



Good morning, my name is Barbara Gellman-Danley, and I serve as President of the Higher Learning Commission. I want to thank Chairman Alexander, Ranking Member Murray, and the Members of the Committee for inviting me here to provide testimony from the perspective of accreditors on the opportunities and barriers of innovation in higher education.

My comments this morning are informed from my more than 35 years of experience in higher education as an institutional president, a vice chancellor of two separate state coordinating boards and as a faculty member. I also speak to you from the perspective of my strong personal interest in the issue of innovation in higher education.

HLC is one of seven regional accrediting agencies across the United States, which collectively accredit over 5,000 colleges and universities. These institutions include small private seminaries, bible colleges and liberal arts colleges, and encompass large and small community college districts, mid-size regional state universities, and large private and public research universities. The Higher Learning Commission is the largest of these commissions and covers 19 states of the north central region and currently accredits, or has granted candidate status to, 1,007 institutions. The Council of Regional Accrediting Commissions (or C-RAC as you may hear it called) is the organization through which the Presidents and Board Chairs of these agencies work together on issues of mutual interest including the sharing of best practices.

Accrediting agencies perform an important role in ensuring these institutions are of good quality. The Higher Learning Commission (or HLC as I may call it from time to time in my remarks) is recognized by the U.S. Department of Education based on statutory and regulatory requirements that govern recognition of accrediting agencies as authorities on institutional quality. HLC, like other regional accrediting agencies, has standards by which it determines which institutions are of appropriate quality such as to merit the granting of accreditation. These standards, many of which are required under the Higher Education Act, have been developed in consultation with institutions as well as with state higher education agencies, the business community, the public and other groups with a strong interest in institutional quality.

I applaud your efforts to look for ways to encourage innovation in higher education. I congratulate you on last week's Senate passage of a bill to reauthorize the Elementary and Secondary Education Act and the broad bipartisan work that was instrumental in its passage. I appreciate your stated desire to use this same approach in reauthorizing the Higher Education Act and taking on the important questions of how the revised statute and accompanying regulations can encourage meaningful and necessary innovation in higher education.

We can all agree on why innovation is so important. The benefit of "good" innovation is tremendous and can help solve vexing issues in higher education such as how to increase

access for students, make college more affordable, and improve outcomes – particularly related to retention and completion.

While our system of higher education is always focusing on improving its operations and outcomes, innovation has contributed to making it the envy of the world. Looking back through my own lens, I have seen a plethora of these innovations over the years. Some of these innovations have been simple, for example, introducing courses at night, while others have been creative. Regardless of their complexity these changes have been transformative and disruptive to the entire higher education system. They moved the needle and increased access, which resulted in institutions becoming increasingly competitive in serving students.

The intersection of access and market demand brought in hundreds of thousands of students who may have never availed themselves of a higher education – including the inspiring introduction of the community college movement. In the 1960s and 70s more than 1,000 community colleges were established, and today more than half of incoming freshmen enter our portals through that sector. Distance learning, once anticipated to be the potential destruction of campuses across the country, is now nearly ubiquitous in higher education and today nearly three-quarters of postsecondary students are enrolled in at least one online course. This innovation alone has vastly expanded access to higher education over the past decade far beyond any early predictions of growth and impact.

While there was some state, federal and private stimulus for some of this innovation, most

of it came from smart people at institutions who simply wanted to find better ways to serve students.

But to innovate is not without its challenges.

As accreditors, we are well aware that these challenges often begin – but do not end – at the institutional level. Institutions face challenges in paying for the cost of developing and implementing good innovation, not to mention the many risks associated with innovation – “will a new cyber-tech program fly in the education marketplace? Will students be willing to enroll? Will employers hire graduates of the new program or prefer to hire graduates from academic programs that are more familiar and thus more comfortable? ” Institutions are also facing a long list of mandates, internal and external, to do more with fewer resources, sometimes leading to a frenzy of projects at institutions to meet these mandates and to an accompanying sense of frustration and exhaustion. With such risks and challenges, innovation can be daunting for institutions.

We also have bureaucracies borne from state and federal legislation and regulations that simply are not set up to recognize and support innovation. They are tethered to statutory and regulatory language that over time has left them in a darkened closet holding a flashlight – trying see beyond the horizon to the future. But often, there is no sunlight. Institutions may be reluctant to champion innovation when it requires challenging these regulatory systems. The report released earlier this year by the Task Force on Federal

Regulation of Higher Education, which you, Chairman Alexander and other members of this committee deserve credit for spearheading, provides ample evidence of these types of regulatory barriers.

