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Testimony Provided to the
Subcommittee on Higher Education and Workforce Investment
Strengthening Accountability in Higher Education to Better Serve Students and Taxpayers

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The views expressed in this testimony are those of the author alone and do not necessarily represent those of the Pennsylvania Department of Education.

Biography

Noe Ortega currently serves as the Deputy Secretary and Commissioner for the Office of Postsecondary and Higher Education (OPHE) at the Pennsylvania Department of Education (PDE). Prior to joining PDE, Noe spent eight years at the University of Michigan (U-M), where he held several academic and administrative roles. During his tenure at U-M, Noe worked as the Assistant Director and Senior Research Associate at the National Center for Institutional Diversity and as the Managing Director for the National Forum on Higher Education for the Public Good—both of which are research centers committed to advancing educational access for all students and the public good mission of higher education. While most of Noe's research has focused on postsecondary access and success for all students, his most recent publications examine how public investment in higher education shape decision-making at colleges and universities. Noe spent nearly a decade working in the areas of financial aid and enrollment management at both public and private universities in Texas, and he also served as a P-16 Specialist for the Texas Higher Education Coordinating Board. Noe's work in education stems beyond the U.S., having also spent eight years as director of a language institute in Japan where he trained teachers in the area of early childhood language acquisition.

Full Written Testimony

Chairwoman Davis, Ranking Member Smucker, and Members of the Committee:

Thank you for the invitation to offer my remarks to the Committee today. I have been asked to speak to you about the importance of strengthening accountability in the American system of higher education to better serve our students and taxpayers. Given my role as the Deputy Secretary and Commissioner for the Office of Postsecondary and Higher Education in Pennsylvania, I will focus my remarks on the role of the state in helping to achieve this goal.

Let me first preface my remarks by offering up the following premise, any discussion about accountability and quality assurance in the U.S. system of higher education is a conversation about 50 vastly different policy contexts, over 7,000 postsecondary institutions, and countless programs of study, each of which is accountable to a variety of stakeholders. The acknowledgment of this assumption is not meant to suggest that the complexity and magnitude of this challenge should serve as a deterrent for working toward the goal of providing high-quality postsecondary opportunities for all students, but instead it is an attempt to place emphasis on the following fact: it will take a concerted effort, among numerous stakeholders and various regulating bodies, to effectively strengthen the accountability of this great system of higher education and ensure the highest quality of postsecondary opportunities for all members of society.

Perspectives on Accountability

There are a growing number of perspectives to account for in a discussion about accountability in higher education, and all are relevant. In the case of students and their families—whose tuition dollars now represent a growing share of the revenues at colleges and universities—accountability translates into concerns about job prospects after graduation. From the perspective of policy makers at all levels of government, accountability manifest itself in strategies of consumer protection and the availability of affordable postsecondary pathways for all students. When conversations about accountability emerge from the business community, they are often framed around a need to ensure that all graduates have the skills needed to be effective in their selected career paths. At the Federal level, accountability translates into better oversight of new and existing providers and the returns associated with the billions of dollars invested in federal student financial aid programs. In the case of states, accountability is defined by the equitable provision of high quality postsecondary opportunities for all students. And for the public at large, accountability represents a renewal of trust in the belief that institutional performance and the value of postsecondary credentials are worthy of their tax investments.

Simply stated, a discussion about higher education accountability in the 21st Century is a conversation about issues and concerns central to the fiscal, social, and economic well being of the nation and all its members.

The Changing Higher Education Landscape

To a certain extent, the centrality of higher education to the well being of our nation has resulted in a greater public interest to holding institutions accountable for their performance and outcomes. It was only a few decades ago when discussions about quality and accountability in higher education would only garner the attention of key administrative officials, faculty, staff, and other stakeholders closely associated with the academic and administrative inner workings of the institution. This is no longer the case. The outcomes associated with postsecondary institutions are much more publicly contested today, than ever before. The emergence of new forms of delivery for higher education and the entry of new providers into the field have broadened the reach and bandwidth of postsecondary institutions. Additionally, the work of a growing number of states to aggressively adopt postsecondary attainment goals and implement strategies such as dual enrollment opportunities have elevated the importance of postsecondary pathways for all its residents and cultivated a greater interest among more students and their families.

