

**HIGHER EDUCATION IN TRANSITION:
ASSURING QUALITY IN A TIME OF CHANGE**

Submitted for: Action

Summary: In April 2004, members of the Illinois Board of Higher Education requested an agenda item to frame discussion of recent trends in new program requests under the Private College Act and Academic Degree Act. This item responds to that request by: 1) reviewing earlier Board action relating to the quality of distance learning; 2) identifying benefits and challenges presented by what many higher education policy analysts term the “unbundling” of higher education services; and 3) suggesting next steps for the Board to help protect the quality and integrity of educational services in an environment of rapid innovation and change.

Action Requested: That the Illinois Board of Higher Education direct staff to develop a charge to a committee to consider issues of program quality and integrity at Illinois colleges and universities.

STATE OF ILLINOIS
BOARD OF HIGHER EDUCATION

**HIGHER EDUCATION IN TRANSITION:
ASSURING QUALITY IN A TIME OF CHANGE**

Highlights

Key highlights of this item are noted below:

- The movement of the U.S. from a manufacturing to service sector economy is changing public demands and expectations of higher education.
- Higher education policy-making bodies have redefined the mission of public higher education to involve serving the *majority* of the population, rather than the once traditional twenty percent.
- Working adult students are moving from “just-in-case” higher education to “just-in-time” and “just-for-me” education. Both public and private institutions are striving to meet these new demands through “on-line and “distributed learning” opportunities.
- Private for-profit institutions are expanding the capacity of higher education at a time when traditional higher education would be strained to meet demand.
- Both public and private higher education institutions are “unbundling” educational services to capture differing economies of scale for various functions of administrative services, instructional services and even instruction.
- Private for-profits are very “nimble” organizationally, can respond quickly to certain needs, and are therefore well positioned to prepare students for many professional and business-related positions - especially those in knowledge fields where technology is developing very rapidly. In contrast, public institutions and private not-for-profit institutions are constrained by institutional mission and conservative governance structures.
- Differing institutional constraints and incentives are driving apart degree models and disrupting the balance and symmetry of degree offerings across coexisting sectors. One result is that students are likely to have increasing difficulty transferring credits across sectors. Another is that state regulators and accreditors are losing the clear standards of common practice, rooted in academic tradition, that have long provided the present basis for rational oversight.
- Higher education should consider a more client-centered approach to problems of program development and approval, and consumer protection.

Introduction

This report responds to a request from members of the Illinois Board of Higher Education for an agenda item to frame discussion of recent trends in new program requests under the Private College Act and the Academic Degree Act. Recent requests considered by the Board have included proposals from out-of-state public or private institutions for baccalaureate and doctoral level programs that would in various ways “leverage” facilities, faculties, or other educational services at public community colleges, while offering core instruction from remote locations.

Although the Board has expressed confidence in the quality of those programs it has approved to date, members also have expressed concern that arrangements of this type have the potential to erode the quality of baccalaureate and graduate-level degree offerings - by diffusing academic control and removing students, particularly those engaged in doctoral studies, from the traditional community of scholars found on established graduate school or university campuses.

The Board has posed the question, “Where are these developments taking us?” It is a premise of this report that these and several other developments of recent interest to the Board are symptomatic of a move to restructure higher education to capture benefits and efficiencies made possible by advancing technology. In the public sector, such restructuring has tended to occur within established institutions, and has clearly resulted in higher quality programs and greater efficiency in the delivery of educational services. In the private sector, restructuring is changing the very face and character of some higher education institutions through corporate acquisitions, outsourcing of educational services and strategic partnerships. A positive result in all sectors has been greatly increased opportunities for Illinois students to obtain an education that is convenient and targeted to their needs. An area for concern is the challenge these changes pose to established systems for quality assurance and transfer.

This item reviews earlier Board action relating to the quality of distance learning; explores the benefits and challenges presented by what many higher education policy analysts now term the “unbundling” of higher education services; and suggests possible next steps for the Board to help protect the quality and integrity of educational services in this environment of rapid innovation and change.

