

The background features a large, stylized sun with orange rays emanating from a central white circle. Below the sun are rolling hills in shades of orange, purple, and dark blue.

# **EVOLVING:**

*Accreditation and the  
Credential Landscape*





# About the Authors

The Higher Learning Commission's (HLC's) strategic plan, EVOLVE 2025, promised to form an advisory committee that cut across multiple sectors to guide HLC on needs in the workforce in relation to higher education.

One initiative, partially funded by a grant from Lumina Foundation, was the development of HLC's Stakeholders' Roundtable. It is a group of national leaders with workforce expertise who examined the gaps between needs in the workforce and higher education. They were asked to advise HLC on strategic directions for the future. This group met repeatedly in the last two years and identified two main areas of focus:

- Unprecedented Opportunity, Extraordinary Risk: HLC in the Changing Credentials Landscape
- Institutional Accreditation at a Crossroads: Drivers for Change

HLC thanks the Stakeholders' Roundtable, listed below, for their work to help HLC identify the needs of the workforce and higher education in the evolving landscape.

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About the Higher Learning Commission: The Higher Learning Commission ([hlcommission.org](http://hlcommission.org)) accredits approximately 1,000 colleges and universities in the United States. HLC is a private, nonprofit institutional accrediting agency. HLC's mission is to advance the common good through quality assurance of higher education as the leader in equitable, transformative and trusted accreditation in the service of students and member institutions.

About Lumina Foundation: Lumina Foundation is an independent, private foundation committed to increasing the proportion of Americans with high-quality degrees, certificates and other credentials to 60 percent by 2025. Lumina's outcomes-based approach focuses on helping to design and build an equitable, accessible, responsive and accountable higher education system while fostering a national sense of urgency for action to achieve Goal 2025.



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# Background

By Karen Solomon, Vice President and Chief Transformation Officer, HLC

During the 2018–19 academic year, HLC published a series of thought papers focused on student success and innovation in higher education. The papers represented a culmination of a multi-year initiative that was supported by Lumina Foundation with the award of \$500,000 in 2016.

The first papers focused on college and university innovation and the next group identified a range of issues related to student success. A compendium of papers, *Innovation Beyond the Horizon and the Future of Higher Education*, were developed by the HLC Partners for Transformation and released at the 2019 Annual Conference. The initial section of the compendium highlighted the history of higher education and this agency’s “continuing need to confront change... to maintain the organization’s relevance and effectiveness by keeping up with the continually developing state of education thought and practice” (p.370)<sup>1</sup>. We all have experienced change of historical proportions since that conference, and HLC is ready to continue to “Thrive in the Revolution” (p.4)<sup>2</sup> as evidenced in the activity that has occurred since the release of those recommendations.

Following the completion of the grant from Lumina Foundation, HLC identified key initiatives that could move the recommendations to reality. A second grant of \$500,000 was awarded to HLC by Lumina Foundation in fall 2019. Plans were put into place and groups organized to begin working on several new initiatives. The emergence of the COVID-19 pandemic brought a halt to many of the initiatives in spring 2020, and HLC began cancelling meetings scheduled for the upcoming weeks and months, including the 2020 Annual Conference. In mid-March, Lumina Foundation’s President and CEO, Jamie Merisotis, reached out to grantees and offered assistance to adjust terms and timelines of grants recognizing that allocations may need to be repurposed. The generous offer of flexibility allowed HLC to recalibrate and focus on the immediate

needs of member institutions and reconsider several initiatives, all while committed to maintaining business continuity and assuring quality. Approval to modify the grant has provided HLC with the opportunity to meet the needs of members while remaining an active participant in the rapidly changing ecosystem.

## SUPPORT FOR INSTITUTIONS

While the majority of HLC institutions had some experience with distance education, HLC understood that the shift to remote learning in spring 2020 had a significant impact across educators and administrators. It remained important that institutions could demonstrate ongoing efforts to provide quality, regardless of the modality. Upon realizing that this event was not going to last for just a few weeks or months, HLC partnered with the Online Learning Consortium (OLC) to provide distance education resources to member institutions, peer reviewers and staff members for free or at discounted rates. HLC received more than 4,600 registrations for the workshops and webinars throughout 2021, with two additional webinars available for administrators in April 2022. Institutional representatives have indicated that they are aware that they will need to continue to provide distance education courses and programs into the future. Personnel at all HLC member institutions are eligible to take advantage of any of OLC’s resources and programming at the membership rates through the end of the 2022 calendar year. HLC encourages ongoing use of these resources in order for institutions to provide high quality education, regardless of the modality.

Released in fall 2020, the *Teach-Out Toolkit* was created in conjunction with institutional and state agency representatives to help institutions prepare for and implement successful teach outs of students when their educational journey has been disrupted. It was developed as HLC witnessed institutional representatives struggle to work through the complex process. The document provides tools for several

1 Newman, M. (1996). *Agency of Change: One hundred years of the North Central Association of Colleges and Schools*. Kirksville, MO: Thomas Jefferson University Press

2 Higher Learning Commission (2019). *Innovation Beyond the Horizon and the Future of Higher Education*

constituents: governing boards, institutions that need to teach-out students, institutions that elect to receive students, and state authorizing agencies. It is available on HLC's website<sup>3</sup> and has been utilized by institutions and agencies across the nation.

By summer 2022, HLC will be releasing a web-based guide to assist students in evaluating potential institutions, alternative educational providers and credential organizations with respect to their rights, issues to explore and the role of accreditation in informing their decisions. The guide is being developed in collaboration with member institutions and higher education professionals from organizations such as AACRAO and NC-SARA. The goal is for the guide to be utilized by potential and enrolled students and made available by HLC and its member institutions.

## **ONGOING WORK RELATED TO PREVIOUS RECOMMENDATIONS**

HLC's student success efforts continued throughout the pandemic and were informed by the recommendations. HLC entered into a partnership with the National Student Clearinghouse (NSC) to utilize their data, aggregated by sector, to evaluate the membership's metrics against the national data. This work, along with a reconsideration of graduation rate information collected by HLC and other members of the Council for Regional Accrediting Commissions in 2016, inform HLC as it considers a potential revision of the HLC Non-Financial Indicators. After reflecting on a recommendation to develop a glossary of terms regarding student success and due to the partnership with NSC, HLC will use the NSC language so the data collected by HLC will align with NSC, creating the potential for less burden on member institutions related to data. In addition, new elective programming was developed and launched to continue assisting institutions and their ongoing efforts to improve student success.

While HLC member institutions have been very creative and innovative over the past three years, HLC has also been committed to college and university innovation strategies by building logic into the initial stage of the substantive change request processes in an effort to determine the review process more expediently. Launched in recent months, this initiative is being fine-tuned as the first wave of submissions are processed. Additionally, HLC has received a grant from the ECMC Foundation, and HLC will be working with Workcred, the League for Innovation and NSC to work with a small

group of institutions regarding the development of certifications within degrees. This new initiative provides the opportunity for coaching, testing and building scalable programming to meet workforce needs.

Many of the goals in the current strategic plan, EVOLVE, were created based on recommendations from the Partners for Transformation compendium and are underway. HLC continues to expand its engagement with state and federal agencies, as well as specialized and programmatic accreditors. Additional efforts will continue to build these relationships.

## **FUTURE FOCUS**

The recommendation for HLC to act as a thought leader was embraced by President Barbara Gellman-Danley. HLC has worked to develop an intentional focus on the changing landscape of credentials and educational providers in the 21st Century. HLC is actively engaged with many organizations such as Credential Engine, Workcred, Credential As You Go, Learn-and-Work Ecosystem Library Advisory Board, and the Midwest Higher Education Consortium's Comprehensive Learner Record Advisory Group in order to develop strategies to define "quality" for credentials as they continue to expand.

In December 2019, a group of national leaders with workforce expertise were invited to join with higher education influencers to examine the gaps between needs in the workforce and higher education. Together, these individuals formed HLC's "Stakeholders' Roundtable." They were asked to advise HLC on strategic directions for the future. This group met virtually several times over the past few years to discuss the changes that were occurring to meet current and future workforce needs. The group developed two exploratory papers that call for reconsideration of the types of credentials that could be subject to HLC's focus on quality assurance. One paper, "Unprecedented Opportunity, Extraordinary Risk," focuses on the changing landscape of credentials. The second paper, "Institutional Accreditation at the Crossroads," identifies key drivers of change with recommendations to move innovation and systems thinking to its work on quality assurance.

Please take time to read the papers and offer ideas to HLC. Together, HLC's community works to meet the demands of the emerging models for the future of postsecondary education to provide lifelong education opportunities for learners.

<sup>3</sup> See [hlcommission.org/teachout](https://hlcommission.org/teachout)



# Unprecedented Opportunity, Extraordinary Risk: HLC in the Changing Credentials Landscape

By Scott Cheney, Sharmila Mann, Rick Beyer, and Paul Gaston with contributions from Jacquelyn Elliott, J. Lee Johnson, Paul Koch, Matthew Sigelman and R. Lee Viar IV

For the purpose of this paper, and its companion paper “Institutional Accreditation at the Crossroads: Drivers for Change,” the term “credential” is used broadly to include the full range of education, training and occupational awards that signal completion and attainment, including but not necessarily limited to certificates, apprenticeships, certifications, licenses, degrees, micro-credentials and digital badges. Further, these papers consider all providers of such credentials, including but not necessarily limited to institutions of higher education, training and apprenticeship providers, licensing bodies, industry certification bodies, and employers.