Equally significant is the decision by states to couple strategies of economic development with goals of postsecondary attainment, which have made the outcomes of our colleges and universities much more prominent in policy discussions. When you further consider the shift in funding from one that has historically relied on state and federal investments for the primary functions of the institution, to one that is increasingly reliant on revenue from tuition and fees for its daily operations, it becomes evidently clear as to why there is a growing interest in postsecondary outcomes and a push toward greater accountability by members of the general public.

While the context today differs significantly in terms of access to public information and the number of individuals being served by our institutions of higher learning, this country's reliance on its system of higher of education for innovation and economic development is not a new phenomenon. There is a well-documented history of federal and state investments in the expansion and maintenance of colleges and universities in the United States. Whether these investments were driven by our growing agricultural or industrial needs, an all out push to improve our system of national defense, or simply as a means for ensuring the provision of postsecondary opportunities for more students through the establishment of a federal financial aid program—these investments have paved the way for a unique interdependence that continues to exist today between postsecondary institutions, the federal government, and the states.

This interdependence has also given way to a unique aspect in the design of our system of higher education, the blend of governmental and non-governmental agencies that provide oversight to the system which is often referred to as the "triad." The term triad denotes the joint oversight process between states, accreditors, and the federal government, but also connotes the symbiotic relationship between the various agencies whose roles have emerged and adapted to an ever-changing higher education landscape. Roles that I contend must continue to be reassessed if we seek to ensure that our postsecondary institutions remain

accountable to the goal of providing all students with high quality postsecondary degrees or credentials.

The Role of the State

Let me now shift my focus to the role of the state in the higher education governing process and provide some background on the processes for oversight in the state. First and foremost, states provide authorization for degree granting institutions and for profit institutions that seek to operate within its borders. The process of authorizing institutions differs from state to state. In some states you have either a single board or commission that handle the authorization of an institution, while other states engage multiple agencies in the state approval process. Additionally, the criterion used for authorization also varies by state and may range from a process that simply requires the successful submittal of an application for authorization to a more rigorous review of programs and institutional finances.

For instance, the state authorization process in Pennsylvania for degree granting institutions is one that is handled exclusively by the state education agency. The agency collects the application, reviews it for accuracy, and conducts a visit to the institution. Prior to any determinations being made, the application is published in a public bulletin to allow for additional comment, and ultimately the Secretary of Education signs of on the authorization. In the case of authorizing a for-profit institution to operate in the state, this process also differs by state. In Pennsylvania, the state education agency appoints members to a Board who are charged with the task of reviewing all applicants that seek to operate in the state. The applicants seeking authorization are also invited to appear before the board to defend their application, and ultimately the state appointed Board votes to approve, defer, or deny the application.

Once and institution is approved and authorized to operate in a state, then the process of maintenance and renewal of the approval begins, a process that also varies between states. In Pennsylvania, degree-granting institutions remain authorized indefinitely unless there are grounds for revocation. The process for revoking state authorization from an institution is outlined in statute and is generally based on evidence of failure to meet certain standards at the institution. It should also be noted that institutions being considered for revocation are entitled to a hearing. The maintenance process of approvals also differs by institutional category and type, as is the case for out-of-state providers (i.e., institution in other states providing online education to students living in Pennsylvania) and for-profit institutions that operate in Pennsylvania where maintenance and renewal of state approvals occurs more frequently and periodically.

Determining Standards of Quality

While state authorization is necessary for an institution to operate within a state, it does not serve as a confirmation of educational quality for an institution—determinations about quality are made exclusively by accreditors and this determination is contingent on the outcomes of an

accreditation process. While the two processes are distinct, one does serves as a pre-requisite for the other: state authorization and degree granting authority are pre-requisites for accreditation in most states. An additional point of distinction between the two processes is that accreditation serves as a path toward eligibility to participate in the federal student financial aid program, for which the maintenance and oversight of these programs rests exclusively in the hands of the federal government, the third and final member of the triad.