Background/History

The Illinois Board of Higher Education was early in recognizing the benefits and challenges digital technologies would present for higher education, and addressing issues of quality assurance for distance learning programs. In May 1996, a board discussion item explored the long-term impact of “distance learning” technologies on higher education, concluding in part:

In a variety of contexts, the effects of emerging technologies on higher education will be to redefine boundaries, and blur previously sacrosanct distinctions among established institutions. The university that grants a degree may not be the institution that has provided the balance of instruction. The research library accessed by a student who is completing a thesis may be entirely independent from the institution housing the faculty advisor. The grade and credit for a

course may not be granted by the instructor who provides the instruction, but by an entity that specializes in assessment for advanced placement.¹

Following on the 1996 report, the Board adopted a series of recommendations, resolutions and endorsements addressing issues of quality and consumer protection presented by Internet-based institutions and programs:

- In July 1997, the Board adopted into policy specific criteria to guide approval and review of distance learning programs.²
- In July 1998, the Board endorsed a plan for developing an Internet-based consumer information system to help students and other consumers assess the legitimacy of Internet-based degree programs originating from outside the state.³
- In June 2001, the Board received a report detailing approval standards for traditional and distance-learning institutions⁴ that specifically addressed how existing criteria supported efforts to assure that off-campus and distance learning programs would meet standards equivalent to those maintained by traditional Illinois degree-granting institutions.
- Finally, in April 2002, “Review of Program Review Statutes: The Private College Act and the Academic Degree Act” reviewed jurisdictional limitations of private college regulatory statutes and considered proposals to strengthen them.⁵ In connection with this item, the Board endorsed the enactment of legislation that would prohibit the use of fake degrees in the state of Illinois.

During this same period, Dennis Jones of the National Center for Education Management Systems and other higher education policy analysts began referring to higher education’s anticipated transformation as the “unbundling” of higher education services. This concept of unbundling was imported from the business world, where there was growing recognition that different business functions had different economies of scale – and companies began strategically restructuring themselves to capture these economies.⁶

Addressing the Illinois Board of Higher Education in July 1998, Jones noted that the unbundling of institutional functions at colleges and universities was already changing the role of higher education institutions. Courseware being developed by major private firms and content

¹ Distance Education: A Discussion Paper. Staff report to Illinois Board of Higher Education. Report to the Illinois Board of Higher Education. May 7, 1996.

² Proposed New Approval Criteria for Distance Learning Programs. Item #7. Report to the Illinois Board of Higher Education. March 4, 1998.

³ An Internet-Based Higher Education Consumer Information System. Item #8. Report to Illinois Board of Higher Education. July 7, 1998.

⁴ Program Approval Standards and the Challenge of Distance Learning” Item #6. June 2001. Report to IBHE. June 2001.

⁵ Review of Program Review Statutes: The Private College Act and the Academic Degree Act. Report to the Illinois Board of Higher Education. April 2002.

⁶ In *Unbundling the Corporation*, John Hagel III and Marc Singer report: “When you look beneath the surface of most companies, you find three kinds of businesses - a customer relationship business, a product innovation business, and an infrastructure business. Although organizationally intertwined, these businesses are actually very different. They each play a unique role; they each employ different types of people, and they each have different economic, competitive, and even cultural imperatives.” *Harvard Business Review*. March 1, 1999..

delivered over the Internet (and through other mediated delivery systems) had vastly increased the availability of educational services, so that:

In some states, this is changing from the notion of a service area to a responsibility area. You aren't necessarily the institution that's going to serve all those students, but you are responsible as the local public institution for ensuring that they do get served. That's a very different set of responsibilities for the local institution, and it has interesting implications for what a state board does.⁷

The Unbundling of Higher Education Services

Today most educators have left behind early concerns about the efficacy of "distance learning" programs, as research increasingly shows the equivalency or superiority of "distributed learning" systems over traditional methods of teaching.⁸ A majority of academic leaders (57 percent) now believe that the learning outcomes for online education are equal to or superior to those of face-to-face instruction.⁹ Nearly every state in the U.S. is now engaged in some kind of virtual university initiative,¹⁰ and "distance learning" technologies have been incorporated into the mainstream curriculum at residential colleges to improve the quality and responsiveness of established programs. The University of Illinois at Urbana-Champaign (UIUC) now views distance learning as part of its central mission to serve the people of the state of Illinois, as part of the core values of the institution.¹¹

Nationally, the conversation is now turning from the quality of distributed learning to the effect the movement to client-centered learning is having on the role and structure of institutions and degree programs. The unbundling of higher education services has already changed the way higher education does business. Higher education has become more efficient with the restructuring of administrative services to reflect new economies of scale for various functions. The evidence is seen in on-line catalogs and records management systems, and some enrollment services, including on-line applications for admissions and course registration. Instructional services, too, are now being outsourced or networked in ways that permit greater efficiency and sometimes reduce costs. Student access to library services has been vastly increased by library networks such as Illinet-Online and the Illinois Digital Academic Library. These developments have markedly improved the efficiency of most institutions, while simultaneously enhancing the quality of the educational experience for students.

