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Summary

Accreditors have been seen as obstacles to innovation in higher education. In April we issued a Cooley Alert on new WASC guidelines for disaggregating institutional services. Now WASC and DEAC have issued separate policies that appear intended to make it easier for new institutions to come into existence and for the validation of courses provided by unaccredited entities.

There has been growing concern that not only have accrediting organizations failed to keep pace with the changes that are occurring in higher education, but that their oversight has impeded the development and adoption of strategies to better meet learner and employer demands, expand educational access and reduce costs. In a March 23, 2015 report leading up to the anticipated reauthorization of the Higher Education Act, the US Senate Committee on Health, Education, Labor and Pensions (HELP), chaired by Sen. Lamar Alexander, issued a report critical of key aspects of the accreditation system as now configured. Opening the section entitled "[Accreditation Can Inhibit Innovation and Competition](#)," the report stated:

Critics often assail accreditation's structure and design as anti-competitive and resistant to change. They charge that the system restricts innovative and new providers of higher education from entering the marketplace, continually protects and favors market incumbents with high barriers to entry, and reinforces existing and often expensive delivery models.

Even before this new attention, several accreditors have begun to revisit and in some cases revise their policies and procedures as well as the strategies employed to determine how best to encourage innovation while also being able to assure the quality of the education and learning opportunities offered to students. Over the past few years, the adoption of policies to enable institutions to more easily engage in online learning and more recently competency based learning are evidence of this movement.

In our [April 2015 Alert](#) we commented on new guidelines issued by the Western Association of Schools and Colleges Senior Commission (WSCUC) to facilitate agreements between institutions and service providers. Most recently, two major accrediting bodies have issued new guidelines and policies that are intended to facilitate review and—potentially—approval of non-traditional approaches and relationships between accredited institutions and other non-accredited and often non-institutional entities that could significantly reduce barriers to important innovations.

The WASC Senior College and University Commission (WSCUC) has introduced a new "Incubation" policy for emerging educational entities, and the Distance Education Accrediting Commission (DEAC) has established an "Approved Quality Curriculum" review process for non-institutional education providers. These are significant changes that may foretell shifting perspectives about the future of nontraditional providers in postsecondary education and the opportunities for the entities that populate this sector. This Opportunity Alert summarizes these developments.

WSCUC incubation policy

The WASCUC Incubation policy is specifically intended to provide unaccredited entities seeking to achieve separate accreditation with a pathway—what the agency terms a "period of incubation" via a formal relationship with an already WSCUC-accredited institution. WSCUC's policy describes two possible scenarios for this type of arrangement.

The first is designed to allow a new institution to begin enrolling students and offering its services before it has its own accreditation, which must await the graduation of its first students, by operating within a WSCUC-accredited school. Importantly, the students enrolling in the new institution would be considered enrolled in an accredited institution, and be able to benefit from that status. The new institution would separate once it graduates its first class and demonstrates compliance with WSCUC requirements.

The second pathway is more significant in the context of accelerating not just accreditation but change: it will

allow an innovative or experimental educational entity or program to demonstrate its viability and ability to produce the desired outcomes while operating within a WSCUC-accredited institution—but with the clear expectation that if successful the entity would ultimately become a separate—and separately accredited—institution. This differs very significantly from past practice, where such "spin-out" projects were viewed with considerable apprehension and distrust.

While it appears that the primary focus is on an operational unit (for example, an online division) within the existing organizational structure of an accredited institution, it is also worth considering the viability of this model for joint venture projects. There are numerous examples of accredited institutions partnering with non-institutional entities for the purpose of leveraging their respective resources for the delivery of educational offerings and academic services to students. While in the past some of these partnerships did contemplate the long-term goal of the "joint venture" evolving into a separately accreditable entity, it was generally assumed that such a goal would not be well-received if publicly articulated. The WASUC "Incubator Policy" appears to encourage a different, more straightforward approach.

This is an important change: although the accredited institution typically provides the academic oversight for the academic component of such a venture so as to assure the quality of courses and programs delivered, there has not been any articulated path available to affirmatively develop the enterprise so that it could achieve separate accreditation. The "incubation relationship" is intended to provide a pathway for an unaccredited entity (particularly, but not exclusively, if it is a component of the institution) to develop so as to be able to demonstrate that it has a "coherent educational program or organizational configuration that can be envisioned as potentially becoming a stand-alone institution."

