. Should these institutions compare their student achievement with that of peer institutions? Yes. Are the comparisons robust enough to be used for public comparisons and accountability? No.” While there is a grain of truth to this line of reasoning, it is undermined by the fact that professors and colleges manage to assess student performance for the purposes of assigning grades and computing GPA's.
Another possibility is that the reliance on peer review encourages accreditors to ignore their role as gatekeepers, and continue to pursue their traditional role as advisers. Since accreditation is essentially run by the colleges themselves, there is a large dose of self-regulation involved. But “when the people who decide what constitutes academic quality will themselves be judged on academic quality, it’s no wonder that the bar is set low.”\textsuperscript{180} Nor is it surprising that the system is “premised upon collegiality and assistance, rather than requirements that institutions meet certain standards (with public announcements when they don’t).”\textsuperscript{181}

Perhaps accreditors are essentially acting as a cartel, seeking to restrict entry into the sector without imposing too much of a burden on existing cartel members. This can be accomplished by defining and enforcing detailed standards that existing members can already meet, such as classroom space and library size, but that new entrants would find prohibitively costly. If this is the case, standards would not be imposed for anything that would impose more costs on existing colleges than on new entrants. While perhaps a bit too harsh, this theory could explain the presence of detail input requirements combined with the complete lack of standards for relatively straightforward things such as the definition of a credit hour and much more complex things such as learning outcomes. Note that the cartel theory does not explain why accreditation requirements continue to expand past the point necessary to keep out new entrants, though a public choice theory offers one plausible reason for that.

Regardless of the reason, the end result is that accreditation fails to deliver on the quality assurance front. We are left with a system that is described as “a hopeless mess,”\textsuperscript{182} and the “the Death Valley of the life of the mind.”\textsuperscript{183} It is a “crazy-quilt of activities, processes and structures that is fragmented, arcane, more historical than logical... [and one that] is not meeting the expectations required.”\textsuperscript{184}

**Massive Federal Subsidies Will Continue**
The next crucial factor driving our conclusion is that the federal government will continue to massively fund higher education through its financial aid programs. Federal spending for financial aid alone was $117 billion in 2008–2009, almost double what it was a decade ago in real terms.\textsuperscript{185} With many, including the current administration, arguing that the country needs many more college graduates, there is little reason to expect the upward trend in this figure to reverse or cease.\textsuperscript{186}

**A Different System of Quality Assurance Will Be Forthcoming**
Given the fact that the current accreditation system does not provide adequate quality assurance and that the federal government will continue to heavily finance higher education, it seems reasonable to assume that at some point a new quality assurance mechanism will be imposed on higher education. This belief stems from the conclusion that the accountability movement is not a fad, especially in light of the growing public interest in higher education that is to be expected in any industry that is so heavily financed by the taxpayers.

There are legitimate concerns about the quality of higher education. Studies show a decline in student effort, and “employers often complain that the college graduates they hire have little proficiency in the most fundamental skills—the ability to write clearly, to understand written instructions, and to do simple math.”\textsuperscript{187} There is a growing desire to determine what students learn and know. But to date, efforts to do so have been blocked by a chorus of colleges and associations asserting that it would infringe on institutional autonomy. While this is a legitimate concern, “It is somewhat disingenuous for higher education to ask for—and receive—billions of federal dollars without expecting concomitant
strings, conditions, reporting requirements and other forms of accountability that inevitably accompany appropriations.”

Many in the academy would prefer to maintain the status quo, but the status quo is unsustainable. “The assumption that pressures for change and accountability were motivated solely by partisan politics and would quickly fade with a new party coming to power has proved a very oversimplified view.” Accountability is a bipartisan issue. The public simply will not continue to provide billions of dollars without an adequate answer to the question of what we are getting in return. This is the fundamental driving force behind the accountability movement, and it is extremely powerful. Even the lead lobbyist for colleges felt “compelled to send a wake-up call to campus executives... we should expect college accreditation to come under significant scrutiny.”

Nothing that Resembles Accreditation Can Succeed
Given that a better mechanism of providing quality assurance likely will be installed, we can ask whether the existing system could be reformed or whether an entirely new system should be developed. Our analysis leads us to the conclusion that the current system cannot be reformed to provide the level of quality assurance that is necessary, for the reasons discussed below.

Accreditation Is Structured for Quality Improvement Rather than Quality Assurance Purposes.
Accreditation was originally designed to pursue institutional purposes, but not public ones. The public purposes were added to its list of responsibilities haphazardly, and without changing nearly anything else about the system. There remains a high degree of collegiality in the accreditation system, as reviews are still primarily conducted by industry insiders and performed in a fashion that largely mimics that of their predecessors. It would be truly amazing if a system designed to facilitate quality improvement through peer review also happened to be able to provide the public’s accountability needs without fundamentally altering its mechanisms and/or processes. As one former accreditor stated, for accreditation to provide adequate quality assurance, it “will need to integrate into its work aspects of all of the other accountability programs as well as become a respected source of comparative consumer information about the quality of learning in colleges and universities. This is, to put it mildly, a fairly radical reconceptualization of how accreditation works.”