The unbundling of instruction itself is having profound effects. This movement has broadened educational access by providing distributed learning opportunities to many who were

⁷ Minutes of the July 7, 1998 meeting of the Illinois Board of Higher Education.

⁸ This paper will employ the following definition of distributed learning offered by Margaret Hadley in 2002: "Distributed learning is an educational model that integrates characteristics of campus-based, open learning, distance education, and institutional support systems with appropriate technologies and resources, in the development and delivery of flexible, customizable, high quality, cost effective curriculum and support methods that are interactive and learner-centered in order to meet the needs of learners."

⁹ Allen, I.E. and Seaman, J. (2002, 2003). *Sizing the Opportunity: The Quality and Extent of Online Education in the United States*. Sloan Consortium, The 2003.

¹⁰ Twigg, C. A. (2003). *Expanding Access to Learning: The Role of Virtual Universities*. Center for Academic Transformation at Rensselaer Polytechnic Institute. The Pew Learning and Technology Program.

¹¹ Twigg, C. A. (2001). *Quality Assurance for Whom? Providers and Consumers in Today's Distributed Learning Environment*. Center for Academic Transformation at Rensselaer Polytechnic Institute. The Pew Learning and Technology Program. 2001.

previously unable to benefit from higher education. On-line (and video) access has opened higher education to place-bound students, including a fast growing student base of working professionals with a need for just-in-time training, professional master's degrees or advanced professional certifications.

The open access is timely. Since 1991 alone, the number of skilled workers in the U.S. Workforce has increased from 45% to 65%.¹² These numbers reflect dramatic change in the composition of the U.S. labor force, and a shift from unskilled manufacturing jobs to skilled service sector jobs.

As new types of students have entered on-campus programs or virtual colleges and universities with new needs and demands, they have changed public expectations about the role of these institutions. Higher education policy-making bodies have now effectively redefined the mission of higher education, and now express their objectives in terms of serving the *majority* of the population, rather than the once traditional twenty percent. With this expanding mission, there has been a shift in focus of higher education to workforce preparation, and a corresponding increase in applied and “professional” degree programs.

“We are beginning to see a shift in demand from the current style of ‘just-in-case’ education ... to ‘just-for-you’ education in which educational programs are carefully tailored to meet the specific lifelong learning requirements of particular students.”

**James J. Duderstadt, President
Emeritus University of Michigan**

The shift in population served has also changed patterns of enrollment. Howell et. al. observe that today's students, unlike previous generations, are interested in qualifications from “small modules and short programs,” and in learning that can be “fitted around work and other obligations.”¹³ Johnstone et al. note that even “traditional, on-campus students now choose online classes that fit their schedules and preferences, regardless of whether the course is offered by the campus from which they expect to earn a degree.”

Clifford Adelman of the U.S. Department of Education has documented an increasing tendency for students to attend two or more colleges in the course of their undergraduate careers – with an estimated 60% of undergraduates now attending two, three, or more institutions. Moreover, Adelman noted a tendency of students to follow nonlinear patterns of transfer, moving back and forth from two- to four-year colleges.¹⁴ According to Judith S. Eaton, President of the Council of Higher Education Accreditation, the result is significant for accreditors:

The college degree...is coming to represent a different type of experience: the completion of an idiosyncratic amalgam of educational experiences selected by the student from a number of unrelated institutions and delivered by a mix of technological as well as physical means.¹⁵

¹² Klor de Alva, J. (1999). *Higher Education and its Millennial Predicament*. Paper presented to The League for Innovation in the Community College. Conference on Information Technology.

¹³ Howell, S.L.; Williams, P. B.; and Lindsay, N. K. (2003). *Thirty-two Trends Affecting Distance Education: An Informed Foundation for Strategic Planning*. (quoting Bates).

¹⁴ Adelman, C. (2004). *Principal Indicators of Student Academic Histories in Postsecondary Education, 1972-2000*. Washington, DC: U.S. Department of Education, Institute of Education Sciences

¹⁵ Eaton, J. S. (2001). *Maintaining the Delicate Balance: Distance Learning, Higher Education Accreditation, and the Politics of Self-Regulation*. Center for Policy Analysis. American Council on Education. 2002

These developments provide challenges for programs, institutions, accrediting bodies, and state regulators and policymakers, who have long employed the degree program as a unit of analysis with which to assess institutional quality and effectiveness.