## SECTION 1: THE CHANGING LANDSCAPE OF CREDENTIALS

Credentials serve as a critical economic lever in the country. To quote Anthony Carnevale of the Georgetown Center for Education and the Workforce, “There (has been) a general shift in the relationship between education and the American economy... (the) skill requirements went up. If you’re going to make your way in the labor market now, you still do it by changing jobs. But if you don’t have credentials (and skills), it’s very hard to change jobs.”<sup>4</sup> Understandably, Americans are responding to the challenges of the economy and their personal goals by seeking to re-skill and up-skill themselves more frequently through options available in the marketplace.

From the standpoint of students, learners and employers, the term “credential” signifies the full range of education, training and occupational awards that signal completion and attainment. By this definition, there are currently nearly one million unique credentials available in the United States alone.<sup>5</sup> The challenge goes beyond the growing number of credentials to include the expanding range of providers that are now in the market. In fact, more than half of the credentials in the current market are offered by non-academic providers and include certificates, certifications, licenses and digital badges.

This explosion of credentials is closely linked to two simultaneous trends: the improvement and near ubiquitous availability of technology on devices that meet the needs of consumers, and the increasing consumer perception of the quality and value of online learning. Spurred on by consumer concerns about financing and debt, the economic pressures to quickly and efficiently re-skill and up-skill, and the impact of repeated recessions and the COVID-19 pandemic, the demand for credentials has not only grown dramatically, but also opened the doors of entry to an expanded array of providers in the market.

The reality is that the provider community for credentials has always been broad and diverse. Now, through technological advancements, many more providers have become easy to access. In fact, a number of providers in the market today are easier

<sup>4</sup> Stewart, T. (2021)

<sup>5</sup> Credential Engine (2021)

to subscribe to than “traditional” providers: training and certificates from Google, Salesforce, Amazon, Microsoft, and LinkedIn are as close and convenient as a phone or laptop, as are Western Governors University, Arizona State University, Southern New Hampshire University, and the University of Maryland Global Campus, just to name a few. The ease of access to these providers has made them ubiquitous and valued, and thus newly prominent.

The growth of offerings and providers with instant availability of content, combined with the need and/or desire of consumers for faster results and returns on their investments, are driving a shift in consumer investment of education and training. A 2020 Strada survey<sup>6</sup> shows that if a person were to seek additional education or training:

- 24% would seek a certificate, certification or license
- 22% would seek specific courses for skills improvement
- 15% would seek a Bachelor of Arts degree
- 14% would take courses for personal interest or hobbies
- 11% would pursue an Associate of Arts degree
- 11% would undertake a graduate degree

In some ways, the wide selection and availability of credentials in the new marketplace is a boon for consumers. A larger credential marketplace has the potential to provide options that are better aligned to individual needs. Yet the current marketplace of credentials is chaotic and confusing. This isn’t just an interesting academic conclusion—it’s a substantial, real-world problem. Today’s credential-seekers are more likely than ever to get lost, lose money, miss opportunities and fail to reach their fullest potential in a vast, complex marketplace that lacks meaningful, comprehensive and effective guides for navigation.

The challenges and stakes are also high for traditional postsecondary providers. For colleges and universities, there is a growing tension between, on the one hand, speeding up the development and delivery cycle for new, relevant and cost-effective credentials and skills, and on the other, the vital necessity of assuring the highest quality, both at individual levels of content and the final deliverable. And there is some urgency in the effort to resolve this

tension; many institutional leaders recognize that in today’s market, going slow is no longer an option. According to HLC Stakeholders’ Roundtable member Jacquelyn Elliott, President of Central Arizona College, “We need to help individuals rapidly re-skill. We can’t take years to respond. (Yet) the wheels of academia move slowly.”<sup>7</sup>

In an attempt to address these challenges, a growing number of traditional postsecondary providers are exploring and entering into partnerships with nontraditional providers to combine and embed short-term certificates, certifications, badges and micro-credentials into their existing programs. Even as institutions and leaders take these steps to meet the needs of their students, they are also realizing that they don’t have the necessary expertise to determine which potential partners and their credentials are of quality and of value to themselves and their students.

Institutions, their leaders, and the individuals they serve would benefit from improved and expanded quality standards that are consistent across the wide and growing range of providers, credentials and skills. “Without guardrails in place, there is no protection for the students,” points out HLC Stakeholders’ Roundtable member R. Lee Viar, President of the Association of Non-Traditional Students in Higher Education.<sup>8</sup> “Students and workers are too easily confused by the wide range of providers, credential types, and differing indicators and standards of quality, where they even exist. Without common quality standards across a broader set of credentials and providers, bad actors will find their way in.”

Moving forward, the education and training landscape will only increase in complexity. Major and recurring shocks and influences—recessions, equity and social justice advances, moves toward a skills-based economy, attention on credit and social mobility—have and will continue to alter the very foundations of the systems. High quality credentials represent a moment of transaction—a transaction with significant consequences for the recipient, the provider and their partners, employers, and the economy as a whole. Transparent and equitable access to and use of essential data about all credentials, skills, providers, both by quality indicators and by value in the labor market to learners, workers, employers and educators, will help level the playing field and increase

6 <https://cci.stradaeducation.org/explore-public-viewpoint-data/>

7 HLC Stakeholders’ Roundtable (2021)

8 HLC Stakeholders’ Roundtable (2021)

equitable access to opportunity. In sum, a more rational, efficient, and transparent market is essential for all concerned.

## **SECTION 2: IMPLICATIONS AND OPPORTUNITIES**

The burgeoning credentials marketplace offers different implications and opportunities for each of the four core constituent groups engaged in the education space: students, employers, institutions and accreditors. Examining the changing landscape of credentials from each of their perspectives provides a window into the intersections of challenges, needs, supports and optimal outcomes for the marketplace as a whole. HLC will need to consider this collection of hopes and concerns as it weighs the risks and benefits of expanding its role in the quality assurance space of the credentials marketplace.

### **The Student Perspective**

For any credential, students want to know that their educational investment will be worth the cost. This return on investment (ROI) calculation includes the quality of the content and the experience; students would like to have both assurance of inherent quality as well as some method of comparing quality across credentials. The ROI also includes a credential's currency in the workforce. Students want to have data on the value of credentials to employers so they can plan their investments of time and money accordingly. Finally, a credential's worth to a student includes its portability—in other words, can the credential be valuable in various contexts—and its stack-ability—that is, can the credential serve as a stepping stone to further credentials.

The economic value of a credential in the labor force is particularly compelling for adult students, most of whom are looking to re-skill or up-skill in pursuit of employment. In the United States, the fastest growing student population in postsecondary education are adults 25 and older.<sup>9</sup> With workers changing jobs an average of 17 times and career fields an average of 5 times in the course of a lifetime at work, the need for adults to continue pursuing further education is almost inevitable. As the COVID-19 pandemic shifted the economy and displaced many workers, it further augmented the population of adults seeking

credentials. Adults already in the workforce have limited time, energy and money to devote to further education. For such students, a traditional degree path may not seem worth the cost; non-degree credentials are likely to be more attractive due to lower cost, shorter time frame and more concise focus.

For these students, the growth in the number of available credentials, the ease of access to those credentials, and the ability to choose among credentials at various price points are all attractive features of the evolving marketplace. However, students are often navigating the non-degree credential landscape blindly. They are likely to choose a credential that fits their price point, is advertised online, shows up in a Google search, or is recommended by a friend, instead of choosing based on an understanding of quality, value and currency—information that is not generally available in the non-degree credential realm. While access, cost, and invested time are important components of credential choice, what ultimately matters to the student will be the value of that credential across the ROI dimensions.

### **The Employer Perspective**

The labor market is changing, and with it, hiring processes. Specifically, in the United States, a traditional postsecondary degree is growing less ubiquitous as a workforce entry requirement. This phenomenon is being driven by a convergence of three trends. First, employers across almost every industry are struggling to find enough workers.<sup>10</sup> With baby boomers retiring, labor force participation rates are at generational lows; employers are rolling out hiring incentives, including changing entry-level job requirements. Second, employers are recognizing that they have been missing out on a vast talent pool by limiting themselves to degree holders. Large employers such as Apple, Google, Tesla and Netflix have already moved away from requiring a degree for employment.<sup>11</sup> Third, employers are recognizing that, due to racial and social inequality, the degree can become a proxy for race and class. In order to harness the immense talent pool available in the country beyond those who are wealthy and white, employers

<sup>9</sup> Stewart, T. (2018)

<sup>10</sup> Burke, L. (2021)

<sup>11</sup> Akhtar, A. (2020)



are moving toward other methods of assessing skill and experience.<sup>12</sup>

As employers begin to release degree requirements for workforce entry, they recognize that something must take its place. Some employers are developing skills tests to screen applicants. Others, like Google, are developing credential pathways that they offer to new hires to build their talent pool from the inside. Employer-based credentials have existed for a long time, but their popularity and number are increasing. Thus, employers are entering the credential marketplace even as they signal their intent to value credentials beyond the degree. Yet employer-developed credentials have their own limitations. Unlike externally validated credentials, internal credentials are rarely valuable for employees that leave the company.

