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January 17, 2003

MEMORANDUM

TO: Sally Stroup
Assistant Secretary
Office of Postsecondary Education

FROM: Gloria Pilotti
Regional Inspector General for Audit

SUBJECT: MANAGEMENT INFORMATION REPORT
Southern Association of Colleges and Schools, Commission on Colleges' Accreditation Standards for Student Achievement and Measures of Program Length
Control No. ED-OIG/A09-C0018

Attached is our subject report providing information on the results of our review of the Southern Association of Colleges and Schools, Commission on Colleges' standards for student achievement and program length as required by the Higher Education Act, Section 496(a)(5). The report does not contain recommendations for Department action, but does provide information that you may find useful in making management decisions related to Federal recognition of accrediting agencies.

If you have any questions or wish to discuss the contents of this report, please contact me at (916) 930-2399. Please refer to the above control number in all correspondence relating to this report.

Attachment

Electronic cc: John Barth, Accreditation and State Liaison Staff Director, OPE
Carol Griffiths, Accrediting Agency Evaluation Chief, OPE
David Bergeron, Audit Liaison Officer, OPE

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James T. Rogers, Executive Director
Southern Association of Colleges and Schools,
Commission on Colleges
1866 Southern Lane
Decatur, Georgia 30033-4097

Dear Mr. Rogers:

This is the Office of Inspector General's **Final Management Information Report**, entitled *Southern Association of Colleges and Schools, Commission on Colleges' Accreditation Standards for Student Achievement and Program Length*.

The purpose of our review of the Southern Association of Colleges and Schools, Commission on Colleges (SACS) was to (1) identify SACS' standards for success with respect to student achievement and measures of program length as required by the Higher Education Act (HEA), Section 496(a)(5), and (2) evaluate SACS' management controls for ensuring that institutions adhere to its standards for student achievement and measures of program length and that consistent enforcement action is taken when institutions are not in compliance with the standards. This management information report, describing SACS' standards and its monitoring and enforcement policies and procedures, is being provided to assist the U.S. Department of Education (Department) in its oversight of accrediting agencies. We also provide suggestions for SACS to consider for enhancing its standards and management controls.

We received written comments from SACS on a draft of this report. SACS disagreed with the OIG's conclusions that the agency's standards covering student achievement and program length have inherent limitations, but stated it would forward the OIG suggestions to its Executive Council of the Commission on Colleges for consideration at its December meeting. SACS' comments and our response are summarized at the end of the REVIEW RESULTS section of the report. The full text of SACS' comments is included as an attachment.

REVIEW RESULTS

The Secretary of the Department recognizes SACS as a regional accrediting agency. To achieve this recognition, the HEA requires accrediting agencies to, among other requirements, establish standards for student achievement and measures of program length.

SACS' standards that encompass student achievement are general, that is, the standards do not include specific measures to be met by institutions. The agency requires accredited institutions to develop their own processes for assessing student achievement. We found that SACS

provided institutions with detailed guidance on establishing and documenting their processes for evaluating educational programs and the use of both quantitative and qualitative data to demonstrate student achievement.

SACS' standards on program length require institutions to specify the number of credit hours in an educational program and provide guidance on program content. SACS did not define what constitutes a credit hour. The Executive Director provided a definition, but SACS has not included the definition in its publications.

Since SACS' standards do not contain specific measures for student achievement, the agency has a limited ability to compare institutions' performance. Also, since the standards do not explicitly state that educational programs must meet the institution's expected educational results or define what constitutes a credit hour, SACS may have limited ability to take enforcement action when institutions' programs have not demonstrated student achievement or when the program length is questionable.

We concluded that SACS has policies and procedures in place to ensure institutions adhere to its standards and that the agency enforces its standards, except monitoring student achievement throughout the institution's accreditation period is limited to institutions that were previously identified as not meeting a standard. We offered suggestions for enhancing SACS' standards and management controls.

STANDARDS FOR STUDENT ACHIEVEMENT AND MEASURES OF PROGRAM LENGTH

Section 496(a)(5) of the HEA requires accrediting agencies to establish accreditation standards that assess the institution's—

> (A) success with respect to student achievement in relation to the institution's mission, including, as appropriate, consideration of course completion, State licensing examinations, and job placement rates;... [and]
>
> (H) measures of program length and the objectives of the degrees or credentials offered;....

The regulations that address accrediting agencies' standards for student achievement and measures of program length mirror the statutory language.

SACS' Standard for Student Achievement

SACS' standard for student achievement is embedded in its criterion on Institutional Effectiveness in its *1998 Criteria for Accreditation*. Section 3.l of Institutional Effectiveness states "[t]he institution must define its expected educational results and describe its methods for analyzing the results."

SACS expects each institution to develop a broad-based system to determine institutional effectiveness appropriate to its own context and purpose, to use the purpose statement as the foundation of planning and evaluation, to employ a variety of assessment methods (quantitative

and qualitative), and to demonstrate use of the results of the planning and evaluation process for the improvement of educational programs. SACS emphasizes in its criteria that the institution must evaluate its success with respect to student achievement including, as appropriate, consideration of course completion, state licensing examinations, and job placement rates.

SACS includes a list of potential measures in its criteria on Institutional Effectiveness.