Unbundling Instruction

Although the unbundling of instruction has accelerated with the advance of digital technologies, in fact, higher education has been unbundling for many years. The development by states of public community college systems reflected early recognition that pyramidal demand structures for degrees were well served by institutions that could focus specifically on delivery of lower division coursework. The development of the baccalaureate transfer model (and the establishment of public capstone universities in Illinois) represented the early unbundling of undergraduate education into institutions and faculties specializing in lower and upper division course delivery.

With its lower-division focus, the community college system was also an early responder to education's expanded mission to prepare students for the workplace, and this emphasis positions the sector to serve today's growing population of learners seeking *a la carte* educational offerings to support workforce needs. The Master Plan of Illinois Higher Education lists the following basic missions for community colleges:

- To provide baccalaureate transfer courses and degrees to qualify students to transfer to a baccalaureate degree program.
- To provide occupational, vocational, technical, and semi-technical programs leading to the Associate in Applied Science degree or a certificate designed to qualify students for employment or the upgrading of employment.
- To provide remedial and adult basic and secondary education programs designed to prepare individuals for further education; and
- To provide credit and non-credit public and community service activities designed to meet the needs of individuals, organizations, commerce, and industry within the district. In the provision of public and community service activities, community colleges should avoid duplicating or assuming responsibility that falls within the scope of other institutions, agencies, or organizations.

Public community college missions support the development of distributed learning systems, and the sector's high level of on-line course offerings reflect this predisposition. The basic missions of community colleges also support and encourage transfer to senior institutions of all kinds, with or without formal articulation agreements.

Undergraduate instruction. With the growth in short-term certifications and just-in-time training, there is an obvious market for flexible degree programming that will take into account learning achieved by students through such efforts, address individual gaps in general education, and provide additional advanced education and training leading to a degree. As a growing number of A.A.S. degrees build on certifications and short certificate programs, so too are baccalaureate and graduate programs beginning to build on units of instruction previously completed by students.

Through transfer policies, public and private senior institutions may build programs on and around existing units of instruction offered at a local community college. Such arrangements need not be confined to the traditional baccalaureate transfer model. For example, the demand for advanced technical education has led some baccalaureate level institutions to design curricula that articulate with specific A.A.S. degree programs.¹⁶ Programs building on the A.A.S. tend to require some backtracking on the part of students. To fulfill course requirements for the B.S. or B.A. degree, A.A.S. transfer students must complete additional lower and upper division general education coursework (usually termed “bridge courses”) as well as advanced coursework required for the major. These models generally require students to complete extra coursework beyond the 120 credit hour minimum required for the baccalaureate, extending students’ time-to-degree by as much as a full year.

To serve students seeking the baccalaureate degree in preparation for immediate employment, some institutions (primarily those that are nationally, rather than regionally accredited) have begun offering the Bachelor of Applied Science (B.A.S.) degree – a degree designation that permits greater focus on technical coursework and permits more liberal transfer of applied lower division coursework, tending to allow earlier degree completion. The trade-off for this convenience is that B.A.S. degree recipients will experience restrictions on the acceptance of this credential by graduate schools and some (usually non-business) employers. These students may later regret the bargain, and an array of nationally accredited master’s degree programs has emerged to provide these learners with opportunities for advanced professional education.

Graduate Instruction. Graduate education appears to be a new growth area of demand for distributed higher education opportunities. Here again, it appears that much growth is in enrollments by working adults who are interested in advancing within their profession. The Chronicle of Higher Education Almanac reports that over one-third of students now intend to obtain a master’s degree. With the baccalaureate degree now considered an entry-level credential for employment, the need to retrain adult professionals for new careers is driving demand for just-in-time graduate education for working adults. Distributed learning is especially attractive for these learners: it is convenient, particularly effective for motivated adults, and permits the assembly of learning “communities” of specialists who might be separated geographically precisely because of their professions.

“We are seeing more interest in graduate level programs from adult learners. The graduate degrees require fewer courses and the students tend to be professionals in search of further education.”

SIU-Carbondale response to Illinois Virtual Campus (IVC) survey

Both public and private institutions are striving to meet new demands through on-line and distributed graduate programs with a professional focus. In Illinois, both public and private institutions offer many on-line opportunities for students to complete the M.B.A., although such offerings are most visible in the private-for-profit sector, which markets nationally from Illinois and other states, and targets working adults who tend to find its rolling admissions attractive.