In the end, employers are seeking workers with certain skills and competencies, and they are beginning to understand that there are many ways to get there. However, they, like students, are bewildered by the vast landscape of available credentials. Ideally, employers want to be able to evaluate the value of a specific credential for a specific position in the company. To do this for a non-degree credential, they would require information about the quality of the provider, the quality of the credential, and the skills and competencies developed through the credential pathway. When employers default to degree requirements for job entry, it is because they know that degrees represent authenticated experience. If equivalent authentication were available for non-degree credentials—and perhaps included the added benefit of specifically identified skills and competencies—the value of the non-degree credential in the workplace would increase dramatically.

### **The Institutional Perspective**

Prior to the COVID-19 pandemic, traditional postsecondary institutions were already facing a perfect storm of challenges. States had been cutting higher education budgets for years, forcing institutions to rely more and more on tuition payments from students to make up the difference. Increasing costs led more students to reconsider their college plans, driving a decade-long trend in declining college enrollment. Then the pandemic hit. States, devastated by the economic losses of the pandemic,

cut higher education budgets further. Colleges and universities, with fewer resources, were required to make new investments to support a pivot to online learning. Despite the investment, students felt the change in community—post-pandemic college was devoid of much that made an on-campus experience worthwhile. Enrollments dropped further as students found other options in the online education space.

Colleges and universities will need to work harder than ever to make the case for what they offer. With costs increasing, services decreasing and degree pathway tuition out of reach for more and more students, traditional institutions will need to answer some hard questions. What is the value of a degree in the marketplace? Is that value offset by the cost of tuition? Can a price point be found that supports institutional infrastructure while also maintaining the necessary enrollment levels? How can traditional institutions remain relevant in the midst of shifting student priorities, employer expectations, and credential availability?

Certainly, institutions themselves are already adapting. As mentioned, certain institutions—such as Western Governors University, Arizona State University, Southern New Hampshire University and the University of Maryland Global Campus—have already developed incredible online presence and flexible delivery models. Others are partnering with private entities to incorporate and stack non-degree credentials into degree pathways. Still others have developed non-degree or non-credit programs that are shorter, more focused and less expensive than degree pathways to serve emerging student needs. Yet such institutions often find they are missing key information necessary to make the best choices among potential partners, providers and pathways.

To truly feel secure embracing non-degree pathways, institutions will need assurance on a few things. First, if they are partnering with other providers to offer non-degree credentials, particularly those that can stack into an institutionally authorized degree, they will need some way to verify the quality and stability of both the provider and the credential. Second, whether they partner with another provider or choose to develop their own non-degree credential programs, they will need to have a strong sense of the value of the credential offered so they can communicate it effectively to students (for marketing purposes)

12 Carapezza, K. (2021)

and so students can communicate it effectively to employers (for outcomes purposes). Institutions must consider the labor-market currency of the credential, the skills and competencies gained, and alignment of those skills and competencies with the institution's existing degree pathways. Finally, just as they do with new degree programs, institutions will have to figure out how to provide high-quality content and staffing for any new non-degree programs they develop.

### **The Accreditor Perspective**

As a result of recent changes to federal regulations, historically regional institutional accreditors are no longer bound to a specific geographic area. This creates a new competitive marketplace among institutional accreditors—both to attract new clients for existing services, as well as to develop new services that can be marketed to institutions across the United States. As a result, it becomes increasingly important for institutional accreditors to be aware of and respond to arising needs of the marketplace of students and employers that institutions are seeking to serve. Simply put, institutional accreditors can increase their client base by offering to certify the quality of options that are most highly sought by students and employers.

At their core, institutional accreditors are the gatekeepers of quality. They serve a quality assurance role for students by certifying the value of institutions and the credential pathways those institutions offer. The rise of the non-degree credential signals the arrival of a new opportunity, one that is currently fraught with peril, as quality standards and approval processes are absent from the landscape. Therefore, the obvious space of intersection for accreditors is to certify the quality of non-degree credentials. Unfortunately, this is a daunting task, given the vast array of available non-degree credentials and providers. So where to start?

Accreditors can begin by addressing the needs of their existing constituents: the institutions that they already accredit. What are their emerging needs? Which non-degree credentials do they find themselves outsourcing? Do they offer degrees that utilize non-degree credentials? Which of these credentials have not yet fallen under the purview of the accreditor? What would be helpful for the institution to know to evaluate a credential before incorporating it into a degree pathway? What do institutions need to demonstrate to accreditors to include the validation

of a non-degree credential within the realm of their institutional accreditation? As accreditors work with institutions to develop quality assurance mechanisms for non-degree credentials, they also signal the value of those credentials and encourage the development of credential pathways that can support growing opportunities for student attainment.

Accreditors seek to provide a service to students. They seek to help students evaluate credentials and credential providers to ensure that they are investing their education dollars in a quality experience. As accreditors seek to expand quality assurance to cover non-degree credentials, the same holds true for their service to students. However, given that the value of a non-degree credential lies largely in the employer marketplace, entering the realm of quality assurance for these credentials will require that accreditors work closely with employers to understand and define both quality and value. Collaboration with employers can help accreditors understand the relative value of various credentials, as well as the skills and competencies associated with those credentials that give them their value. Through this work, they can develop new measurements specific to non-degree credentials that can be used as a rubric for quality assurance for credentials and their providers.

### **SECTION 3: A PATH FORWARD FOR HLC**

With regard to quality assurance in today's postsecondary education market, especially for short-term, non-degree credentials, innovation is urgently needed but will not come easily. But there are at least three overarching questions that must be addressed:

- 1.** Would an expansion of the HLC charge to include quality assurance of non-degree and non-credit programs be appropriate in light of HLC's history and consistent with its recognition by the U.S. Department of Education?
- 2.** Would such an expansion be well received—by its own members, to begin with, but also by non-member providers whose non-degree credentials might come under scrutiny and by the public?
- 3.** Would such an expansion, if deemed desirable, be feasible?

HLC could address all three questions through the development of a practical, promising and appropriate business plan. Business plans traditionally have five

components: (1) the documentation of a present, emerging or potential need for a product or service; (2) confirmation that the organization or association seeking to offer the product or service has achieved or seeks to build appropriate capacity to offer it; (3) a survey of present and potential competition; (4) a plan to communicate the intent to offer the product or service and a corresponding plan to market it; and (5) a pragmatic, feasible strategy to raise revenue sufficient to support the organization and sustain the undertaking. The following discussion is meant not to advance specific recommendations, but to introduce issues relevant to these five components that may be worthy of consideration by HLC.

## ELEMENTS OF A BUSINESS PLAN

### Part 1: Documentation of a present, emerging or potential need for a good or service

Credential Engine has tracked the remarkable year-by-year proliferation of credentials, especially new, nontraditional ones. In recent reports, they summarize this trend as follows: “Every day the options within this highly complex landscape of credentials change as new credentials are created, some are removed, occupational requirements shift with employer needs, and the economy continues its perpetual evolution.”<sup>13</sup> As a result, the credentials environment has become “vast, complex, expensive, and inefficient.”<sup>14</sup>

On the one hand, this expansion has created unprecedented opportunity for students seeking credential programs closely aligned with their resources, location and educational objectives. On the other, reliable quality assurance to guide such choices has not kept pace with this expansion. As a result, a complex and challenging environment has emerged where choices that were once fairly straightforward have now become complicated and risky.

Paradoxically, as informed guidance has become ever more necessary, it has become increasingly difficult to obtain. The changing credential landscape has thus rendered the need for accessible quality assurance for short-term, non-degree credentials both urgent and conspicuous—a need that could be addressed by an accreditor such as HLC. Such a service might take several forms; four potential structural options are described below. Importantly, none of these options suggests the evaluation of specific credentials, except for the extent to which certain credentials might

be sampled in the interest of broader evaluation. In addition, the options described below are not mutually exclusive.

- **Option 1: “Recognition” or “endorsement” of providers of short-term, non-degree credentials (NDCs).** In this option, neither specific credentials themselves nor categories of credentials would receive HLC endorsement. Rather, assessment of the NDCs offered by a provider would enable endorsement of the provider itself. This approach would correspond closely to that currently in use regarding for-credit credentials. Although HLC accredits institutions rather than programs or courses, institutional accreditation implies a positive assessment in general of an institution’s programs and courses.
- **Option 2: “Endorsement” of a specific category of credentials (e.g., badges in coding) offered by a provider.** In this more “credential-specific” approach, HLC would assess an institution’s offering of particular categories of NDCs. Its endorsement would not imply review and approval of specific credentials within such categories.
- **Option 3: Consultation in advance of “recognition” or “endorsement”.** In this option, HLC would develop criteria for the assessment of NDCs, NDC programs, and NDC categories, then offer workshops offering guidance to member institutions or those seeking recognition for their NDC offerings. HLC would support the evaluation of NDC offerings in-house, identifying issues requiring remediation prior to HLC review.
- **Option 4: Evaluation services or templates enabling accredited institutions of higher education to “recognize” credentials offered by particular independent providers—or to “endorse” the providers themselves—for their students’ consideration.** This service would offer consultation to accredited institutions considering the recognition and registration of NDCs earned by students. While supporting institutions in supporting students, this would not constitute either “recognition” or “endorsement” by HLC.

