WHICH COLLEGE ACCREDITORS ARE FAILING STUDENTS?

by Andrew Gillen, Ph.D.

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Which College Accreditors Are Failing Students?

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Executive Summary

Accreditors are private entities tasked with ensuring college quality. They play a dominant role in determining which colleges students can use federal financial aid like Pell grants and student loans to attend. Until recently, it was difficult to evaluate the performance of accreditors because there were very few outcome metrics for the colleges they accredit. But now that detailed and high-quality labor market data are available, it is possible to assess the performance of accreditors based on the labor market outcomes of the colleges they accredit. Using a metric that identifies which college programs leave their graduates with excessive student loan debt, we find that the Higher Learning Commission stands out as the best regional accreditor because its share of such programs is less than its share of all programs. The Southern Association of Colleges and Schools is the worst regional accreditor. States like Texas should encourage their colleges to use high performing accreditors and should discourage or prohibit the use of poorly performing accreditors.

Key Points

- Accreditors play a key role in determining whether a college's students can receive Pell grants and student loans.
- Historically, a lack of outcome metrics made evaluating accreditor performance difficult.
- But new data from the U.S. Department of Education allows for the evaluation of accreditor performance by examining the outcomes of the college programs they accredit.
- Using a metric that determines whether accreditors approve programs that leave their students with excessive student loan debt, the Higher Learning Commission stands out as the best regional accreditor, and the Southern Association of Colleges and Schools stands out as the worst.
- States should encourage their colleges to use high-performing accreditors and should discourage or forbid the use of poorly performing accreditors.

Introduction

College accreditors serve a dominant, yet almost invisible role in American higher education. While most of the public has probably never heard of accreditation, accreditors hold immense power—they are the main decision makers, determining which colleges students can use federal financial aid like Pell grants and student loans at.

A Brief History of Accreditation

The role of accreditors as gatekeepers of public funding was largely accidental in origin. As detailed in Gillen et al. (2010), accreditation began in the late 19th century essentially as a good housekeeping seal of approval—a voluntary effort by some colleges to distinguish themselves from lower quality colleges. After World War II, too much of the GI Bill funds were thought to have been squandered on fraudulent fly-by-night colleges, so after the Korean War, Congress added a requirement that GI Bill funds could only be used at accredited colleges. This was the first time accreditors served as gatekeepers for federal financial aid funding. Since GI Bill funding was limited in both scope and duration, this ad hoc arrangement was arguably a wise choice that simultaneously safeguarded public spending and avoided excessive interference with colleges. But when the federal government started providing massive and persistent funding for student financial aid in the 1960s and 1970s, the accreditors' role as gatekeepers was made permanent without fundamental restructuring, reform, or oversight to ensure that accreditors would fulfill their new public responsibilities.

The accreditation system evolved into a collection of regional and national accreditors that provided accreditation to entire colleges, and programmatic accreditors that provided accreditation for individual programs in specific academic fields (e.g., the American Bar Association accrediting law schools). Regional accreditors were given a quasi-monopoly on accreditation within their states. The regional accreditor for Texas could not accredit a college in Oklahoma and vice versa.

The seven regional accreditors are

- Higher Learning Commission
- Middle States Commission on Higher Education
- New England Commission of Higher Education
- Northwest Commission on Colleges and Universities
- Southern Association of Colleges and Schools, Commission on Colleges (hereafter Southern Association of Colleges and Schools)
- Western Association of Schools and Colleges Senior College and University Commission (hereafter, Western Association of Schools and Colleges Senior Colleges)
- Western Association of Schools and Colleges, Accrediting Commission for Community and Junior Colleges (hereafter Western Association of Schools and Colleges Junior Colleges)

Figure 1 shows a map of each of the regional accreditors' historical territory.

National accreditors were allowed to accredit across the whole country but were widely viewed as second class. As we will discuss below in more detail, the territorial restrictions on regional accreditors were recently dropped, allowing them to accredit colleges outside their historical territory. But while this essentially turned the regional accreditors into national accreditors, out of inertia or a desire to distinguish them from the traditional national accreditors, the traditionally regional accreditors are still referred to as regional accreditors (a convention we follow throughout this paper).

Problems With Accreditation

The accreditation system has not worked well. In a recent report, *The Case for Escape Hatches from Higher Education Accreditation* (2020), we argued that

1. Accreditation fails its quality assurance role because it refuses to define quality.
2. Accreditation focuses on a recipe of inputs and processes while ignoring outputs and outcomes.
3. Accreditation drives up college costs by imposing expensive and unnecessary requirements.
4. Accreditation acts like a cartel, protecting incumbent colleges from new competitors.
5. Accreditors abuse their quasi-regulatory power.

In this report, we discuss developments related to several of these points that recent data has shed new light on.

