May 2023

Accreditation, Affordability, and Accessibility of New Non-Profit Colleges in the United States

Adam Braus
Dominican University of California

https://doi.org/10.33015/dominican.edu/2023.EDU.12

This thesis, written under the direction of the candidate's thesis advisor and approved by the program chair, has been presented to and accepted by the Department of Education in partial fulfillment of the requirements for the degree of Master of Science in Education.

Adam Braus
Candidate

Jennifer Lucko, PhD
Program Chair

Matthew E. Davis, PhD
First Reader

Bradley Van Alstyne
Second Reader

Accreditation, Affordability, and Accessibility of New Non-Profit Colleges in the United States

By

Adam Braus

A culminating thesis, submitted to the faculty of Dominican University of California in partial fulfillment of the requirements for the degree of Master of Science of Education

Dominican University of California

San Rafael, CA

2023

Abstract

Time-series data analysis demonstrates that the number of new colleges has dropped off gradually since its peak in the 1960s, and precipitously after the 1990s. The total number of new colleges is severely depressed, and among new colleges, religious, for-profit, and public colleges have started at a rate of 5x the number of private, secular, and non-profit ones. Interviews with contemporary secular, non-profit college founders and accreditation experts suggest that accreditation is the primary barrier to starting a new college. If we view higher education as an oligopoly or "cold cartel," it explains the gradually falling quality and precipitously rising costs of higher education in the last seventy years. The economic theory of oligopolies suggests that lowering the barriers to entry for non-profit colleges would be an effective solution for solving the crises of quality, affordability, and accessibility facing higher education. Using the theoretical framework of *organized irresponsibility*, the researcher develops an explanation for legacy colleges' and accreditors' lack of responsibility and leadership, resistance to reform, and allegiance to the degrading *status quo*. The researcher uncovers three ways to remove the barriers to qualified professionals starting new colleges: 1) accreditor reform, 2) removing private accreditation from their gatekeeper role for federal Title IV funding and promoting state licensing in its place, or 3) founding new accreditors who will accredit new entrants. Findings suggest that the rigor of state licensing has improved over the last 40 years removing the original impetus to have accreditation in the first place.

Acknowledgments

Thank you to all the folks who agreed to be interviewed about their experiences starting and accrediting colleges. Thank you to Matthew Davis, Ph.D. at Dominican University for your help and encouragement. Thank you to Bradley Van Alstyne, Ph.D. for reading and providing feedback.

Table of Contents

List of Figures

Chapter 1: Introduction

By reviewing time-series data of college founding, we can see that there has been a dramatic drop off in all new colleges since roughly 1970 and an especially significant drop off after 1992.

Figure 1 New colleges in the US by year (years with no new colleges ignored)

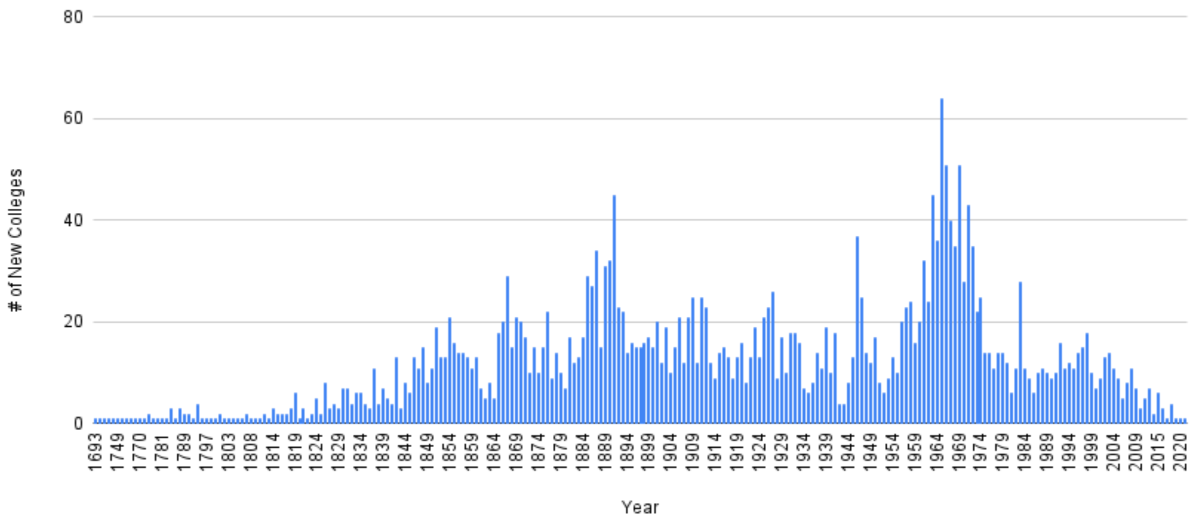
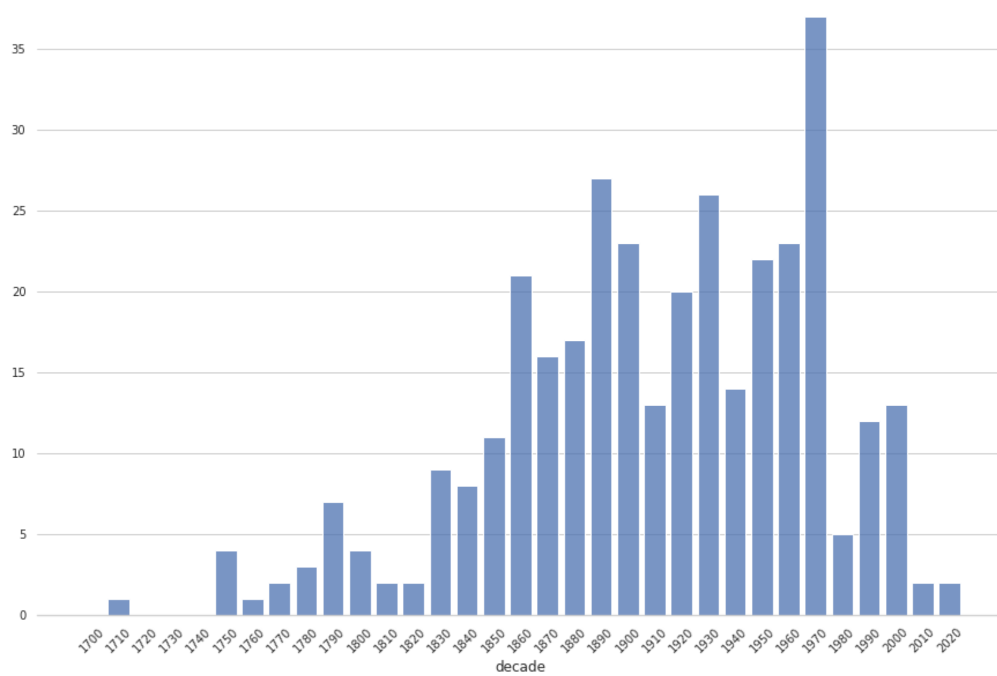


Figure 2 All non-profit, secular, colleges founded by decade.



What can explain this continual drop off after 1970 when the population and demand for education have only risen over the same period?

Upon examination, it appears that the crises the public faces from higher education are symptoms of a bigger problem, namely that colleges, as a sector, are exhibiting the characteristics of an oligopoly, otherwise known as a cartel (Stigler, 1964). The market of higher education explicitly demonstrates each of Stigler's five characteristics of an oligopoly:

1) Their prices (tuition) consistently rise significantly faster than general inflation.
2) We see noteworthy non-price competition (schools competing on amenities, such as climbing walls, fancy dorms, and chefs).
3) We see a limited supply (competitive admissions and low graduation rates).
4) As we shall see in the findings, major and influential colleges openly (and legally) collude on price (tuition and financial aid), and almost all other colleges follow these market leaders.
5) When we examine the steps to starting a new college, we find there are nearly insurmountable barriers to entry.

Statement of Purpose

The public is facing a significant crisis in higher education, namely the value of a college degree is dropping (Fuller & Raman, 2017) and costs and tuition are spiraling ever higher (Martin, 2009). If we can uncover the essential causes and characteristics of these problems, we can make novel recommendations for solutions and thereby increase the quality, affordability, and access to higher education in the United States.

Overview of the Research Design

Using a qualitative design with a pragmatic and transformative worldviews, I interviewed four founders of new colleges from recent history and three experts in higher education accreditation. To qualify for the interview, the founders had to have tried to start a non-profit, non-religious, non-specialized institute that aimed to offer at least bachelor's degrees, which will henceforward be referred to as and provide the definition of college. I excluded colleges that were openly for-profit, such as the University of Phoenix, or on paper a non-profit but with significant relationships with for-profit entities, such as, Make School, and the Minerva Project. I also excluded colleges with a specialized focus, such as adult education and degree completion, such as College Unbound.

Significance of the Study

The researcher finds that the difficulties of starting a new non-profit college are due to unnecessary frictions that arise from government-sanctioned private accreditation organizations governed by incumbent legacy colleges. These organizations were established to serve as quality systems for federal student aid programs, but their negative characteristics have emerged, making it hard for new colleges to gain accreditation. The article suggests that organized irresponsibility is a significant issue in the higher education system, allowing powerful and entrenched agents and institutions to benefit at the expense of new and weak agents. Economic theory suggests that enabling free entry and competition can help to break down the damage that cartels can cause.

The researcher also finds a strong bias in papers and reports on accreditation as well as research conducted by higher education and accreditation insiders. These contain a bias towards the status quo. Insiders approach the crises in higher education with the same lack of blame as hurricanes and earthquakes, acting as if higher education is a system as complex and aloof as the atmosphere or the tectonic plates. Powerful, centralized agencies, such as CHEA, C-RAC, and the 568 Presidents Group, bear culpability for the failings of the higher education system in the United States, preventing new entrants and reformers from rescuing the degrading status quo.

In light of the literature and new data presented, the researcher proposes and contrasts various potential solutions to simplify the system, protect against fraud, lower costs, increase access, promote free entry, and promote autonomy, innovation, and improvement of existing colleges.

Research Implications

Reforming private accreditation to allow new innovative and cost-competitive colleges and universities to start will have a significant impact on educational equity and social justice. The current accreditation system has created barriers to entry for new colleges and universities, making it difficult for existing institutions to innovate and for new institutions to emerge. This has led to a lack of competition in the higher education sector, resulting in high tuition fees, student debt, and limited access for marginalized populations. By reforming private accreditation, new institutions can enter the market and offer alternative, affordable, and accessible options for students.

The history of higher education shows that new colleges were the first to educate educationally marginalized populations such as African Americans and women. For example, Historically Black Colleges and Universities (HBCUs) were founded as a response to the exclusion of African Americans from existing higher education institutions. Similarly, women's colleges were established to provide access to education for women who were excluded from co-educational institutions. These colleges would have never emerged if the current system of accreditation were in existence in those times. Reforming private accreditation can create opportunities for new institutions to emerge, which can provide access to education for marginalized populations who are currently underserved by the traditional higher education system. This can promote greater educational equity and social justice, creating a more diverse and inclusive higher education landscape.