13 Credential Engine (2018)

14 Credential Engine (2021)

## **Part 2: Confirmation that the organization or association seeking to offer the product or service has or seeks to build appropriate capacity to offer it**

Since its founding in 1895, the Higher Learning Commission (of the North Central Association until 2014) has earned a reputation for effective quality assurance in postsecondary education—one signified by HLC’s continued recognition by the U.S. Department of Education and by its acceptance for membership in the Council on Higher Education Accreditation (CHEA). With 970 member institutions, HLC is also currently the largest institutional accreditor (the second largest institutional accreditor, the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC), has 791 members).

During its 125-year history, HLC has led many reforms now standard in accreditation. Most notably, since the early 1980s it has led an important shift in accreditation metrics from a focus on inputs (campus facilities, faculty numbers, “books in the library”) to one on outcomes (assessed performance of students relative to defined objectives). It began as an expectation that institutions would have a plan for learning outcomes assessment and has evolved over time into an ever more rigorous expectation that such assessment would yield data useful for and applied to institutional strengthening. That commitment appears most recently in the HLC’s current strategic plan, which confirms that the “HLC will continue its dedication to quality improvement around outcomes... by focusing on clarity, transparency, collaboration, innovation, and, most importantly, a heightened sensitivity to institutional context during institutional evaluations and in the delivery of programs to support members.”<sup>15</sup>

This directionality and commitment to outcomes-based accreditation makes the HLC well-positioned to become a quality assurance provider for short-term NDCs. However, HLC, an efficient, compact organization, does not at present have the resources to provide such a service. Should it choose to take on this new set of services, HLC would need to build the necessary capacity through a feasible business plan.

## **Part 3: A survey of present or potential competition**

In addition to HLC, there are six other historically regional accreditors that might offer such a service:

the ACCJC (Association of California Community and Junior Colleges), MSCHE (Middle States Commission on Higher Education), NECHE (New England Commission of Higher Education), NWCCU (Northwest Commission on Colleges and Universities), SACSCOC (Southern Association of Colleges and Schools Commission on Colleges), and WSCUC (WASC Senior College and University Commission). By virtue of new rules introduced in July 2020 by the U.S. Department of Education, these institutional accreditors are no longer constrained by their former regional boundaries.<sup>16</sup> Any might choose to compete with HLC in offering NDC services, either as part of an expanded bundle of institutional quality assurance or as an undertaking discrete from institutional evaluation. Whether any is likely to do so is not yet apparent.

In addition, “national” institutional accreditors, independent agencies (e.g., state licensing boards), or organizations that already offer forms of quality assurance (e.g., ANSI, the Educational Quality Outcomes Standards group<sup>17</sup>) could conceivably seek to expand their service to include quality assurance for short-term NDCs. Further, corporate educational organizations and self-appointed accreditors may also find the opportunity to provide quality assurance for currently unregulated credential programs attractive. Of course, in doing so they would face challenges at least as formidable as those HLC must face. Yet among this company of potential entrepreneurs, only HLC and other historically regional accreditors enjoy the credibility inherent in more than a century of quality assurance.

## **Part 4: A plan to market the good or service**

HLC has a built-in audience in its 970 member institutions, many of which may already have (or may be considering creating) links to nontraditional providers. HLC can also draw on the experience of its members, many of which represent the for-profit economy, in marketing its quality assurance to providers and to the public. While it would make sense for HLC to begin its service delivery plan among existing constituents, the activities suggested below would not be limited to current members. In creating an income stream to support the NDC work, HLC would be offering a national service to a national audience.

15 HLC (2021)

16 USDOE (2020)

17 See <https://eqos.org/about-us>

To be effective in generating and maintaining such an income stream, HLC would have to advocate persuasively for the expansion of its oversight. The means of making this argument must be carefully considered. Like other institutional accreditors, HLC has had little prior incentive to actively market its services. Nor, if it were to choose to do so in the future, would it be likely to find its present staffing and budget sufficient. Beyond the communications and marketing opportunities that may be found in its annual conference and in current publications and communications, HLC would be well advised to seek the guidance of a qualified consultant in framing a robust communications and marketing plan.

Such a plan should take into account the following considerations:

- **What types of evaluative criteria promise tangible benefits to prospective students?** For instance, the Q (Quality) A (Assurance) Commons<sup>18</sup> could guide partner institutions in clarifying the alignment between their curricula and the employability of their graduates—information likely to be of particular interest to prospective students. Similarly, a focus on institutional transparency with regard to tuition, fees, and other program or degree costs would likely be attractive to potential students. Information on whether short-term credentials contribute to coherent pathways could enable students to achieve cumulative rather than stand-alone credentials. Finally, the development of accurate NDC program-to-program comparisons including those available at competing institutions would enable students and potential students to evaluate their alternatives.
- **How should evaluative information about short-term credentials be distributed?** What approaches and what media would be most likely to reach such audiences as high school guidance counselors, community college curricular professionals, four-year institutional registrars, and the like?
- **How should the costs versus benefits of particular marketing strategies be measured and evaluated?**

## **Part 5: A pragmatic and promising strategy to raise revenue sufficient to support the organization and sustain the undertaking**

Given the urgency of this well-documented need for improved quality assurance of short-term NDCs, HLC might seek initial pilot funding for this venture from a variety of potential sources, including corporate “consumers” of nontraditional credentials, foundations, and agencies including the U.S. Department of Education. However, the viability and sustainability of such an undertaking would ultimately depend on the identification of an income stream likely to prove both sufficient and reliable. Although the advice of financial strategy experts would be essential to this discussion, approaches consistent with the experience and values of HLC might include the following:

- **Charge the credentials provider for an initial evaluative review.** If the result appears to promise eventual endorsement of the provider, charge an annual membership fee to cover HLC review of year-by-year performance results. Renewal of the endorsement every five years would require a more intensive review and a more substantial fee.
- **Charge the credentials provider for an initial evaluative review of a credentials category.** (Some categories offered by a provider might qualify for endorsement, while others might not.) If the result is an endorsement of the credentials category, charge an annual fee to cover HLC review of year-by-year performance results. Renewal of the endorsement every five years would require a more intensive review and a more substantial fee.
- **Develop a proprietary guide to self-study with respect to assurance of the quality of short-term NDCs and provide consultation to support the provider in conducting the self-study.** Seeking and paying for such consultation would obligate neither HLC nor the provider to proceed to a review for the purposes of possible endorsement and thus might be especially appropriate for emerging providers.

18 See <https://theqacommons.org/>

- **Create an independent foundation to design, test, and implement a competition for institutional excellence in providing non-degree and short-term credentials.** Conceivably, such a foundation could include the other institutional (regional) accreditors and could operate with federal sanction.
- **Provide fee-based workshops/academies sponsored by HLC to assist institutions in evaluating and assuring quality of credentials developed internally and provided by external providers.**

## BEYOND THE BUSINESS PLAN: ADDITIONAL CHALLENGES

In addition to the logistical challenges introduced above—reaching agreement that an expansion of the HLC mandate is appropriate, communicating that expansion persuasively both to member institutions and to providers other than traditional institutions, and framing a feasible business plan supporting the sustainability of such an expansion—there are two operational challenges that are also critical to address.

### *Building a culture of credentials evaluation*

HLC peer reviewers have always considered the quality of an institution's programs and credentials in evaluating the institution. However, it is reasonable to assume that few such reviewers have experience in evaluating programs that offer non-degree credentials. It may therefore be necessary to develop both a specific unit for peer evaluation training that would be focused on assessing the quality of non-degree credentials and rubrics that reviewers would be able to apply in conducting their evaluations. In some regions, there are K-12 reviewers with considerable experience in such evaluation. They might represent a resource well worth consulting. Of course, agreement on the scope of any expansion in the HLC quality assurance mandate would have to be reached before staffing and training needs could be considered.

### *Navigating a paradigm shift*

The historically regional accreditors have always made it clear that institutional accreditation reflects a judgment on credentials awarded in the aggregate by an institution, not on any particular credentials or,

for that matter, on any particular programs. For HLC to concern itself with the quality of a category of credentials could therefore require a broadening of the evaluative focus. And it would be no less important to draw a clear line defining the limits of any broadening of focus.

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# Institutional Accreditation at the Crossroads: Drivers for Change

By Jo Alice Blondin, Rufus Glasper, Susan Heegaard, Sally Johnstone, Jared Lyon, Ned McCulloch, Jenny Parks, Karen Stout, Roy Swift, and Holly Zanville

In fall 2021, HLC engaged a group of national thought leaders in higher education in a series of discussions to seek advice about the future of institutional accreditation and the changing landscape of credentials, in response to the seismic-level changes impacting higher education in the 21st century.<sup>19</sup> The leadership of HLC asked the Stakeholders' Roundtable to identify the main drivers for change regarding credentials and provide recommendations to the HLC Board of Trustees. In turn these recommendations will be considered in ongoing reviews of its current accreditation policies and processes.

Levine and Van Pelt recently described the transformation underway in U.S. higher education by contrasting changes from the 19th and 20th centuries to the 21st century: “Higher education was transformed in the 19th and 20th centuries to meet the needs of an emerging national, analog, industrial economy. Today, higher education is again being transformed—this time to serve the needs of a global, digital, knowledge economy.”

