A Grand Bargain on Quality Assurance?

By Teresa Taylor

The higher education community faces a wave of challenges. Concerns about affordability and costs have led to questions about the value of higher education to students and society. State and federal funding has been cut or has failed to grow as need has ballooned. Pressures to innovate clash with calls for preserving tradition. Values of academic freedom and free speech butt against the need to help all students feel safe and included in campus life. Problems related to completion rates and opportunity gaps continue to fester. The collapse of Corinthian College and ITT Tech are extreme examples of a larger reality that students most in need of protections and supports are the least likely to receive them.

A new phase of postsecondary evolution in America is fully underway, putting strain on postsecondary systems that were largely built for another era.

In this context, accrediting agencies–once thought to be above reproach by federal policymakers and generally ignored by the public–have been thrust in the spotlight. Many find the accreditation process arcane and opaque, adding to the belief that not enough is being done to promote student success and ensure that institutions are appropriately accountable for their sizable federal investment. The dramatic changes to the postsecondary landscape that have come with new providers, new programs, and new populations of students have added to the pressure to find more effective and efficient regulatory solutions.

But even in these challenging, divisive political times, a “grand bargain” in federal policy on postsecondary quality

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assurance seems possible–even necessary–to help institutions and accreditors navigate a shifting landscape. The basic idea of the "grand bargain" is that existing regulations could be reduced in exchange for a greater focus on outcomes.

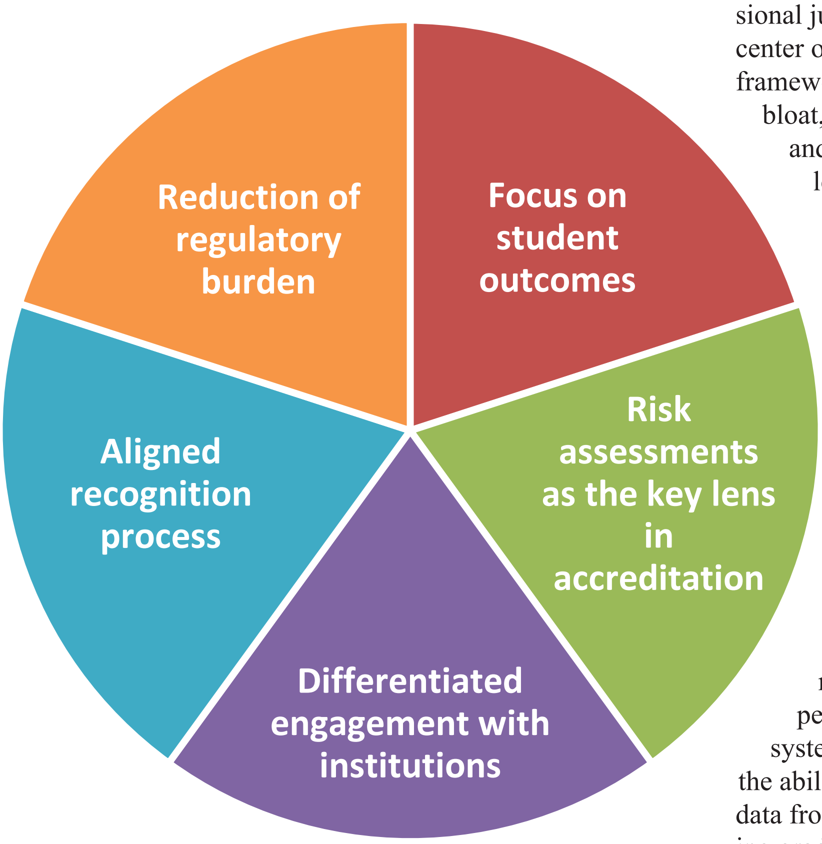
This article lays out a new federal policy framework for accreditation that would focus on student outcomes and allow for greater differentiation in accreditor engagement with institutions. It is designed to address the core federal interest in ensuring that billions of annual student and taxpayer dollars are spent on quality higher education programs that graduate most students with a valuable credential.

