

State-level quality review affects both public and private higher education institutions, but it is particularly important for public institutions because they are dependent on state legislatures for a significant amount of their funding. Like nongovernmental accreditation, state quality review is typically decentralized across a number of state agencies. This division of responsibilities means that the extent of review and the kind of oversight may vary from one institutional or program type to another.

State quality review of higher education falls into two basic categories:

- Reviews for state licensure, which affect both public and private institutions; and
- Additional reviews for state authority to operate and public accountability, including budget, policy and performance reviews, which primarily affect public institutions.

State accountability reviews are strongly linked to state public policy agendas and budget-setting processes. Private institutions in many states participate widely in other aspects of state policy formulation and review, though they may not be affected directly by accountability reporting.

## State Licensure and Private Institutions

All private institutions must be licensed at the state level to offer degrees, credentials or certificates. It is through licensure review that states exercise a direct form of quality control over private institutions.

Licensing laws vary considerably from state to state. Some states require only that an institution pay a fee or fees, while others perform comprehensive program and financial reviews to assure that basic standards are being met. In some instances, states may accept nongovernmental accreditation in lieu of a separate state review, requiring state review only when an institution is unaccredited.

## State Oversight and Public Institutions

Public institutions require state authorization to operate. Authorization is usually accomplished by the state legislature when the institution is created. State oversight and standards for public institutions usually differ according to institutional type. For example, standards for occupational/vocational certificate-granting and non-degree-granting institutions differ from those for degree-granting institutions.

As indicated earlier, state review responsibilities are often divided among two or more agencies. A higher education agency may be responsible for oversight of institutions offering degrees, while an office of postsecondary vocational or technical education is responsible for oversight of technical and vocational schools.

State reviews, to the extent that they are required in addition to or in place of nongovernmental accreditation reviews, tend to focus on the same aspects of quality that are examined by most accreditors. Institutions are reviewed for financial stability and administrative capacity, for overall institutional stability and program accountability.

## States and Public Accountability

States have long been engaged in the assessment of public institutional performance through program reviews, data collection and budgeting processes. During the 1970s and most of the 1980s, such reporting and review efforts focused on enrollment access and program expansion, and the findings were intended largely for the eyes of experts. More recent accountability initiatives are also designed to yield readily understandable public information. Often they include a focus on resource use, efficiency and effectiveness and student outcomes, as well as on other aspects of quality.

All 50 states require some kind of evaluation of public higher education institutions, and most states have extended their systems to assure accountability as well, through public reporting on performance measures and a focus on the use of resources. These accountability systems vary from state to state.

Current dominant themes in state accountability systems include the need to pay attention to undergraduate education and student learning outcomes and to the connection between institutional quality and student learning. Most states require public institutions to formulate student learning and outcomes assessment procedures and to set goals that will assure improvement in the quality of student learning. Increasingly, states are also looking for quantitative measures of student achievement and institutional performance in order to document progress and improvement. Quantitative measures may include student attrition, time to degree, transfer, articulation and graduation rates; student entry and exit testing; pass rates on licensing examinations; and employer satisfaction surveys.

States have also been significantly affected by the growth of federal regulation that affects accreditation and higher education. A number of federal programs that have provided additional funding to states include specific obligations especially focused on accountability and public reporting. The federal government is also active in framing how states go about their consumer protection role as it relates to authorizing the operation of institutions and the awarding of degrees, distance learning and relationships with accrediting organizations.

## Authority to Operate, State Licensure and Accreditation

The relationship, if any, between state authority to operate public institutions and licensure for private institutions and accreditation varies from state to state. Most states do not require that a higher education institution be accredited in order to be licensed or authorized by the state. Licensure and authorization are independent of affirmation of academic quality through accreditation. A few states (e.g., Texas) do require evidence of accredited status prior to licensure or authorization of institutions. There is ongoing communication among accreditors, state officials and federal officials.

## Degree Mills and Accreditation Mills

Degree mills are operations that provide fraudulent credentials, frequently through the Internet. Accreditation mills provide fraudulent certification of institutions and programs and are also often Internet-based. Students and the public knowingly or unknowingly purchase fraudulent credentials or rely on the fraudulent certification of institutions or programs. Degree mills and accreditation mills have become an increasing problem for legitimate higher education and accrediting bodies.

Federal efforts to address degree mills intensified with the establishment of a definition in law for the first time in the amended Higher Education Act of 2008. States, too, have stepped up their efforts to combat these mills. Estimates of the extent of these enterprises, based on limited data, are in the billions of dollars annually.

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