Distributed graduate degree programs tend to be professionally focused (sometimes termed “Executive”) programs that are designed to serve the workforce outside and not inside

¹⁶ Eastern Illinois University has a comprehensive on-line “2+2” Transfer Guide that specifically details required upper division and bridge coursework leading to the B.S. or B.A. in several applied fields, based on articulation agreements with nine area community colleges. Most degree programs require that A.A.S. recipients earn a significant number of additional lower division credits to obtain the B.S. or B.A. degree.

higher education. Professionally focused degrees find broad acceptance by employers, and those offered primarily on-line open access to many working adults who would otherwise be unable to further their education. (A University of Phoenix survey conducted in 1998 found that 48% percent of online graduate students said they could not have completed their education were it not for that institution's program.) On-line masters programs in all sectors are now earning recognition among employers for effectiveness. For example, addressing the effectiveness of such degrees, a commissioned study released by Walden University found that achievement of students of teachers graduated from Walden University's M.S. in Education with a specialization in reading and literacy, equaled or exceeded the achievement of students of teachers who completed a traditional on-campus master's degree program.

Unbundling By Sector

Higher education institutions' growth and development are guided by institutional mission, the requirements of regulatory and accrediting organizations, and financial structure. This has resulted in a visible tendency of institutions to unbundle (or rebundle) unevenly by sector in ways that appeal to students with particular needs. For example, corporate for-profit institutions that have unbundled curriculum development are "nimble" in the sense that they can move quickly to develop and disseminate new programs. This provides them with a strong competitive advantage in the marketplace of employed professionals, and the demands of these learners tend to further drive and shape development of this sector's programming.

A positive result of this trend is the increased diversity of educational opportunities that is now available to Illinois students. The values of student access and choice are now served not just by an array of institutions, but by an expanding array of courses, programs, facilities, and delivery services that permit choice of time, place and pace of instruction.

Accompanying these opportunities, of course, are challenges. As institutional constraints and incentives drive apart degree models, this trend disrupts the balance and once near-perfect symmetry of degree offerings across coexisting sectors. The implications for coordination and consumer protection are significant. To frame discussion of these issues, it is useful to review in a general way the missions and tendencies of public and private senior institutions.

"There are advantages that result from the presence in our society of both public and nonpublic institutions: diversity among institutions has made and is making distinctive contributions to social progress, providing a wide range of educational opportunity for varied individual needs."

1962 Master Plan for Higher Education in Illinois

Public universities. Public university missions have a somewhat regional focus and tend to emphasize responsibility for offering baccalaureate and graduate education to traditional age students. This sector has strong faculty structures organized around programs, with responsibility for curriculum development. Accordingly, the unbundling of instruction tends to occur within existing program structures so that program faculty are enhancing their own effectiveness with course management tools such as Blackboard, E-College, etc., putting syllabi and course materials on-line. This form of "unbundling" frees faculty for other duties such as research, student advising – and of course, helping to translate course content to on-line formats. Public universities are leaders in developing on-line courses.¹⁷ These tend to mirror on-campus offerings and typically remain within the academic control of existing programs.

¹⁷ Allen and Seaman (2002 and 2003), *Sizing the Opportunity*.

Private not-for-profit. Like public universities, most private not-for-profit independents are subject to strong conservative forces (trustees and corporate charters); have established administrative structures developed to serve well-established missions in a campus environment; and also have strong faculty structures organized around programs. While this sector tends to conserve existing organizational structures on-campus, they have been experimenting with the outsourcing of program and curriculum development for high-demand programs like the M.B.A. and M.Ed. using for-profit consultant groups like Canter and Associates. Partnering with such groups to deliver programs that serve an off-campus client base has served to enhance the financial viability of some institutions while preserving the quality of traditional programs and the insularity of traditional campus life for full-time residential students. Collaborative unbundling efforts are beginning to emerge in this sector. For example, the Associated Colleges of the South (ACS) collaboratively developed a Virtual Classics Department” to provide students at participating institutions the opportunity to take courses that most of the colleges would not be able to offer on their own.”¹⁸

Private for-profit. Private for-profit institutions have been quick to develop distributed learning programs targeted to adult learners, with the result that this sector of higher education is showing large increases in enrollments and unprecedented increases in new program requests. (To a more limited extent, private not-for-profit institutions have entered this market, often partnering with for-profit consulting firms who have developed content relevant to particular occupations or careers.) In the private for-profit sector, administrative structures are so fluid as to appear almost amoebic. A clear trend in this sector is the outsourcing to parent corporations of administrative functions, including branding, recruiting and admissions - all activities that yield significant economies of scale when delivered with competent technology. More controversial is the “up-sourcing” of curriculum development to corporate parents or curriculum consultants, with the result that faculty roles are focused more on course delivery than in other sectors, and there is increased reliance on adjunct faculty or employed professionals with mentoring capabilities.