The most glaring example of how the system is biased toward the improvement role is the peer review process. The accreditation process involves a team of accreditors and volunteers reviewing numerous aspects of an institution, and the team relies heavily on a self-study from the institution itself. This may be effective if the goal is merely to provide constructive criticism and suggestions for improvement. However, if the goal is to provide quality assurance for the public, this is much less appropriate. Not only are colleges likely to attempt to hide problems when they are being judged rather than advised, but the peer review process is also subject to a significant conflict of interest. The review “teams cannot reasonably be expected to be independent arbiters of quality. Knowing that their own institutions will undergo accrediting review, there is a tacit interest in keeping standards low.”

In addition to the conflict of interest, there is a question of competence. Accreditors are tasked with providing assurances of college quality, yet “the experience of working in the academy, in itself, is deemed sufficient preparation for review team members to be able to ‘recognize quality.’” In part because of this, university leaders occasionally complain that “there are people out there who are making judgments on institutions without being well-prepared.” Others believe that “the great weakness in college
accreditation is that it is sometimes done by people who are less expert than those whom they are supposedly overseeing.”¹⁹⁵

There are three reasons to suspect that accreditation staff and volunteers may not be up to the challenge of providing adequate quality assurance. First, universities themselves have become more complex, which makes establishing appropriate goals, strategies, and measures of success more difficult. Second, accreditation's roles have also expanded to include the very different quality improvement and quality assurance roles, and some have reasonably suggested that “relying on volunteers to deliver consistently in these highly-specialized arenas is unrealistic.”¹⁹⁶ Third, the more emphasis there is on compliance based “bean counting,” the harder it is to “recruit innovative, technically active evaluators from industry and research universities.”¹⁹⁷

There is also the issue of how frequently accreditation reviews occur. Typically, accreditation is granted for a period of 10 years. Even accreditors view this as insufficient, with one commenting that “in one two-day visit every 10 years, we couldn’t assess all aspects of the institution, particularly large comprehensives and major research universities.”¹⁹⁸ While such a long cycle may have been appropriate in the past, when accreditors where more analogous to consultants, that is no longer the case now that they are gatekeepers. “As one observer asks, ‘How can teams of 8 to 20 people (depending on the region) visit a large, complex institution every 10 years for two days of campus interviews and assure that those universities are properly accountable?’”¹⁹⁹ The answer is that it is not possible.

Facilitating Improvement vs. Providing Accountability: An Irreconcilable Conflict. Most of the criticisms of accreditation “flow largely from the fact that higher education accreditation seeks to do two totally different things: ensure a minimum level of quality… and encourage individual colleges to improve themselves.”²⁰⁰ Because the required tools and temperament of these tasks are so different, there is an irreconcilable conflict between facilitating improvement and providing accountability. “For the improvement paradigm, [there] is a posture of engagement and continuous improvement that seeks to build a culture of evidence… For the accountability paradigm, the predominant posture is one of institutional compliance.”²⁰¹ The former paradigm relies on subjective determinations made both internally and externally while the latter is reliant on objective determinations made by external groups.

Already, “The assessment pendulum has swung strongly in the direction of the accountability paradigm,”²⁰² and this trend is likely to continue. When this happens, it leads to “creeping government controls, legal challenges, and growing tension between a focus on improvement and compliance with government requirements.”²⁰³ Many feel that the quality improvement role is undermined. As one accreditor put it, the emphasis on compliance led to institutional fatigue and a developing sense on the part of institutions, especially the larger comprehensive ones, that all the investment in the accrediting process resulted in very little return on that investment or meaningful change. It became too often a time- and resource-consuming exercise to see if minimum standards were being met, and it had little lasting value. For smaller institutions, self-reviews often proved quite valuable, but even there the institutional investment was significant, and the question remained whether the value added was worth the investment made.²⁰⁴

Sylvia Manning, head of the North Central Association, suggested that with the current accreditation process, “The compliance role is so onerous and so dominates the process that, in too many cases, colleges fail to get anything meaningful out of the improvement portion.”²⁰⁵
Thus, when accountability efforts reign, the improvement role suffers. But when the pendulum swings back towards improvement, the accountability role suffers. North Central has created new processes whose “most distinctive feature is that it would clearly separate ‘compliance’ from ‘improvement.’”\textsuperscript{206} Western has adopted a similar process, where “as long as you’re making improvement, you won’t get in trouble.”\textsuperscript{207} The problem is that “in their efforts to become more flexible, the regionals are abandoning their regulatory function.”\textsuperscript{208}

Some believe that it is possible to balance these two or that they are already in balance. But there is little support for that claim. Never in the history of accreditation has accountability been adequately provided, but we have nonetheless nearly wrecked their improvement mission in our futile efforts to squeeze accountability out of an improvement sponge.
Part 4: Our Recommendations

This paper suggests that accreditation is a complex process, trying to serve often incompatible objectives in inefficient ways determined more by historical accident than rational decision making. The system needs to be changed. Below are a few general observations and recommendations.

