The U.S. Department of Education provides more than $120 billion in student aid funds to help 13 million students attend 6,000 colleges each year. However, the department does not directly approve institutions or programs that receive federal funds. Instead, it relies on a network of federally recognized accrediting agencies, nonprofit membership organizations that serve as gatekeepers. Institutions must get a stamp of approval from a federally recognized agency indicating that they meet certain standards. The Education Department’s role is to review and approve accrediting agencies as reliable authorities of college quality. Without a grant of federal recognition, the schools an agency accredits cannot access federal student aid funds.

In order to gain federal recognition, an agency must submit an application and evidence that it complies with federal recognition criteria at least once every five years. The department also asks for public comments on the agency. Agency information and public comments are reviewed by the Accreditation Group within the Education Department. The group’s review typically includes at least one site visit to watch the agency review a college and a visit to observe meetings of the accrediting agency’s decision-making board. It can but does not necessarily include third-party information; information directly related to institutions or programs the agency accredits; and other announced or unannounced site visits to the agency or the institutions it accredits. The Accreditation Group uses this information to issue a draft report detailing the agency’s compliance. The accreditor has an opportunity to respond to the report. The Accreditation Group uses the agency’s responses to generate a final report and recommendation on recognition to a senior department official.

The National Advisory Committee on Institutional Quality and Integrity (NACIQI), an independent bipartisan group of experts that advise the Secretary on recognition of accrediting agencies among other issues, then reviews the final report and supporting information. Recommendations and information from both the Accreditation Group and the NACIQI reviews are submitted to a senior department official, who makes a final decision on recognition.
While accrediting agencies long predate the advent of the federal student aid programs, the government’s involvement with accreditation began in 1952 with the passage of the Veterans Readjustment Assistance Act. The federal government began investing taxpayer dollars in student aid funds with the 1944 GI Bill, which provided billions in new funding to help returning veterans attend college and receive additional job training. But the new investment also opened up a subindustry of fly-by-night schools that sprung up to take advantage of federal money. In the years following the GI Bill, nearly 6,000 new for-profit colleges were created, many of questionable quality.

The federal government quickly realized it needed a way to weed out bad actors and protect students and taxpayer funds. Instead of creating its own system, it assumed accrediting agencies could do the job. Since the 1952 Veterans Readjustment Assistance Act and in every piece of legislation on higher education funding since, the federal government has required in some form that schools be accredited by a federally recognized agency with the intention of eliminating fraud and protecting students and taxpayer funds.

The federal government’s first recognition process of accrediting agencies was created by the 1952 Veterans Readjustment Assistance Act. The legislation required the Department of Education, then called the Office of the U.S. Commissioner of Education, to produce a list of federally recognized accreditors. Early membership on the list of recognized agencies and federal recognition criteria were mostly based on the membership and criteria for agencies of a national association of regional accrediting agencies.

However, as the federal government expanded federal aid and eligibility for aid, it became increasingly clear that accreditation on its own was not a sufficient quality control. The aid programs continued to be subject to waste, fraud, and abuse, as evidenced by student debt and high default rates, particularly at for-profit schools. Following federal investigations in the late 1980s, the 1992 Higher Education Amendments laid out clear standards and expectations for quality control from states, accrediting agencies, and the federal government.

The 1992 amendments created the first set of federal standards for the criteria accreditors should evaluate in their role as gatekeepers and on which the bulk of the recognition process would be based.
Accreditor assessment standards

The Higher Education Amendments of 1992 required accreditors to assess a list of quality indicators:

1. Curricula
2. Faculty
3. Facilities, equipment, and supplies
4. Fiscal and administrative capacity as appropriate to the specified scale of operations
5. Student support services
6. Recruiting and admissions practices, academic calendars, catalogs, publications, grading, and advertising
7. Program length and tuition and fees in relation to the subject matter taught and the objectives of the degrees or credentials offered
8. Measures of program length in clock hours or credit hours
9. Success with respect to student achievement in relation to its mission, including, as appropriate, consideration of course completion, state licensing examination, and job placement rates
10. Default rates in the student loan programs under Title IV of this act, based on the most recent data provided by the secretary of education
11. Record of student complaints received by, or available to, the agency or association
12. Compliance with its program responsibilities under title IV of this act, including any results of financial or compliance audits, program reviews, and such other information as the Secretary may provide to the agency or association.

A 1994 rule-making focused on the education secretary’s procedures and criteria for recognition of accrediting agencies sought to assure that federally recognized agencies were reliable authorities to the quality of education offered by the programs they accredit. According to the rule-making, the Education Department’s role was to ensure that federal aid is “opened only to those institutions that provide students with quality education or training worth the time, energy, and money they invest” and to assure that the process “results in the identification of institutions that should not be eligible to participate in the Title IV … programs.” The intent behind the rule-making was to provide the Education Department with the ability to make a thorough and independent analysis that did not rely “solely on written submissions from the accrediting agency or on announced visits” but that included unannounced visits and third-party information to ensure the review was comprehensive, accurate, and unbiased and included student outcome data developed by the department on a national level. The majority of the rules created in the 1994 rule-making still apply today, with some revisions. Additions include consideration of how accrediting agencies review distance education programs, transparency requirements when an accreditor takes action against a school, transfer of credit, and teach-out policies.
However, the broad vision of the Education Department as a thorough and independent check on accrediting agencies as envisioned in early rule-making did not fully come to fruition.

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2018 inspector general report on Education Department’s recognition and oversight of accrediting agencies

A 2018 report from the Office of the Inspector General (OIG) on the Education Department’s procedures for recognizing accrediting agencies found several weaknesses in the review process. First, the report found that the department’s process allows accreditors themselves to select which colleges are used as evidence of compliance with recognition criteria. Allowing accreditors to pick examples can lead to cherry-picking and is not a thorough evaluation of the agency’s work. Second, the report found that accreditors submit a limited amount of evidence. For example, an agency that accredits three schools and an agency that accredits 388 schools each submitted evidence from two schools they accredit in their petition for renewal. Other concerns revealed in the report include: The department is lacking written policies and procedures to guide evaluations and does not regularly perform reviews and oversight between recognition reviews; the department’s Accreditation Group is too small; and the department could make much greater use of information and data it has available as part of its reviews. Overall, the report concluded that the department’s oversight of accrediting agencies does not provide reasonable assurance that it recognizes agencies that meet recognition criteria.

Despite the OIG’s findings that the Education Department lacks sufficient evidence to effectively review accrediting agencies, the Trump administration is proposing simplifying the accreditor review process and eliminating the guidance department analysts use in their reviews. In response to the OIG report, the Education Department suggested that it should collect less information on accrediting agencies, not more. Further weakening the accreditor recognition process raises the risk of harm to students if the department does not ensure the accreditors are effective gatekeepers.

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8 Flores, “Hooked on Accreditation.”


10 Wellman, “Recognition of Accreditation Organizations.”

11 Flores, “Hooked on Accreditation.”