Measures Listed in 1998 Criteria for Accreditation	
▪ evaluation of instructional delivery ▪ adequacy of facilities and equipment ▪ standardized tests ▪ analysis of theses, portfolios and recitals ▪ completion rates ▪ follow-up studies of alumni	▪ results of admissions tests for students applying to graduate or professional schools ▪ job placement rates ▪ results of licensing examinations ▪ evaluations by employers ▪ performance of student transfers at receiving institutions

SACS' *Resource Manual on Institutional Effectiveness* provides guidelines for interpreting and responding to SACS' accreditation criteria on institutional effectiveness. The *Resource Manual* emphasizes that Section 3.1 of the 1998 Criteria for Accreditation includes use of quantitative measures.

> Each institution is thus required to state its expectations regarding the important results of the educational process and then to describe the methods that will be used in discovering the extent to which those expectations are realized. Significant implications are that expected educational results may be stated in qualitative as well as quantitative terms and that the description of methods for ascertaining results should include information as to how, where, when, and by whom the assessment effort will be accomplished. While some important goals and educational results are not readily "measurable," this limitation should not necessarily preclude assessment of the extent to which most have been accomplished.

The *Resource Manual* also provides several examples of assessment procedures (measures) for education programs with different educational purposes.

In the preamble to the 1999 proposed rules, the Secretary stated that accrediting agencies should establish quantitative standards—for completion rates, job placement rates, and pass rates on State licensing examinations—for vocational education programs. SACS has not established quantitative standards for its institutions that offer vocational education programs, but holds these institutions to the same standards as all other accredited institutions. According to SACS' Associate Executive Director for Commission Support, about 55 percent of SACS-accredited institutions offer vocational and certificate programs.

SACS' new standards, which were approved in December 2001 and will become effective in 2004, contain the same requirements as the *1998 Criteria for Accreditation*, except the new standards do not refer to use of "quantitative and qualitative data" or contain a list of potential measures. However, SACS' *Resource Manual on Institutional Effectiveness*, which has not been

revised, contains a similar reference to "quantitative and qualitative data" and lists potential measures that are similar to those listed in SACS' current standards.

SACS' standard for student achievement and its requirements for meeting this standard have inherent limitations.

- The agency may not be able to take enforcement action against institutions that are offering programs that have not demonstrated student achievement since the standards do not explicitly require that an institution's programs meet their defined expected educational results.

- The agency may not be able to compare educational results of institutions with similar missions and purposes because the institutions may not use similar measures.

SACS' Standards for Measures of Program Length

SACS addresses measures of program length within its criteria on Educational Programs. Section 4.2 - Undergraduate Programs states—

> An institution **must** clearly define what is meant by a major or an area of concentration and **must** state the number of credits required for each. An adequate number of hours with appropriate prerequisites **must** be required in courses above the elementary level. [Emphasis in original]

SACS has additional requirements for courses offered in a concentrated time period.

> Courses offered in non-traditional formats, e.g., concentrated or abbreviated time periods, **must** be designed to ensure an opportunity for preparation, reflection and analysis concerning the subject matter. At least one calendar week of reflection and analysis should be provided to students for each semester hour, or equivalent quarter hours, of undergraduate credit awarded. The institution **must** demonstrate that students completing these programs or courses have acquired equivalent levels of knowledge and competencies to those acquired in traditional formats. [Emphasis in original]

At the end of Section 4.2, SACS emphasizes that "[t]he institution must demonstrate that program length, clock hours or credit hours, and tuition and fee charges are appropriate for the degrees and credentials it offers."

Neither the *1998 Criteria for Accreditation* nor its other documents provided a definition or criteria for a "credit hour." According to SACS' Executive Director, the following formulas are used when evaluating program length: A three-credit course generally consists of three one-hour classes per week for a full semester (20 to 22 weeks). If the institution uses a quarter system, a five-credit course would include about five 45-50 minute classes per week for a full quarter (12 to 15 weeks). In addition to the class time hours, a student would be required to spend time on homework, writing and reading assignments, projects, lab work, etc. SACS does not require a specific amount of homework and other outside class activities. Since the standards do not

define what constitutes a credit hour or specify the amount of outside activities, SACS may have limited ability to take enforcement action when an institution's program length or credit hour assignments are questionable.

SACS' new standards, which will become effective in 2004, do not include the section on additional requirements for courses offered in a concentrated time period. Instead, the new standards state, "The institution employs sound and acceptable practices for determining the amount and level of credit awarded for courses, regardless of format or mode of delivery." This requirement will apply to on-campus, off-campus, and distance learning programs. The new standards do not define "sound and acceptable practices." Thus, SACS' ability to enforce the new standard may also be limited.

Systematic Review of Standards

The regulations at 34 C.F.R. § 602.21 address the requirements for an accrediting agency's systematic review of its standards. Paragraph (a) states "[t]he agency must maintain a systematic program of review that demonstrates that its standards are adequate to evaluate the quality of the education or training provided by the institutions and programs it accredits and relevant to the educational or training needs of students." Paragraph (b) lists the following required attributes of the review:

> [T]he agency must ensure that its program of review:
> (1) Is comprehensive;
> (2) Occurs at regular, yet reasonable, intervals or on an ongoing basis;
> (3) Examines each of the agency's standards and the standards as a whole; and
> (4) Involves all of the agency's relevant constituencies in the review and affords them a meaningful opportunity to provide input into the review.

To meet this requirement, SACS' *Policies of the Commission on Colleges* requires that a Review Committee, with representatives from each state, every institutional level, and the public, be appointed every seven years to conduct a comprehensive study of the standards to ascertain whether they are adequate to evaluate the quality of the education or training provided by the institutions and relevant to the educational needs of students. The policy states that the Committee "will examine each of the standards and the standards as a whole, will solicit comments from the membership and other interested parties, and will consider all comments and recommendations received since the last review period."

