

# Decouple Federal Financing from Accreditation

## Heritage Recommendation:

Decouple higher education accreditation from federal student aid.

## Rationale:

Currently, higher education accreditation is a de facto federal enterprise, with federally sanctioned regional and national accrediting agencies being the sole purveyors of accreditation. Student aid can only flow to institutions accredited through the federally approved system. The result has been a system that has created barriers to entry for innovative start-ups by insulating traditional brick-and-mortar colleges and universities from market forces that could reduce costs. The existing accreditation regime has also made it difficult for students to customize their higher education experience to fully reach their earnings and career potential. And because entire institutions are accredited instead of individual courses, accreditation is a poor measure of course quality and a poor indicator of the skills acquired by students.

Decoupling federal financing from accreditation would enable states to determine who can accredit colleges, programs, and individual courses. Allowing federal student aid to follow students under the new state-based accreditation system to any college or course provider that has state approval holds the potential to create a much more nimble and meaningful system of knowledge and skill acquisition, particularly for those who have been underserved, historically, by the traditional college system.

## Additional Reading:

- Lindsey M. Burke and Stuart M. Butler, “Accreditation: Removing the Barrier to Higher Education Reform,” Heritage Foundation *Backgrounders* No. 2728, September 21, 2012, [www.heritage.org/research/reports/2012/09/accreditation-removing-the-barrier-to-higher-education-reform](http://www.heritage.org/research/reports/2012/09/accreditation-removing-the-barrier-to-higher-education-reform).
- Stuart M. Butler, “The Coming Higher-Ed Revolution,” *National Affairs*, No. 10 (Winter 2012), <http://www.nationalaffairs.com/publications/detail/the-coming-higher-ed-revolution>.

## Calculations:

No budget impact is assumed.