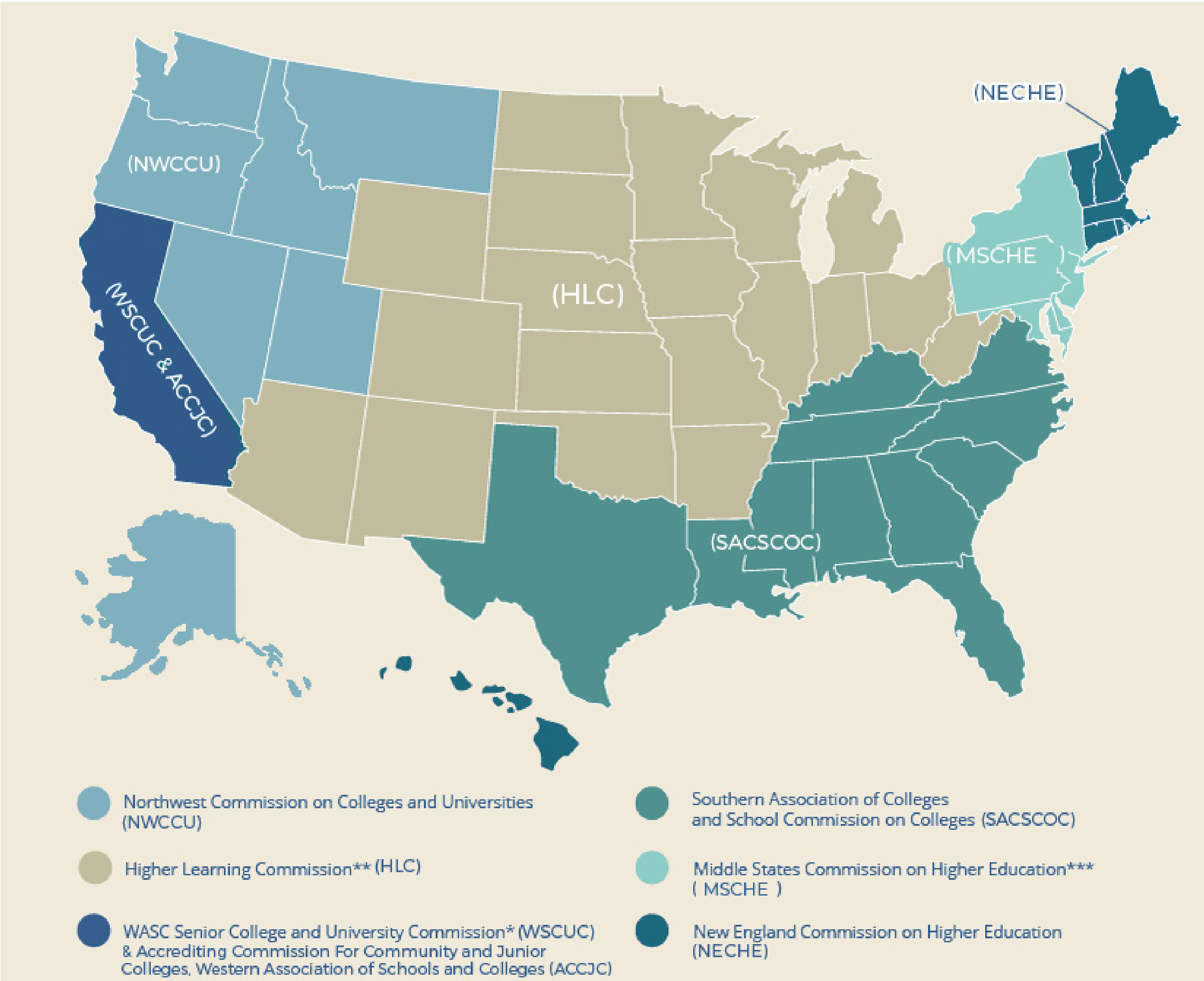
Given the historical lack of outcomes metrics,

> 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. (Leef & Burris, p. 7)

If a set of inputs and processes were both necessary and sufficient to ensure high quality, then a follow-the-recipe approach could work to ensure adequate quality. But neither condition holds. High quality education can be obtained from non-recipe resources (e.g., Khan Academy or TED talks), and there are numerous examples of colleges that followed the accreditation recipe yet still have unsatisfactory results.

Figure 1

Historical Territory of the Regional Accreditors



Note. Map reproduced from *Regional Accrediting Organizations*, Council for Higher Education Accreditation, n.d. (https://www.chea.org/regional-accrediting-organizations-accreditor-type).

In addition to being an unreliable marker of quality, the follow-the-recipe approach has two other undesirable effects. First, it reduces institutional autonomy and diversity since every college is following the same recipe. Second, innovation is suppressed because no new recipes can be discovered (Gillen, 2020).

But while accreditation has traditionally ignored outcomes, data on outcomes that matter tremendously to students are beginning to become widely available. For example, around 90% of students rate getting a good job or earning more money as an important reason to go to college (Fishman, 2015). Yet until recently, only broad average salaries by college were available. Staring in 2019, however, the U.S. Department of Education began releasing the median earnings of graduates by college and major. Students and parents can now look up the typical earnings for recent graduates from their exact college and major.

Leschly and Guzman (2022) find that accreditor warnings and sanctions are unrelated to a college's graduation rate, its student loan default rate, or students earnings after leaving the college.

We have used these data to develop a metric called debt as a percent of earnings (Gillen, 2022a), which simply divides median debt by median earning three years after graduation (e.g., a college program with median debt of $25,000 and median earnings of $50,000 would have a debt as a percent of earnings of 50%). We have advocated for debt as a percent of earnings to be used as an accountability metric (Gillen, 2022b), with the following cutoffs:

- **Reward (Debt as a Percent of Earnings ≤ 75%).** Programs meeting this threshold would be subject to
  - Exemptions from most regulatory oversight, including waivers of accreditation requirements at the lower end
  - Performance bonuses
  - Unrestricted expansion of enrollment by students using federal student loans
- **Monitor (75% < Debt as a Percent of Earnings ≤ 100%).** Programs meeting this threshold would be subject to
  - Some regulatory relief
  - Some restrictions on enrolling new students using federal student loans at the upper end of the range
- **Sanction (100% < Debt as a Percent of Earnings ≤ 125%).** Programs meeting this threshold would be subject to
  - Increased regulatory oversight
  - Increased financial aid counseling for current and future loan-taking students
  - Restrictions on enrolling new students using federal student loans
- **Sunset (Debt as a Percent of Earnings > 125%).** Programs meeting this threshold would be subject to
  - Increased regulatory oversight
  - Increased financial aid counseling for current loan-taking students
  - No new enrollment of students using federal student loans

While debt as a percent of earnings can be used to directly hold colleges accountable, it can also be used to evaluate the performance of accreditors.