Chapter 2: Literature Review

To understand how colleges today act as an oligopoly and exhibit organized irresponsibility, we must first explore and summarize the literature on 1) the history of higher education and its stepwise movement, starting in 1952, towards cartelization, 2) the theory of organized irresponsibility, and 3) a summary of the economic theory surrounding oligopoly, collusion, antitrust, and free entry.

The History of Accreditation, Higher Educational Quality, and Accessibility

In order to understand the challenges new colleges face with accreditation, it is necessary to keep in mind the 300-year history of higher education and 90-year history of accreditation. Higher education adopted major changes generationally (every 30-40) years throughout American history. Accreditation became a growing important part in the 1930s and gained a dominant role around 1972 (Brittingham, 2009).

Starting a College in America up to 1952

All of the major historians of higher education in the United States agree that for all of American history up until the middle of the 20th century higher education operated with broad freedom (Veysey, 1965; Rudolph, 1990; Thelin, 2011). Veysey (1965), Rudolph (1990), and Thelin (2011) punctuate their history by discussing either a new college or university that was starting or the changes or innovations of an existing institution. They describe a nation in which people are free to start new institutions of higher learning, and existing institutions have autonomy for how they chose to run themselves or change, and direct and unbridled competition between institutions. There were no government agencies or private gatekeepers from which one had to ask permission to start or operate a college. Colleges often sought and were awarded charters, but a charter was not permission to start or operate a college. Charters were a statement of support and sometimes a donation from a level of government or another institution. To offer someone a degree meant certifying that they had completed a course of study to the standards of the institution. To award a degree, a college did not need permission from any other body. Under these relatively free and open conditions, the majority of colleges and universities we know today started, such as elite private schools like Harvard, Stanford, Dartmouth, and others, as well as almost all major public schools including the University of Washington, California, Wisconsin, Ohio, and others. The policy of asking permission to start a college or requiring some sort of third (or fourth) party to permit someone to start or operate a college is a very new behavior in the United States that diverges categorically from a history that was entirely free up until the middle of the 20^{th} Century.

Free Entry and Historically Black, Women's, and Coed Colleges

Thelin (2011) points out that during this period of freedom in higher education, America became home to the first coed and women's colleges and the first Historically Black Colleges and Universities (HBCUs) in the entire world. In 1836, Wesleyan opened as the first women's college in the world. In 1833, a Presbyterian minister and a Presbyterian missionary founded Oberlin College. Four years later, in 1837, Oberlin became the first college to admit women and people of color. Over the next decade, over 50 women's colleges opened, including Barnard, Vassar, Bryn Mawr, Smith, and Wellesley. Many other colleges exercised their institutional autonomy to become coeducational. The first HBCUs were founded just before the civil war and more emerged through the 1890s. New HBCUs even received federal land grant money through The Morrill Land Grant Act of 1890.

The Generational Development of Accrediting Bodies

Gaston (2013) and Brittingham (2009) provide a rigorous history of the creation and generational transformation of what we today call “accreditors.” These institutions have changed dramatically, even categorically, roughly every 25 years starting in the mid-1800s. Historians of modern accreditors trace the roots of these organizations to the mid-1800s. Initially, these institutions were no more than compiled lists of college types and reviews of those colleges. It was only in the late 1800s the first semblance of modern regional accreditors formed, but even these were quite different than their modern avatar.

What were to become “regional accreditors” began as just voluntary associations of colleges. The first established themselves in the early 1900s, with the formation of the New England Association of Colleges and Schools in 1885, followed by the Middle States Association of Colleges and Schools in 1919, the Southern Association of Colleges and Schools in 1895, the North Central Association of Colleges and Schools in 1895, and the Western Association of Schools and Colleges in 1912. The primary action of these associations was to plan meetings of college presidents to discuss the trends in higher education, such as admissions, transfers, and degrees. Each association started for different reasons. For example, the Middle States Association of Colleges and Schools formed out of a meeting in 1887 of Pennsylvania college presidents to fight a proposed property tax on colleges (Nyquist, 1961). Twenty-five years later these associations transformed again. Beginning in 1912, the North Central Association was the first association to begin to try to establish standards for high school and college quality. At this point, membership with any of these associations was entirely optional, and any standards that these organizations set were quite minimal and casually inspected.

1952-1965: Initializing the Gatekeeper Role of Accreditation

Thelin (2011) reports how the federal government passed the Servicemen's Readjustment Act of 1944, which has come to be known as the first "GI Bill". The wildly popular bill provided soldiers returning from WWII a year of paid unemployment, guarantees for loans to purchase homes, businesses, or farms, and tuition and living stipends for college or vocational training. The federal government expected attending college to be the least subscribed to part of this bill. However, the returning soldiers surprised the federal government, and droves of soldiers enrolled in colleges and vocational programs. The federal government was also surprised to witness the emergence of many new for-profit or "proprietary" educational programs that emerged to serve the veterans. Journalists seized on the story that veterans were becoming "prey for a mushrooming industry of diploma mills and opportunistic educational programs that often were little more than a post office box and a brochure." (Thelin, 2011, p. 265).

In 1945, state-level licensing or authorization for colleges was a patchwork of regulations with wildly varying standards (Brittingham, 2009; Gaston, 2013). State-level authorization proved to be an insufficient check on quality for the federal government. To reduce the number of low-quality or fraudulent schools that tainted the original GI Bill Congress passed the second GI Bill (the Veterans' Readjustment Assistance Act of 1952) in 1952 at the end of the Korean War. Not trusting the patchwork of state licensors, Congress included the provision that only members of accrediting bodies recognized by the Department of Education would be able to receive federal funds (Thelin, 2011). It was this provision that transformed accreditors from voluntary associations with aspirational quality standards to gatekeepers of a growing pool of federal funds.

1965-1972: A Golden Age

This period from 1962 up until around 1972 was a golden decade of higher education in the United States. Access and affordability were expanding, costs and frictions were low, there was free entry and innovation, for-profits were banned from receiving federal funds, and the economic benefits of attending college were well worth it (Lazerson, 1998). This all began to change in 1972.

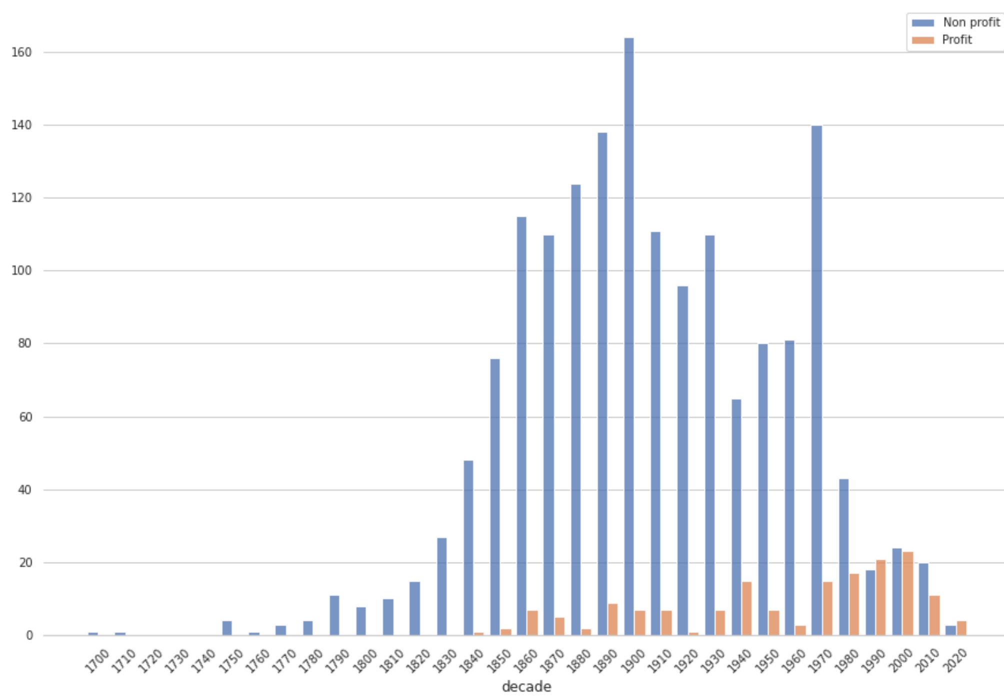
Expansion of Federal Funds. In 1965, the federal government passed the 1965 Higher Education Act (HEA) which had 8 major sections or "titles." In Title IV, Congress enumerated a broad array of programs to assist all students (not just veterans) to pay for college. The largest program was and continues to be Pell grants—a need-based grant that students can apply to any undergraduate program. Title IV funds were only available to colleges that were members of accreditors recognized by the Department of Education. Notably, Title IV excluded for-profit colleges (Congressional Research Service, 2021).

An Explosion of Access. At this point, as Figures 1 and 2 show, many colleges were still able to start and receive accreditation. As HEA vastly increased college access to millions of Americans, many non-profit colleges were able to start or expand to absorb the rapidly increasing number of Americans seeking a college degree. It was during this phase of history that earning a college degree became the norm for white-collar professionals. The expanding and seemingly unlimited demand of new students meant colleges were flush with money from tuition, donors, state, and federal governments (Thelin, 2011). This period from 1962 up until around 1972 was a golden decade of higher education in the United States. Access and affordability were expanding, costs and frictions were low, there was free entry and innovation, for-profits were banned from receiving federal funds, and the economic benefits of attending college were well worth it (Lazerson, 1998). This all began to change in 1972.

1972-1982: Federal Funding Expanded and Made Available to For-Profits

Return of For-Profits. In the Education Amendments of 1972, congress made significant updates to the regulations of colleges, including amending the HEA of 1965 to include giving federal funds to for-profit colleges. While the number of students attending for-profit colleges did not change, further amendments in 1979 and 1986 further broadened access of for-profit colleges to federal funds, and the numbers of for-profit colleges began to climb after the 1990s. The reintroduction of for-profit schools lead to multiple crises of quality and overall eroded the trust in American higher education (Tucker, 2021).

Figure 3 Comparison of non-profit and for-profit colleges (both private) by decade



1982-1994: Understanding the Triad

Rainwater (2006) explains how between 1952 and 1992 accountability for colleges had formed into what became known as the Triad which was made up of 1) the federal government,

2) state authorizers, and 3) regional accreditors. The Triad continues to be the reigning regulatory framework for higher education accountability

> Each member of the Triad had designated oversight responsibilities. States were responsible for establishing requirements for and granting institutional licensure. Accreditation agencies were responsible for making judgments about institutional quality. And the federal government was responsible for allocating and ensuring that federal funds for student aid were used for their intended purpose (p. 108).

By the early 1980s, the costs of higher education were rising, and the economic value of attending college had leveled off (Lazerson, 1998). With admirable speed, Congress recognized these issues and began conducting congressional studies, holding hearings, and publishing reports on the failing higher education system. Paradoxically, there is no evidence that accreditors did anything to respond to these problems. It was Congress, and the courts, that have been responsible for sounding the alarm and even acting on improving higher educational costs, accountability, and quality, not accreditors.

Here is a list of the congressional reports and their associated hearings:

1. *To Strengthen Quality in Higher Education* (1982): National Commission on Higher Education Issues
2. *A Nation at Risk* (1983): National Commission on Excellence in Education
3. *To Reclaim a Legacy: A Report on the Humanities in Higher Education* (1984): National Endowment for the Humanities
4. *Involvement in Learning: Realizing the Potential of American Higher Education* (1984): Study Group on the Conditions of Excellence in American Higher Education.

