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A Framework for Outcomes-Focused, Differentiated Accreditation

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Differentiated or "risk-based" approaches to accreditation have been under discussion in the United States for the past few years. EducationCounsel, a mission-based education consulting firm in Washington, DC, has been leading this conversation, offering a clear strategy and framework for undertaking this shift in accreditation practice. This Policy Brief provides an overview of their work.

This *Policy Brief* provides an overview of a new proposed accreditation policy framework in the United States that would focus on student outcomes to differentiate accreditor engagement with institutions. It is designed to address the core federal interest in ensuring that billions of annual student loan and taxpayer dollars are spent on quality higher education programs that graduate most students with a valuable credential. In the United States, in order that higher education institutions be eligible for federal government funds, they must be accredited by independent accrediting organizations that have been successfully reviewed or "recognized" by the federal government.

Building on long-standing elements of the higher education accreditation process, this framework would focus federal requirements for institutions and recognized accreditors to emphasize student outcomes and better deployment of time, resources and attention to those institutions that need it most. As a result, the framework could help with increasing transparency, reducing regulatory bloat and improving institutional quality and student outcomes over time.

Why is a new accreditation framework needed?

Despite notable progress in increasing access to higher education, completion rates remain middling to low, with significant disparities by sector and income level, among other factors. As a result, too much federal funding is not producing a "return on investment" for students and taxpayers. Moreover, many observers 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 new effective and efficient regulatory solutions.

Moreover, the U.S. Department of Education's (USDE) recognition process for accreditors is broken. It is defined by a wide-ranging, one-size-fits-all set of input-focused inquiries accreditors are categorically required to include in their institutional reviews. These requirements distract from a focus on student success and create significant (often unnecessary) compliance costs, discourage innovation, create barriers to entry for new models and over-stretch regulatory capacity among all relevant actors.

What are the essential components of accreditation reform?

This accreditation framework proposes five interrelated elements that, together, could build a system that is more responsive to student outcomes and better at directing time, resources and attention to those institutions that need it most. It rejects the traditional "checklist" approach to accreditation in favor of holistic professional judgments that put data about student outcomes at the center of the quality assurance process.

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

- **Risk assessments as the key lens in accreditation.** Accreditors should use a data-informed risk assessment to determine their confidence levels in the quality of member institutions. Based on multiple measures (described below), these risk assessments would be the first step in the accreditation process as a tool to help accreditors determine the necessary level of engagement with an institution to ensure quality educational offerings and continuous improvement.
- **Differentiated engagement with institutions.** Accreditors should differentiate among their member institutions to provide varying levels of engagement and support based on results from the risk assessment. Continuous improvement should be undertaken by all institutions – and the process can be designed differently by each accreditor. But institutions with low confidence ratings should receive special attention by policymakers and accreditors to prevent student and taxpayer investments going toward programs and credentials with little value.
- **Aligned recognition process.** USDE's accreditor recognition process should align with the move to outcomes-focused, differentiated systems. The process should 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). The focus should be on a mix of process and outcome measures analyzed pursuant to a continuous improvement model – rather than the current compliance-driven "checklist" approach.
- **Reduction of regulatory burden.** 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 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.

What changes are necessary in policy and practice to implement this framework?

Implementing an outcomes-focused, risk-informed accreditation system would require policy and practice change in several areas. Federal legislation and regulation will play a necessary role in establishing ground rules and baseline expectations for institutional quality and performance – and statutory change will also be necessary for reducing unproductive regulatory burdens. Some changes are already underway as USDE has started to make moves toward a greater focus on outcomes using existing authority.

But federal law cannot and should not dictate all parts of the system. The framework would preserve accrediting organizations' role as gatekeeper for institutional access to federal financial aid programs. As a result, accreditor judgments will continue to be essential, especially given the need for context-driven institutional quality assessments to promote continuous improvement for the benefit of all students. Federal standards focused on protecting taxpayer and student interests should set some parameters for these judgments, particularly for low-performing institutions and those that benefit from significant federal funding. Beyond these federal baselines, however, accreditors would maintain complete autonomy regarding the breadth and depth of their institutional reviews and continue to set standards and expectations for institutional quality.

What data and information would be used to inform accreditor judgments in this framework?

This framework envisions 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. Differentiating 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 system would rely on accurate, commonly available data and information on institutional performance across all sectors. Though improved data systems and measures of success will enhance the effectiveness of this framework over time, 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. The chart below shows the type of questions that the risk assessments could ask. Together, these elements would allow for a data-informed balanced judgment about institutional performance that could guide accreditor follow up in a more outcomes-oriented way.

Student profile and outcomes (absolute and changes over time)

- **Student population.** How many students are served? How many are eligible for federal grants?
- **Retention.** How many and what percentage of students are retained at the institution (using measures appropriate for the sector)?
- **Completion.** How many and what percentage of students graduate within 150 percent of normal time?
- **Loans.** What percentage of the institution's students take out federal loans? What is the loan repayment rate of the institution's alumni (including those who do and do not complete their programs)? What is the institution's cohort default rate?

Regulatory history and standing

- **Accreditation.** Has the institution been in good standing with the accreditor? What issues have arisen that have threatened or changed that status?
- **Financial responsibility.** Does the institution have an acceptable financial responsibility score from USDE? Has it had to produce a letter of credit recently?
- **State authorization.** Has the institution been appropriately authorized to operate by its state? Has it maintained that status?
- **Investigations and lawsuits.** Are any federal or state investigations or lawsuits currently pending against the institution that implicate the institution's quality and ability to fulfill its obligations to its students?
- **Student complaints.** Can student complaints inform the accreditor's review?

Other risk factors

- **Enrollment changes.** Has the institution experienced a dramatic enrollment expansion or contraction? Is it using new settings (e.g., online programs) in a significant way?
- **Ownership changes.** Has the institution changed its organizational structure, come under new ownership or reorganized under a new business model?
- **Other.** Has the accreditor identified any other significant event that calls into question the institution's quality and ability to fulfill its obligations to its students?

Where can I find additional information?

- EducationCounsel. Framework for Risk-Informed, Differentiated Accreditation (May 2016), <http://educationcounsel.com/?publication=framework-risk-informed-differentiated-accreditation>.
- Amber Saddler, EducationCounsel. "This is not your grandfather's NACIQI!": Takeaways from the June Institutional Quality Review Meeting (July 14, 2016), <http://educationcounsel.com/this-is-not-your-grandfathers-naciqi/>.

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