Innovation in the education marketplace faces another challenge: it has to be good. It must result in good academic quality and outcomes. Remember the Apple Newton or the Betamax? However innovative, they did not make it in the marketplace because they were not very good; consumers were disappointed, and investors and inventors lost money. In the academic marketplace the stakes are much higher. Instead of being stuck with an expensive piece of obsolete technology, students adopting a new innovation in higher education can be stuck with a mountain load of debt, with little to show for it. Lives are profoundly affected by higher education, as we know, for better or for worse because so many people – students, families and employers – rely on it. We have an obligation to all stakeholders to assure that innovation in higher education is the best it can be.

Accreditors do not seek to be yet another of these barriers to institutional innovation – or for that matter – a barrier to entities seeking to become an institution of higher education in the first place. Accreditors support innovation that is of good quality and that is able to demonstrate integrity. However, all accreditors are well aware of the concerns that have been expressed by those individuals who firmly believe innovation stops at our door. I am here today to tell you it does not.

The fact is, regional accrediting agencies have been on the frontlines of innovation in higher education for many years. The expansion of distance education, which I spoke of earlier in my testimony, happened with the collaboration of accreditors working with institutions as well as state and federal agencies.

Under our watch competency-based and direct assessment programs are also gaining increased momentum and acceptance. Through competency-based programs, students demonstrate competencies towards graduation even while they continue to complete credit hours and earn grades. In direct assessment programs credit hours and grades are gone, and the basis for the student's attainment of the degree is demonstration of competencies. Over just the past two years, HLC approved five institutions to offer direct assessment offering nine programs among them. The Southern Association has approved three institutions, also offering nine programs among them. The New England Association and Middle States Association have each approved one institution to offer direct assessment. The time is particularly opportune for new competency-based and direct assessment programs as institutions have become more skilled at, and more comfortable with, assessment of student learning. All of us get calls regularly from other institutions that are interested in offering a direct assessment program but are carefully considering the risk and the value of such programs.

While competency-based and direct assessment programs are of great interest currently, there are other forms of innovation taking place in higher education, which we as

accreditors have been very involved in facilitating. Within HLC's region there are increasing numbers of partnerships among public and private institutions like ReBUILD Detroit, which is a partnership among accredited institutions intended to foster access and success for minority students in biomedical fields. Another example is a project at an institution in Oklahoma working on finding non-traditional approaches to help improve the outcomes of remedial education. These cases are two examples of the hundreds of projects out there right now working to bring new innovative approaches to chip away at the difficult challenges of access, affordability and attainment in higher education. Next week, I, along with several of my regional accreditation colleagues will be participating in a meeting at the White House to discuss how to expand such partnerships while ensuring quality and integrity.

I was asked today to also speak to the specific process of how accreditors review new innovations. Each regional accrediting agency has policies and procedures to review and approve new initiatives before they are launched at institutions if they require such approval under the policies of those agencies. These policies and procedures, while varying to some degree in the specific details, involve the submission of an application or some sort of explanatory materials by the institution about the proposed program, review of the proposed program typically involving peer reviewers, and a formal decision by the agency to approve the program. There may be a follow-up report or visit after the program has been operating for about six to 12 months. Regardless of the details, these policies and processes are structured to achieve two important goals: 1) ensure that the initiative is of good quality

such that it meets the standards of the agency; and 2) assure that federal concerns, as reflected in the federal recognition requirements for accrediting agencies, have been thoroughly addressed by the agency in the approval process. Increasingly this latter goal has become a focus in the review processes of new innovative programs and other substantive changes by accrediting agencies, as I will outline in greater detail below with regard to direct assessment programs.

This process of how accreditation works with institutions seeking to drive innovation has worked well over the years. However, as accrediting agencies, we have our own challenges, which go along with our responsibility to ensure that the inherent risks of a particular innovation are in line with their potential benefit.

In recent years, these challenges have more and more stemmed from increased federal micromanagement into the work of accreditors. For many of us, we feel increasingly less able to provide a safe harbor to evaluate and recognize innovative programs of good quality without fear that those judgments may be later questioned by the U.S. Department of Education (“the Department”).