In December 2001, the SACS' College Delegate Assembly approved new standards that were the results of an examination conducted by such a committee. We discussed the portions of the new standards that related to student achievement and program length in the previous two sections of this report.

Suggestions for Enhancing the Standards for Student Achievement and Program Length

To enhance its established standards for student achievement and measures of program length, we suggest that SACS consider—

- Revising its new standard for student achievement to explicitly state that programs must fulfill the institution's defined expected educational results.

- Analyzing the measures used in assessments at institutions with similar programs and developing measures for incorporation in the agency's standard for student achievement.

- Establishing quantitative standards for completion rates, job placement rates, and pass rates on State licensing examinations, as applicable, for vocational education programs offered by its accredited institutions.

- Providing institutions with written guidance on "sound and acceptable practices" for assigning credit hours to programs. The guidance should include the agency's formulas for assigning credit hours, required levels of outside preparation, and a requirement that institutions submit a written justification for any deviation from the guidance.

MANAGEMENT CONTROLS FOR ENSURING ADHERENCE TO STANDARDS

The regulations at 34 C.F.R. § 602.18 require an accrediting agency to "consistently apply and enforce its standards to ensure that the education or training offered by an institution or program... is of sufficient quality to achieve its stated objective for the duration of any accreditation or preaccreditation period granted by the agency." In addition, 34 C.F.R. § 602.19 requires the agency to (a) "reevaluate, at regularly established intervals, the institutions or programs it has accredited or preaccredited... [and] (b)... monitor institutions or programs throughout their accreditation or preaccreditation period to ensure that they remain in compliance with the agency's standards."

SACS' Monitoring Activities and Procedures

SACS has policies and procedures to ensure institutions adhere to its standards for student achievement and measures of program length (including substantive changes), except monitoring institutions' systems for determining institutional effectiveness may only be evaluated during reaccreditations, unless the institutions were subject to follow-up monitoring for previously identified deficiencies. This limits SACS' ability to monitor an institution's adherence to the standard during the accreditation period.

To monitor institutions, SACS uses institutional self-studies, visiting committee reviews, and follow-up reports. Each institution is required to conduct an institutional self-study and have a visiting committee review at least every 10 years. SACS also requires institutions to submit annual reports containing financial and student enrollment information. The annual reports do not contain information on student achievement or program length.

Institutional Self-Studies. SACS' publication, *Handbook for Institutional Self-Study*, provides institutions with detailed instructions for conducting a self-study and preparing a self-study report. The *Handbook* includes the following in its description of a satisfactory self-study report:

> The self-study report deals sufficiently with all requirements of the *Criteria* in order to enable members of a visiting committee to evaluate the institution in relation to these requirements. In this regard, the institution should provide adequate information and analyses in the text of the report or in the Appendices to indicate its compliance with the *Criteria*. The narrative should include a balanced review of the strengths and weaknesses of the institution and sufficient data to provide the committee with information concerning compliance with the *Criteria*.

The *Handbook* specifically requires that the self-study includes an examination of the institution's planning and evaluation process, which encompasses student achievement. For distance learning activities, the *Handbook* requires that the analyses be conducted in accord with the general self-study guidelines and be conducted by those not directly connected with the coordination and implementation function of the distance learning activities.

Our review of 10 institutional files[1] confirmed the institutional self-studies contained information specific to SACS' standards covering student achievement and program length. The following table provides a partial list of the student assessment measures found in the institutional self-study reports and other documents located in SACS' files:

Student Assessment Measures	
Measures of students' written and oral communications skills	Bar pass rates and other state and national licensing examinations
Projects, papers, or oral presentations	First time scores on a state exam
Course grades based on exams and lab reports	National exams given at the end of the second and third years of medical school
Completion of required "capstone" courses at the end of the course sequence that require students to apply cumulative skills learned	Surveys of graduates in their first year of residency
Standardized state and national examinations	Residency directors' evaluations of medical school students
Student satisfaction	Job placement statistics and placement rates
Senior assessment exam	Successful employment in major field
Surveys utilizing a statistically valid test instrument	Increased employment success
Graduate rates	Monitoring starting salaries
Exit surveys	Sustained employment
Alumni surveys	

For program length, the institution is required to describe how it ensures that program length, clock hours or credit hours, tuition and fee charges are appropriate for the degrees and credentials offered. For example, one institution provided the following response in its institutional self-study:

[1] The 10 institutions were judgmentally selected from the 83 institutions due for reaccreditations in calendar year 2001. Since the sample was judgmentally selected, the results of our review may not be representative of the entire population. The PURPOSE, SCOPE, AND METHODOLOGY section of the report provides additional information on the sample selection methodology.

> The Board of Directors must approve any new program or field of study offered. Program length, clock hours and credit hours are all reviewed in the approval process. College programs in traditional and non-traditional formats are comparable to those of similar institutions in the region in every respect contemplated in the Criterion. Refer to catalogs of various institutions and other documentation on file in the Display Room. The Academic Council and Registrar engage in the activity of comparing courses, formats, calendar length and clock time, along with a determination of competitive standards in the overall academic environment.