Evaluating Accreditors Using Student Outcomes

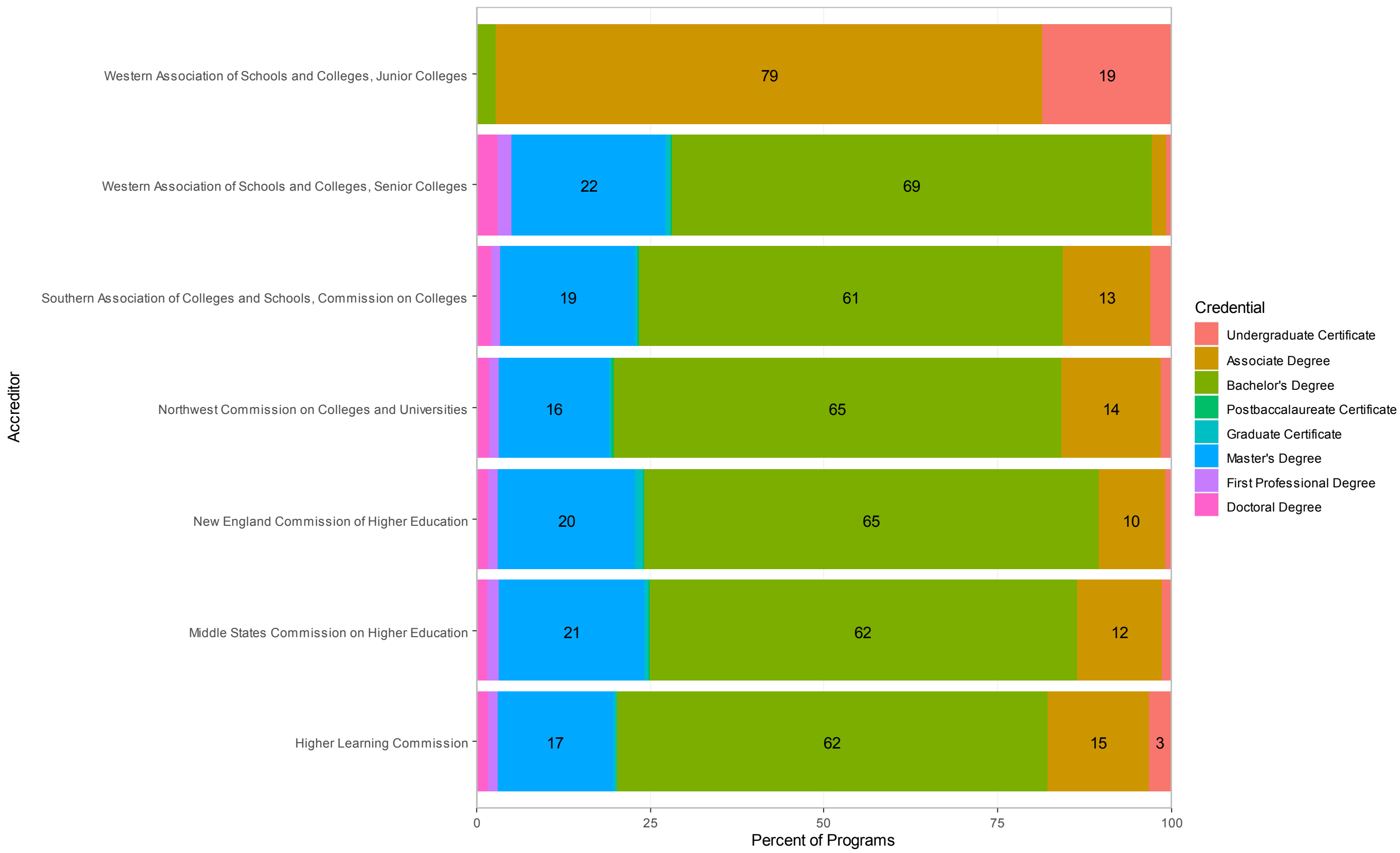
With the new availability of student outcomes data, we can begin to examine if any accreditors are consistently over or under performing their peers. Leschly and Guzman (2022) find that accreditor warnings and sanctions are unrelated to a college's graduation rate, its student loan default rate, or students earnings after leaving the college.

We build on this sparse literature but take a slightly different approach. We look at whether accreditors disproportionately approve programs that leave their students with excessive student loan debt relative to their post-graduation earnings.

We focus on the seven regional accreditors that have been the most important and dominant entities within the accreditation system. However, we should keep two facts in mind. First, accreditors differ in the types of credentials offered by the colleges they accredit. As **Figure 2** shows, while most accreditors have similar shares of programs by credential, the Western Association of Schools and Colleges Junior Colleges stands out as the only regional accreditor focused almost exclusively on undergraduate certificate and associate degree programs.