This sector is able to quickly develop programs in response to industry demand – and the sector shows a marked preference for applied and professional programs marketed to working adults.

Challenges for Quality Assurance and Coordination

The picture emerging in 2004 is one of great institutional diversity, unprecedented student access, and choice of a level and kind that was once unimagined. There is much to be celebrated about this diversity of institutions, and there is sound reason behind the division of labor by sector. Private for-profits really are better suited to prepare students for many professional positions, and in the view of some policymakers are expanding the capacity of higher education at a time when traditional higher education would be strained to meet demand. Traditional faculties are not eager to adjust the standard liberal arts and sciences curricula to the immediate practical needs of adult professionals. In turn, working professionals generally cannot afford the opportunity costs of a residential education, and would prefer not to adjust training schedules to the vagaries of the academic calendar.

Similarly, the private not-for-profit sector has much of value to protect in the small residential college, and also has value to offer working adults off-campus, who might prefer but cannot afford a traditional educational experience at their alma mater or neighboring college. For

¹⁸ Twigg, C. A. (2002). *Redefining Community: Small Colleges in the Information Age*. Center for Academic Transformation at Rensselaer Polytechnic Institute. The Pew Learning and Technology Program.

these students, an off-the-shelf, off-campus M.Ed. from a recognized private institution may provide an opportunity for further education that would otherwise be unavailable. For other students, the traditional public university experience is now enhanced by on-line and other distributed learning opportunities. And clearly the increasing availability of on-line public higher education is a welcome convenience for students seeking course sequences or even degrees from recognized public institutions.

The growth in lifelong course-taking behavior is in many ways a validation of higher education's relevance to the lives of adult students. As opportunities arise, there is nothing wrong with students seeking individual courses so as to gain the best and most convenient education available. However, this trend toward unbundling the educational experience has consequences extending to programs, institutions, state governmental agencies, and accreditors - not to mention employers, the U.S. Department of Education, and citizens who rely on credentialed experts.

At the federal level, policymakers have begun the process of examining the impact of unbundling on the quality and integrity of degrees and institutions, and are coming to similar conclusions about problems, if not solutions. Many caution that existing systems of quality control and accountability are unreliable in an environment of unbundled instruction, and that accrediting bodies in particular are ill equipped to address emerging new forms of institutions and "programs".^{19 20}

"The heart of the issue of how quality standards should be applied can be summarized as follows. How do we maintain academic integrity when the educational process is made up of so many pieces?"

Carol A. Twigg (2001)

At present, the U.S. Department of Education relies on two primary systems of quality assurance to assure accountability for federal financial aid programs: accreditation by Department-recognized accrediting bodies (national or regional) and approval or licensure by state regulatory agencies, in states where such agencies exist. But accrediting bodies and state regulatory agencies assess quality primarily at the institutional and/or program level. Regional accreditors focus only on institutional quality assurance, and in doing so review what policy analysts call "inputs". Such inputs include qualified faculty and staff, adequate resources, curriculum oversight by faculty, and similar proxies for quality.²¹ Colleges and universities must have received appropriate state approvals before being considered for accreditation. While some states require no approval, most focus at least some review on the institution and academic programs.

Quality Assurance: The Role of State Approval and Accreditation

In Illinois, state approval is required for new units of instruction offered by public universities. Approval is also required for all private institutions established after 1945, and for all pre-1945 institutions seeking to operate at off-campus locations. Illinois private institutions established after 1961 must also receive authorization from IBHE for each new degree program. For these mostly for-profit institutions, IBHE review is at a level of detail beyond that of the Higher Learning Commission. Institutions that are generally on-ground, but seek approval for a new on-line program will have that program evaluated specifically based on its ability to meet

¹⁹ Eaton (2002), *Maintaining the Delicate Balance*.

²⁰ Johnstone, S. M., Ewell, P. and Paulson, K. (2002). *Student Learning as Academic Currency*.

²¹ These "inputs" may include systems for assessing student's skills and competencies or a general requirement that curricula be designed so that students acquire and demonstrate college level proficiency in general education and essential skills.

program objectives. Institutions do not require new approval to move existing programs or program components on-line, although the impact of changes in delivery mechanisms may be an issue for program review.²²

Most Illinois independent not-for-profit institutions were established prior to 1945, and are therefore grandfathered, or “exempt” under the rules to implement The Private College Act and the Academic Degree Act. These institutions require approval only for off-campus operations and programs, and do not require approval of new programs offerings on-campus.