Visiting Committee Review. The visiting committee (peer evaluators) determines the extent to which the institution complied with the *1998 Criteria for Accreditation* at the time of the visit and that the institutional self-study met SACS' requirements. SACS' *Handbook for Peer Evaluators* provides the peer evaluators with guidelines for applying the *Criteria.* The guidelines, which list persons to interview, questions to address, documents to review, and helpful pointers, include the following related to student achievement and measures of program length:

Peer Evaluator Questions and Instructions Related to Student Achievement and Measures of Program Length
Is the educational effectiveness of each program being measured by appropriate means? What are they?
Does the institution have a plan for ascertaining the success of its graduates?
Review information on assessment procedures and results for programs and general education: student evaluations, test scores, exit data, employer surveys, program reviews, job placement statistics, surveys of graduates, etc.
Does the self-study provide adequate documentation of effectiveness of the educational program?
Include in your evaluation any programs which are offered through non-traditional delivery methods or which are offered at off-campus sites.
Has the institution developed a reasonable plan for evaluating the effectiveness of its distance learning activities?
Are degree requirements clear, reasonable, and enforced consistently?
Review statements of goals and objectives for general education and for programs.
Are admissions, degree completion, curriculum, and instructional design policies and procedures [for distance learning activities] similar to those used for traditional campus-based programs?
Are goals and objectives, and skills and competencies, the same for courses offered on the main campus as those offered through distance learning activities?

The guidelines do not explicitly state that peer evaluators are to confirm that the institution used SACS' formulas for determining credit hours or assess the validity of justifications for any deviation.

SACS' *Handbook for Peer Evaluators* and its *Handbook for Committee Chairs* provide guidance and a suggested format for preparing the visiting committee report. The peer evaluators are instructed to include in the report comments, recommendations and suggestions addressing each section in the *1998 Criteria for Accreditation*. The guidance does not include a requirement for peer evaluators to report on institutional success with respect to student achievement for each educational program and the institution overall.

Our review of 10 institutional files confirmed that the visiting committee reports contained comments related to the standards for student achievement and program length and, if applicable, recommendations and suggestions for improvements. For 7 of the 10 institutions, the visiting committee reports identified deficiencies related to student assessments. The reports did not identify deficiencies for measures of program length.

Follow-up Reports and Special Committee Visits. To monitor institutions with identified problems, SACS may require an institution to submit follow-up reports. Follow-up reports may be required if the Commission determines that an institution (1) could be in non-compliance with accreditation standards in the future if steps are not taken to correct the situation; (2) has failed to comply with accreditation standards, but deficiencies are minor and can be corrected within a short time; or (3) has failed to comply with agency policies and procedures or failed to provide requested information. Also, SACS may have a special committee conduct a site visit to determine whether the institution has continued to comply with accreditation standards. Institutions are allowed up to two years to remedy deficiencies.

SACS' data showed that 56 of the 83 institutions, which went through the reaccreditation process during calendar year 2001, were required to provide follow-up reports and/or have additional site visits.[2] As shown in the following table, SACS consistently required follow-up for a significant number of institutions on areas related to its standard on student achievement.

Institutions with Follow-Up Required to Address Deficiencies Related to Section 3.1 of Institutional Effectiveness

	1998	1999	2000	2001
Institutions seeking reaccreditation	68	74	97	104[a]
Institutions with follow-up required for areas related to Section 3.1	37	48	60	56
Percentage	54%	65%	62%	54%

[a] Includes institutions previously denied reaccreditation. These institutions were not included in the universe used for the sample selection.

[2] Of the remaining 27 institutions, 13 institutions were reaffirmed without condition, 10 institutions were placed on warning, and 4 institutions were placed on notice. The section of this report titled MANAGEMENT CONTROLS FOR ENSURING ENFORCEMENT OF STANDARDS provides information on the "warning" and "notice" enforcement actions.

Substantive Changes

The regulations at 34 C.F.R. § 602.22 address the requirements for an accrediting agency's substantive change policy. Paragraph (a) of the section states—

> If the agency accredits institutions, it must maintain adequate substantive change policies that ensure that any substantive change to the educational mission, program, or programs of an institution after the agency has accredited or preaccredited the institution does not adversely affect the capacity of the institution to continue to meet the agency's standards . . ..

Paragraph (a)(2) lists the types of changes that must be addressed by the agency's policy. The following listed changes could impact an institution's adherence to the accrediting agency's standards on student achievement and measures of program length:

> (i) Any change in the established mission or objectives of the institution…
>
> (iii) The addition of courses or programs that represent a significant departure, in either content or method of delivery, from those that were offered when the agency last evaluate the institution.
>
> (iv) The addition of courses or programs at a degree or credential level above that which is included in the institution's current accreditation or preaccreditation.
>
> (v) A change from clock hours to credit hours
>
> (vi) A substantial increase in the number of clock or credit hours awarded for successful completion of a program…

SACS' substantive change policies complied with the Federal regulation. Ten of the 15 institutional files that we reviewed included substantive change requests. For these 10 institutions, we found that SACS followed its substantive change policies and procedures. To ensure that institutions report substantive changes in program length, SACS provides training on the subject and staff review institutions' annual reports for significant increases in student enrollments, which may indicate the addition of a new program.

Suggestions for Enhancing Management Controls for Ensuring Adherence to Standards

To enhance its management controls for evaluating and monitoring institutions' performance, we suggest that SACS consider—

- Requiring peer evaluators to confirm the institution used SACS' formulas for determining credit hours and report on the validity of justifications for any deviation.
- Requiring peer evaluators to report on institutional success with respect to student achievement for each educational program and the institution overall.

- Implementing procedures to monitor institutions' adherence to the standards for student achievement during the accreditation period. For example, SACS could consider adding a requirement in its substantive change policy that institutions inform SACS of changes in their systems for determining institutional effectiveness. SACS could also consider having institutions provide the results of their assessments of student achievement for each educational program as part of their annual reports.