5. *Straight Talk about College Costs and Prices. Report of The National Commission on the Cost of Higher Education* (1998): National Commission on the Cost of Higher Education (established as a public advisory commission under the Department of Education by Title IV)
6. *A Test of Leadership: Charting the Future of U.S. Higher Education* (2006): Commission on the Future of Higher Education (aka the Spellings Commission)

Each of these federal studies reports roughly the same thing: the cost of education is rising, quality is falling, federal default rates on student loans are rising, student debt is rising, and higher educational institutions are operating inefficiently and without sufficient accountability either to their students, to the government, or the public.

Rising Defaults on Student Loans. One damning number was the rising default rate among federal student loan holders. Another refrain was the abuses of Title IV funds by for-profit colleges. Each congressional report highlights various aspects of the failures of higher education and accreditation and each one suggested various potential solutions.

1992 and State Postsecondary Review Entities (SPREs)

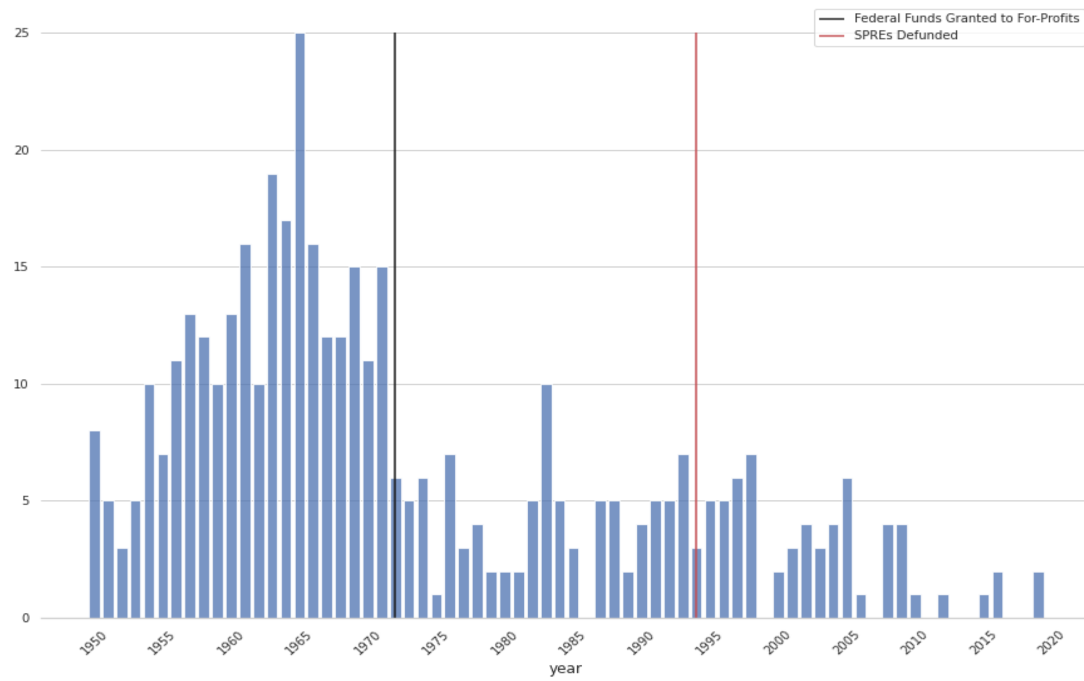
Since the HEA must be reauthorized every decade, the federal reports from the decade before greatly influenced the subsequent reauthorization. For instance, in 1992, after the damning reports of waste, fraud, and abuse of federal funds by colleges in the 1980s, the reauthorization of the HEA included an entirely new and alternative pathway for colleges to receive Title IV federal funding called State Postsecondary Review Entities or SPREs.

SPREs were a state-level alternative to accreditation, and politically they were remarkably bipartisan. George H. W. Bush was the first to introduce SPREs. The plan continued to receive strong support in the Democratic administration of Bill Clinton. According to the 1992

HEA reauthorization, each state would have had its own SPRE that operated in the same way as an accreditor. SPREs would review the quality and performance of new and existing colleges and enable them to receive federal financial aid. SPREs were more rigorous and had higher standards than accreditors including "default rates in student loan programs" as well as "curricula, admission practices, and student success." (Rainwater, 2006, p. 110) Each of these federally mandated areas was so rigorous that "in August of 1994," before the SPREs were shut down, "the department had notified approximately 2,000 institutions that they had failed to meet one of the trigger areas." (Rainwater, 2006, p. 111) In other words, SPREs had found that roughly two-thirds of all colleges had failed to meet at least one of the federally mandated trigger areas, and many had failed at more than one, something that accreditors, the *de facto* and *de jure* gatekeepers for college quality, had failed to do.

Despite SPREs already being made law in 1992, two years into their construction Newt Gingrich's caucus used a budget recission to withdraw all funding and thereby ending all SPRE implementation. SPREs were already demonstrating higher performance accountability concerning student learning and outcomes. Nevertheless, accreditors "vociferously and effectively" lobbied against them, and some states complained that operating their own SPRE was too costly and difficult (Rainwater, 2006, p. 114). The combination of these two forces, the accreditor lobby, and struggling states, provided enough political pressure for Gingrich's Congress to act. Only two states completed their SPRE implementation—New York and Tennessee.

Figure 4 New colleges in the US by year since 1950



The Succession of Reaccreditation Organizations 1949-1994

To understand the vigorousness with which associations of colleges lobbied Gingrich's 1992-94 Republican-controlled Congress against SPREs, it is helpful to look at the history of reaccrediting bodies—those institutions that recognize and validate accrediting organizations—and especially the revolution in accreditation precipitated by the legislation of SPREs. At each subsequent phase of development, the accreditation industry becomes deliberately more consolidated, protectionist, and less rigorous in the scrutiny of its member colleges. Brittingham (2009) documents the major historical markers during which accrediting institutions consolidated and further centralized their power and lobby. 1949 marked an important moment in the history of accrediting bodies. Still not yet dubbed the gatekeepers of federal funds, regional, national, and specialized accreditors collectively formed the National Commission on Accreditation (NCA) to represent themselves as a unified body to the federal government. Likewise, the regional accreditors formed their inner circle: the National Commission on Regional Accrediting

Agencies (NCRAA). Then in 1964, on the eve of a massive expansion of federal funding in the 1965 HEA, NCRAA was replaced by the Federation of Regional Accrediting Commissions of Higher Education (FRACHE). In 1975, accreditors further consolidated and strengthened their power by merging NCA and FRACHE to form the Council on Postsecondary Accreditation (COPA). COPA openly, deliberately, and publicly limited their member accreditors from examining or releasing information about their member colleges without first consulting those very institutions. COPA also deliberately made it more difficult for any new accreditors to begin.

While COPA was formed to consolidate and strengthen the power of accreditors, it still had some independence and integrity, exhibited in its president who supported the U.S. Congress's plan to create SPREs (Gaston, 2013, p 23). This support by COPA's leadership in support of SPRE's was unacceptable to regional accreditors, and in 1993 the regional accreditors on COPA's board voted to dissolve COPA. In 1995, a working group of college presidents formed the Council for Higher Education Accreditation with an explicitly protectionist mission (Brittingham, 2009, p 24). Predictably, CHEA came out against the creation of SPREs, leading to Gingrich's extraordinary budget recissions and the death of SPREs.

1995 to the Present: More of the Same Problems

Since 1994 to the present, the trends of the 1980s have continued unabated. College costs and tuition continue to spiral out of control, college enrollment has flatlined and significantly dropped during and post-COVID-19, and degree quality and value have continued to drop (Fuller & Raman, 2017). There have been more and more congressional hearings and reports exposing these crises and the lack of accountability in higher education. Most notably:

1. *Straight Talk about College Costs and Prices. Report of The National Commission on the Cost of Higher Education* (1998) done by the National Commission on the Cost of

Higher Education—a public advisory commission under the Department of Education by Title IV.

2. *A Test of Leadership: Charting the Future of U.S. Higher Education* (2006) done by the Commission on the Future of Higher Education (aka the Spellings Commission).

The Spellings Commission revealed that things are just as dire in higher education as ever. The Commission recommended simplifying, streamlining, and expanding federal financial aid while simultaneously addressing cost, outcomes, and accountability. Among its recommendations was the recommendation for "policymakers and higher education leaders should develop, at the institutional level, new and innovative means to control costs, improve productivity, and increase the supply of higher education" (The Spellings Commission, 2006, p. 19). This included among other things, "eliminating [ing] regulatory and accreditation barriers to new models in higher education that will increase supply and drive costs down" (The Spellings Commission, 2006, p. 19).

In addition to crises in cost and quality, in the past three decades there has emerged a third crisis in trust caused by the entrance and failure of two large for-profit colleges: ITT Tech and Corinthian Colleges (Green, 2018). Notice that the entrance of these colleges was possible because they achieved accreditation by buying distressed colleges and, like acquiring a liquor license by buying a bar, gained accreditation where accreditors did not review the new operations. These colleges were finally taken to heel and their students were protected and made whole not by accreditors (or even at the recommendation of accreditors) but by the independent orders of President Obama and his Department of Education (ED). In addition to shutting down the colleges, to bring some accountability back to accreditors, Obama also ordered his ED to revoke the recognition of The Accrediting Council for Independent Colleges and Schools

(ACICS). Without recognition from the ED, none of ACICS's colleges are eligible for federal Title IV grants and loans. ACICS's recognition was restored by Betsy DeVos in the Trump administration and then was revoked again in 2021 by the Biden administration. In September 2022, ACICS announced it would not appeal the ED's order and will cease operations no later than March 1 of 2024 (Borges, 2017). All of this demonstrated again that the government, not accreditors, has been responsible for maintaining and promoting accountability and quality improvement in higher education.

Oligopoly, Collusion, Antitrust, and Free Entry

The Organization for Economic Co-Operation and Development (OCED) defines oligopoly as "a market characterized by a small number of firms who realize they are interdependent in their pricing and output policies" (Directorate, 2003). Oligopolies achieve this independence in their pricing and output policies through large barriers to entry, collusion, and legal privileges, such as licenses for wired spectrum, and land for railroads. Oligopolies remain stable and extract larger profits so long as they can prevent any members from breaking from the oligopoly and innovating or lowering prices (Investopedia, 2022).

Collusion & Antitrust

Economists have demonstrated that it is quite difficult to maintain an oligopoly since there is such a strong incentive for each agent to engage in competition either by significantly improving their product or lowering their prices (Stigler, 1964). To be successful and long-lasting, a cartel must block free entry and effectively prevent existing players from competing meaningfully on product quality or price (Levenstein & Suslow, 2006).

As an example of an effective cartel, we can examine how accreditation has effectively enforced an oligopoly in the college market. Because of carveouts from the Sherman Antitrust

Act of 1890 made in Section 568 of Improving America's Schools Act of 1994, colleges are allowed, legally, to collude on price, so long as those colleges are "need-blind" in their admissions decisions—meaning that admissions decisions must be made without looking at a student's ability to pay. Once this carveout was made in 1994, an organization called the 568 Presidents Group began to conduct this legal price collusion. 1994 was also when both the private reaccreditor CHEA and C-RAC, another private protectionist organization composed of regional accreditors, were formed. It is by way of these institutions that colleges can block new entrants and conduct rigorous product and price collusion.