While there is little disagreement about the *extent* of change underway, there is disagreement about the *form* in which this transformation will take place. Some contend that “higher education will incrementally adapt to changing conditions, as it has historically, maintaining its current mission and structure,” while others contend that “the changes will be of such magnitude that they will disrupt higher education as we know it, rendering traditional models obsolete and driving many colleges and universities to bankruptcy.” Whichever scenarios emerge, we “can already see the early adaptations and seismic changes that are coming.”<sup>20</sup>

The purpose of this paper is to present four main drivers of change for the HLC Board of Trustees to evaluate. The congruence of these drivers is creating and will continue to propel a momentous change imperative for accreditation. The drivers of change identified are:

1. The landscape and pressures on higher education, employers and accrediting bodies.
2. The specific and unique context in which higher education institutions operate.
3. The growth of non-degree credentials.
4. The importance of a systematic approach to pathways, data and integrated assessment.

For additional context regarding the drivers for change, please refer to Appendix A, which provides a series of Action Principles and their rationales as they relate to the drivers of change.

<sup>19</sup> “[The Future of Higher Ed Is Occurring at the Margins](#)” in *Inside Higher Education* (October 4, 2021)

<sup>20</sup> *Ibid*

## DRIVERS OF CHANGE

**The first main driver of change is the economic, societal, demographic and environmental pressures on higher education, employers and accrediting bodies.**

For the last century, higher education in the United States has strived to serve the public good. These efforts are embedded in the missions of postsecondary institutions. The public good of higher education has grown in social and economic importance because of the increasing equity gap for learners, particularly those from diverse racial and socioeconomic backgrounds. To be competitive in the new knowledge and technology-based economy, employers recognize that workers need to complete programs of education beyond the secondary level. The U.S. Department of Labor reports a 9.2% higher employment rate (2.5% versus 11.7%) and \$1,266 higher weekly earnings (\$1,885 vs. \$619) for those with any postsecondary education.<sup>21</sup>

Despite these statistics, public division has widened on the promise and demonstrable public good of higher education. Many contend that higher education should be more responsive to this articulation of the public good and other societal needs such as producing citizens who actively participate in a democracy and demonstrate civility to others who have different belief systems. Many contend, too, that this societal responsibility of higher education presents an opportunity for accrediting bodies to ensure that the learning environment is built for student success and produces individuals who can contribute to an inclusive, productive society.

There is growing debate about the value and return on investment of postsecondary credentials, which coincides with the growth of non-degree credentials in the academic marketplace. Business and industry have turned to a range of credentials to meet workforce needs, including short-term training certificates produced by professional societies, industry certifications, competency-based learning, and work-based learning such as apprenticeships, in-house preparation and training. For this reason, it is imperative that HLC and its Board work with its membership to look outside the walls of their institutions to survey, recognize, collaborate on, and incorporate new pathways to attain workforce and academic preparedness.

Recognition of and subsequent completion of these pathways will impact workforce preparation, particularly the gaps that widened as a result of the COVID-19 pandemic. Since the onset of the pandemic, disruptions to learning and the delivery of education have been significant, and HLC is in a unique position to champion changes in practices, policies and innovative approaches that prioritize learner success and streamline the pathway for learners gaining credentials, particularly as demographic shifts impact enrollments at postsecondary institutions. These demographic shifts have also created an increased need among learners for “wraparound services,” such as housing, food, mental health and transportation supports that demonstrate many postsecondary institutions’ challenges as well as their ability to be resilient and flexible in meeting learner needs.

Given the pressures in this rapidly changing landscape, HLC is in a position to drive change through leading postsecondary institutions in developing intentional strategies that address the democratization of multiple credential entry points, progression through various credentials including degrees, and perceived relevance of current quality assurance and accreditation considerations.

The development of intentional strategies is already happening without HLC’s leadership, with some postsecondary institutions experimenting with innovative approaches to credential pathways. For example, some institutions are creating virtual “labs of innovation,” while others are growing their competency-based education infrastructure, allowing learners to earn credit from demonstration of their learning and skills rather than seat time. Many educational providers—some inside and others outside of traditional higher education—offer short-term credentials created through collaboration with certification bodies that confer industry-recognized certifications, thereby creating a strong and prescribed academic/workforce pathway.

With HLC’s leadership, these intentional strategies could be widely promoted and sustained beyond their current piecemeal and episodic development. For this to happen, HLC could include as part of its reviews, credential pathways and the resulting well-paying jobs as a key part of the accreditors’ role in assessing postsecondary quality, which is important to learners and other stakeholders.

<sup>21</sup> <https://www.bls.gov/emp/chart-unemployment-earnings-education.htm>

**The second driver of change is the specific and unique contexts in which the postsecondary institution operates.**

Given the many challenges faced by postsecondary institutions, a key role accreditors can play is to provide a required framework for the institution to set specific, accountable goals that can be translated into metrics that are transparent for stakeholders. For valid goals and metrics, the institution must continuously evaluate the needs of all students it serves and hopes to serve. This evaluation should be documented and available to stakeholders, including the performance of different demographic groups. Evaluation must also look beyond short-term student success metrics and consider the institution’s contribution to lifelong learning beyond work and career success.

Five environmental challenges that should be prioritized as part of this evaluation by HLC and postsecondary institutions alike are: (1) equity and inclusion; (2) integrated education systems; (3) new business models; (4) growth of non-degree credentials, and (5) societal responsibility. Accreditors

should address these priorities by developing processes included in the evaluation of the higher education institutions.

**A third driver of change impacting accreditors is the growth of non-degree credentials.**

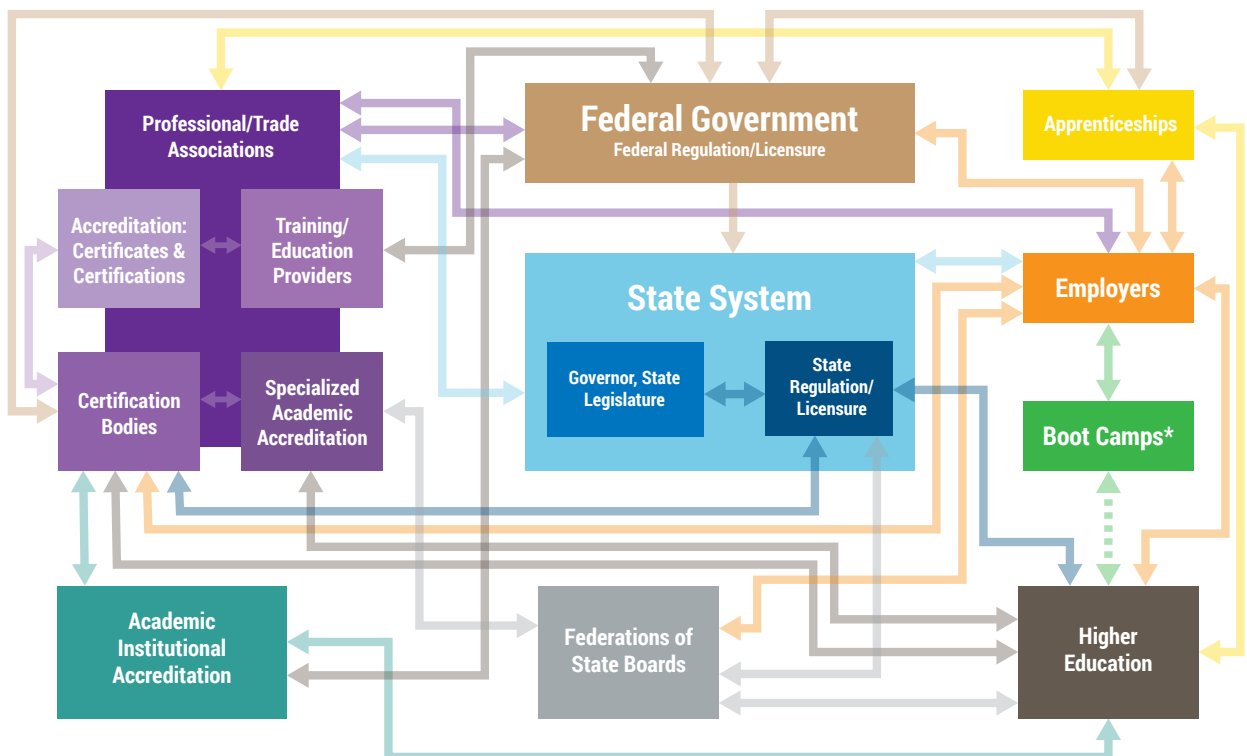
Figure 1 depicts the complex ecosystem of credentialing entities in the United States currently. Institutions must understand the entire credentialing system to better facilitate development of future working relationships with relevant entities.

By integrating the vast array of non-degree credentials—both inside and outside of postsecondary education—into HLC’s quality assurance, HLC can catalyze other reforms, such as expanding the concept of transferability. Currently, transferability is a roadblock for many learners, and the integration of non-degree credentials into this pathway is an opportunity for HLC to redefine this process in terms of evaluating credential quality rather than “credit hour” quality.

Yet, as Figure 1 depicts, the complexity of the ecosystem itself can be a challenge to HLC. The variety

Figure 1

**Entities in the U.S. Postsecondary and Work Ecosystem**



\* Although boot camps initially existed outside of the higher education system, there is increasing interest of universities to develop partnerships with boot camps.

of entities that operate within the ecosystem are not currently aligned to integrate credentialing systems and advocate for quality and transparency beyond their current focus. Without redesign among these systems, the learn-and-work ecosystem will continue to operate in silos, continuing to raise questions about the quality, relevance, and interoperability among all credentials. Given the decentralized, complex credentialing ecosystem, HLC should play a strategic leadership role in broadening and expanding their focus on strengthening transferability for learners.