MANAGEMENT CONTROLS FOR ENSURING ENFORCEMENT OF STANDARDS

When an institution or program is not in compliance with the accrediting agency's standards, the regulations at 34 C.F.R. § 602.20 require the agency to either "immediately initiate adverse action against the institution... or... require the institution... to take appropriate action to bring itself into compliance" within established timeframes.

SACS has policies and procedures that address its efforts to ensure enforcement of its standards for student achievement and program length. The time allowed by SACS' policies and procedures for an institution to remedy a deficiency, together with the time for the Commission to make a final decision, complies with timeframes specified in the regulations at 34 C.F.R. § 602.20(a).

SACS' policy provides for four types of enforcement actions that it may impose according to the seriousness of the deficiencies or the length of time the deficiencies have existed without correction by the institution: notice, warning, probation, and removal from membership. The Commission may place an institution on notice (a private sanction) or warning (a public sanction) during the two years that institutions are monitored by follow-up reports. For more serious deficiencies, the Commission may place an institution on probation.

If an institution has not remedied deficiencies at the conclusion of a two-year monitoring or probation period, the Commission must either remove the institution from membership or continue accreditation for "good cause." An institution's accreditation can be extended for "good cause" if the Commission determines that the institution has—

- demonstrated significant recent accomplishments in addressing non-compliance, and
- documented that it has the "potential" to remedy all deficiencies within the extended period, and
- provided assurance to the Commission that it is not aware of any other reasons why the institution could not be continued for "good cause."

During the period January 2000 through June 2002, SACS placed 61 institutions on notice, 61 institutions on warning, and 22 institutions on probation. One institution was removed from membership.

For the five sampled institutions with enforcement actions,[3] we confirmed that SACS followed its enforcement policies and procedures. For three institutions, corrective actions were taken within the timeframes specified in 34 C.F.R. § 602.20(a). The allowed timeframe for correction action has not yet expired for the other two institutions.

SACS Comments and OIG Response

In its comments on the draft report, SACS disagreed with the OIG's conclusion that the agency's standards covering student achievement and program length have inherent limitations. SACS did not provide specific comments addressing the OIG suggestions for its standards and management controls, but stated it would forward the OIG suggestions to its Executive Council of the Commission on Colleges for consideration at its Decembermeeting.

SACS Comment. SACS stated that its standard for student achievement does explicitly require that an institution's programs meet their defined educational result and cited the applicable section of the *1998 Criteria for Accreditation*. SACS also stated that information provided to the OIG auditors demonstrates that the agency has been able to take enforcement action against institutions offering programs which did not demonstrate student achievement. SACS stated that the visiting committee members from similar institutions are able to compare educational results when reviewing the data made available at the institution and making the initial determination about compliance with the standard.

OIG Response. The *1998 Criteria for Accreditation* and SACS' new standards refer to goals, major aspects, and mission, but do not make specific reference to the achievement of expected student outcomes. The relevant sentence cited in SACS' comments was taken from the introductory paragraphs of the section on institutional effectiveness, which addresses educational programs, administrative and educational support services, and institutional research. The sentence states "[e]ducational quality will be judged finally by how effectively the institution achieves its established goals." SACS' new standards state under Principles of Accreditation that "an institution is expected to document quality and effectiveness in all its major aspects." Under Core Requirements, the new standards require a systematic review of programs that "demonstrates that the institution is effectively accomplishing its mission." While SACS has successfully taken enforcement action against institutions with identified deficiencies in the areas of institutional effectiveness, including student achievement, our position remains that SACS' ability to take such actions would be strengthened if its standards explicitly stated that educational programs must meet the institution's defined expected student outcomes.

Even though visiting committee members may be from similar institutions, their institutions and the reviewed institution may not use the same measures of student achievement. If institutions with similar programs used the same measures, SACS and the visiting committee members could better compare the educational results of the institutions accredited by SACS.

[3] The five institutions were judgmentally selected from the institutions with Commission actions during calendar years 2000 and 2001. Since the sample was judgmentally selected, the results of our review may not be representative of the entire population. The PURPOSE, SCOPE, AND METHODOLOGY section of the report provides additional information on the sample selection methodology.

SACS Comment. SACS stated that the *1998 Criteria for Accreditation* stress what is important regarding "measures of program length." SACS stated "[I]t is not how much homework or how much seat time is required; rather, the *Criteria* requires that an institution demonstrates that learning takes place and when non-traditional formats are used... that institutions 'demonstrate that students completing these abbreviated programs or courses have acquired equivalent levels of knowledge and competencies to those acquired in traditional formats." SACS stated that it has had no difficulty in enforcing its standard.

OIG Response. The SACS Executive Director informed us during our fieldwork that quantitative formulas are used when evaluating program length and students are expected to spend time on activities outside the classroom. The inclusion of these formulas, plus clarification of the outside classroom work expected, in SACS' standards or other publications would clearly communicate the agency's guidelines for evaluating program length and, thus, enhance SACS' ability to enforce its standard. Also, as we noted in the report, SACS' new standard covering program length, which will be effective in 2004, does not contain the language cited in SACS' comments. The enforcement of SACS' new standard, which uses the term "sound and acceptable practices," would also be enhanced by publishing guidelines in its standards or other publications. SACS provided no support for its statement that it has had no difficulty in enforcing its standard and our review found no evidence to support the statement. Our position remains that SACS' ability to take enforcement actions would be strengthened if its standards defined "sound and acceptable practices" in its new standards, including what constitutes a credit hour for both traditional and non-traditional formats.