The review of competency-based and direct assessment initiatives provides a good example of this challenge. Federal regulations set certain precise expectations of the approval process at accrediting agencies. The regulations require program by program approval of each new such program at an accredited institution, regardless of the institution’s



experience in offering the exact same program on-ground or in other settings or even in offering other programs through direct assessment. The regulations further require that accrediting agencies determine whether reasonable credit hour equivalencies have been established for these new direct assessment programs even though such programs are intended to function outside the traditional credit hour system. In addition to what the regulations expressly require, interpretations of regulations by the Department or its Office of Inspector General (“the OIG”) may require additional accrediting agency focus. For example, the December 2014 Dear Colleague letter set the expectation that was not expressly stated in the regulations that accrediting agencies evaluate whether there is sufficient faculty-student engagement to ensure that the programs are NOT correspondence programs as defined by federal regulations.

Procedural expectations in the federal regulations for accrediting agencies also dictate other aspects of the review of new initiatives at institutions. These regulations include the mandate that an appropriate federally-recognized agency decision-making body make the formal decision to approve the new program, and that the action letter issuing the decision have sufficient details regarding, for example, for direct assessment the appropriateness of credit hour equivalencies established for the direct assessment program. Increasingly these federal details, while not unimportant, have dictated many aspects of the approval process and its timing at accrediting agencies. If we don’t ensure we fulfill federal expectations with regard to these details, we worry that institutions will be at risk even to the extent of losing access to Title IV for these programs.

Even when the Department provides a good faith effort to be supportive of innovative programs in higher education, as we have seen with the new Direct Assessment programs and Experimental Sites Initiative, its Office of Inspector General (the “OIG”) may take a very different position because of what seems to be its inherent skepticism that federal laws and regulations allow for innovation or that taxpayer dollars won’t be wasted on such programs because they look different. And when there is a dispute between the Department and its OIG regarding what the rules are regarding innovation, time goes by while each side marshals its arguments and revises its position, as we saw in the long wait for the Dear Colleague letter in December 2014 that followed the OIG’s report in September 2014 regarding the Department’s handling of direct assessment. Accreditors inevitably get caught in the middle of these disputes and may ultimately be forced to revise policies and procedures mid-stream not only to maintain their own recognition but also to ensure that institutions offering these innovative programs and students enrolled in them do not lose access to Title IV as the ultimate price. Under such circumstances the process of innovation inevitably stalls, and institutions that had moved ahead quickly to embrace innovation may be frustrated. Frank Herbert explained it well when he wrote, “Bureaucracy destroys initiative. There is little that bureaucrats hate more than innovation, especially innovation that produces better results than the old routines.”

As an accreditor, we are also responsible for making the difficult judgment of determining when an “innovation” is one with integrity and quality and is likely to serve the best

interests of students. Higher education is no more immune than any other industry to an idea gone wrong. Accreditors stand between the public and every crazy idea anyone may have, however “innovative” it might seem.

We are pulled in conflicting directions – we support innovation – we create flexible pathways for low-risk institutions to go out on a limb – we are then criticized for not serving the tightening regulatory and compliance environment. I implore you to help us find ways to remove barriers that are territorial and often a myopic view of the possibilities and that interfere with the transformation of higher learning.

The reauthorization of HEA provides an opportunity to address some of these challenges:

At a minimum, regional accreditors need to be given more freedom in working to promote innovation. The Experimental Sites Initiative authorized under HEA for institutions has led to expansion in areas such as competency-based and direct assessment programs. We believe there should be a separate experimental sites initiative for accreditors – allowing us to come out from underneath the statutory and regulatory barriers, which hold us back in working with institutions to promote innovation. My colleagues and I are prepared to sit down with you and your staff and discuss specific language, which we believe can help make this a reality.

In closing, let me leave you with three key requests:

1. Congress and the Department need to trust accrediting agencies to evaluate and approve good quality innovation. That's our job, and I think we do it well and with efficiency. New Congressional or Departmental mandates in this area are only like to lead to longer review times and increased time and expense for institutions going through our approval processes and not to improved quality.
2. Good innovation cannot be legislated. While institutions no doubt appreciate the seed money from the Department and private grant foundations, good innovation takes place when government steps back and lets people be creative.
3. Congress and the Department should be looking for ways to remove barriers in the system that limits, slows or chills innovation. C-RAC has provided a separate proposal to this committee to eliminate portions of the statute that create such barriers for accreditors.

C-RAC is prepared to move forward with you to find ways to serve learners better while continuing to ensure that these new ways still provide learners with an education of good quality. I encourage you today to open your minds (and ours) to possibilities we may have never imagined.