An effective cartel cannot just prevent new entrants, it must also prevent meaningful competition in product and price. Through accreditation's institutional requirements, such as credit hours, semesters, traditional degrees, libraries, laboratories, grades, GPAs, and Ph.D.-holding professors, accreditors can achieve both the requirements of a cartel. They can block new innovative entrants (who find it difficult or bootless to adopt these archaic requirements) and enforce product homogeneity across its extant members. On the price side of oligopoly, colleges are legally allowed to collude on their tuition and financial aid (and do so openly), and, with few exceptions, other colleges follow these price leaders through a process economists call parallel pricing or price leadership (Hemphill & Wu, 2013).

Free Entry Drives Long Term Quality and Affordability

Starting as early as Adam Smith, theoretical economists continually emphasize and highlight the importance of free entry for the public to enjoy the benefits of competition. Schumpeter (1949) invented the term *creative destruction* to illustrate how new entrants (often with new technology and methods) destroy older, less nimble incumbents, but overall create greater economic growth and benefits for the public. Hayek (1968) described the market competition as the primary procedure of discovering not only better ways to produce value but also for even knowing what the needs and wants of the public are. Hayek suggested that without competition and free entry, it is impossible to even know the true criteria for a high-quality product. New entrants and competitors are required to find out what the words "high quality" even mean to the public (Hayek, 1968). As a foil to Schumpeter's *proactive* entrepreneurs that cause creative destruction, Kirzner (1973) described another species of *reactive* entrepreneurs who, if allowed to enter a competitive market, make many piecemeal improvements in response to improved knowledge or changing technology or tastes or circumstance.

In addition to theoretical economists, empirical economists have also examined the data from various real examples of markets suffering under oligopoly or thriving under free entry. These empirical economists, like the theoretical ones, also conclude that free entry is critical to preserve competition and see long-term quality and price improvements in a marketplace. Eliasson (1991) provides an overview of both theoretical and empirical research and challenges the "conventional wisdom" that "industry growth comes mainly from existing firms" and that innovation comes from large R&D budgets inside of big firms. Instead, he summarizes previous empirical research (especially the Swedish data by Du Rietz (1980)) that found that while many new entrants go out of business, over the long run the new entrants that survive are responsible for roughly half the total economic growth (compared to incumbents) and as much or more of the innovation. Eliasson (1991) describes the situation of a flourishing competitive market succinctly: "Micro failure [is] typical of macroeconomic success" (p. 55). Eliasson (1991) also points out that "potential entry" was "really not sufficient" and "actual and significant competitive entry is needed" to realize the growth and innovation benefits of a competitive marketplace.

Organized Irresponsibility

Organized irresponsibility (OI) is a concept that comes from the discipline of sociological examination of risk (Beck, 2009). OI is "a social relation in which agents, through the interaction of their acts with others' actions, collectively create risks for which they can avoid being held individually responsible" (Beck, 1995, pp. 132–137). Organized irresponsibility arises in a system once that system becomes significantly complex (Curran, 2018). We can use OI as a lens for understanding how complexity itself causes cover for noncompetitive institutions to protect themselves from accountability while reaping monopolistic profits.

Applications of OI

Beck (1995) invented the concept of organized irresponsibility and applied it to various national and global issues that interested him, namely terrorism and the climate crisis. Subsequently, after Beck, other sociologists applied OI to a host of other scenarios including the early priorities of the environmental movement, such as limiting harmful chemicals such as PCBs and DDE, and protecting endangered species (Alarió, 2000), a deeper analysis of OI and the ongoing climate crisis (Bulkeley, 2001), the ongoing crisis of pedophilic Roman Catholic priests (Keenan, 2011), and the pollution caused by intensive industrialized farming (van Bueren, 2014).

Beck emphasized the ungovernability of organized irresponsibility and predicted that the negative outcomes of OI would be shared equally across central/powerful/elite agents and peripheral/powerless/low-class agents, thereby reducing inequality (Beck, 2009). However, subsequent scholarship predicted that OI would increase inequality since agents with power or centrality to a system can benefit from escaping accountability while powerless agents on the periphery would more often bear the brunt of the higher systemic risk (Curran, 2018). In contrast to Beck's framing, Curran (2015) explained and explored how OI contributes to inequality. Curran examined the 2008 financial crisis and illustrated how financial executives and firms were able through their privileged position to engineer the risks so that they enjoyed lower risk with higher rewards while exposing clients and the public (the owners of subprime mortgage loans and the government through bailout) to higher risks and lower rewards. Curran calls this transfer of risk to others and maintenance of benefits *risk arbitrage* (Curran, 2018).

Alarió (2000) applied OI to environmental pollutants further explored the power dynamics of OI and explored the difficulty of those who attempt to challenge the *status quo* in OI systems. Alarió pointed out the challenges to legitimacy for those who criticize powerful actors inside of a system that exhibits OI.

The system of organized irresponsibility is perpetrated by the application of legitimate norms that guarantee the incalculability of the system's threats. Dangers are treated as risks and transformed into legally and scientifically normalized improbable accidents. Protests against this trend are stigmatized as irrational outbursts (Alarió, 2000).

Criticisms of systems of OI have a more difficult time gaining recognition and credibility than criticisms of non-OI systems, such as direct illegal or harmful activity by one agent on another or on the public, such as a murder, a mass shooting, a theft, a Ponzi scheme, or fraud.

Conclusion

By examining the history of accreditation, we can see that these institutions have increased their hegemony over the industry ever since they began in the 1930s through increasingly greater levels of collusion and coordination. Through a review of economic theory and empirical research, we can see that an industry without free entry and collusion between market actors will exhibit the characteristics that we see in the present-day higher educational market, including monopolistic pricing, non-price competition, lack of accountability, and artificially low supply. In addition to having the hallmarks of an uncompetitive, oligarchical market, higher education, accreditation also bears the traits of organized irresponsibility. Despite criticisms from Congress and various other groups, including the media, students, alumni, and parents, colleges and the accreditors that represent them have remained immune to culpability or reform. Powerful players, like accreditors and major and elite universities, could reform themselves but do not. Instead, they benefit financially from the *status quo*. Because the system is overly complex, these powerful actors can escape culpability by shifting blame to other actors or suggesting that despite the problems, under their leadership and the existing institutional regime, we live in the best of all possible worlds.

Little research has been done into what are the experiences and primary challenges facing new, secular, non-profit colleges and whether it is institutional, demographic, or market forces or the arbitrary choices of accreditors that are preventing their development. More data is needed to better understand the institutional landscape of higher education and develop potential policy or institutional recommendations for a solution to rising cost and falling quality—the primary issues with higher education in the U.S. today.

Chapter 3: Methods

By reviewing theoretical and empirical economic research we can conclude that higher education is exhibiting the marks of being an oligarchical sector or “cold cartel.” The history of higher education accreditation does suggest that accreditors have made it harder to receive accreditation over the past decades. However, it is possible that it is simply very difficult to start a college or that the business model of new colleges is not a good one due to historical and demographic pressures.

Research Question

Starting a new college is a somewhat complicated endeavor, so it is unclear from the outset what factors contributed to the drop off in the number of private, secular, and non-profit colleges since the late 20th century. This research will focus on one key question: What explains the drop-off in new colleges? This question has a few potential subquestions. Is it simply very difficult to start a college? Or is the market saturated with good colleges and so starting a new college is not a good business plan? Or is the burden of getting accreditation to blame? And, if so, is the current regime of accreditation overburdensome or unreasonable for a young institution?

Essential questions were used to focus the interviews on the difficulties and challenges of starting a college. The discourse on the burden of accreditation emerges immediately from the questions around what challenges these young institutions face, since, as we shall see, accreditation is the primary blocker to new colleges.

Description and Rationale for Research Approach

The research used quantitative analysis of the founding dates of colleges to ignite qualitative, phenomenological research interviewing founders (or attempted founders) of new colleges and expert representatives of accreditors and accreditation. The researcher approached the gathering and analysis of the data with a pragmatic and transformative worldview. Today, despite having identified the spiraling costs and falling value of higher education decades ago, these problems have not been overcome and they invite the discovery of new data and the application of new approaches. Over decades, through multiple severe hearings on higher education, Congress has represented the US public's demand for higher education to become more affordable and more valuable to students, families, employers, and society in general. Whereas a purely pragmatic worldview focuses on solving problems without needing to conform to any pre-existing theories, the severity, longevity, and tenacity of the crises in higher education cost and quality invite blending a pragmatic worldview with a transformational one that uses higher-order concepts (such as oligopoly and organized irresponsibility) to reorient a pragmatic approach (Creswell & Creswell, 2018, p. 202).

In the qualitative side of the study, the researcher used phenomenological interviewing to assess the burdens of gaining accreditation and the effect of this burden on starting new non-profit colleges. Creswell and Creswell (2018) suggests qualitative researchers ask open-ended questions and then interpret, validate, and draw conclusions. The researcher asked the college founders about their lived experiences of founding their college and specifically of their attitudes and perceptions of accreditation, whether they sought US accreditation, why or why not, and how their perceptions of accreditation changed over their experiences. The researcher chose this sample of participants because they either have the unique experience of attempting to found a new, non-profit college in the US or have extensive experience working with or as accreditors. The researcher used concept mapping to analyze respondents' answers and identify trends, commonalities, and disagreements between their accounts.

This study aims to demonstrate that accreditation is overburdensome and has a chilling effect on potential college founders, especially new non-profit colleges. This is important since literature, quantitative data, and qualitative interviews suggest that the dual crises of cost and quality in higher education persist due to this lack of free entry, innovation, and competition. Participants had the opportunity to reflect on their experiences and expertise in starting colleges or accreditation and, after the interviews, connect and collaborate with other college founders through the researcher.

Research Design

Participants and Sampling Procedure

Quantitative data was gathered from The Integrated Postsecondary Education Data System (IPEDS) and missing data (especially founding year and religious control) were added manually to a Google spreadsheet.

Half the participants in the qualitative interview portion of the study were founders of private, nonprofit, and secular colleges that started after 1994. The other half were accreditation experts who worked directly with or as accreditors for at least seven years. The colleges started all around the US from Washington DC, Oregon, Utah, and Rhode Island. Each participant signed a written consent form that included outlines of the research and consent statement to have their name and the name of their institution publicized. The interviews took place either over Zoom or by phone.

Once the quantitative dataset was complete, the researcher exported the spreadsheet to CSV and loaded it into a Jupyter Notebook. In the notebook the researcher used a suite of opensource Python data analysis libraries to output data insights and visualizations.