A New Framework

A new framework for postsecondary accreditation has been developed by EducationCounsel, with the support of Lumina Foundation. Shaped by stakeholder input and review of domestic and international models, it builds on existing elements of the higher education accreditation process. But it would also emphasize greater responsiveness to student outcomes; direct, increased focus on those institutions in need of stronger support for improvement; and reduced barriers to entry for innovative postsecondary programs and providers.

The framework involves five elements:

- Focus on student outcomes
- Risk assessment as the key lens in accreditation
- Differentiated engagement with institutions
- Aligned recognition process
- Reduction of regulatory burden



In Short

- American postsecondary systems face a wave of challenges, including increasing pressure to allow for innovation and to deliver better student outcomes.
- A "grand bargain" with respect to accreditation to improve quality appears to be possible and even necessary.
- The bargain would involve a framework of five inter-related elements: a focus on student outcomes, risk assessments as the key lens in accreditation, differentiated accreditor engagement with institutions, an aligned recognition process, and reduction of regulatory burden.
- Implementing such a system would require changes in policy and practice in several areas, but, importantly, would preserve accrediting agencies' own judgment and role as gatekeeper for federal financial aid programs.

These five interrelated elements reject the traditional "checklist" approach of accreditation in favor of holistic professional judgments that put data about student outcomes at the center of the quality assurance process. If implemented, the framework could increase transparency, reduce regulatory bloat, and–most importantly–improve institutional quality and student outcomes over time. Significantly, federal legislation and regulation should set some ground rules to establish this framework but should not govern all parts of the system.

Focus on student outcomes. Under the framework, for federal purposes, traditional "input" measures of institutional quality (e.g., curriculum and instruction, faculty and leadership, student support services, and resource management) would be evaluated only in light of student outcome measures that are available for all institutions that receive federal funding. (Programmatic accreditors would need to develop separate outcomes measures appropriate for their programs.)

These systems would require accurate, commonly available data and information on institutional performance across all sectors. Today's federal data systems, though in need of improvement, already have the ability to collect and report baseline student outcome data from all institutions that receive federal funding, including graduation, retention, loan repayment, and cohort default

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rates. These existing data could thus serve as a starting point for building better quality assurance systems.

Indeed, the quality assurance context may particularly appropriate for use of these data, because the outcomes could be examined with informed professional judgment in a multi-measure risk assessments. Rather than using outcomes data to hand down automatic regulatory consequences, accreditors could use student outcome data as a tool to shape and guide their review of institutions. In other words, this framework anticipates that human judgment in the interpretation of data will be as important as the data themselves.

Risk assessments as the key lens in accreditation. Risk assessments would be used to help accreditors determine a basic "confidence level" in an institution as a first step to help determine the necessary level of engagement with an institution in the accreditation review process that follows.

Multiple measures should be included in the risk assessments to create a more holistic picture of institutional performance *and* to reduce the likelihood of that any one measure can be gamed. Student outcomes, regulatory standing and history, and other risk factors could allow for a balanced judgment about institutional performance for purposes of federal student aid eligibility. Interpreting the data and the underlying institutional context to form an action plan for improved outcomes will require professional judgment, not simplistic assessment. With decades of experience in quality assurance, accrediting agencies are well positioned to take on this work. Indeed, many accreditors already include or are starting to include review of outcomes as part of their process.

The chart below shows the type of elements that could be included in risk assessments. Notably, the risk assessments include some numerical indicators in the "student outcomes" category but also qualitative indicators in regulatory history and standing as well as other possible risk factors. This would not be a simple algorithm, but a new tool to enhance accreditors' existing professional judgment and experience. Together, these elements would allow for a data-informed, balanced judgment about institutional performance that could guide accreditor follow up to focus on the underlying factors.

Currently available measures such as student completion, repayment, and institutional regulatory history provide an important and appropriate initial set of information to use as a foundation. But this initial frame can and should evolve over time, as data systems and measures of success improve and accreditors identify which measures provide the best insights into institutional performance. For example, the quality assurance system in Australia, which has served as inspiration for this framework, started with 40 indicators in its first iteration but has narrowed the list to 12 over time to reduce complexity and focus on the indicators that provide an accurate picture of institutional performance (Australian Government, 2016; Knapman, 2013).