SACS Comment. SACS made some general comments regarding its agency and the OIG review. First, SACS stated that if its membership or Commission does not approve the OIG suggested changes, SACS staff has neither the prerogative nor an option to impose the change. Second, SACS expressed its opinion that the general assumption inherent in the report is that the only way quality can be verified is by mandating specific measures for student achievement. SACS stated its concern that "[b]y creating 'specific measures' or acceptable thresholds, the peer review process is restricted to only those measures and abandons its ability to look at an institution in its entirety in order to make a determination about the comprehensive quality of an institution and not just a part of the institution." Third, SACS stated that "[d]eveloping even more specific measures than those already included in the *Criteria* puts the Commission in a vulnerable litigation position that relies on 'measures' and not quality as determined by professional judgments." Lastly, SACS viewed the OIG review as redundant with that of the May 2001 review conducted by the Office of Postsecondary Education's Accrediting Agency Evaluation Unit. SACS stated that the May 2001 review deemed SACS in compliance with applicable Federal regulations. `

OIG Response. The conclusions and suggestions contained in our management information report are being provided to SACS and OPE to assist them in their oversight responsibilities. SACS and OPE will have to determine what actions they will take in response to this report.

We did not suggest that SACS solely use specific measures and thresholds to evaluate success with respect to student achievement. We concluded that the inclusions of specific measures and thresholds would strengthen SACS' standards, and suggested that SACS include such measures and thresholds in its standards for vocational education programs to ensure the agency meets the

expectation expressed by the Secretary in the preamble to the 1999 proposed rules. SACS should be able to develop standards with specific measures for vocational education programs that supplement the professional judgments of its peer reviewers without increasing the agency vulnerability to litigation. As we stated in our initial letter to SACS, the Inspector General Act of 1978 authorizes the OIG to conduct its own independent review of the agency.

BACKGROUND

Founded in 1895, SACS is the regional agency for the accreditation of higher education institutions in 11 Southern states—Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Texas, and Virginia. SACS is governed by a College Delegate Assembly, which meets annually and is comprised of one voting representative from each accredited institution. The Assembly elects the members of SACS' Commission on Colleges, which meets semiannually to take final action on institutions' accreditation and approve revisions to the agency's accreditation standards, policies and procedures. The Commission is comprised of 77 chief executive officers, faculty, and experienced administrators and public representatives. Thirteen of the Commission members serve on the Executive Council, which acts for the Commission while it is not in session. The remaining 64 Commission members serve on the five Committees on Criteria and Reports. Each Committee reviews institutional reports and recommends action to the Commission. The Commission has 28 staff, which advise the Committees on Criteria and Reports and coordinate efforts of educators and public representatives who volunteer in the regional accreditation process.

SACS first gained Federal recognition in 1952. The Department most recently renewed the agency's recognition in December 2001 for a period of five years. During our review, SACS accredited 784 colleges and schools.

PURPOSE, SCOPE, AND METHODOLOGY

The purpose of the review was to (1) identify SACS' standards for success with respect to student achievement and measures of program length as required under the HEA, Section 496, and (2) evaluate SACS' management controls for ensuring that institutions adhere to its standards for student achievement and measures of program length and that consistent enforcement action is taken when institutions are not in compliance with the standards.

For our review, we focused on the agency's current standards related to the review objective and the procedures that SACS used for monitoring and enforcing those standards. We reviewed applicable Federal laws and regulations; reviewed SACS' policies, procedures, and guidance; and interviewed the Executive Director and several staff.

We reviewed institutional files for a total of 15 institutions. To evaluate SACS' conformity with its policies and procedures for monitoring adherence to accreditation standards, we judgmentally selected 10 institutions from the 83 institutions due for reaccreditation in calendar year 2001. We stratified the 83 institutions into three groups based on Commission action categories and

judgmentally selected institutions based on student enrollment totals (half with higher enrollments and half with lower enrollments).

Commission Actions	Total in Group	Number Selected
Reaffirmed without follow up	13	2
Reaffirmed with follow up or on notice	60	6
Deny reaffirmation with on warning	10	2

To evaluate SACS' conformity with its enforcement policies and procedures, we judgmentally selected three institutions from the 26 institutions on the Commission's Reports on Accreditation Actions that had institutional effectiveness deficiencies and were denied reaccreditation or on probation during calendar years 2000 and 2001. We also judgmentally selected two institutions from a SACS-provided list of five institutions that were removed from warning or probation during calendar year 2001.

SACS provided a list of 784 affiliate institutions as of March 2002. To confirm the completeness of SACS list we compared it to a Departmental list that showed SACS as the primary accrediting agency for 781 Title IV participant institutions. Since the difference between SACS list of institutions and the Department's list was insignificant, we concluded that SACS listing of accredited institutions was sufficiently complete for our purposes. We confirmed that the sample institutions selected from the universe of 83 institutions due for reaccreditation in 2001 were included in the Department list of 781 Title IV institutions.

We performed our fieldwork at SACS' office in Decatur, Georgia from March 21 through March 28, 2002. We held an exit briefing with SACS officials on September 5, 2002. Our review was performed in accordance with generally accepted government auditing standards appropriate to the scope of the review described.

STATEMENT ON MANAGEMENT CONTROLS

We assessed the system of management controls, policies, procedures, and practices applicable to SACS' process for monitoring and enforcing accreditation standards for student achievement and program length. We performed our assessment to determine whether SACS' processes provided a reasonable level of assurance that the agency ensured that institutions adhered to established standards and, when institutions were noncompliant, SACS took consistent enforcement action.

For the purpose of this report, we assessed and classified significant controls related to SACS' accreditation standards into the following categories:

- Monitoring institutions' adherence to the standards, and
- Taking enforcement action for noncompliant institutions.