Figure 2

Credential Distribution by Accreditor



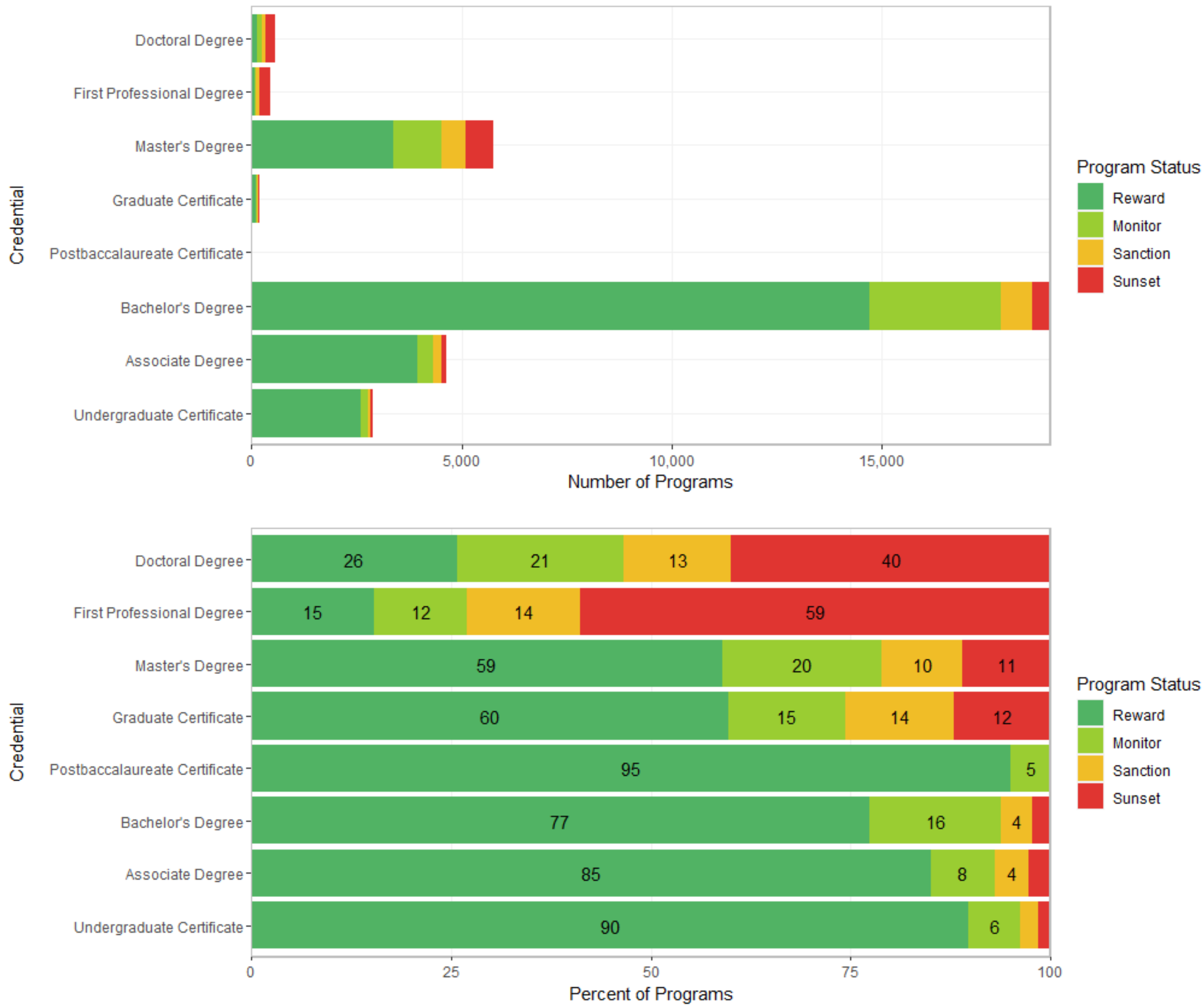
Note. Data from *College Scorecard* (data set), U.S. Department of Education, n.d. (https://collegescorecard.ed.gov/data/) and author's calculations.

Second, when using the debt as a percent of earnings metric, there is wide variation in college program performance depending on the credentials they confer. **Figure 3** (reproduced from Gillen, 2022b) shows that undergraduate degrees and certificates are generally low risk, with 85% of associate degree programs and 77% of bachelor's degree programs earning the highest rating. Yet graduate programs perform much worse. Only 26% of doctoral and 15% of professional degree programs earn the highest rating.

Putting these two points together—accreditors differ in the types of credentials offered by colleges they accredit, and credentials differ markedly in performance based on the debt as a percent of earnings metric—analysts should avoid lumping all credentials together when evaluating accreditor performance. Such an analysis would be biased toward accreditors like the Western Association of Schools and Colleges Junior Colleges that have a larger share of programs in high performing credentials such as associate degrees and biased against accreditors like the Western Association of Schools and Colleges Senior Colleges that have a low share of programs in high performing credentials.

Figure 3

College Program Performance on Debt as a Percent of Earnings by Credential



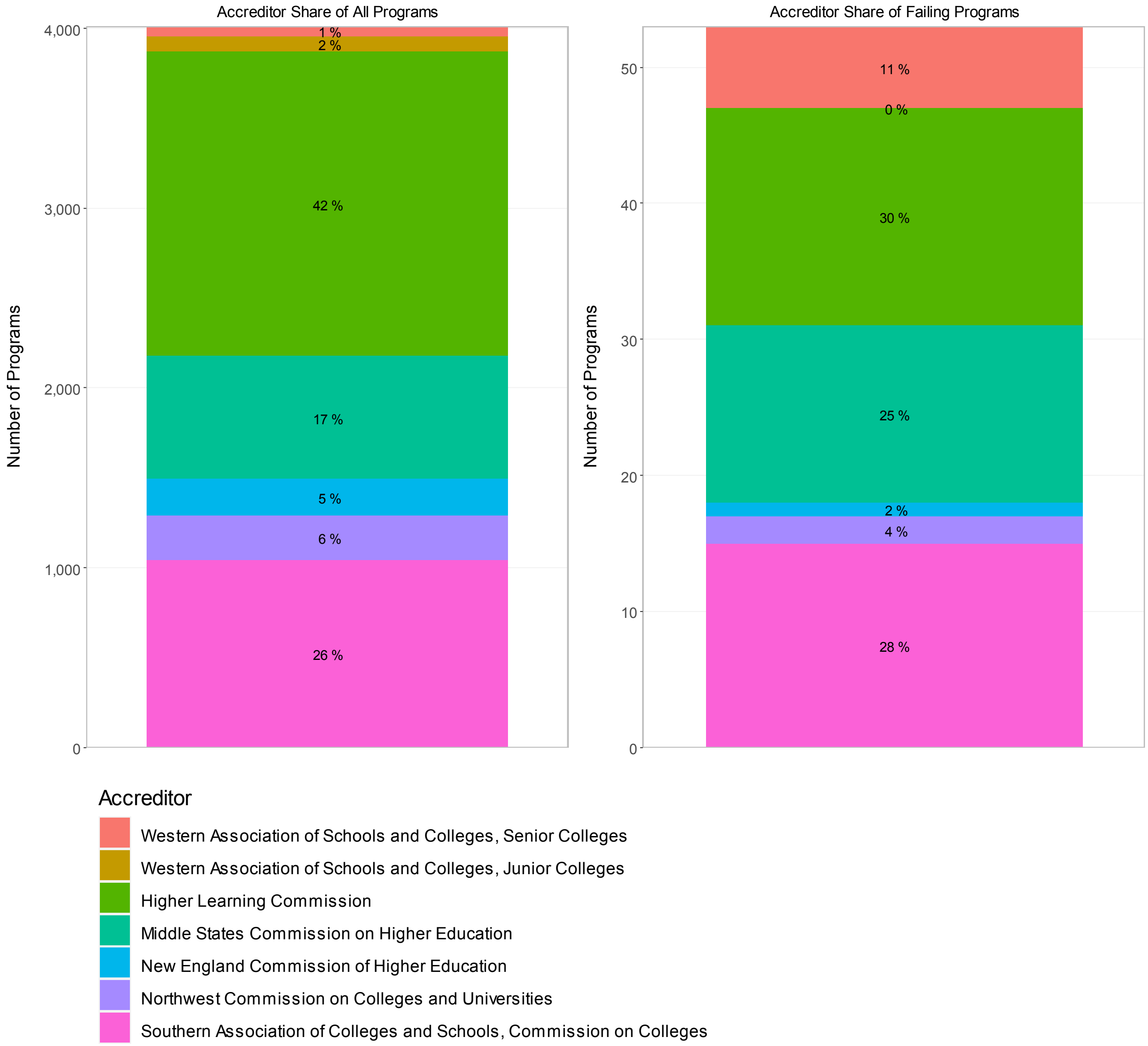
Note. Data from *College Scorecard* (data set), U.S. Department of Education, n.d. (https://collegescorecard.ed.gov/data/) and author's calculations.