Differentiated engagement with institutions. Guided by confidence levels based on risk assessment results, accreditors would then apply varying levels of scrutiny in the actual review process. Pairing this with the other elements of the

Student outcomes *Absolute values and changes over time*	**Regulatory history and standing**	**Other possible risk factors**
• Graduation rates	• Accreditation history	• Enrollment changes.
• Retention rate	• Federal compliance	• Ownership changes
• Student loan repayment rate	• State compliance	• Leadership or governance issues
• Cohort default rate	• Investigations and lawsuits	
• Gainful employment (if available)	• Student complaints	

framework discussed above results in a three-step accreditation cycle:

1. Conducting a regular outcomes-focused risk assessment;
2. Assigning confidence levels to institutions based on risk assessments; and
3. Differentiated responses, including peer review, based on "flags" raised in the risk assessments (i.e., low outcomes in one or more areas, issues related to regulatory history or standing, or other risk factors).

The graphic below shows how this cycle could take place.

For institutions with "high" and "medium" confidence levels, federal law would likely allow significant accreditor discretion on determining the nature of the required peer review process. Continuous improvement should be an expectation of all institutions, and some institutions may qualify for special flexibility. Institutions with high confidence levels may be eligible, for example, for a less intensive peer review process and/or a process guided by their own priorities and areas of interest.

For institutions with low confidence ratings, however, federal law should provide more specific parameters to prevent student and taxpayer investments going toward programs and credentials with little value. Elements to include in federal law could include:

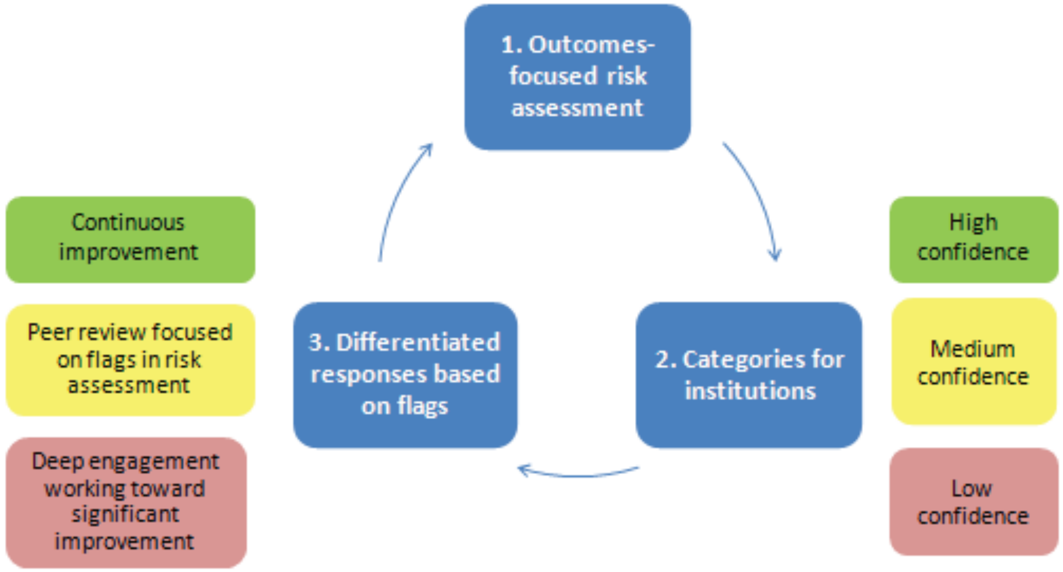
- Common thresholds for different student outcomes measures and/or other specific flags in the risk assessments across accreditors that signal significant underperformance, with the general expectation that the low confidence threshold will be reserved for those institutions that produce multiple flags in the risk assessment
- Common expectations for improvement timelines
- Common expectations for the development of "teach out" or other contingency plans if the institution faces possible closure
- Tiered consequences if improvement does not take place within a specified amount of time (e.g., the amount of types of federal aid available could be limited, required student and public notifications, conditions for the eventual removal of Title IV eligibility)

Federal law could also outline the responsibilities and roles that each member of the "triad" (accreditors, states, and federal government) is expected to play. This may be particularly important for addressing difficult situations, such as an institution with very low performance that may be facing institutional closure. In those situations, federal requirements could, for example, require the members of the triad to convene, share appropriate information, and work collaboratively to ensure that student needs are appropriately addressed.