**The fourth driver of change is the need for a systems approach to pathways, data, peer review and integrated assessment**

**Systematic approaches.**

Systems thinking and design is imperative to a well-run organization. Historically, accreditation processes were designed for postsecondary institutions that were “closed” systems, characterized by limited connections to the various components within the ecosystem. This system was built on the assumption that learners would matriculate in the fall after completing high school, would complete a baccalaureate degree in four years or an associate degree in two years, and would gain employment or attend graduate school afterward. Little thought was given to wage attainment after graduation.

Accreditation policies and processes aligned to the traditional higher education model are no longer relevant to the ways that many learners, particularly diverse and working learners, participate in higher education. Yet many higher education institutions have been slow and/or resistant to addressing the multitude of obstacles that learners face, as described earlier, while the national movement to bring impactful equity and inclusion practices to institutions has gained significant momentum. HLC could play an important role in championing these practices at institutions, thereby assisting in the recognition of and removal of these barriers, and consequently “opening” these traditionally closed systems. As a result, institutions will become a more interactive open system that evolves and adapts to various inputs, thereby improving service to learners through inter-operability.

A good example, again, is transferability. The treatment of learners who transfer between institutions illustrates how closed systems of postsecondary institutions

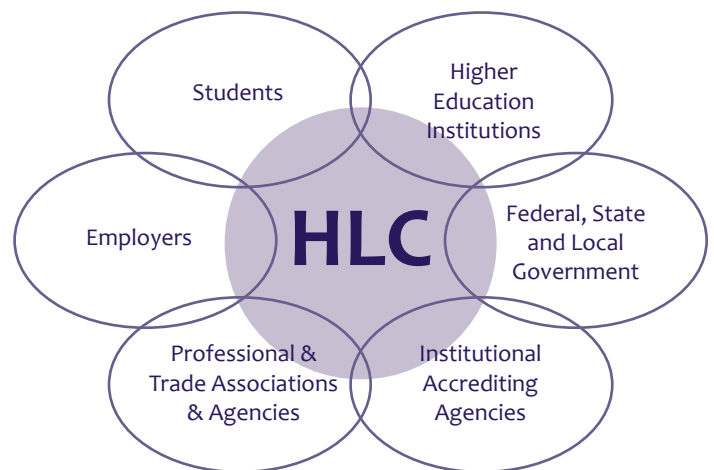
often have negative impacts. Approximately 2.1 million students transferred in 2020-21, out of a total of 13.9 million students. However, almost a third of these students did not persist to the subsequent term.<sup>22</sup> Many transfer students encountered a substantial obstacle in credit transfer. The Government Accountability Office found that “students who transferred from 2004 to 2009 lost, on average, an estimated 43 percent of their credits.”<sup>23</sup> This lack of interoperability among institutions must be resolved to allow students to easily build faster and more efficient pathways to a credential.

In addition, many students attend college part-time or are working adult learners returning for education related to licensure, certification or other lifelong learning needs. The traditional model for higher education pathways does not account for the diverse population of learners served and is another harmful consequence of the closed system of higher education entities.

HLC is again uniquely positioned to implement a systems approach to help institutions better address these types of obstacles. As Figure 2 illustrates, accreditors overlap with all the stakeholders of the education system. By identifying obstacles in education policies and processes impacting higher education institutions, a systems approach to accreditation can help institutions serve a broader 21st century student population.

Figure 2

**HLC and Accreditors Must Touch Postsecondary Institutions and Their Systems**



22 <https://nscresearchcenter.org/wp-content/uploads/Covid19-TransferMobilityProgress-AY2020-21.pdf>

23 GAO Report – GAO-17-574, Higher Education: Students Information to Help Reduce Challenges in Transferring College Credits, September 13, 2017

Systems thinking within HLC and its membership will help build credential pathways that are transparent, navigable and outcomes-focused. These innovative pathways will give learners opportunities to earn industry-recognized credentials that stack toward certificates and/or degrees, with new job prospects plus potential wage increases throughout the program. Accreditation guidelines that limit institutional assessments to the class level and even curricula can contribute to poor retention and low attainment metrics, thereby undercutting the stackability and portability of degrees and credentials that is the basis for lifelong learning. Accreditors should assist in determining whether credential pathways are aligned with and relevant to industry and the workforce as well as the strategic outcomes of postsecondary institutions. As part of this process, HLC could encourage the creation of feedback systems for institutions to ensure immediate and timely responses as industries and employability change. This approach could also be utilized for other processes and systems within the institution.

System analysis and system synthesis are already often present and interconnected in assessment systems within postsecondary institutions. System analysis generally involves external stakeholder systems such as university or college system offices, state governmental entities, licensure organizations, and/or business and industry; while internal stakeholder systems include strategic and mission assessment, programmatic assessment, and student outcome assessment data. For example, program assessment may be affected by workforce/academic pathway assessment and these pathways are subsequently affected by an environmental assessment. In other words, a recognition of how systems affect levers and decisions within the institution represents an opportunity for HLC to embed this approach into the Criteria for Accreditation and Peer Corps. Finally, the use of assessment data should be continuously documented to support evidence-based decision-making regarding institutional, departmental, programmatic and student issues, which is a practice that HLC already embraces and practices in current evaluations of institutions.

A systems approach encouraged by HLC signals that institutions can no longer function effectively in silos or in isolation. Institutions are part of a larger context of stakeholders and a dynamic ecosystem. A

systems approach also allows HLC to be a catalyst for institutional collaboration and transparency.

***If HLC were to embrace a systems approach, the training of the Peer Corps would also need to reflect this change.***

HLC should expand its Peer Corps to include on-demand expertise that would include non-credit and other credentials offered outside the higher education system. This new paradigm would be well-served by an assurance that peer reviewers be comprehensively trained in outcomes that go beyond current, standard measures of student and institutional success. Outcomes should include an understanding of and validation for quality credentials at all levels coming from other credentialing systems.

HLC should also train, educate and accredit institutions that meet learner outcomes' standards with recognition that the pace of change at these institutions must advance more rapidly and balance this work with the public good and societal expectations. This approach for peer review will require consistent, iterative training in a multitude of areas, including quality credentials, appropriate and externally validated data about programs, different college missions, community impact of these workforce programs, and the value of these credentials in the marketplace.

Although HLC has made strides in its focus on diversity, equity and inclusion through the adoption and operationalization of its 2015 and 2020 Strategic Plans (VISTA: Value to Membership, Innovation, Student Success, Thought Leadership, and Advocacy, and EVOLVE: Equity, Vision, Outcomes, Leadership, Value, and Engagement), the naming of peer reviewers must be re-examined. While the Peer Corps is trained in concepts of diversity, equity, and inclusion, it is imperative that an equity lens be brought to bear on the evaluation of credentials and the benefits—or lack thereof—to learners and employers. High-impact credentials—or those that result in job placement, increased wages and quality of life for learners—should be a centerpiece of the peer reviewers' evaluation. Also, if including workforce professionals, industry representatives, and other non-academic stakeholders in the Peer Corps, the question must be asked whether those on evaluation teams truly represent “peers.” The case must be made to the institutions themselves that the benefit of a more inclusive team will result in better

outcomes for the institution and its learners. The call to action, then, is an evaluative team made up of “learning reviewers.”

## CONCLUSION

The four drivers detailed in this paper represent a unique and pivotal opportunity for HLC and its Board of Trustees to move innovation and systems thinking to the center of its work in quality assurance. HLC is in a strong position to respond to and lead the integration of non-degree credentials and pathways into its practices. These drivers truly highlight the opportunities that HLC could capitalize on as it aligns current accreditation practice with the alignment of credentials, workforce, and learner intent.

## APPENDIX A: ACTION PRINCIPLES WITHIN DRIVERS OF CHANGE

### Landscape and pressures on higher education, employers, and accrediting bodies

- The seminal challenge for HLC is ensuring the quality of postsecondary education — by recognizing innovation in the credential landscape and responding to significant societal transformation.

### Specific and unique context in which higher education institutions operate

- HLC will evaluate institutions’ actions to assure their societal responsibility policies are relevant, recognized and transparent. They should be readily available to all stakeholders.
- HLC will develop new processes to evaluate whether institutions are developing mission-driven and relevant new business models to remain sustainable. The traditional model for financing the institution as well as demonstrating quality and student success measures will not work in this changing environment, particularly models that rely on annual entering student enrollments. Public institutions that receive financial support from states have experienced declining investments from the state coupled with greater expectations for performance, and this trajectory may become normative for state-funded institutions. Higher education institutions must rethink how they prioritize funds to support actual, data-driven student needs as measured by outcomes.

## Growth of non-degree credentials

- HLC will broaden and expand the scope of quality assurance, particularly with regard to non-degree credentials provided by traditional higher education institutions and other providers outside the higher education ecosystem. This approach recognizes that important postsecondary learning also occurs outside traditional institutions.
- HLC will develop an ongoing, systematic improvement approach for achieving effective higher education outcomes. The approach will include evaluating, assessing, measuring and aligning credential providers’ actions and behaviors to ensure they produce desired student-centered outcomes.