Fortunately, we can still evaluate accreditor performance provided we do so by credential to ensure comparisons are not biased by these composition effects. **Figures 4–8** present the results for each of the main credentials, showing the share of all programs by accreditor in the left panel, and the share of failing programs by accreditor in the right panel.[1]

An accreditor that has a higher share of failing programs than its share of all programs in the country is underperforming relative to other accreditors. For example, if an accreditor accredits 15% of all bachelor's degree programs but accounts for 25% of failing programs in the country, then the accreditor is underperforming.

1 Note that both shares are determined from among the subset of regionally accredited programs, meaning that programs not accredited by a regional accreditor are not included.

Figure 4
Accreditor Performance: Associate Degree

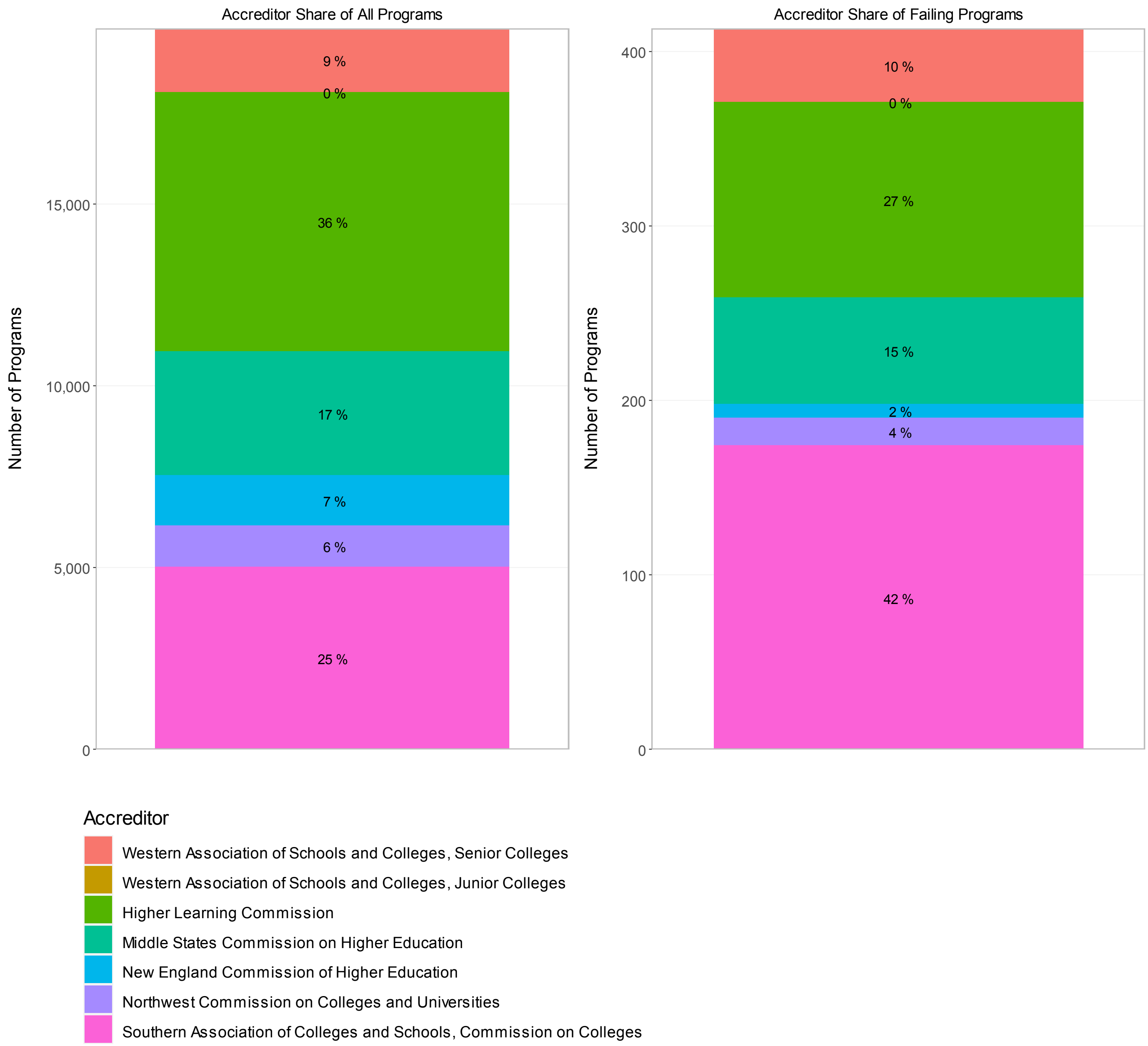


Note. Data from *College Scorecard* (data set), U.S. Department of Education, n.d. (https://collegescorecard.ed.gov/data/) and author's calculations.

Figure 4 shows the results for associate degree programs. Two accreditors stand out for poor performance. The Western Association of Schools and Colleges Senior Colleges only accredits 1% of all associate degree programs but accounts for 11% of failing associate degree programs. Similarly, the Middle States Commission on Higher Education accredits 17% of associate degree programs but accounts for 25% of failing programs. In contrast, the only accreditor that significantly outperforms its peers is the Higher Learning Commission, which accredits 42% of all associate degree programs but accounts for only 30% of failing programs.