Aligned recognition process. This framework cannot be fully implemented unless accreditors feel supported in the transition by the recognition process that they must undergo to serve as gatekeepers for federal financial aid programs. That process will almost certainly require both statutory change and shifts away from the compliance-driven process for accreditor recognition.

The U.S. Department of Education's (USED) current process is wide-ranging, overly rigid, and too focused on inputs. It emphasizes compliance over innovation and continuous improvement, which in turn promotes a one-size-fits-all mentality that influences how accreditors then engage with their institutions. Moreover, the recognition process creates significant and often unnecessary compliance costs, discourages innovation, erects barriers to entry for new providers and new models of postsecondary education, and overstretches capacity among all relevant actors.

Instead, the recognition process should be guided by the federal government's core interests in protecting student and taxpayer interests. Rather than lengthy checklists, the recognition process should involve holistic judgments



about overall accreditor performance related to core federal interests. This could include a review of the measures used in risk assessments and accreditors' exercise of professional judgment in assigning categories and responses to flags raised, especially for "low confidence" schools.

During the transition period to risk-informed, differentiated accreditation, the recognition process could pay special attention to how accreditors are structuring the transition and aligning with federal expectations. It is possible that USED and accreditors could collaborate on how best to design these systems, particularly on questions of the collection, sharing, and use of data and other information for the risk assessments, as well as on plans for addressing institutions that receive low confidence ratings.

Reduction of regulatory burden. Beyond federal baselines, accreditors would have autonomy to determine the breadth and depth of their institutional reviews and continue to set standards and expectations for institutional quality. This means that, as new federal requirements are created for accreditation, existing requirements should be removed if they create costs and burdens for accreditors and institutions but are not fundamental to the achievement of core federal interests. This could involve the removal of existing requirements such as mandatory site visits regardless of institutional performance metrics and moving away from a one-size-fits-all review process that forces all accreditors and all institutions to comply with the same lengthy list of requirements regardless of performance in those areas.

Implementing the Framework

Implementing an outcomes-focused, risk-informed accreditation system would require changes in policy and practice in several areas. Federal legislation and regulation will play a necessary role in establishing ground rules and baseline expectations for institutional quality and performance. Specifically, statutory change will be necessary for emphasizing outcomes and differentiation in accreditation, while also reducing unproductive regulatory burdens. The "grand bargain" envisioned in this framework is unlikely without these federal legal shifts.

But federal law cannot and should not dictate all parts of the system. Changes are already underway as USED and the National Advisory Committee on Institutional Quality and Integrity (NACIQI) have started to make moves toward a greater focus on outcomes in the recognition process for accrediting agencies using existing authority.

And some accreditors are making moves to include outcomes in their quality assurance processes and to differentiate engagement based on institutional performance. The Higher Learning Commission, for example, requires that each member institution "evaluates the success of its graduates . . . [using] indicators it deems appropriate to its mission, such as employment rates, admission rates to advanced degree programs, and participation rates in fellowships, internships, and special programs (e.g., Peace Corps and Americorps)" (Higher Learning Commission 2017). And WASC Senior College and University Commission is developing a Graduation Rate Dashboard to improve on federal data systems so that all undergraduate students–not just first time, full time–are counted in enrollment, retention, and graduation datasets (WASC Senior College and University Commission, 2017). WASC is piloting the use of the Dashboard as one measure in select accreditation, reaffirmation, and mid-cycle reviews of member institutions.

These moves are promising, especially because, even with federal legal changes, the framework would preserve accrediting agencies' role as gatekeeper for institutional access to federal financial aid programs. As a result, accreditor judgments will continue to be essential, given the need for context-driven institutional quality assessments to promote continuous improvement for the benefit of all students. The question will be: can accreditors (and federal law) evolve quickly enough to effectively address the manifold questions and concerns pressing on higher education today? C

Resources

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