To gather qualitative data, the researcher asked interview participants open-ended questions (Seidman 2005). The researcher asked college founders about their lived experience starting a college, with prompts such as, "Tell me the story of starting your college." Once fleshing out the story, the researcher asked specific questions about the founder's approach to accreditation and state licensing, such as, "How did you approach state licensing and accreditation?" The researcher followed up with clarifying, pointed questions about the topic of licensing and accreditation, such as "Which state did you work with?" or "Which accreditor did you work with?" and "How much did these processes cost?" or "Did you find this process reasonably or unreasonably burdensome?" and finally the researcher asked about the participant's reflections and recommendations on the system as a whole, asking questions such as, "How would you recommend this system work in the future?"

The researcher asked accreditation experts open-ended questions about the successes, challenges, and ongoing priorities and responsibilities of accreditors, such as "What is the current mission of accreditation? What challenges and successes have you had in achieving this mission?" Then the researcher followed up with more pointed questions about the accreditors' efficacy as agents of quality assurance and quality improvement in higher education, for instance, "What are three ways accreditors have guarded or improved the quality of higher education?" Finally, the researcher asked about accreditors' responses to current crises in higher education, such as the cost spiral, student debt crisis, and dropping enrollments.

If the participant consented to be recorded, these records lived password protected in the cloud or on the researcher's password protected computer. If the participant did not consent to be recorded, then the notes and quotes were kept on the researcher's password protected computer.

This is a complete list of research participants:

- Michelle Jones, Ph.D. — Founder of Wayfinding College, Portland OR
- Stratsi Kulinski, MBA — Founder of New U University, Washington DC
- Sandra Lubarsky, Ph.D. and Marcus Ford, Ph.D. — Founders of Flagstaff College, Flagstaff AZ
- Jennifer Jenson, Ph.D. and Gordon S. Jones, Ph.D. — Founders of Mount Liberty College
- Susan Chiaramonte, JD — President at EduCred Services
- Judith Eaton — Founding President of CHEA (retired in 2020)
- Heather Berg — Vice President of Communication and Engagement at Higher Learning Commission

Data Analysis

The researcher collected interview data with a phenomenological approach using various methods of qualitative data analysis. All interviews were recorded or documented via extensive notes taken by the researcher. The researcher wrote analytic memos directly after the interviews to capture data about the interview and interviewee. The researcher open coded interview records by hand identifying expected and unexpected codes. Using triangulation the researcher coded the qualitative data with through interpretive analysis. After coding, the researcher used concept mapping to further explore and relate key concepts in the data and identify themes, accordance, conflict, and gaps.

Validity

The researcher, in their career, has worked at the director level as part of a new college, has experience starting new for- and non-profit ventures in other industries, and would like to start a new college in the future. Moreover, the researcher believes that enabling free entry for new colleges and enabling innovation in existing colleges will make higher education better for all.

During the study, the researcher worked to remove all personal biases to the extent possible. The researcher used peer debriefing with a colleague in the education field to involve interpretation beyond the researcher to enhance the validity of findings and research methods (Creswell & Creswell, 2018, p. 202). The researcher also used translation to find various positions and points of view in the research (Maxwell, 2013). The researcher also searched for discrepant evidence and negative cases by interviewing accreditation experts and supporters and earnestly looking for how accreditation was or is beneficial to students, the public, colleges, and faculty (Maxwell, 2013). While interviewing founders and accreditors, the researcher used responding validation to improve the credibility and validity of the study (Maxwell, 2013).

Chapter 4: Findings

Since 2015 new breeds of colleges have been struggling to start. Sometimes called "Challenger Colleges" these new, private, secular, non-profit colleges are markedly different from previous colleges we've seen. They are not cookie cutters of traditional colleges; they are fundamentally innovative. They are non-profit and appear to have a genuine desire to make education better for the sake of their students and society, not just to enjoy the monopolistic profits created by the cartel of accreditation. They are secular and not controlled by an ideology or religion. They are not satisfied to be considered second-tier, vocational, or trade schools but consider their education to be equal to or exceed the merit of legacy public and private universities and liberal arts colleges. Nevertheless, they are not allowed to gain accreditation.

By interviewing the founders of four of these non-profit challenger colleges, the researcher has made three surprising findings. First, despite shrinking college demographics, the contraction of college enrollment, and the closure of many small colleges, the business model for new, innovative non-profit colleges is a good one—profitable even with tuitions half that of legacy colleges. Second, many people who are starting colleges say "We won't even try" when it comes to accreditation because they have learned that the system is unfairly tilted against them. And lastly, the system of state licensing, which was in disarray at the time of the promotion of private accreditors to their gatekeeper role for federal funds, has organized itself and come of age in the last three decades making private accreditation redundant and no longer necessary. These findings were underscored and supported for the researcher by an interview with Judith Eaton, the founding and twenty-seven-year-long president of CHEA.

The Business Model of New Colleges is Strong

Due to shrinking college-age demographics and spiraling costs, most legacy colleges have razor thin margins and are struggling to turn a profit and grow. For this reason, it common sense would suggest that the business model of *any* college, especially a new college—that lacks prestige and a strong endowment—would struggle as much or more than a small legacy college. But the exact opposite is the case. The findings of this study indicate that the business model for new private non-profit colleges is fundamentally sound and can be successful even with very accessible tuition rates. Despite demographic trends, lower college enrollment, and college closures, the founders of these new colleges remain optimistic about their prospects for success.

Each new college founder who was interviewed reported that even when offering their programs at tuitions many times lower than other private colleges, they were easily able to turn a profit and grow. New U University's tuition (with no financial aid) is only $15,000 per year, which, to put in perspective, is only 38% of the national average for private college tuition ($38,400 according to collegedata.com) and is only 37% higher than the average in-state public tuition. New U is also a 3-year bachelor's so this puts it right about the cost (or below the cost) of in-state public tuition, which requires four or more years of tuition. Wayfinding College charges only $10,500 per year for a two-year program that is meant to replace the need for a bachelor's degree. Wayfinding College is also offering free tuition to all admitted black and native American students from Oregon. Mount Liberty College set as one of their top goals to keep the tuition as low as possible. As they said: "Tuition is ridiculous in colleges." Their original tuition was $4,500 per semester. With grants, a full-time student only must pay $2,250/semester. With a proud tilt of her head, Dr. Jensen told me exactly how they feel about student debt: "We don't believe in indentured servitude."

These colleges can charge such affordable tuitions because they do not have the cost spiral of legacy colleges. With controlled costs, they can offer affordable tuitions. Kulinksi describes what he and his team at New U are doing in this way.

We want to make an evolutionary change (not revolutionary one) since we are using what works from the current system and combining best practices from various places. We are not burdened from bureaucratic friction. We are able to make quick movements in marketing and launching new programs. Colleges are paralyzed and precluded from making the changes they need to make, because there are so may stake holders.

For instance, through their research Kulinski's team determined that one big inefficiency in higher education is people changing their majors. "70-80% of students change majors," Kulinksi said. But when they do many of their credits don't transfer and they end up having to go to school an additional year. New U "deliberately designed their majors to be multidisciplinary and broad" to reduce the unnecessary slowdown from changing majors. With few, multidisciplinary majors and many other instructional efficiencies New U University was able to launch another enormous innovation: a 3-year bachelor's degree. While students currently average 4 or even 5 years to complete college, New U has designed a college in which students can graduate in 3 or 4. This saves the students as much as 25% of their money and time. New U also has streamlined admissions: all they need is your high school GPA. That's it. No SAT's, no essays about what you learned in debate club or volunteering in the Dominican Republic. Research shows that high school GPA is the strongest determinant of college success, so that's all New U uses. This saves the students time, and it saves New U money since the institution doesn't even need an admissions department; they simply automatically accept everyone with a high enough GPA.

None of these new colleges have tenure, sabbaticals, or even allotment time for "research" since they are focused entirely on the education of students. This makes the professors 100% dedicated to student learning, making it much more affordable to the college. Mount Liberty College controls costs by hiring many retired people as professors who ask for very little pay or donate their time. They also have simplified admissions, do almost no marketing (growing only by word of mouth inside their small community in Utah), and have adopted a curriculum with no expensive textbooks. All the great works of western civilization available in any library.

One of the key factors contributing to the success of these new colleges is their focus on meeting the needs of underserved student populations. Many of the founders noted that traditional colleges often fail to adequately serve non-traditional or low-income students, leaving a significant gap in the education market. By designing programs and services tailored to these populations, the new colleges can attract, retain, and elevate students who may not have otherwise pursued higher education. Jennifer Jensen, Ph.D., and Gordon Jones, Ph.D. (ABD) founded Mount Liberty College as a non-profit, secular, liberal arts college to serve their local area. They recognized that there was a large home-schooled and liberal arts charter school population in Utah, but there was an obvious shortage of options for colleges that had the same values as these alternative primary and secondary schooling options. Likewise, Dr. Sandra Lubarsky and Dr. Marcus Ford, the founders of Flagstaff College, were planning to build a chain of non-profit "micro-colleges" with an exclusive focus on environmental sciences and sustainable development to fight climate change. They were told they "Would never receive accreditation" in their first exploratory conversation with accreditors.

When asked what their biggest challenges were, every one of the new colleges cited accreditation as a major, if not primary, pain point. Each school struggled with marketing and their finances as well, but a primary impediment to marketing and finances was the lack of accreditation. Students (or more often their parents) are hesitant to attend a school that is not accredited. And, since students cannot get federal financial aid to attend a school without accreditation, lacking accreditation deeply hurt the fledgling colleges' finances. If accreditation were an achievable goal, then marketing and finances for new, non-profit colleges would be remarkably easier.

For instance, Mount Liberty College, which is licensed in the state of Utah, expected to be able to recruit 20 students per year, but only have been able to get about 8-15 each year. The main deterrent for students and their parents was the lack of accreditation. "We face an unfair hurdle of parents asking, 'Are you accredited?' – once we say 'we are licensed' it helps a lot, but mostly it's 'Are you accredited? No? OK goodbye.'" All of the colleges complained of this same issue. So, while their business model is fundamentally sound and profitable, these new schools are undercut by unfair access to accreditation. The schools do not need the accreditation for federal financial aid because they already have such low tuition. They just want to be considered on par with other colleges. The lack of accreditation unfairly undercuts their ability to recruit students, and it rankled at the strangest points. For instance, Mount Liberty College found that they could not find a graduate school of education that would admit their graduates because they came from college without accreditation, despite being licensed by the state of Utah. This cut off many of their graduates' dreams of becoming teachers despite their excellent liberal arts undergraduate degrees.

“We Won’t Even Try”

It has become obvious to potential college founders that they will not receive a fair hearing from private accreditors, so many of them either decide they never will get accreditation or will give up on starting a new college all together. This is what happened to Flagstaff College. Despite the founders combined 60 years of higher educational experience and each of them having previously starting bachelor’s and master’s level programs at other universities, in their first meeting with accreditors they were told the school they proposed “would never be accredited.” After that they pivoted Flagstaff College away from undergraduate and graduate education.

When the researcher asked if New U would be seeking accreditation Kulinksi’s tone changed. “We met and succeed all licensing standards, but we have no path to accreditation for 3 years.” It was not that accreditation was too rigorous; Kuinksi had gone over the requirements of the regional accreditor (NECHE) and found they were less rigorous than the standards they were passing with flying colors each year under the exacting licensing requirements of Washington DC. The current system, Kulinski said, treats new colleges as “guilty until proven innocent.” Here Kunlinski referred to the Catch-22 in accreditation that a new college must have enrolled and graduated students before getting accredited, but almost all students won’t attend a school that is not accredited. He noted that accreditation “is a big deterrent to starting new colleges because there is an insurmountable barrier. This is a set of headwinds that new universities should not be subject to.” Kunlinksi then addressed the irony of how higher educational funds are distributed.