Figure 5

Accreditor Performance: Bachelor's Degree

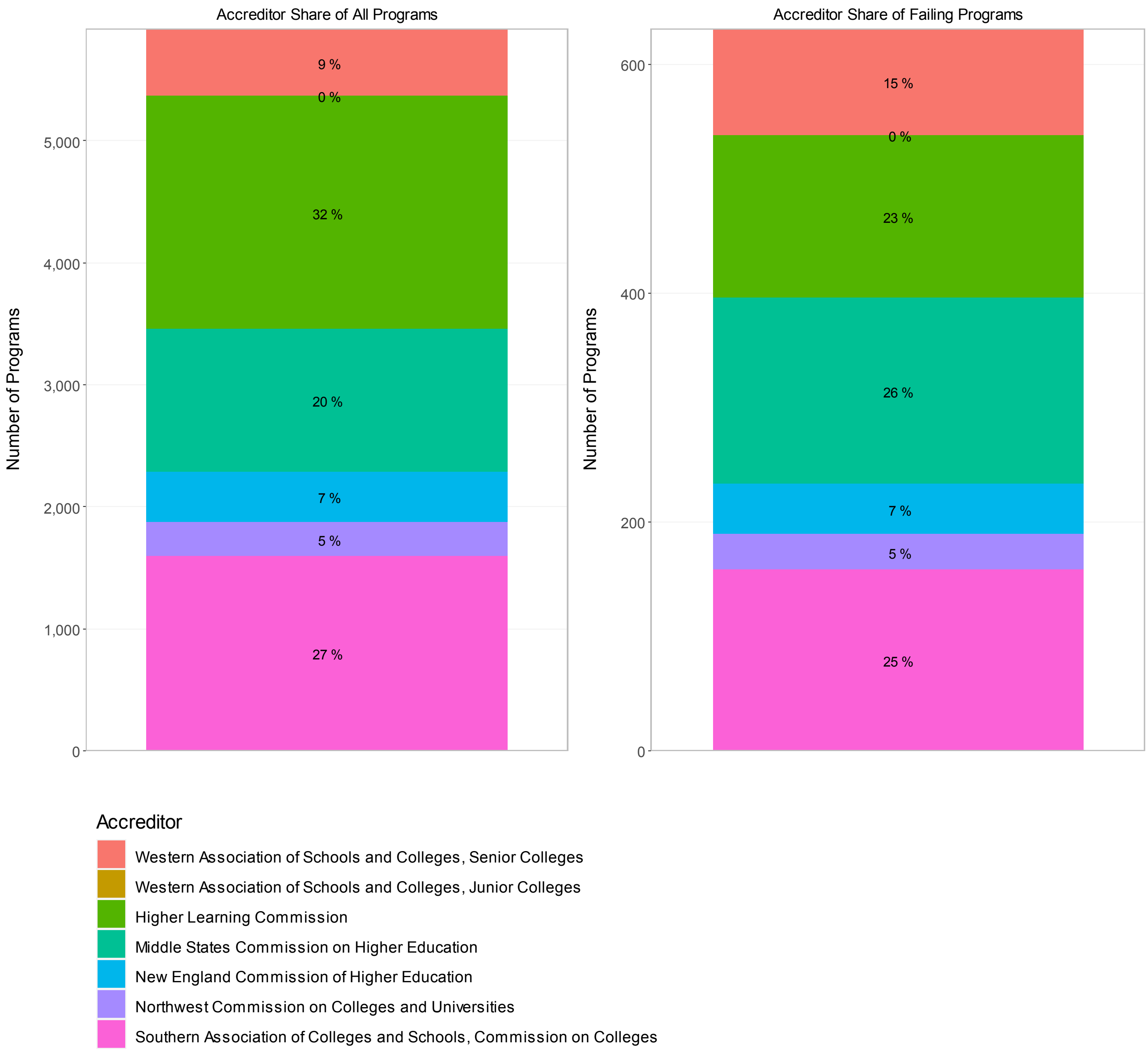


Note. Data from *College Scorecard* (data set), U.S. Department of Education, n.d. (https://collegescorecard.ed.gov/data/) and author's calculations.

For bachelor's degrees, shown in **Figure 5**, one overperformer and one underperformer stand out. The Higher Learning Commission again overperforms, accounting for 36% of all bachelor's degree programs, but only 27% of failing programs. The Southern Association of Colleges and Schools stands out for poor performance because it accredits 25% of all bachelor's degree programs but accounts for 42% of failing programs.