Of course, as would be expected, the WSCUC policy emphasizes that the accredited institution "through its continuous supervision of the unaccredited entity as an *organic component* [emphasis added] of its own organization, is expected to ensure [the unaccredited entity's] compliance with WSCUC requirements at each stage of the process."

WSCUC requires the accredited institution to seek approval for the recognition of a formal "incubation relationship" with an unaccredited entity through its structural change review process. The substantive change proposal would need to address issues such as planning regarding the intended incubation relationship, alignment with the institution's mission, governance and control, provision of academic services, as well as the terms of separation once it is determined that the incubated entity is ready to seek eligibility and separate accreditation. The review process is also intended to determine whether as a result of the substantive change the institution continues to meet the relevant WSCUC standards.

Once WSCUC approves an incubation relationship, it will be reviewed again at the time of the institution's next comprehensive review or within six years of implementation, or, of course, when the incubation period is complete and the entity seeks recognition as separately accreditable.

While much will depend on how the new Incubation Policy is implemented, it presents for the first time and clear and unambiguous route for innovative learning and economic structures to develop while benefiting from being embedded within an accredited institution, including, assuming relevant requirements are met, access to the support provided through the federal student aid programs.

The WSCUC Incubation Policy may be found at <http://www.wascsenior.org/content/incubation-policy>.

DEAC "Approved Quality Curriculum" (AQC) review process

DEAC has sought to address a different concern. The growth of non-institutional providers of online courses within the higher education sector has been significant. Yet, there have been few avenues for them to secure external validation of the quality of those course offerings. DEAC has now implemented a peer-review assessment service for non-institutional providers that deliver online courses directly to students, providing a pathway to achieve quality assurance by an accreditor that is recognized by the US Secretary of Education.

DEAC utilizes peer-reviewers to evaluate curricula offered by providers, using a rubric that delineates 13 quality standards to determine whether evidence of the Approved Quality Curriculum standards is (a) evident, (b)

emerging, or (c) not met, in such areas as:

- Course Objectives
- Curriculum
- Instructional Materials
- Examinations and Other Assessments
- Educational Media and Learning Resources
- Learning Privacy, Integrity, and Identity
- Instructors/Faculty

Although the DEAC peer-review evaluation service does not result in accreditation, it is intended to provide the users of such courses—both students and employers—with an independent measure of their quality and integrity. Of course, institutions will be able to use the Approved Quality Curriculum (AQC) process to make their own determinations of course transferability.

While peer-review assessment services, such as Quality Matters, have been in existence for some time, typically such services were only available to accredited institutions rather than non-institutional providers. Likewise, the ACE-administered College Credit Recommendation Service (CREDIT) has been specifically organized to provide a guide for the attribution of college credit by accredited schools in accepting non-collegiate instruction. DEAC's ACQ is different in providing a quality assurance review that is separate from a recommendation for specific credit.

Additional information can be found at [DEAC's website](#).

Changes in approach and perspective, such as the WSCUC Incubator Policy and DEAC's Approved Quality Curriculum review process, acknowledge not only the changing landscape of higher education but have the potential to encourage the development of new approaches to provide learners with an increasingly broad range of effective and affordable options toward completion of degree and non-degree credentials. Importantly, because both WSCUC's policy and DEAC's review process are open to alternative structures (and indeed DEAC's is based on that premise), the ability of institutions to partner with non-institutional entities to secure the capital needed to achieve what are increasingly universally-supported goals appears likely to be greatly enhanced. This, in turn, should encourage technology entrepreneurs to further engage with institutions and with the learner environment generally to bring to bear their skills, imagination and access to resources.

The extent to which other accreditors will explore similar approaches is unclear in the short-term, but both WASCUC and DEAC have created pathways that could significantly increase innovation while maintaining the integrity of independent quality assurance. We invite you to contact us to discuss the changes implemented by WSCUS and DEAC and to explore what benefits they might offer your institution or company.

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