Asking Too Much (and Too Little) of Accreditors

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When it comes to accreditation, what hath Congress wrought? Does even Congress know?

These questions come to mind as Senators prepare for more hearings on the for-profit higher education sector. According to news reports, they are enraged by for-profit colleges' abusive business practices. They blame accreditors for allowing fraud to flourish and for permitting institutions to persuade unprepared students to take out federally financed student loans. These students then predictably drop out, burdened by debt.

Senators want to know why accreditors haven't protected the public interest. And their frustration is hardly surprising, given some of what we've seen. But are the accreditors to blame?

Hardly. Congress shouldn't blame accreditors: it should blame itself. The existing accreditation system has neither ensured quality nor ferreted out fraud. Why? Because Congress didn't want it to. If Congress truly wants to protect the public interest, it needs to create a system that ensures real accountability.

Let's look at the history. In the GI Bill of 1952, Congress put accreditors in charge of ensuring the quality use of federal funds. Congress made accreditors gatekeepers of federal funds for one reason, and one reason only: to make certain that government-supplied student aid money – and after the passage of the Higher Education Act of 1965, there was quite a bit of that money -- was not poured into institutions of dubious quality. Congress listened to higher education lobbyists and designated accreditors -- teams made up largely of administrators and faculty -- to be "reliable authorities" on educational quality. Intending to protect institutional autonomy, Congress appropriated the existing voluntary system by which institutions differentiated themselves.

This arrangement seemed fine and good, but it wasn't. When the accrediting system was voluntary, accreditors competed for institutional business. Colleges and universities could drop accreditation whenever they wanted, keeping associations from dictating institutional priorities. But turning accreditors into gatekeepers changed the picture. In effect, accreditors now held a gun to the heads of colleges and universities since federal financial aid wouldn't flow unless the institution received "accredited" status. A gatekeeping system using peer review is like a penal system that uses inmates to evaluate eligibility for parole. The conflicts of interest are everywhere -- and, surprise, virtually everyone is eligible!

Accreditors rarely deny, revoke, or suspend a school. The accreditation teams that visit and evaluate schools are, after all, made up of college and university personnel from other schools, not independent experts. These teams appear at the institution's door, accept their dues, and come back in another 5 to 10 years to do it all over again. As the former American University administrator Milton Greenberg noted, accreditation is "premised upon collegiality and assistance; rather than requirements that institutions meet certain standards (with public announcements when they don't."

Yes, peer review was an ideal way to limit federal intrusion, but, as it turns out, it is an even better way to protect one's peer institutions -- and, ultimately, one's own. And accreditors have closed a remarkably small number of failing institutions.

Meanwhile, there is ample evidence that many accredited colleges are adding little educational value. The 2006 National Assessment of Adult Literacy revealed that nearly a third of college graduates were unable to compare two newspaper editorials or compute the cost of office items, prompting the Spellings Commission and others to raise concerns about accreditors' attention to productivity and quality. In response, accreditors sought to demand more evidence of student achievement to ensure "educational quality." But Congress wouldn't let them. Rather than welcoming accreditors' efforts to enhance their public oversight role, Congress told accreditors to back off and let nonprofit colleges and universities set their own standards for educational quality.

At the end of the day, national and regional accreditors can't actively ferret out fraud or weed out bad actors – because Congress has not authorized them to do so. Congress has thus produced a system that works for academic insiders, not for the public. Worse, by insisting that institutions cannot receive federal student aid funds without accreditors' approval, Congress has duped the public into believing that colleges have received an independent quality assessment – when they have not.

In fact, as the authors of *A Dream Deferred: How Social Work Education Lost Its Way and What Can Be Done* (Transaction Publishers, 2010) show, accreditation is nothing more than an outdated industrial-era monopoly whose regulations prevent colleges from cultivating the skills, flexibility, and innovation that they need to ensure quality and accountability. Meanwhile, default rates -- in both the nonprofit and for-profit communities -- are mounting.

Many in higher education would have you believe that the only alternative to the existing system is a new independent agency, or a more complex and expensive regulatory structure. But the fact is, there is a much cheaper and better way: a self-certifying regimen of financial accountability, coupled with transparency about graduation rates and student success. (See some alternatives here and here.)

This new process could be established by legislation or be implemented as an alternative by a new or existing accreditor on a full-time or pilot basis. It would require all institutions -- for-profit and nonprofit -- to self-certify that they meet certain minimum academic and financial criteria in order to receive federal student aid. The certification statement would include an institutional description along with information about recruitment, admissions, student body, courses and curriculum, student complaints and student records, management, and financial capacity, including default rates over a set period, and student repayment rates. It would include information about learning outcomes, graduation and retention rates, and job placements for graduate programs and professional schools. Upon receipt of complaints or other information of concern, the Department of Education could audit a self-certified institution to see if its certification statement is accurate.

The new approach would save institutions and regulators time and money. It would be institution-centered rather than imposed by regulators from above. And it would retain the existing economic "acid test," wherein a school must demonstrate an acceptable USDOE composite financial responsibility score.

Such a system would prioritize student and parent assessment over the judgment of institutional peers or the educational bureaucracy. And it would protect students, parents, and taxpayers from fraud or mismanagement by permitting immediate complaints and investigations, with a notarized certification from the institution to serve as Exhibit A if there has been misrepresentation. In the meantime, states' attorneys general can vigorously pursue allegations of fraud and abuse -- a power they have now under current law.

And students and families can turn to the array of consumer protection laws already on the books.

Of course, institutions that want the cachet or technical assistance of a particular accreditor would be free to seek it, but they would be under no obligation to do so. Accreditation would return to its original form -- a voluntary system of self-assessment and improvement -- and accreditation would cease to function as the determinant of eligibility for federal funds. An accreditor's reputation might then become a more genuine reflection of its integrity and rigor in upholding standards.

Right now, Congress is pointing a lot of fingers. But what it really needs to do is acknowledge that spiraling costs and declining quality are plaguing all of higher education, including the nonprofit sector. By singling out for-profits, Congress is masking a much bigger problem -- and avoiding its duty to challenge the unacceptable status quo.

Congress should admit that accreditation hasn't worked and endorse an alternative approach like the one outlined above. The only way to protect the public interest is to end the current system of peer review patronage, and demand that colleges and universities put their reputation -- and their performance -- on the line.