

**REMARKS OF RICHARD VEDDER FOR THE NATIONAL
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In assessing accreditation in American higher education, I think we need to start from first principles. Why do we *need* accreditation? We don't accredit automobiles or can openers, for example, yet Americans constantly buy these products and are generally happy with their quality and safety. Why are colleges different? The lack of transparency in higher education is the major reason why accreditation exists, along with accountability problems arising from federal financial intervention into higher education.

Today accreditation has the following eight characteristics: First, it is in some ultimate sense rather expensive, explaining why some for profit institutions have paid millions to buy accreditation through purchase of accredited schools rather than to try to obtain accreditation from scratch. The costs are not simply the direct costs of the accreditation procedures, but the secondary, often largely hidden costs of vast time and resources spent on documenting things that may or may not be meaningful in measuring program quality. Second, it is ineffective in providing true quality control or good student information. I know of no major institution in the United States that has ever lost accreditation for being mediocre in the provision of educational services. Third, accreditation is a cartel-like institutional barrier to entry to new entrants into higher education, stifling innovation and new competition. I have had prominent for profit higher education leaders tell me that it is far easier to operate in some Latin American countries than in the U.S. because of excessive barriers that are accreditation related. Fourth, although

progress has been made, accreditation is still excessively input-based. Who cares how many PhDs teach at college X? The issue is: do students at X learn anything, know how to think critically, or even are capable of getting good post-graduate jobs? Fifth, accreditation is secretive, with specific recommendations of accrediting teams not made public, in violation of the very principle of knowledge dissemination that is at the very core of the mission of higher education. That is something NACIQI could recommend stopping, and should. Sixth, accreditation is riddled with potential conflicts of interest, with accrediting agencies often run by boards with individuals from the very institutions receiving accreditation. Again, you no doubt could recommend stopping that practice: why don't you do so? Seventh, accreditation today fails to make any distinction between truly marginally acceptable institutions and those offering first rate programs. Accreditation today is like pregnancy –you either are, or are not. The failure to distinguish between poor, fair, good and superb programs is precisely why magazine-provided college rankings, one of which my Center for College Affordability and Productivity does for *Forbes*, assume an important role. Why not convey information to consumers via the accreditation process? Eighth, the existence of multiple regional accreditors and vast numbers of subject specific accreditors adds complexity and probably inconsistency in standards to the system.

This list of concerns is not exhaustive. Sometimes accrediting agencies apply standards that are completely inappropriate and arguably even racist, such as evaluating programs in part on the skin color of students and faculty. A major sin of omission is the rather common failure to evaluate in any meaningful way whether students are receiving any serious intellectual content. Since we are into having a myriad of accrediting agencies for different types of

institutions, perhaps we should have on-line accreditation done by a specialized agency dealing just with schools emphasizing distance learning.

What are solutions? I have three specific suggestions, and suggest you ponder a fourth issue. First, you should insist that accrediting agencies move from a binary evaluation where you are either approved or disapprove to a system providing greater consumer information, perhaps with numeric scores from 1 to 100 where accreditation status requires some minimum score. Second, I suggested that you require that accrediting reports be made public in their entirety for institutions receiving federal funds. The arguments used to oppose this are weak relative to the importance of letting the public know more fully the assessed strengths and weaknesses of institutions. Third, you should insist that governing boards of accrediting groups not include, or at least not be dominated by, individuals associated with institutions receiving accreditation from that group. Fourth, given its rather different mode of service delivery, you should at least consider the possibility of having a separate accrediting agency or agencies for on-line schools.

In a perfect world, we would essentially abolish accreditation as it exists today and replace it with a good, uniform system of information provided to interested parties on student outcomes, institutional finances, vocational success of students, and the like. In a perfect world, there would be an end to federal loan programs that have mainly raised college costs and done little to help the poor or disadvantaged in my judgment. Thus the club that accreditors have over colleges would essentially disappear. But if we are going to keep this dysfunctional system of federal financial aid, an information-based accrediting system could be reduced to a single metric, and schools performing below a minimal level would find their students denied financial

assistance, as at present. Doing this is difficult, but difficult is not impossible, and you can ease the information problem by tying accreditation more to providing such information.

Lastly, I am very concerned about accreditors tying their seal of approval to requiring state governmental agencies giving a license to schools to operate, particularly with respect to on-line education. This creates a costly barrier to entry that could well dramatically reduce participation by the most dynamic and cost-effective sector in higher education, the for-profit operators, but also violates basic principles of interstate commerce enshrined in our Constitution.

Thank you.