As a society we lament that college has become increasingly out of reach. It is a sign of a civilization in decline. We give billions to incumbents. We could set aside some money to start 100 new colleges and see which new models win. The financial cost is minuscule.

And Kulinski is not just thinking of his own organization. He is dedicated to higher education improving. He'd like to see all kinds of colleges start. "We have offered improvements to efficiency access and affordability. I suspect there could be 100 people like me who could do similar or better things." Later he suggested a direct solution: "Either the Department of education ought to put in a place an 'innocent until proven guilty framework', or direct accreditors to have a way to get accredited out of the gate—[before having students]."

When the researcher asked Mount Liberty College about getting accreditation Dr. Jones said quickly and vehemently, "We are not accredited and don't intend to be accredited." When asked what went into that decision, they explained first that "We don't object to some form of evaluation," but "accreditation takes 8-10 years to process and costs thousands of dollars. We've talked to multiple schools about it, who hire full time people just for paperwork." MLC couldn't afford that. These educational leaders also found it ideologically objectionable to join with these closed organizations. "Accreditation is destructive," Dr. Jones said. "It is the tool that the educational establishment uses to drive conformity. It is the accreditation that makes it a cartel." Dr. Jones directed me to an article he wrote and published entitled: "Student Debt is Not the Problem. The Higher Education Cartel Is." Jensen also pointed out that, "Accreditation is starting to track job placement, but in Utah many women want to be mothers and often do not want to enter the workforce after graduation. MLC graduates will most likely go into grad school and have low job placement rates." MLC's job placement rates would, on paper, probably be extremely low even though they were providing exactly the education many of their community wanted.

Dr. Michelle Jones and her team who founded Wayfinding College worked with a representative at their regional accreditor—NWCCU—over seven years to prepare for the materials to apply for accreditation. They finally were ready for their first interview for recognition for candidacy in 2019. Wayfinding's first submission was delayed by COVID-19. Next, even though NWCCU had already waived the requirement to have Wayfinding College's finances independently audited when they did submit, the accreditor reversed that waiver and said they required all financial statements to be independently audited. This cost Wayfinding $12,000 (3% of their 2019 total operating budget) and the finances were so simple, it took the auditor less than a few weeks to turn it around. Finally, they had their eligibility interview, the first of three steps toward accreditation (eligibility, candidacy, and initial accreditation). By the end of their Zoom interview, it did not look good. It took a month for the accreditor to send out a formal letter of rejection. Dr. Jones believed the letter looked like it had been written before the interview even happened. Their panel of peer reviewers said Wayfinding had to resolve three things before seeking eligibility again:

1. The organization was too dependent on Michelle Jones. The college ought to establish succession plans and hire a provost.
2. They didn't see any science classes and the proper learning objectives for these non-existent science classes.
3. They did not approve of the Wayfinding College library.

In contrast to the public hearing that New U faced in Washington DC for state licensing, this regional accreditor was extremely secretive and litigious. For instance, before they were rejected, the Wayfinding team expected they would pass, so they took a celebratory screenshot of the zoom meeting and posted it to their social media. A day later they received a formal cease and desist letter from NWCCU's counsel threatening legal action against the fledgling non-profit college if they did not take the picture down.

The committee could have granted eligibility and made these criteria for applying for candidacy, but instead they took a needlessly hard line, one that crushed the Wayfinding College community. After the years of effort, expense and then to be faced with such arbitrary and unfair treatment took the wind out of the sails of everyone involved. "It took a lot of energies and resources," Dr. Jones said. "And it became part of our cultural conversation at Wayfinding." Due to the conversation and preparation around accreditation "[becoming a 4-year feeder school] became the only conversation all the students wanted to have." Due to many factors, including these cultural and financial pressures of struggling with regional accreditation, Wayfinding college went on "pause mode" where it stopped accepting students in 2021. Dr. Jones claims the pause is only temporary, "a hibernation," she calls it. She regrets not having followed her gut instinct in 2016 and never sought accreditation in the first place. When I asked Dr. Jones what she thought of regional accreditation now after fifteen years as a professor and almost seven as a college founder, she was very open about her criticisms.

"The state standard makes sense. The federal standard makes sense, but there is no reason to have a regional layer in between the state and federal levels. It is held up as the gold standard, but it is just a gate that is kept locked shut." At another point she put her recommendation quite clearly: "If I could wave a magic wand, I would just let the state authorization be all you would need." And still another time she explained what it felt like to try to start a college in America:

"Starting a college already feels like it is impossible, but regional accreditation is an additional layer of impossibility, and I think it is designed that way on purpose."

State Licensors have Come of Age

Each of these four new colleges have been shunted out of accreditation, but each one achieved state licensure. In the cases of New U and Wayfinding, both founders recognized that their state licensure process was more rigorous, transparent, affordable, and quick than accreditation. The federal government only elevated private accreditors to be the gatekeepers of federal funds in 1952 because the state licensing system then was unreliable. From the testimony of all the interviewers, in the time since the 1940's, state higher educational licensors have developed significantly and, in many ways, have proven they are better than existing accreditors. In a way, through natural development, state licensors have become, in effect, the SPREs that were strangled by lobbying from the accreditors and Newt Gingrich's Republican congress. Today state licensing is roughly as rigorous or often more rigorous than private accreditation while being perceived as more fair, fast, affordable, and transparent. This means that the "Triad" system of accountability for higher education has become imbalanced with accreditors not fulfilling their role in good faith, and the state licensors developing to accomplish both their and the accreditors' missions. This development suggests that going forward, a "Diad" of state and federal government represents a more flexible, innovative, and rigorous system of accountability and quality assurance and improvement for higher education.

The new colleges I interviewed that had sought state licensure were all able to get it. New U was able to get incorporated and receive its 501c3 non-profit tax status in six months, then they applied for state authorization in Washington DC before opening their doors. Washington DC state authorization requires over seventy-five unique pieces of evidence to verify and authorize a college. It is incredibly detailed and in depth, but Kulinski didn't mind the scrutiny and he liked that everything the state authorizer did was held in a public hearing, so there was accountability to the process. New U University passed DC's state authorization "with flying colors." They had unanimous approval from all five members of the state authorization board. The board said, "We've never seen such a great application." Most accreditors only require reaccreditation every ten years. Washington DC requires reauthorization each year, and each year New U "nails it" again and again. Mount Liberty College began in 2018 by seeking licensing in the state of Utah. "Licensing was very difficult" and "the 501c3 is also a lot of work," the scrappy two cofounders said. Nevertheless, they were able to get state licensing in Utah and open their doors to students the fall of 2019.

The licensing and accreditation lawyer, Ms. Charmantes, has helped various colleges seek state licensing and accreditation. When asked about her perspective on accreditation she says that "accreditors were given a gatekeeper role by the federal government to federal funds that they were never really built to have." While she believes that the system is not perfect, she believes that it is possible for new and innovative colleges to start and innovative changes from existing colleges to occur in the current licensing and accreditation regime. She believes it is a matter of communicating new ideas in terms that licensors and accreditors can understand and approve. She is an expert in helping new and innovative colleges to craft this sort of language when interacting with these bodies. Ms. Charmantes could not disclose any of her clients or their statuses due to confidentiality, but the researcher was able to interact with one of her clients Kibo School—a new for-profit computer science college founded by an ex-Googler. With Ms. Charmantes guidance Kibo School applied for state licensing from Florida and received an unexpected rejection. This suggests that even Florida, a state known as one of the more permissive licensers, has now put into place standards that are rigorous and difficult to achieve.

Michelle Jones Ph.D. founded Wayfinding College in 2015 with the goal of making a new kind of college. In January of 2019, Dr. Jones was invited to give a TEDx talk at TEDxSalem entitled "How to do college better" which now has had over 100,000 views. In the talk, Dr. Jones tells the story of how after being a professor for over 15 years she decided she wanted to make a new and better form of college. She planned for Wayfinding to be a non-profit from the start. Wayfinding College sought Oregon state licensing from the Higher Education Coordination Commission or "HECC"—pronounced "heck." State licensing in Oregon "was challenging," Dr. Jones said, "Oregon is one of the hardest states to get state authorization." Oregon is particularly rigorous state licenser and requires reauthorization every 2 years, whereas regional accreditors do not require any review for 10. When Dr. Jones explored getting accredited through Oregon's regional accreditor NWCCU, she found "the NWCCU paperwork was not as arduous as the HECC authorization." She talked with Pamela Goad at NWCCU. She told Ms. Goad: "We're starting this college, we're going to get state authorization first, and then what is the process for regional accreditation." Ms. Goad told Dr. Jones honestly, "I have been working at NWCCU for 12 years and I have never seen a new college come through. It just doesn't happen." Dr. Jones even pointed out that it looked like "[NWCCU had] not updated their procedures since the 1970s."

The Perspective of Judith Eaton (Former President of CHEA)

Dr. Judith Eaton is perhaps the most prestigious name in all of accreditation. As the founding president for twenty-seven years at CHEA, her name is synonymous with authority and expertise in higher education and specifically our current system of private accreditors. When researching the topic of accreditation, many other experts and writers cited or verbally recommended the researcher read Dr. Eaton's articles and papers. The researcher felt very privileged to be able to interview this illustrious and trusted person about her experience and perspective on accreditation. Before meeting with her, it was unclear whether Dr. Eaton would be critical or apologetic of the current system of accreditation — a system she helped govern and shape over twenty-seven years as president of CHEA.

When asked what would have to change about the current system to enable new colleges and old institutions to change, Dr. Eaton responded very critically of the current regime of accreditation. "Accreditation as it is currently structured is downright unfriendly to new institutions. I fought against that, but I didn't make any new inroads…. Whether intentionally or no, the whole accreditation apparatus is not geared to new institutions." She does not blame the accreditors alone. "Government is part of the problem, the federal government's oversight of accreditation reenforces all the difficulties." When asked what solutions she would suggest, she suggested starting a new accreditor, but she believed any change would require some sort of federal reform. "We need new accreditors, or we need external forces to push the kinds of changes for the accreditation of new institutions." By "external forces" it was clear from context she meant intervention and leadership by the federal government. What would it take to start a new accreditor? Is it even possible?

The researcher asked her how such a large change would take place. Would the federal government make that large of a move? Dr. Eaton responded with canny analysis of the current landscape:

> The federal government doesn't want to take over quality improvement, they get to use the accreditors at no charge. The accreditors want to be gatekeepers because it gives them

power and prestige, they believe. The federal government does not radically change laws. They would have to change hundreds of regulations and dozens of laws. Accreditation is not important enough for the legislators to actually change.

Dr. Eaton's proposed quite forcefully that the current accreditors and their reinforcement by the federal government (especially the Department of Education) are central to the problems in higher education. Her suggestions serve well as guidance toward a direction for reform.