First, any system of accreditation or certification must focus on quality control and improving matches of consumers and producers—matching students to the appropriate institution given their tastes, talents, and financial condition. This means a complete public disclosure not only of accreditation reports, but also of information about student outcomes. It is not unreasonable to have the accrediting authority, whoever that may be, require colleges to provide certain standardized pieces of performance and financial data in a uniform fashion.

Second, the current binary system where schools are either approved (accredited) or not-approved (not accredited) is unacceptable, and should be replaced by a system that provides vastly more indicators of quality in a far more nuanced fashion than the status quo. For example, schools or programs within institutions might receive an accreditation score between 1 and 100, with some pre-determined minimal acceptable level to be considered accredited, but where the numerical score provides additional information enabling consumers to compare institutions, see if they are marginally or solidly acceptable, etc.

Third, the existing accreditation system suffers from other major deficiencies that must be addressed in any reform. Most notably, accreditation today was largely created by institutions themselves to promote institutional self-interest, not the public interest, and this is reflected in conflict of interests between the accreditors and those accredited. Discipline-based accrediting similarly often is viewed by organizations representing various academic specializations as a means of enhancing resource provision for the discipline, rather than serving either institutional or broader public needs.

Fourth, we conclude that the current system is highly flawed and is better replaced than reformed. A replacement system would be far more outcomes-based than current accreditation. For example, a standardized national examination could be administered by respected national testing organizations in individual disciplines to certify competency not only of individuals but of institutions (institutions whose value added to student performance could be denied minimal accreditation approval and, under current arrangements, access to federal funding). In some instances, the examination approach may not work, but alternative approaches using disciplinary-based professional groups are available.

Fifth, given the importance of diversity to the strength of American higher education, the role of a single regulatory authority, most notably the federal government, should be minimized.
Conclusion

Our current system of higher education accreditation is broken. The system is mired in secrecy, delivers imprecise and largely unhelpful information, is clouded by possible currents of self-interest, restricts entrepreneurial initiative, is often costly to administer when all costs are considered, and is not sufficiently outcomes based. It does a poor job of conveying important information to those funding it, including the customers themselves (students) as well as major donors (governments, private philanthropists). Its relevance as a quality control and enhancement device is at best marginal.

The complete elimination of accreditation is probably not possible or even desirable. For example, someone has to prevent government monies from funding completely fraudulent diploma mills. But this study outlines a series of different approaches to introducing a new system. One approach is clearly rejected: consolidating all accreditation into one government agency. This strikes us as a dangerous and unwise reform, excessively concentrating power and potentially endangering some of the historical strengths that accompany a decentralized higher education system. However, even without radical restructuring of the accrediting agencies themselves, new approaches to the accreditation process could give consumers more practical information on the strengths and weaknesses of institutions (not merely a binary “acceptable” or “non-acceptable” assessment), utilize new methods of ascertaining academic performance (e.g., national standardized tests), and be ultimately governed by persons far removed from those being accredited. In a world with better information (especially on learning outcomes) and transparency, accreditation could become more of a powerful and useful information device and less of an ineffective prescriptive, regulatory device. Market forces could take over some of the disciplining of poor or mediocre institutions in a more effective fashion than the current prescriptive approach suggests. A move in this direction is badly needed and grossly overdue.
Notes

5. Ibid.
22. An alternative conclusion is that it was the signaling role that colleges found valuable.
25. Ralph Wolff as quoted in Virginia B. Smith and Joni E. Finney, "Redesigning Regional Accreditation: An Interview
40. See College Board, “Trends in Student Aid 2009”; Authors calculations
57. Ibid.


66. Ibid.


71. Ibid.


95. Ibid.

96. Ibid.

97. Jeffrey C. Martin, “Recent Developments concerning Accrediting Agencies in Postsecondary Education,”
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108. Ibid.
111. Ibid.
118. Information obtained from <http://www.straighterline.com/>


148. CCAP is a partner with Forbes in producing its annual list of America’s Best Colleges


153. Ibid.


157. For a more detailed discussion of these issues, see the article referenced above and chapter 25 in Center for College Affordability and Productivity, 25 Ways to Reduce College Costs, Washington DC: Center for College Affordability and Productivity, (September 2010).


161. Ibid.


167. As noted above, there is already concern that our relatively decentralized accreditor recognition process leads to
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too much uniformity.
170. Ibid.
185. College Board, “Trends in Student Aid 2009”; authors’ calculations
186. This is not to say that we endorse this trend. Indeed, we think it has caused some unintended consequences which are negative in their impact on American society.
202. Ibid.
204. Ralph Wolff as quoted in Smith and Finney, "Redesigning Regional Accreditation: An Interview with Ralph A. Wolff."
206. Ibid.