Figure 6

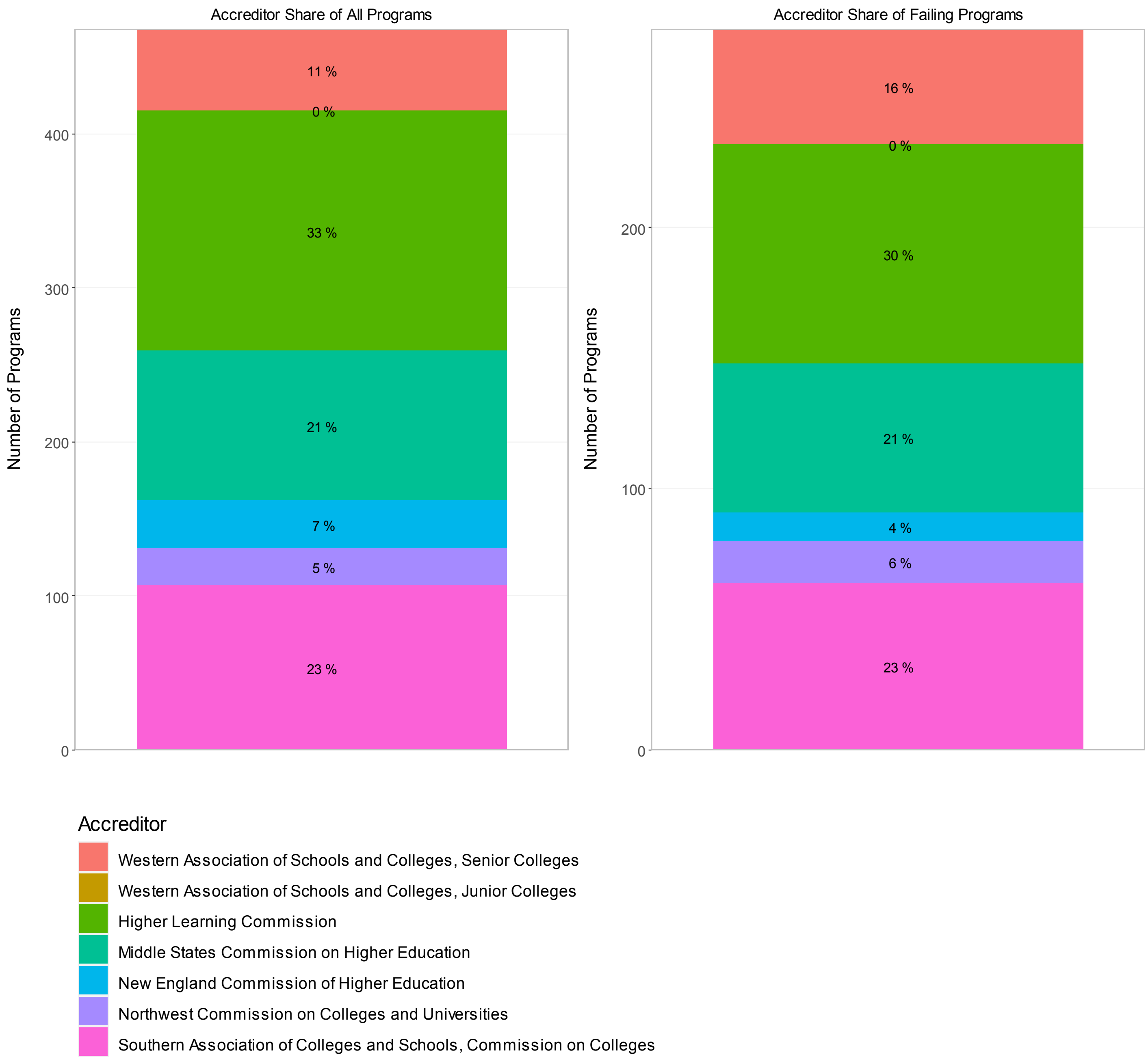
Accreditor Performance: Master's Degree



Note. Data from *College Scorecard* (data set), U.S. Department of Education, n.d. (https://collegescorecard.ed.gov/data/) and author's calculations.

Figure 6 shows the results for master's degrees. Yet again, the Higher Learning Commission is the best accreditor, accounting for 32% of master's degree programs but only 23% of failing programs. Two accreditors slightly underperform, the Middle States Commission on Higher Education (20% of all programs, but 26% of failing programs) and the Western Association of Schools and Colleges Senior Colleges (9% of all programs, 15% of failing programs).