Conclusion

This research focused on one key question: What explains the drop off in new colleges in the past five decades? This question has a few potential subquestions. Is it simply very difficult to start a college? Or is the market saturated with good colleges and so starting a new college is not a good business plan? Or is the burden of getting accreditation to blame? And, if so, is the current regime of accreditation overburdensome or unreasonable for a young institution?

The findings reveal that new colleges do not start or fail to succeed not due to a faulty business model, but due to the barrier of accreditation. Over the same decades that accreditation has become more centralized, hegemonic, and powerful, state licensers have matured to the point of being as rigorous or more rigorous than private accreditors while also being more fair, affordable, transparent, and speedy. This finding suggests that a simpler Diad system of accreditation could feasibly replace the current Triad system. In addition, the researcher found that all new non-profit colleges interviewed offer tuitions multiple times lower than other private colleges making them more accessible to people of various socioeconomic classes and making them part of the solution to the current student debt crisis.

Chapter 5: Discussion

Since it is common knowledge that small, regional colleges are struggling in today's market, many people presume that it is possible to start a new, non-profit college, and the only reason so few new colleges begin is because it must be very difficult to start a college or simply unnecessary because we have enough colleges already. The findings from this research suggest, however, that unlike other industries, there are artificial and unnecessary frictions that prevent even the most qualified, earnest, and stalwart founders of new non-profit colleges from beginning new, fully accredited colleges. These frictions stem not directly from government regulation, but indirectly from government-sanctioned private accreditation organizations governed by incumbent legacy colleges. While accreditors emerged to prominence as an affordable and ready-at-hand quality system for new, progressive federal student aid programs in the 1950s, almost immediately upon adoption of self-regulation the process of forming an oligopoly began. By the 1980s, the Congress began identifying that higher education was operating well below expected levels of quality and well above expected levels of cost. The researcher framed the history and present-day issues of higher education through the lens of organized irresponsibility (OI). OI helps by inoculating against defeatist tendencies and otherwise relying blindly on higher educational insiders who benefit from the current regime. The deliberately complex structure of higher education enables central/powerful/entrenched agents and institutions to conduct risk arbitrage and transfer financial and societal benefits to themselves and their institutions from agents who are peripheral/weak/new. Economic theory demonstrates how damaging cartels can be and how enabling free entry and competition can liberate a society from the debilitating costs of oligopoly.

The interviewed college founders illustrate the lived experience of qualified educators trying to start new non-profit colleges within this oligopoly. This research shows that the structures of the oligopoly are highly effective at suppressing free entry in higher education, since there are so few people who even try to start new non-profit colleges, and out of those, none that the researcher could was allowed to start a fully accredited college. However, the benefits of a highly successful oligopoly go to the institutions inside that oligopoly and come at the expense of those institutions' exploits (students, their families, adjunct professors, TAs, etc.) and the public (employers, democratic institutions, etc.).

Implications for Literature

Strong Bias in Papers and Reports on Accreditation

We all know to be suspect of research into lung cancer is paid for or conducted by Philip Morris or research into climate change paid for or conducted by Exxon or Chevron. No industry, institution, or individual is immune to bias, including higher education. The papers, reports, and books written by college presidents, tenured professors, and agents of accreditation fall into the fallacy of begging the question. These arguments presume the conclusion that accreditation achieves its goals and mission and is good and effective without arguing or providing evidence to that effect. Judith Eaton admitted directly to this bias immediately. When the researcher asked her why she was criticizing and condemning the accreditation system for failing to serve new colleges and support innovation when this appeared in none of her widely read papers or articles, she said "I retired." It was only once her interests were separate from the system that she was willing to be brutally honest about it.

In any industry, we ought to be suspect of claims of self-regulation, of the efficacy of self-studies, and the value of reports and policy papers published by people and institutions that have a very real reputational and economic bias towards the maintenance of the status quo in higher education. For instance, papers published by CHEA, C-RAC, or tenured college professors and college boards and presidents, while attempting to appear unbiased, nevertheless, upon analysis belie a bias towards the *status quo*.

Literature Ignores Dynamics of Organized Irresponsibility

The history and literature surrounding accreditation falls prey to the dangers of organized irresponsibility. In papers and books that admit the problems and issues of higher education (especially Gaston, 2013), insiders repeatedly frame higher education as massively complex. Using OI, these insider authors obfuscate root causes, potential solutions, and culpability. They act as if there were no clear solutions and no clear sense for who is to blame or responsible for the problems in higher education.

Implications for Practice and Policy

It is now possible to propose a few potential solutions considering the literature and new data presented here. If we synthesize the new data presented here, any solution must conform to a few criteria:

1. **Simplicity**: Simplify as much as possible this entire system since the “complexity” itself is what increases the risk of organized irresponsibility.
2. **Protect Against Fraud**: Protect citizens from fraudulent colleges.
3. **Lower Costs and Increase Access for All**: Maintain (or increase) access to higher education for all.
4. **Free Entry**: Promote free entry and new colleges and new models of education.
5. **Autonomy, Innovation, and Improvement**: Promote autonomy, innovation, and improvement of existing colleges.

Solution #1: Reform Accreditors to Support New Colleges and New Models at Existing Colleges

The most obvious solution to the issues in higher education is for the existing accreditors begin accrediting new colleges and enabling existing colleges to have more autonomy. And while many people (especially higher educational insiders) will suggest this is a reasonable solution and the best one—perhaps even the only possible solution and every other solution would be irresponsible or absurd—the result of this research would suggest that if the oligopoly of accreditors should reform themselves. However, accreditors and higher educational insiders have been challenged and mandated to reform every decade, beginning in the 1980s onwards, but have effectively lobbied to resist meaningful reform. In the 1990s two Congresses and two presidents (both of opposing parties!) agreed to reform accreditors with SPREs and accreditors deliberately lobbied to eliminate that reform in favor of the *status quo*. In the 2010s, President Obama ordered one accreditor to close its doors, and still there has been no little to no reform. The accreditors have demonstrated that they cannot be trusted to reform themselves. The solution to the problems in higher education must come from an external source that definitively interrupts the oligopolistic structure of higher education and higher educational accreditation.

Solution #2: Make Private Accreditation Optional and Remove "Gatekeeper Role"

One unexpected finding that emerged from the data of this research was the increased maturity of state licensors. Remember that accreditors were only given a "gatekeeper role" of federal financial aid because the state licensors were insufficiently developed to be a measure of quality assurance. In the intervening seventy years, however, it appears that state licensors have developed to the point of being as rigorous, or in some cases, more rigorous than regional accreditors. Michelle Jones, Ph.D., the founder of Wayfinding College in Portland, Oregon suggested the federal government give out financial aid to colleges that have achieved state authorization, making accreditation optional. Both Kulinksi, at New U University, and Dr. Jones pointed out that the demands of state authorization in most states are on par with or even exceed the standards of regional or national accreditors. Why must a college submit itself to private accreditors when its state licensor and the federal government have already asked the same questions and gotten the same answers? The American Council of Trustees and Alumni made the same recommendation in their 2007 report on accreditation and accountability. Perhaps telling, this is one solution CHEA 2018 left out of their encyclopedic list of possible solutions for higher education.

Already today state licensors are setting equivalent or higher standards than accreditors with more transparency, less cost, and more speedy administration. The federal government is already policing abusers of federal financial aid. They can easily issue fines and suspend funds; meanwhile, accreditors do not have a track record of effectively punishing or policing poorly performing and fraudulent colleges. In addition, the federal government is already a watchdog on the misuse of international student visas. The feds also keep track of federal loan default rates, which serves as a very good and objective check-engine light for the quality of any college.

A Diad system of accountability for federal financial aid—using just the Department of Education and state licensors—has many significant advantages over the current Triad system of state licensing, accreditation, and federal ED oversight. Next, this solution is simpler than the current system. As we have seen, complexity itself leads to the problems of organized irresponsibility. By simplifying the system, we lower the dangers of OI. Second, unlike accreditors who have financial interest in preventing new colleges and competition from innovative existing colleges, state licensors have no conflicts of interest when licensing new or innovative colleges. In fact, states have an incentive to license new colleges to stimulate the economy of their state through education and research. Lastly, the Diad system has the advantage of there being fifty different state licensors, making it extremely difficult for an oligarchy to control all fifty offices. Even if twenty- or thirty- or even forty-nine state licensor boards were captured by entrenched interests, there is likely there would be at least one state that would license new and innovative colleges. New and innovative colleges would simply relocate to that state, giving that state a significant economic and social advantage over other states.

Moving to a Diad system of accountability would not eliminate accreditors and accreditation, but it would make it an optional and additional badge of quality. Colleges would continue to seek and maintain accreditation if it served them in some tangible way, for instance, like some builders try to get a LEED certification of their buildings to demonstrate the quality and sustainability of their building materials. This itself would drive innovation among accreditors to provide real value to their members. For instance, the Carnegie Foundation originally offered professors participation in a retirement fund if their colleges adopted new best practices in education and standardization.

While removing the relationship between the federal government and accreditors would simplify the system of higher education, reduce the risk of organized irresponsibility, and increase the accountability for all institutions and players, it would still require an act of significant reform to federal legislation. Even though higher education is an area of relative bipartisan agreement, entrenched interests have already demonstrated that they can effectively lobby federal legislators to block reform.

Solution #3: Start One or More New Accreditors

A third solution that emerged from the research is a proposal to start one or multiple new accreditors that allowed new colleges to start and existing colleges to change and innovate more freely. The member colleges of such an accreditor can correctly and legally claim to be giving out accredited degrees. However, if a new accreditor would like their member colleges to be eligible for federal financial aid, that accreditor would have to be recognized by the Department of Education (ED). The steps to achieving recognition by the ED take four years and are outlined in a published guide (US Dept of Education, 2022).

While still requiring a significant amount of work, there are various advantages to this solution over the other two that make it easiest and most immediate. Starting a new accreditor would not require any interaction with or being dependent on the existing, entrenched accreditors. Starting a new accreditor does not require legislative action by the federal government. While it would take some money and time, it can be done relatively cheaply and with relatively few hours of work compared to their other two solutions. Moreover, the chances of success are higher, since many people have already tried solutions #1 and #2 with little or no success, but the researcher has not found anyone who has tried to start a new accreditor. A team could try to start an accreditor from nothing, or an existing organization could extend itself by making itself into an accreditor, such as the Smithsonian or the Nobel Foundation.

Additional Point: For-Profit Colleges Should Not Receive Federal Funding

In all the literature and interviews, the issue of the lack of trust in new colleges, bred by bad-actor for-profit colleges, came up continually. It is clear from these interviews that the federal government's decision in 1972 to offer financial aid to students at for-profit colleges has significantly harmed public trust in higher education and ought to be reversed.

In addition to abolishing the gatekeeper role of accreditation for federal funds, for-profit companies should be barred from receiving federal funds. This includes colleges with deep organizational relationships with for-profit management companies and service providers, where their non-profit status is a mere passthrough to for-profit entities. For-profit colleges have only had access to federal financial aid since 1972, and for-profit colleges have been prone to fraud, unethical aggressive admissions practices, high default rates, and low graduation rates. For-profit colleges can still enjoy getting state authorization and even qualifying for federal F-1 visas for their students, but to restore trust and lower the regulatory burden, they should not qualify for public funds.