The management of SACS is responsible for establishing and maintaining a management control structure. In fulfilling this responsibility, judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of the system are to provide management with reasonable, but not absolute, assurance that institutions adhere to accreditation standards and that enforcement action is taken when institutions are found to be noncompliant with the standards.

Because of inherent limitations in any management control structure, errors and irregularities may occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to risk that procedures may become inadequate because of changes in conditions, or that the degree of compliance with the procedures may deteriorate.
In our opinion, the management control structure, taken as a whole, was sufficient to meet the objectives stated above. However, we identified areas where management controls for ensuring adherence to standards could be strengthened and offered suggestions for enhancing the controls, as discussed in the REVIEW RESULTS section.

ADMINISTRATIVE MATTERS

Statements that managerial practices need improvements, as well as other conclusions and suggestions in this report represent the opinions of the Office of Inspector General. In accordance with the Freedom of Information Act (5 U.S.C. § 552), reports issued by the Office of Inspector General are made available, if requested, to members of the press and general public to the extent information contained therein is not subject to exemptions under the Act.

Sincerely,

Gloria Pilotti

Gloria Pilotti
Regional Inspector General for Audit

Attachment

ATTACHMENT

SACS' Comments on the Draft Report

SOUTHERN ASSOCIATION OF COLLEGES AND SCHOOLS
COMMISSION ON COLLEGES
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October 30, 2002

Ms. Gloria Pilotti
Regional Inspector General
for Audit
U.S. Department of Education
Office of Inspector General
501 I Street, Suite 9-200
Sacramento, CA 95814

Dear Ms. Pilotti:

Thank you for the opportunity to respond to the Draft Management Information Report entitled ***Southern Association of Colleges and Schools, Commission on Colleges' Accreditation Standards for Student Achievement and Program Length*** and for your suggestions for the Commission's enhancement of its standards and management controls.

Before addressing the findings in your Report, we would like to make a few comments regarding the role of regional accreditation and its structure. The Commission on Colleges is a voluntary association of higher education institutions that govern themselves through a representative, flexible, and responsive system. This self-regulated system is supported by a staff, but all decisions on standards, policies, and procedures are developed, reviewed, and approved by the entire membership of 784 institutions or by its 77-member elected body (called the Commission on Colleges). The staff of the Commission have neither the authority nor the opportunity to effect changes to the standards, policies, and procedures. Only the membership or its elected representatives have that authority. That authority is based in the charter of the regional association (The Southern Association of Colleges and Schools) and the bylaws of the Commission on Colleges. Therefore, any changes suggested by any federal body or agency are forwarded to the 784 institutions or its elected representative Commission for review and approval. If the membership or Commission does not approve the change, it is neither the prerogative nor an option for the staff to impose the change. I mention this because we have found that federal and state agencies with limitless bureaucracies that mandate rules to those being regulated tend to think that the same mandate capability is operational for staffs employed by member institutions of accrediting commissions. This clearly is not the case. This general misunderstanding on the part of federal and state agencies leads them to expect changes in operations, standards, policies and procedures that can only be accomplished through approval by the membership–a deliberative and collegial body of institutions with a clear understanding of good educational practices and an appreciation of the changes and challenges that higher education institutions face every day.

My second general comment relates to the general assumption inherent in your Report that the only way quality can be verified is by mandating specific measures for student achievement. It appears that the Office of Inspector General expects that the Commission can develop "specific measures" for student achievement that can be met by institutions when the membership is made up of 784 very different institutions, some with similar but not identical purposes or missions. To address this assumption, I call your attention to the following excerpt from the Commission's ***Criteria for Accreditation*** (page 2) which states:

> "Accreditation by the Commission on Colleges is the result of thorough and careful evaluation of the educational quality of the institution. This qualitative evaluation depends heavily on the collective professional judgment of the faculty and administrative staff of the institution during the self-study process, peer review by a visiting committee, and final evaluation by the Commission. Professional judgment in the peer review process goes beyond a simple compliance audit of the minimum requirements in the ***Criteria*** and provides for quality assurance in accreditation."

By creating "specific measures" or acceptable thresholds, the peer review process is restricted to only those measures and abandons its ability to look at an institution in its entirety in order to make a determination about the comprehensive quality of an institution and not just a part of the institution. A judgment on student achievement has to be a professional judgment based on evidence provided by the institution and made by peers from similar institutions who can use their own professional experiences to benchmark the evaluated institution against those institutions similar in mission and in goals as they relate to student achievement.

The third general comment has to do with litigation against the Commission. In the past, our accrediting commission's reliance on professional judgment has resulted in making tough decisions regarding the accreditation of institutions (as indicated in the Report by the number of institutions placed on Notice, Warning, and Probation). These professional judgments are based on evidence analyzed for compliance and allow the Commission to look at the big picture and not solely on "specific measures" that necessitate merely an audit mentality. Developing even more specific measures than those already included in the ***Criteria*** puts the Commission in a vulnerable litigation position that relies on "measures" and not quality as determined by professional judgments.

The final general comment addresses the purpose of the Inspector General's review. You state in your Report that the purpose of the Inspector General's audit was to evaluate (1) the validity of SACS's established standards to address success with respect to student achievement and measures of program length as required under *HEA*, Section 496, and (2) SACS' management controls for ensuring that institutions adhere to the standards, and consistent enforcement is taken when institutions are not in compliance with the standards. In our letter of March 14, 2002, we indicated that we viewed the efforts of your office to be redundant with that of the accreditation division of the Office of Postsecondary Education, which, as recently as May 2001, had conducted an exhaustive review of our Commission's policies, procedures and practices, and concluded that our accrediting body complied with all regulations under *HEA,* Section 496.