Both accreditation and IBHE approval processes hold the institution granting a degree responsible for the quality of degrees granted in its name. Both require that institutional transfer policies assure the equivalency of courses received in transfer – so that in theory, all students graduating from a given institution will have equivalent knowledge and skills. A difficulty acknowledged by accreditors and others in higher education is that there is actually little consistency in course names and numbering systems to guide acceptance of transfer credit, making credit assessment a difficult task for receiving institutions. Twigg (2001) notes an additional weakness in the implementation of institutional transfer policies:

Transfer courses are reviewed by the registrar’s office, not by the faculty. The institution exercises very little true oversight. Holding single institutions responsible for the quality of a college degree that is assembled from four or five different institutions is less and less possible.

Acknowledging these difficulties, a growing number of policy leaders are calling for a competency-based system of academic credit that is focused on student learning outcomes. Johnstone et al. note that competencies in the form of student outcomes are not a new concept in higher education. Common instances of portable, achievement-based learning credentials now accepted by a majority of traditional colleges and universities, include College Board College Level Examination (CLEP) course equivalent examinations; the American Council on Education (ACE) examinations for college credit; and prior learning assessments as structured by the Council for Adult and Experiential Learning (CAEL).

More general acceptance of such an approach to the award of credit is not likely without considerable work on the part of institutions and the full cooperation of state governments and policymakers:

In order for institutions to adopt a model based on learning as academic currency, states and systems must simultaneously implement policies and funding formulas that consistently support these objectives. Policy areas of primary concern at the state level include, first and foremost, whether the state or system - and its stakeholders - actively see the value in a system based on learning outcomes. From this basic vision and commitment can emerge appropriate financing mechanisms, reward structures, and student transfer processes and requirements.²³

²² The essential question for program review is whether institutions continue to meet conditions that are substantially equivalent to those of original approval.

²³Johnstone, Ewell, and Paulson (2002). *Student Learning As Academic Currency*.

In fact, several states have developed or are now developing statewide general education requirements around agreed-upon student goals or competencies, and many more are contemplating such a move.²⁴

Consumer Protection. Imperfect transfer information has implications for consumer protection. Problems with over-acceptance of credit affect quality, and may result in the devaluation of the degree as academic currency. This is a problem for employers, institutions who strive to maintain standards, and the graduates of these institutions, all of whom suffer financial or other loss by the proliferation of inflated credentials. But under-acceptance of credit is also a concern. In a world of unbundled programs and institutions, students may be misled into believing course credits will be accepted by an institution that will reject them by policy. This situation is common when students complete coursework at nationally accredited institutions and attempt to transfer this credit to a regionally accredited school (and is one troubling consequence of parallel educational systems that are developing within silos). A move to a competency-based system for the award of academic credit would help to assure that students who have acquired the knowledge and skills necessary for academic advancement will not be held back solely because of a college's accreditation.

Many consumer protection problems arise because students have inadequate information, and a system of unbundled programs greatly increases the chances for student misunderstandings, even as it confounds established regulatory systems. In this case, the answer would appear to be a competent consumer information system to provide students, employers, and others with accurate information about courses, programs and institutions.

Coordination. As learners approach institutions for course credits rather than programs, a number of coordination problems will arise. Any “disconnect” between institutional mission and student expectations and attendance patterns may confound established formulas employed for planning and accountability, make planning and budgeting difficult, and create the appearance of failure by institutions that are consistently delivering high quality services. As public institutions have observed, the tendency of for-profit institutions to serve certain niche markets may in time leave public institutions with responsibility for more high cost operations, without opportunities for cost recovery that were once provided by certain programs and courses.

Moreover, as students cross from one sector of education to another it is a given that expectations will increase for convenient, “client-centered” learning opportunities, and that students' demand will create pressure on traditional institutions to behave like less traditional ones. Thus, there is concern that while the short-term effect of unbundling may be to provide diversity of institutions and programs across sectors, the long-term effect will be something quite different. Newman (2001) summarized concerns of traditional institutions:

As the new competitors get stronger, many traditional institutions will feel compelled to emulate their narrow focus and compromise their historic functions. Will the academy drift toward the mean, toward a universe of relative sameness, or will the growing competition expand the array of differing alternatives, creating institutions more skilled at serving students with different needs and at different times in their lives?²⁵

²⁴ Ibid.

²⁵ Newman, F. (2000). *Saving Higher Education's Soul*. The Futures Project: Policy for Higher Education in a Changing World.