Limitations of the Study and Future Research

This study was limited by various factors that could be improved in future research. The quantitative data was gathered rapidly and would be improved with greater time and thoroughness and more researchers reviewing it. Due to the small number of new non-profit colleges, there was only a small number of subjects to interview. With each of these subjects, the researcher only conducted one foregoing conversation and then one formal interview. Since the researcher himself has started and wishes to start non-profit colleges, the research had a bias towards that project. Due to bias from educational insiders, there is not robust critical literature and scholarship concerning the structure of higher education.

Future Research

Future research could improve these methods in various ways. The researcher has made his dataset public on Kaggle.com for any data scientist to review, improve, clean, and analyze. Hopefully, more attention to the rate of new colleges will raise awareness of the dramatic drop off of new colleges. More interviews with more subjects would provide more consistent and deeper insight. If a larger body of critical research in higher education emerged, researchers could draw more robust conclusions. As more critical research expands, this will combat and reduce the rampant bias in favor of legacy higher educational institutions.

Conclusion

Why are there so few new non-profit, secular, private colleges? This research suggests that the answer is the process of accreditation is unnecessarily costly, lengthy, and administratively burdensome. The data from this research showed that today two professors with terminal degrees and a dozen years of research, writing, and teaching between them cannot expect to start even a small, new, non-profit, accredited college even if they have a few hundreds of thousands of dollars or even a few million dollars in funding and have already achieved state licensing. Today to start a college in the United States and get accredited requires the support of either a wealthy religion, wealthy investors, or a wealthy and powerful state government, and, even then, the new colleges that are created might be online but otherwise are no different from the standard Carnegie-unit colleges of 100 years ago. Limiting the ability of qualified and well-meaning educators to start new colleges has caused higher education to exhibit the characteristics of an oligopoly—ever-higher prices and ever-lower quality.

To put this situation in perspective, remember that Steve Wozniak and Steve Jobs were two mid-level employees at HP and Atari when they decided to build 200 personal computers in their garage and sell them in Cupertino California. They had no special degrees or qualifications and did not have to get any sort of license or accreditation or certification to sell their computers legally. From day one, Apple's little computers competed directly alongside IBM, HP, and Atari solely on quality and price. It took decades, but decades later, the best computers and phones anyone can buy (from a billionaire in Manhattan down to a fruit seller in Calcutta) has an Apple on the back. If Jobs and Wozniak had had to beg for accreditation from a computer accreditor association governed by the presidents of IBM, HP, and Atari, they would have never been allowed to start anything and society would still be running on clunky IBM mainframes.

This research suggests that we can solve the root causes of the crises in higher education by creating realistic pathways for new, non-profit colleges to start and compete directly with incumbent colleges. Incumbent accreditors have proven for decades that they are not willing and not interested in reform. They have built and consistently defended, lobbied for, and engaged in apologetics for a state-sanctioned cartel of higher education. There are various federal proposals for reform, some of which enable new colleges to start, but federal legislation is difficult in today's divided partisan politics. Dr. Eaton's suggestion for a committed group to find a new accreditor that provides an onramp for new colleges and enables innovative legacy colleges to change and grow appears to be the most realistic and practical solution. The dangers of for-profit colleges damaging the public trust in new colleges have a decades-old history, and any reform should treat for-profit or for-profit aligned colleges with more scrutiny and criticism.

References

Alario, M. (2000). Science, Ethics and Policy Responses to the “Organized Irresponsibility.” Democracy & Nature, 6(2), 187–197. doi:10.1080/10855660050085038

American Council of Trustees and Alumni. (2007). Why accreditation Doesn't work and what policymakers can do about it. Washington, DC.

Beck, U. (1988) Gegengifte: Die organisierte Unverantwortlichkeit. Frankfurt am Main: Suhrkam Verlag.

Beck, U. (1995). *Ecological politics in an age of risk*. Cambridge: Polity.

Beck, U. (2009). *World at Risk*. United Kingdom: Wiley.

Borges, W. (2017). For-profit college bankruptcies: The cause and effect. *Com. L. World*, *31*, 23.

Brittingham, B. (2009). Accreditation in the United States: How did we get to where we are? *New Directions for Higher Education*, *2009*(145), 7-27. doi: 10.1002/he.331

Bulkeley, H. (2001). Governing Climate Change: The Politics of Risk Society? *Transactions of the Institute of British Geographers*, *26*(4), 430–447. http://www.jstor.org/stable/3650659

Congressional Research Service (Updated August 17, 2021). “The Higher Education Act (HEA): A Primer”

Creswell, J.W. and Creswell, J.D. (2018) Research Design: Qualitative, Quantitative, and Mixed Methods Approaches. Sage, Los Angeles.

Curran, D. (2015). Risk illusion and organized irresponsibility in contemporary finance: rethinking class and risk society. *Economy & Society*, *44*(3), 392–417. https://doi-org.dominican.idm.oclc.org/10.1080/03085147.2015.1044850

Curran, Dean. (2018). The Organized Irresponsibility Principle and Risk Arbitrage. Critical Criminology. 26. 10.1007/s10612-018-9415-x.

Directorate, O. S. (n.d.). *OECD Glossary of Statistical Terms - Oligopoly Definition*. © 2003 OECD. Retrieved October 7, 2022, from https://stats.oecd.org/glossary/detail.asp?ID=3270

Du Rietz G (1980) F6retagsetableringen i Sverige under efterkrigstiden. IUI, Stockholm

Eagly, A. H., & Johnson, B. T. (1990). Gender and leadership style: A meta-analysis. *Psychological bulletin*, *108*(2), 233.

Eaton, J. S. (2015 November) *An Overview of U.S. Accreditation*. Council for Higher Education Accreditation.

Eliasson, G. (1991). Deregulation, innovative entry, and structural diversity as a source of stable and rapid economic growth. Journal of Evolutionary Economics, 1(1), 49–63. doi:10.1007/bf01202338

Gaston, P. L., & Ochoa, E. M. (2013, December 4). *Higher Education Accreditation: How It's Changing, Why It Must*. Stylus Publishing.

Gillen, A., Bennett, D. L., & Vedder, R. (2010). The inmates running the asylum?: An analysis of higher education accreditation. *The Center for College Affordability and Productivity*. https://eric.ed.gov/?id=ED536283

Gipson, A. N., Pfaff, D. L., Mendelsohn, D. B., Catenacci, L. T., & Burke, W. W. (2017). Women and Leadership: Selection, Development, Leadership Style, and Performance. The Journal of Applied Behavioral Science, 53(1), 32–65. https://doi.org/10.1177/0021886316687247

Green, E. L. (2018). DeVos Ends Obama-Era Safeguards Aimed at Abuses by For-Profit Colleges. New York Times, 10.

Hayek, F. A. (2002). Competition as a discovery procedure. *Quarterly Journal of Austrian Economics*, *5*(3), 9-23.

Hemphill, C. & Wu, Tim. (2013). Parallel Exclusion. Yale Law Journal. 122. 10.2139/ssrn.1986407.

Jones, Gordon (2022) Student Debt Is Not the Problem. The Higher Education Cartel Is. Realcleareducation.com.

Joseph B. Fuller and Manjari Raman. (10/2017). Dismissed by Degrees: How degree inflation is undermining U.S. competitiveness and hurting America's middle class. Cambridge: Harvard Business School. Publisher's Version

Keenan, Marie (2011). *Child Sexual Abuse and the Catholic Church: Gender, Power, and Organizational Culture*. Oxford Academic, doi:10.1093/acprof:oso/9780199895670.001.0001

Kirzner, I. M. (1978). Competition and Entrepreneurship. United Kingdom: University of Chicago Press.

Levenstein, M. C., & Suslow, V. Y. (2006). What Determines Cartel Success? Journal of Economic Literature, 44(1), 43–95. doi:10.1257/002205106776162681

Lazerson, M. (1998). The Disappointments of Success: Higher Education after World War II. The ANNALS of the American Academy of Political and Social Science, 559(1), 64–76. doi:10.1177/0002716298559001006

Martin, R. E. (2009). The Revenue-to-Cost Spiral in Higher Education. *John William Pope Center for Higher Education Policy (NJ1)*.

Nyquist, E. B. (1961). Life Begins at Forty: A Brief History of the Commission. *Middle States Association of Colleges and Schools*

Rainwater, T. (2006). The rise and fall of SPRE: A look at failed efforts to regulate post-secondary education in the 1990s. *American Academic*, *2*(1), 107–122.

Ransom, T., Knepler, E., and Zapata-Gieti, C. (2018). New approaches to judging quality in higher education. Washington, DC: Council for Higher Education Accreditation.

Rudolph, F. (1990). The American College and University: A History. Greece: University of Georgia Press.

Schumpeter, Joseph A. (1949), Economic theory and entrepreneurial history, in Wohl, R. R. (ed.), Change and the entrepreneur: postulates and the patterns for entrepreneurial history, Research Center in Entrepreneurial History, Cambridge, Massachusetts: Harvard University Press

Stigler, G. J. (1964). A Theory of Oligopoly. Journal of Political Economy, 72(1), 44–61. https://doi.org/10.1086/258853

Tandberg D. A., Bruecker E. M., Weeden D. D. (2019) Improving State Authorization: The State Role in Ensuring Quality and Consumer Protection in Higher Education. State Higher Education Executive Officers Association

Team, T. I. (2022, September 13). *Oligopoly defined: Meaning and characteristics in a market*. Investopedia. Retrieved October 7, 2022, from https://www.investopedia.com/terms/o/oligopoly.asp

Thelin J. R. (2011). *A history of american higher education* (2nd ed.). Johns Hopkins University Press.

Tucker, F. (2021). For-Profit Colleges: Neither Educationally nor Economically Equivalent. *Research in Higher Education Journal*, *40*.

Van Bueren, E., Lammerts van Bueren, E., & van der Zijpp, A. (2014). Understanding Wicked Problems and Organized Irresponsibility: Challenges for Governing the Sustainable Intensification of Chicken Meat Production. SSRN Electronic Journal. doi:10.2139/ssrn.2557295

Veysey, L. R. (1965). The emergence of the American university. Chicago: University of Chicago Press.

U.S. Department of Education. (2022). *ACCREDITATION HANDBOOK* https://www2.ed.gov/admins/finaid/accred/accreditation-handbook.pdf

Appendix A IRB Approval Letter

DOMINICAN UNIVERSITY of CALIFORNIA

Nov 21, 2022

Adam Braus 50

Acacia Ave.

San Rafael, CA 94901

Dear Adam,

On behalf of the Dominican University of California Institutional Review Board for the Protection of Human Participants, I am pleased to approve your proposal entitled *Accreditation, Affordability, and Accessibility in Higher Education in the United States* (IRBPHP Initial IRB Application #[11078]).

In your final report or paper please indicate that your project was approved by the IRBPHP and indicate the identification number.

I wish you well in your very interesting research effort.

Sincerely,

Michaela George,

Ph.D.Chair, IRBPHP

Cc: Matthew E Davis

Institutional Review Board for the Protection of Human Participants

Office of Academic Affairs · 50 Acacia Avenue, San Rafael, California 95901-2298 · 415-257-1310 *www.dominican.edu*