## Systematic approach to pathways, data and integrated assessment

- HLC will define the scope of the systems relevant to institutions, including student interactions with the institution; regulations and financing that link education institutions to governments, licensure and certification requirements set by professional and trade associations; and education and skill demands expressed by employers.
- HLC will evaluate how well credential pathways for stakeholders are identified. Pathways are a sequence of credentials that can be accumulated over time and move an individual incrementally along a credential and career pathway or up an industry-recognized career ladder. The stackable credential pathway should be dynamic, flexible, conceptually aligned and built to efficiently progress to a designated outcome.
- HLC will assess institutions’ academic pathways to ensure they encompass the entire student process: access, retention, completion and obtaining employment.
- HLC will evaluate institutions’ data exchange with its stakeholders, with weaknesses and areas for strengthening identified, and be in alignment with the institution’s strategic plan. An evaluation plan will demonstrate the effectiveness of these data exchange systems.
- HLC will identify how students, families, professional associations and employers provide input on a systematic basis and maintain a voice regarding short-term, sub-degree credentials. This

important sector's voice will be integrated into the decisions regarding all credentials including degrees and microcredentials.

- HLC will continuously adapt the current model for comprehensive training of peer reviewers to allow for a broader inclusive approach that has a different paradigm. This must include more diversity of peer reviewers with an expanded body of knowledge for individuals that includes system analysis and data analytics, and the entire body of knowledge. The evaluation team must match and align with the higher education institution being assessed.
- HLC will continuously adapt its Criteria for Accreditation in accordance with a future-focused approach to student intent, the landscape of workforce credentials, emerging practices, and technologies/workforce programs.

## **APPENDIX B: FIVE PRIORITY CHALLENGES FOR HLC**

### **Equity and inclusion**

Growing income inequality and increasing social stratification are conditions colleges and universities can help alleviate, but which they often inadvertently aggravate. Students from the top 1 percent of family income are 77 times more likely to attend an Ivy-plus institution than those from the poorest quintile of families. In addition, colleges and universities need to support inclusion across race, time commitment, and age. In all but a small handful of states, a decline in the number of high school graduates is projected. Students graduating from high schools are increasingly from families that are more ethnically diverse, have fewer economic means, and have less experience with the academic enterprise. Colleges and universities will need these and working adult students to enroll to remain sustainable, but these students need more help than is traditionally offered.

### **Integrated educational system design**

Only 13% of students who enrolled in community colleges in 2010 persisted to a bachelor's degree by 2016.<sup>24</sup> Reducing obstacles to transferring credits could improve outcomes significantly while

reducing taxpayer and student costs. The General Accountability Office has found that “students who transferred from 2004 to 2009 lost, on average, an estimated 43 percent of their credits.”<sup>25</sup> In addition, many students arrive at higher education institutions less prepared than expected. High schools, community colleges and universities must communicate with one another to integrate their educational enterprises.

### **New business models**

Changing demands in higher education services due to shifting demographics (e.g., numbers of high school graduates, age), employer demands, public expectations and trust, and greater fiscal constraints are challenging the rationale for—and sustainability of—“business as usual” financing models for higher education institutions. Higher education institutions need a heightened focus on how resources are distributed to serve student needs. Institutional accreditors must consider financing, including new business models, within their view of sustainable institutions.

### **Societal responsibility**

Colleges and universities have a societal responsibility to act in the best interests of their environment, students, employers, the public and society while holding themselves accountable to these stakeholders. Higher education should achieve a balance between business outcomes and benefits to society and environment in responding to constituents. Areas that must be reviewed systematically and continuously include relevancy, quality of life, obtaining good-paying jobs, lifelong learning, affordability, quality of learning, equity, a contributing citizen, and mobility.<sup>26</sup>

### **Non-degree credentials**

The American credentialing system—at all degree and certification levels—has become increasingly complex due to the variety of credentials offered by diverse providers. The learn-and-work ecosystem is comprised of many different organizations that shape and determine the requirements of credentials such as federal and state governments, higher

<sup>24</sup> National Student Clearinghouse Research Center, Signature Report: Tracking Transfer: Measures of Effectiveness in Helping Community College Students to Complete Bachelor's Degrees. September 2017

<sup>25</sup> GAO Report – GAO-17-574, Higher Education: Students Information to Help Reduce Challenges in Transferring College Credits, September 13, 2017

<sup>26</sup> [https://www.amazon.com/Great-Upheaval-Educations-Present-Uncertain/dp/1421442574/?ref=sr\\_1\\_1?crd=3RMWYXJBXOZU7&keywords=arthur+levine+books&qid=1639554206&sprex=arthur+levine%2Caps%2C199&sr=8-1](https://www.amazon.com/Great-Upheaval-Educations-Present-Uncertain/dp/1421442574/?ref=sr_1_1?crd=3RMWYXJBXOZU7&keywords=arthur+levine+books&qid=1639554206&sprex=arthur+levine%2Caps%2C199&sr=8-1)



education institutions, and business and industry. In 2021, Credential Engine identified 967,734 unique credentials in the U.S. awarded from postsecondary institutions, certification and state licensure bodies, massive open online course providers (MOOCs), foreign universities, non-academic providers, apprenticeships and secondary schools. As Levine and Van Pelt advise us, “We don’t need a Ouija board to speculate on the future of higher education. We can see it unfold before our eyes in work of new

education providers outside higher education, the founding of new colleges, and the innovations that troubled and adult-serving institutions are adopting.”<sup>27</sup>

The accrediting community has a critical role in leading a coherent change in the ways higher education institutions transform themselves for an emerging future—a difficult but inevitable process.

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27 [“The Future of Higher Ed Is Occurring at the Margins”](#) in Inside Higher Education (October 4, 2021)



# Reactions From Stakeholders

*By Paul L. Gaston, Trustees Professor Emeritus, Kent State University and Consultant to Lumina Foundation*

## WHAT THEMES ARE PRESENT ACROSS THE PAPERS?

1. The complexity of today's postsecondary environment represents a quality assurance challenge for accreditation. The increasing number of credentials and the proliferation of providers creates a challenge for students, advisors and administrators. Both challenges have been exacerbated by the pandemic.
2. The principal "drivers for change" have in common their urgency; they are important and must be addressed.
3. If HLC (or any other former "regional" accreditor) is to accept responsibility for assuring the quality of credentials other than degrees and certificates, it must adopt a viable business plan to support its expanded oversight.
4. HLC appears uniquely well positioned to offer leadership. The "key role" it can play to some extent represents an expansion of HLC's historic leadership with regard to seeking clear learning objectives of all institutions and corresponding assessment of effectiveness.
5. In addition to quality assurance, HLC oversight with respect to nontraditional credentials would provide valuable support to institutions as they navigate new combinations of credentials, potential collaborators, and students with expanded needs and interests.
6. Collaborations are no longer attractive possibilities; they are necessities. "Institutions can no longer function effectively in silos or in isolation. Institutions are part of a larger context of stakeholders and a dynamic ecosystem" (Drivers for Change).

## WHAT WAS THE MOST PROVOCATIVE RECOMMENDATION? WHY?

1. HLC has alternatives so far as strategic direction in this regard is concerned. (See the options listed in Section 3 of "Changing Credential Landscape") The importance of taking a "systems approach" is expressed or implied in both documents. Alternate strategies may not be mutually exclusive. Some combination might be preferable to the choice of a single approach. But any choice should reflect a thorough and broadly consultative needs assessment.
2. In any expansion of its oversight to include nontraditional credentials, the HLC would presumably be "offering a national service to a national audience."

## BASED ON THE RECOMMENDATIONS, WHAT SHOULD HLC START DOING WITHIN THE NEXT SIX MONTHS? WITHIN THE NEXT YEAR?

1. Survey its members to determine interest in and support for an expanded role for HLC in providing quality assurance and in offering informative guidance to institutions and students.
2. Explore the relative advantages of the alternate business plans.
3. Consider the level of expansion required for pursuit of the action principles listed in Appendix A of "Drivers for Change."