In the September 2004 issue of *University Business*, David Sumler makes a similar observation, informed by current trends in administration and budget:

Given the expense of unbundling the institutional functions related to administration and institutional support services, plus the pressures to deconstruct the functions related to instruction, it becomes clear that not every college and university can afford to create or develop these services on their own...With the utilization of vendors for essential administrative and even instructional services, the use of consortia to provide student services, and the use of contracted faculty (scattered across the globe) to develop and teach online courses, the “campus” loses the characteristics of a social and cultural community and acquires those of a large entrepreneurial corporation.²⁶

It is as yet unclear to what extent traditional higher education can be the author of its own destiny in the current climate of fiscal constraints and high demand for educational services. In the immediate term, there are identifiable problems that can and should be addressed by state policymakers and those responsible for consumer protection. Following are some problems that arise specifically from cross-sector partnerships and collaborations among institutions, combined with current trends in course-taking behavior of students, leading to the unbundling of academic degrees.

Some problems for consumer protection and coordination:

- Some students don't understand the system, and may make poor choices among legitimate institutions, which trap them in learning silos they will later wish to exit.
- Some students understand the system very well and will shop among opportunities for course credit, seeking not just low price, but the highest credential for the least effort
- Traditional institutions and programs will be increasingly unable to assure the equivalency of transferred course credit from a wide variety of institutions.
- Traditional institutions that are required by mission to retain many costly, bundled services will be asked to meet demands they are not organized to meet effectively. (For example, course sequences independent of the programs for which they are held accountable.)
- Private not-for-profit institutions may come to view off-campus education as an “auxiliary enterprise” for support of on-campus operations, neglecting the quality and integrity of off-campus programs.
- Some private for-profit institutions may become so separated from the higher education mainstream that students will be unable to integrate educational experiences across sectors.
- Accrediting bodies will lose the ability to assure quality and integrity of programs, as the inputs change and students bring widely disparate educational experiences to a degree-granting institution for credentialing.

²⁶ Sumler, D. E. (2004). “Unbundling the Campus.” Viewpoint. *University Business Magazine*.

- State regulators and accreditors will lose the clear standards of common practice, rooted in academic tradition, that provide the present basis for rational oversight.
- Accreditation and state regulatory standards may actually constrain quality improvements and the effective distribution of higher level learning through formal education.

Conclusion and Recommendations for Further Study

Although the movement to client-centered learning and unbundling of institutional functions may take many twists and turns with the development of new technologies, most policy analysts agree that there is a need for a continuing conversation about quality, values, and accountability measures to be conducted at all levels and reaches of higher education. This discussion paper has raised but a few of many issues relating to quality and consumer protection that are presented by the unbundling of institutions and degree programs, and cannot do justice to the major concerns presented by this movement. The Priorities, Productivity and Accountability committee has been convened to review issues of public institutional mission and focus, and it is hoped that this report will contribute information of value to the work of that committee. In addition, to address issues of program quality and integrity, staff recommends that upon conclusion of the PPA Committee's work, the Board:

- Convene a committee to address specifically issues of program integrity, transferability of credit, and cross-sector collaboration.

Staff further suggests a general principle to guide the search for solutions to problems raised by client-based education, which is to begin approaching coordination, approval and consumer protection from a client-based perspective. In keeping with this principle, the Board and its committees might consider the following next steps to assure the quality and integrity of the educational experience for Illinois students:

Coordination

- Increase visibility of IAI transfer and articulation agreements and other agreements between Illinois public and private colleges and universities to help provide students with a clear path to transfer and articulation of course credits across institutions and sectors of higher education.
- Increase public awareness of the Illinois Virtual Campus, which provides students with a range of course and program options from regionally accredited Illinois institutions, test-taking centers and centers for student advisement.

State Approval and Consumer Protection

- Consider a system of program review that begins, not at the institution or program level, but at the student level. Specifically, consider the gathering of information from students across the state of Illinois on their current enrollment status, concerns about institutions in which they are enrolled, and problems experienced with program quality, transfer, and public information.

- Develop or support through grants and other funding mechanisms current efforts and new initiatives that will provide students and other consumers of higher education with accurate information about the quality of institutions and programs.
- Consider enactment of consumer protection legislation that establishes clear legal duties for institutions and clear legal rights for Illinois students if institutions do not fulfill these duties.

Staff recommends adoption of the following resolution:

The Board of Higher Education hereby directs staff to prepare a charge for a committee to consider issues of program quality and integrity to include representatives from all sectors of higher education.

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