More specifically, the following regulations of *HEA* Section 496 appear to be those that address your objectives and are the same as those used for our Commission's review by the accreditation division of OPE:

1. 602.15, Administrative and fiscal responsibilities, requires accrediting bodies to have the administrative and fiscal capability to carry out its accreditation activities.

2. 602.16, Accreditation and preaccreditation standards, requires that the Commission's standards effectively address the quality of the institution in two of the areas you outlined in your letter: success with respect to student achievement and measures of program length.

3. 602.17, Application of standards in reaching accrediting decisions, requires our Commission to have effective mechanisms for evaluating an institution's compliance with our standards before reaching a decision on accreditation. Subsection (a) requires that we evaluate an institution to determine whether it "is successful in achieving its stated objectives," and subsection (f) that we provide a report to the institution analyzing the institution's compliance with standards and with its performance with respect to student achievement.

4. 602.18, Ensuring consistency in decision-making, requires that the Commission have effective controls against the inconsistent application of standards, that we base our decisions regarding accreditation on the standards adopted by the membership, and that we have a reasonable basis for determining the accuracy of information provided by the institution in making the Commission's decisions.

5. 602.19, Monitoring and reevaluating accredited institutions, requires the Commission to conduct regular monitoring of institutions.

6. 602.20, Enforcement of standards, requires an accrediting body to take adverse action against institutions that do not comply with its standards, with some allowance for good cause.

7. 602.21, Review of standards, was revised during the 1998-99 period of negotiation. The language regarding requirements for validity and reliability was replaced by narrative that acknowledges the shift in expectation from quantitative evidence to that of qualitative evidence.

8. 602.22, Substantive change, requires the Commission to maintain and implement adequate substantive change policies that ensure that any change to the educational mission, program, or programs of an institution between cyclical reviews is evaluated for ongoing compliance with Commission standards.

9. 602.24 outlines additional procedures an accrediting agency must have, specifically as they apply to branch campuses and change in ownership.

In accord with the above regulations, staff of the accreditation division of the Office of Postsecondary Education of the U.S. Department of Education reviewed our application and the policies, procedures, and documents referred to in the application and deemed our Commission to be in compliance with all regulations of *HEA* Section 496. The evidence supporting that decision was the same available to your staff on-site with very little modification since November 2000 when the Commission submitted its application for continued recognition to the OPE.

In terms of the findings in the Report, we have the following comments:

1. SACS' Standard for Student Achievement

Your Report states two limitations regarding the Commission's standard for student achievement:

- The agency may not be able to take enforcement action against institutions that are offering programs that have not demonstrated student achievement since the standards do not explicitly require that an institution's programs meet their defined educational results.

- The agency may not be able to compare educational results of institutions with similar missions and purposes because the institutions may not use similar measures.

As regards the first point, the ***Criteria*** does explicitly require that an institution's programs meet their defined educational results when it states:

> "The Commission advocates no single interpretation of the concept of institutional effectiveness. It does, however, expect each member institution to develop a broad-based system to determine institutional effectiveness appropriate to its own context and purpose, to use the purpose statement as the foundation of planning and evaluation, to employ a variety of assessment methods, and to demonstrate use of the results of the planning and evaluation process for the improvement of both educational program and support activities. Educational quality will be judged finally by how effectively the institution achieves its established goals." (page 17)

In addition, there is no question that the Commission takes enforcement action against institutions that are offering programs that have not demonstrated student achievement. The Commission provided the Inspector General's Office with a grid indicating actions taken by the Commission over a 4 ½ year period that relate directly to the quality of educational programs. The grid showed that of the 360 institutions seeking reaffirmation during that period, 207 were cited for failure to meet the criteria related to student achievement and the effectiveness of educational programs.

As regards the second point, the agency does compare educational results of institutions with similar missions and purposes because institutions are evaluated by visiting committee members from similar institutions who review the data made available on campus and make the initial determination about compliance with standards related to educational results.

2. SACS' Standards for Measures of Program Length

Your Report states that the Commission may have limited ability to take enforcement action when an institution's program length or credit hour assignments are questionable because the Commission's standards neither define what constitutes a credit hour nor specify the amount of outside class activities, such as homework.

The ***Criteria for Accreditation*** stresses what is important regarding "measures of program length." It is not how much homework or how much seat time is required; rather, the ***Criteria*** requires that an institution demonstrates that learning takes place and when non-traditional formats are used, as in a growing number of cases, that institutions "demonstrate that students completing these abbreviated programs or courses have acquired equivalent levels of knowledge and competencies to those acquired in traditional formats." (page 36) To date, the Commission has had no difficulty in enforcing this criterion or any others directly or indirectly related to program length. During this time of innovation and creativity in the delivery of higher education, it is impossible to regress and try to "fit" all course work into a defined program length. The membership would never vote to create such limitations on their ability to deliver sound educational programs to students of all ages with varying goals.

We thank you for this opportunity to respond to your findings and to embellish on information provided to Ms. Laura Montgomery during her visit to our offices. Your suggestions regarding ways the Commission could enhance standards and management controls will be forwarded to the Executive Council of the Commission on Colleges during its meeting this December. Any future study groups to address these suggestions will be authorized by the Council and will eventually be forwarded to the 77-member elected Commission and, where appropriate, to the entire membership for review and approval.

Sincerely,

James T. Rogers
Executive Director
Commission on Colleges

JTR/CAL:ods

c: Members of the Executive Council of the Commission on Colleges

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