# Questions for HLC

## **UNPRECEDENTED OPPORTUNITY, EXTRAORDINARY RISK: HLC IN A CHANGING CREDENTIALS LANDSCAPE**

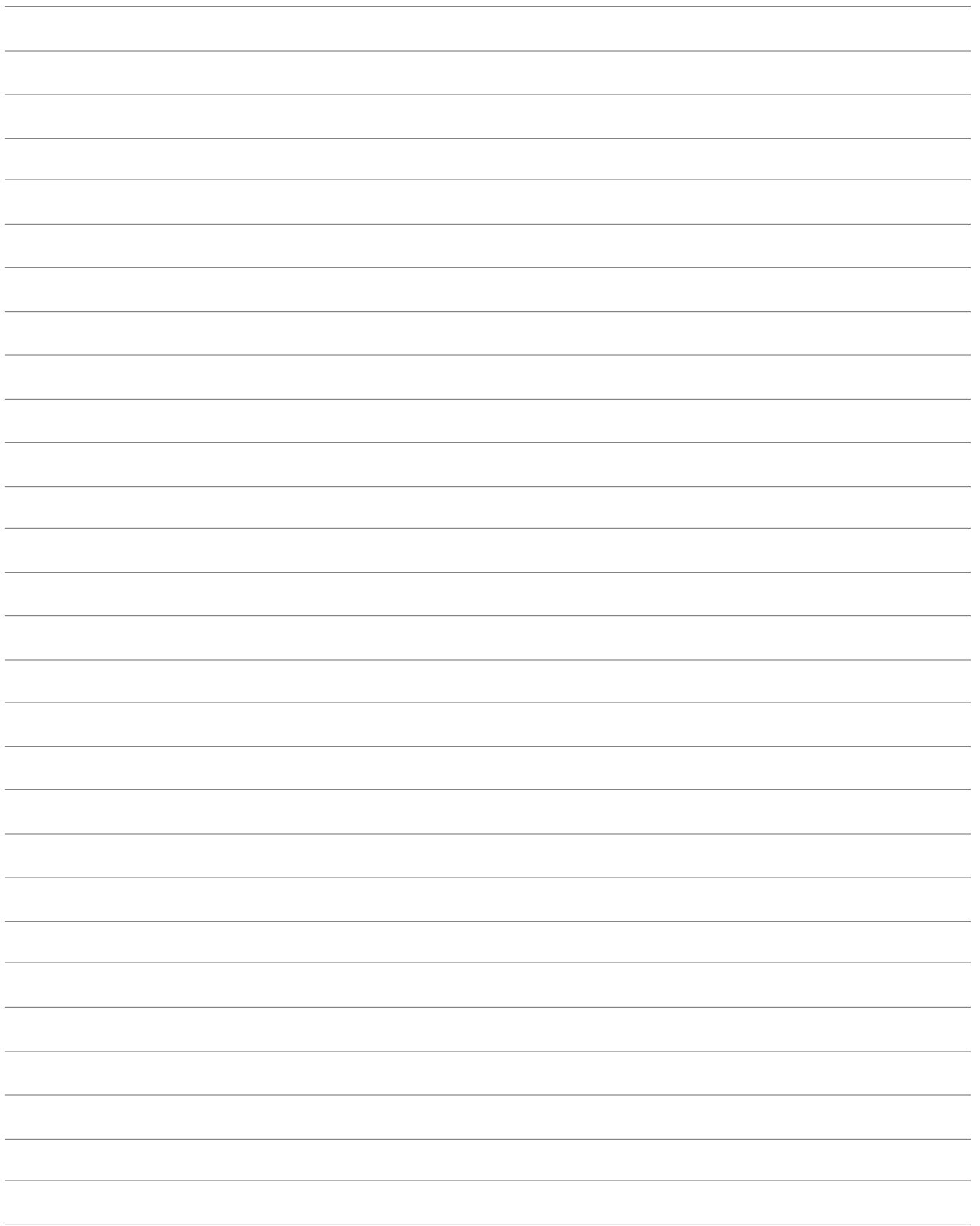
1. How does higher education help today's credential-seekers, who are more likely than ever to get lost, lose money, miss opportunities and fail to reach their fullest potential navigate the vast, complex marketplace of credentials? What is HLC's role?
2. Can a credential be valuable in various contexts? Can a credential serve as a stepping stone to further credentials?
3. While access, cost and invested time are important components of credential choice, what ultimately should matter to the student? What will be the value of that credential across the ROI dimensions?
4. Employers want to be able to evaluate the value of a specific credential for a specific position in the company. How do credential providers provide information about the quality of the provider, the quality of the credential, and the skills and competencies developed through the credential pathway?
5. Institutions must consider the labor-market currency of the credential, the skills and competencies gained, and alignment of those skills and competencies with the institution's existing degree pathways. How do institutions figure out how to provide high-quality content and staffing for any new non-degree programs they develop?
6. Accreditors can begin by addressing the needs of their existing constituents—the institutions that they already accredit. What are their emerging needs? Which non-degree credentials do they find themselves outsourcing? Do they offer degrees that utilize non-degree credentials? Which of these credentials have not yet fallen under the purview of the accreditor? What would be helpful for the institution to know to evaluate a credential before incorporating it into a degree pathway? What do institutions need to demonstrate to accreditors to include the validation of a non-degree credential within the realm of their institutional accreditation?
7. As accreditors seek to expand quality assurance to cover non-degree credentials, and given that the value of a non-degree credential lies largely in the employer marketplace, how do accreditors enter the realm of quality assurance with employers to understand and define both quality and value?
8. Would an expansion of the HLC charge to include quality assurance of non-degree and non-credit programs be appropriate in light of HLC's history and consistent with its recognition by the U.S. Department of Education? Would such an expansion be well received—by its own members, to begin with, but also by non-member providers whose non-degree credentials might come under scrutiny and by the public? Would such an expansion, if deemed desirable, be feasible?
9. What types of evaluative criteria of credentials promise tangible benefits to prospective students?
10. How should evaluative information about short-term credentials be distributed?
11. How should the costs versus benefits of particular marketing strategies be measured and evaluated?

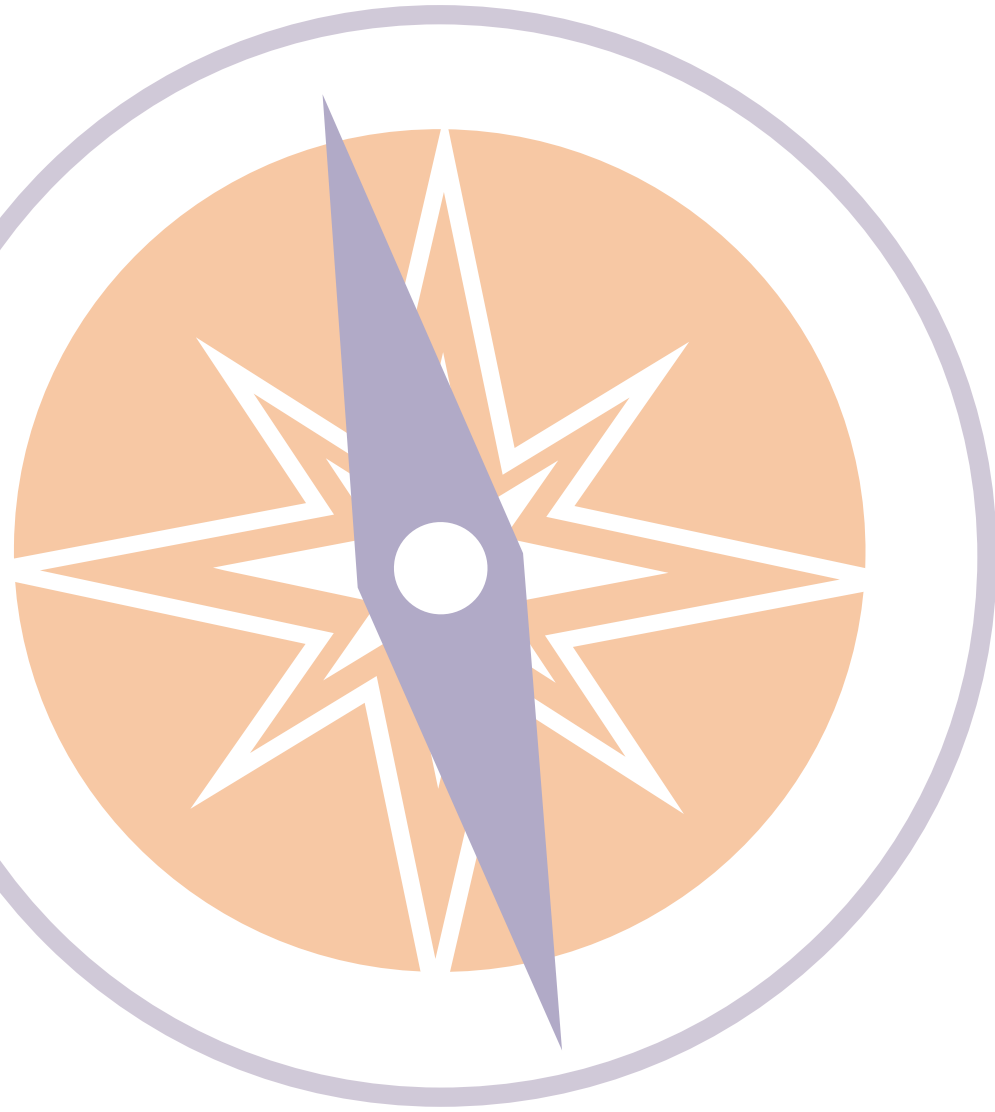
## **INSTITUTIONAL ACCREDITATION AT THE CROSSROADS: DRIVERS FOR CHANGE**

- 1.** Can/should accrediting bodies ensure that the learning environment is built for student success and produces individuals who can contribute to an inclusive, productive society?
- 2.** Can HLC work with its membership to look outside the walls of their institutions to survey, recognize, collaborate on, and incorporate new pathways to attain workforce and academic preparedness?
- 3.** Should HLC address the democratization of multiple credential entry points, progression through various credentials including degrees, and perceived relevance of current quality assurance and accreditation considerations?
- 4.** Could HLC include as part of its reviews, credential pathways and the resulting well-paying jobs as a key part of the accreditors' role in assessing postsecondary quality, which is important to learners and other stakeholders?
- 5.** Given the decentralized, complex credentialing ecosystem, should HLC play a strategic leadership role in broadening and expanding their focus on strengthening transferability for learners?
- 6.** Could HLC play a role in championing open practices at institutions regarding things like transfer, thereby assisting in the recognition of and removal of these barriers, and consequently "opening" these traditionally closed systems?
- 7.** Should HLC encourage the creation of feedback systems for institutions to ensure immediate and timely responses as industries and employability change?
- 8.** Should HLC expand its Peer Corps to include on-demand expertise that would include non-credit and other credentials offered outside the higher education system?
- 9.** Should HLC shift its "peer review" system to one of "learning review"?









HIGHER LEARNING COMMISSION