Accreditation Bloat

Once a postsecondary institution is accredited by one of the accrediting bodies, the process for continued assurance of institutional quality is often deferred to the accrediting bodies by the states. This approach is in large part a result of the prescribed roles and functions that have been outlined for each member of the triad in the Higher Education Act. Throughout the years, conversations about revisiting the roles of the various members of the triad have periodically emerged in certain policy discussions, but much of what has transpired in the form of strategies from these discussions have been recommendations for reforms to the accreditation process and strengthened requirements to participation in federal financial aid programs.

Today, like many of my predecessors that came before this Committee in the past, I will seize this moment to elevate a discussion about the pressing need to rethink our approach to strengthening accountability in the American system of higher education to better serve our students. The higher education landscape that we are operating in today differs significantly from the environment that existed when the structures for oversight were put in place. Concerns about quality assurance and accountability are no longer limited to assessments exclusively about academic quality, financial viability, or soundness of corporate structures. New issues have emerged that give rise to concerns about student loan debt; institutional performance; equitable outcomes for students; charges of waste, fraud, and abuse; and mounting concerns surrounding closure of institutions within the for profit sector. These are just a few of the concerns dominating the discourse about quality and accountability in higher education.

As a result of these concerns, we are witnessing a phenomenon that can best be described as "accreditation bloat," the broadening of the behaviors, outcomes, policies, and practices that must be assessed and monitored by accreditors. Accreditation bloat places a tremendous amount of responsibility on accreditors for holding the entire system accountable to the growing list of issues and concerns prominent in the national discourse about postsecondary outcomes and institutional performance. I contend that we reverse this trend, and instead find ways to encourage the various members of the triad to lend a hand in efforts aimed at holding our system accountable to the assurance of quality in higher education.

Enhancing the Role of the State

To date, most discussions about quality assurance and accountability in our system of higher education have remained relatively silent about the role of the state in the accountability

movement. This is concerning given that states maintain several advantages that are not always afforded to accreditors or the federal government. For instance, a state is uniquely positioned to make sense of the social, political, and economic nuances that are often at play in the state context. States also have access to historical narratives and artifacts that provide additional insight into the culture and mission of the postsecondary institutions operating within its borders. These historical antecedents may prove helpful in making determinations about the long-term prospects and potential success of an institution.

My argument for enhancing the role of the state in the shared responsibility for accountability in higher education is not meant to be a criticism of the accreditation process or of the other governing bodies that make up the regulatory triad. My assertion is simply fueled by an understanding that the higher education landscape is changing, expectations from the growing number of constituencies are increasing, and the number of new providers and structures for delivery of higher learning are multiplying. These and other changes that are beginning to stress the system suggest that we need to reimagine our roles as members the triad, and engage in a more concerted effort to identify new approaches to strengthening accountability and ensuring a continued adherence to quality by the system of higher education.

Building Momentum and Leveraging State Levers

Let me also point out that any move toward enhancing the state's role in the shared responsibility for accountability is not without precedent. There are key areas of momentum in states where capacity has already begun to emerge and strategies for leveraging new opportunities for strengthening accountability exist.

A number of states have launched efforts in key areas that will position them to take on a greater share of the responsibility to hold institutions accountable to certain outcomes. One area where significant movement has occurred is in the development and implementation of certain consumer protections that address concerns that have emerged from the recent closures by for profit institutions. These efforts include the development of policy guidelines that require for-profit institutions, or other struggling institutions operating within its borders, to submit teach out and a tuition recovery plans to the state. These plans outline the steps that institutions will take in the event of a closure. In the case of Pennsylvania, the state is also working with members of the general assembly and the states attorney general office to plan for the development of a central records collection system that can be utilized to archive the records of students affected by closures. These, along with other consumer protection efforts embarked on by states, build a foundation for a process that can be shared between the various agencies of the triad that could essentially assist with the monitoring of activities by institutions that are experiencing signs of volatility.