Figure 7
Accreditor Performance: Professional Degree

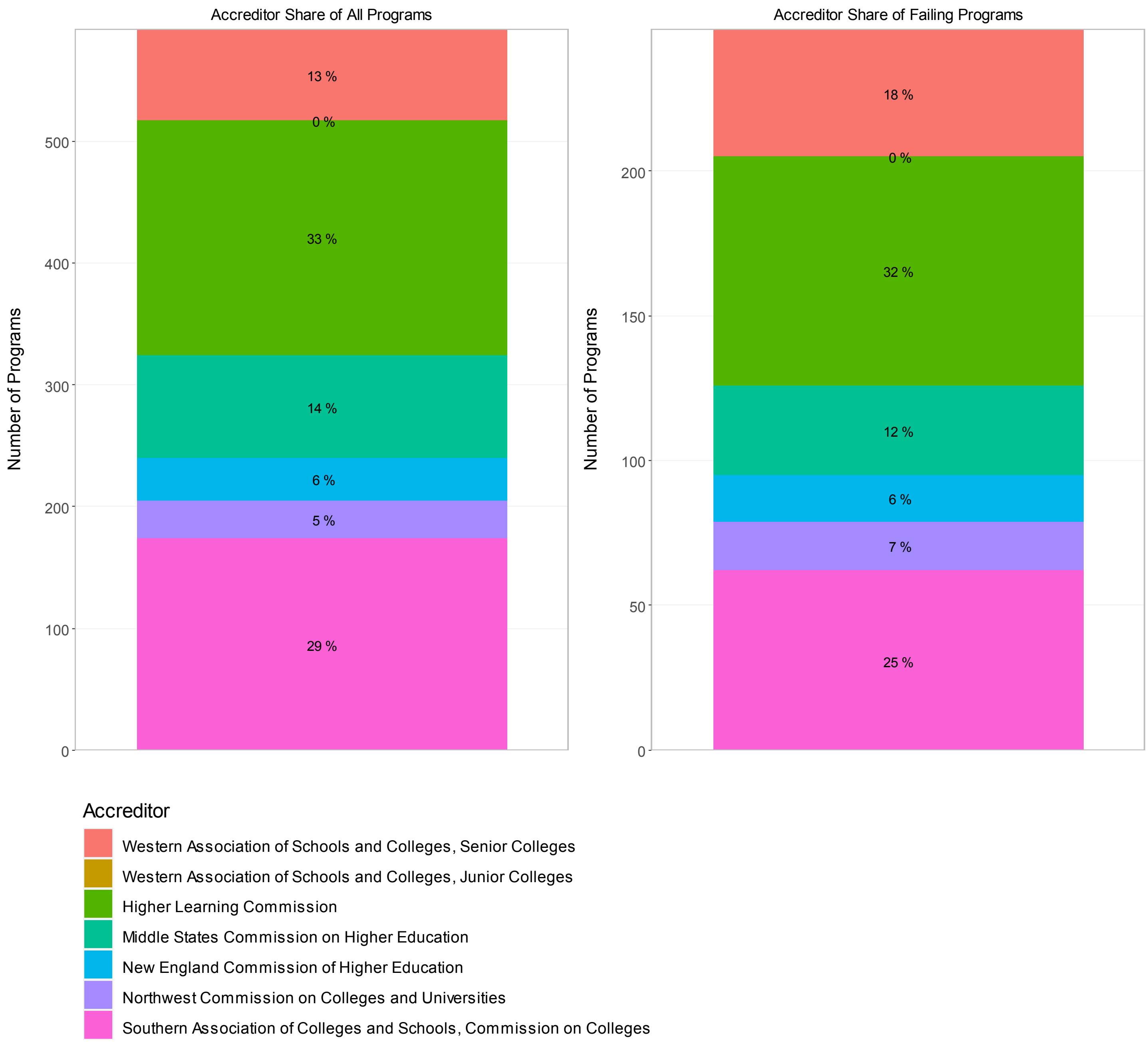


Note. Data from *College Scorecard* (data set), U.S. Department of Education, n.d. (https://collegescorecard.ed.gov/data/) and author's calculations.

Figure 7 shows the results for professional degree programs. Accreditor shares of all programs and failing programs are close for most accreditors, with only the Western Association of Schools and Colleges Senior Colleges underperforming slightly (11% of all programs, 16% of failing programs).

Figure 8

Accreditor Performance: Doctoral Degree



Note. Data from *College Scorecard* (data set), U.S. Department of Education, n.d. (https://collegescorecard.ed.gov/data/) and author's calculations.

Figure 8 shows the results for doctoral degrees. Most accreditors have a similar share of all and failing programs. The Western Association of Schools and Colleges Senior Colleges slightly underperforms (13% of all programs, 18% of failing programs) and the Southern Association of Colleges and Schools slightly overperforms (29% of all programs, 25% of failing programs).

Policy Recommendations

If accreditation influences college quality, then given the differences in performance among accreditors, states could improve their colleges by ensuring colleges are using the best accreditors.

The Higher Learning Commission stands out as the best regional accreditor based on our criteria discussed above. It vastly outperforms its peers in the undergraduate degree categories such as associate and bachelor's degrees, and because those account for the vast majority of college programs, high performance there should carry a dominant weight.

Honorable mentions go to the New England Commission of Higher Education and the Northwest Commission on Colleges and Universities. While both accreditors are small relative to their peers, they both consistently account for a smaller share of failing programs than their share of all programs, and they both perform well at the associate and bachelor's degree levels.

The worst regional accreditor is the Southern Association of Colleges and Schools. While its results for graduate degrees do not raise any red flags, and it even overperforms for doctoral degrees, it massively underperforms in the bachelor's degree category, the most commonly earned credential.

Unfortunately for Texas, the Southern Association of Colleges and Schools is the historical regional accreditor for the state, which means that most colleges in Texas are currently accredited by the worst accreditor.

Fortunately, a change in regulations in 2019 allowed the regional accreditors to accredit colleges outside of their traditional regions, essentially making all accreditors national in scope (Eaton, 2020). While no major shifts among regional accreditors have taken place yet, that will likely change. The state of Florida, which is also historically accredited by the Southern Association of Colleges and Schools, recently mandated that colleges select a new accreditor every cycle (Levy & Beltramini, 2022), which means that Florida colleges will be switching away from the Southern Association of Colleges and Schools in the coming years. States like Florida and Texas that were historically accredited by a poorly performing accreditor can benefit by switching to a new higher-performing accreditor. But is it also possible that states with a historically high performing accreditor could benefit from switching accreditors if bringing in a fresh pair of eyes identifies new issues and challenges.

Texas (and other states) could implement and improve upon Florida's new approach. For example, as a condition of granting state authorization to a college, Texas could require the use of high-quality accreditors and discourage or even forbid the use of underperforming accreditors. Colleges currently accredited by poor performing accreditors could be required to find new accreditation when their current accreditation expires, whereas colleges accredited by a top performing accreditor could renew their accreditation with the same accreditor several times before being required to switch accreditors.

To implement this policy, Texas (and other states) should

1. Establish a commission that will evaluate the performance of accreditors. This report used one metric focused on programs with excessive student loan debt, but the commission should consider a variety of measures (e.g., other labor market indicators, learning outcomes, etc.) in its evaluation.

2. Reform state authorization to encourage the use of high-quality accreditors and discourage the use of poorly performing accreditors.

    a. Any Texas college seeking accreditation for the first time would need to use an accreditor with at least satisfactory performance.

    b. Any Texas college currently accredited by an underperforming accreditor that needs to renew its accreditation would need to switch to an accreditor with at least satisfactory performance when its current accreditation expires.

    c. Any Texas college currently accredited by a satisfactory accreditor that needs to renew its accreditation would need to switch to another accreditor with at least satisfactory performance after 15 years.

    d. Any Texas college currently accredited by a top performing accreditor that needs to renew its accreditation would need to switch to another accreditor with at least satisfactory performance after 20 years. Alternatively, Texas could establish a safe harbor provision for the top 3 or 4 accreditors, waiving switching requirements when using an accreditor on the safe harbor list.

Conclusion

Accreditors play an important role in higher education, serving as the main gatekeeper for access to federal financial aid programs like Pell grants and student loans. But accreditors do not always succeed in safeguarding taxpayer dollars. Many students are graduating with degrees that leave them at high risk financially, with earnings too low to be able to afford to repay their student loans. We found that some accreditors have higher performance than others. The Higher Learning Commission performs the best, and the Southern Association of Colleges and Schools performs the worst. Texas and other states should encourage their colleges to utilize high quality accreditors and discourage or forbid the use of low-quality accreditors.

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Prior to joining the Foundation, Dr. Gillen spent over a decade at nonprofit and philanthropic organizations researching and trying to improve higher education. He was a program officer for the Charles Koch Foundation and served in research roles for American Institutes for Research, Education Sector; the American Council of Trustees and Alumni; and the Center for College Affordability and Productivity. He was also on the U.S. Department of Education's Advisory Committee on Student Financial Assistance.

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