The past several decades have also seen a rise in activities by states aimed at setting postsecondary attainment goals. Several states have elected to couple these goals with workforce improvement strategies that are central to the economic development plans for the state. Some states have even taken the added step of identifying key strategies and metrics

that hold institutions accountable for the performance of specific student subgroups in meeting the state's postsecondary attainment goal. These metrics are sometimes tied to specific career pathways in the state; particularly careers pathways that seek address some of the shortage areas in the state or pathways that align to some of the emerging professional fields. Additional emphasis by states on diversity goals has also resulted in efforts to hold institutions accountable for addressing some of the inequities that continue to persist in the American system of higher education. The move to build capacity around these and other efforts have given rise to a wave of new players at the state level who have a vested interest in improving the quality and outcome of the institutions operating in the state. Some of the individuals that make up these emerging groups of stakeholders include members of the business community, school districts, the general assembly, and a growing number of state attorneys general.

In addition to some of the capacity building efforts embarked on by states, there are also a number opportunities within states to leverage the state's investments in higher education and leverage these resources as means for holding institutions accountable to certain goals and outcomes. Although state support for higher education has experienced some volatility and decline over the past several decades, institutions continue to remain dependent on state resources for their daily operations. By and large the resources made available to institutions from the state are usually distributed through the appropriation process; however, other resources are made available by the state through grant programs or other forms of state financial aid. What is unique about these programs is that the dollars extend well beyond the traditional public sector of institutions and the dollars are also placed in the hand students who attend independent colleges and for profit institutions. This not only extends the state's reach with the funds, but also presents it with another strategy for leveraging additional expectations and requirements on institutions and holds them accountable to the continued provision of high quality degrees and credentials to all students.

Creating the Condition for Success

While its clear that some states have made tremendous strides toward taking on more of shared responsibility for accountability in higher education, many of the process and standards employed by states to authorize institutions to operate within its borders continue to remain disparate and loosely defined. The push toward a more concerted effort by the various regulating bodies of the triad to strengthening accountability in higher education will require states to be more intentional about adopting a baseline of common standards that can be used to create a shared understanding about the meaning of state authorization, and ultimately lend more legitimacy to the state authorization process. The continued insistence by states to rely exclusively on accreditors for the assurance of quality among postsecondary institutions have consequentially prevented states from making substantive changes to their authorization processes.

The federal government is well positioned to nudge the states in the direction of developing a more coordinated approach to state authorization and identify some baseline standards across all states. Engaging states in comprehensive planning process with agencies within the state, as

well as the various governing agencies of the triad, is certainly a step in the right direction. The federal government is also well positioned to build on some of the lessons and best practices that emerged from some of the recent state comprehensive planning efforts it has put in place. This includes such efforts as the state's Every Student Succeeds Act (ESSA) plan, the Workforce Innovation and Opportunity Act (WIOA) planning activities, and the ongoing efforts currently underway around Perkins state planning. Regardless of the strategy leveraged for this process, it is imperative that considerable emphasis also be given to efforts aimed at identifying ways in which the various governing agencies of the triad can work collectively to share resources and information that can result in alert systems to help monitor some of the volatile activities by institutions that tend to result in closures.

CONCLUSION

The American system of higher education is one that continues to be held in high regard by individuals around the world. Its unique organizational structures, cultures, norms, are a result of the continuous need by the system to adapt to industry shifts, socio-political events, demographic changes, and the growing demands placed on it by the constituencies it serves. Our institutions of higher learning continue to be relied upon for innovation, social change, and as catalysts for economic vitality. The contributions made by these institutions to society and the benefits they offer to individuals who attend them, are just a few of the reasons why the system of higher education is such a central part of American life.

Once again we find ourselves amid another paradigm shift in our system of higher education. The need to once again improve the system and reimagine its governing structures presents us with an opportunity to put the conditions in place that will once again allow the American system of higher education to flourish and continue to thrive well into the future.

Chairwoman Davis, Ranking Member Smucker, and Members of the Committee, thank you again for the opportunity to address the committee today and I look forward to answering your questions.