

EXPLORING THE RELATIONSHIP BETWEEN ACCREDITATION AND FOR-PROFIT
HIGHER EDUCATION INSTITUTIONS

by

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STATEMENT BY AUTHOR

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Abstract

This paper explores the relationship between for-profit higher education institutions and accreditation. Two sets of research questions are examined. The first set of research questions looks at the characteristics of for-profits regionally accredited versus nationally accredited. The second set of research questions looks at the characteristics of for-profits that keep accreditation versus those who lose accreditation. Analysis is conducted using panel longitudinal data that has been merged together from the Integrated Postsecondary Education Data System (IPEDS), the Office of Federal Student Aid, and the Postsecondary Education Participation System (PEPS). Both descriptive statistics and logistic regressions are used to explore the hypotheses in this paper. The findings contribute to the field's understanding of for-profits and accreditation. This paper found in general for-profits are not losing accreditation. Regionally accreditors in particular are not revoking accreditation. Larger for-profits are more likely to be regionally accredited. Revenue, enrollment, and number of campuses, in particular seem to keep institutions from losing accreditation. Policy continues to be created (or reversed) to address concerns over for-profits but it has done so without enough statistical analysis to backup those decisions. The relationship between for-profits and accreditation is mutually beneficial and therefore needs to be further researched and addressed.

Introduction

The federal government invests hundreds of billions of dollars into for-profit higher education institutions each year. A disproportionate share of federal student aid is allocated to the for-profit sector. For the proprietary sector of higher education 70 percent or more of their funding comes from federal funds (Deming, Goldin, and Katz, 2012; Federal Student Aid, 2015). For some individual institutions Title IV federal student aid accounts for 90 percent of their revenue (U.S. Department of Education, 2014)—and that does not include GI Bill benefits. Yet, the large government investment is not yielding strong student outcomes. (Deming, Goldin, and Katz, 2012). Students attending for-profits tend to have poor outcomes- high debt, high default rates, and less likely to be employed or enrolled at a postsecondary institution six years after starting a program. This is especially troubling given that the student population who typically attend for-profits are low-income, first generation, students of color (especially African Americans and Hispanics), veterans, and single parent students (Cellini, 2012; Cottom, 2012; Deming, Goldin, and Katz, 2012; Halperin, 2015; Hentschke, 2010; Hentschke, Lechuga and Tierney, 2010; Floyd, 2005).

The federal government relies on accreditation as a gatekeeper of minimum quality of standards in higher education (American Council on Education, 2012; Brittingham, 2009; Eaton, 2012a). In order to enroll students receiving federal financial aid a higher education institution must be accredited by an agency recognized by the U.S. Secretary of Education. Despite the importance of accreditation and the large share of federal funds for-profits receive, there is no quantitative research on the relationship between for-profits and accreditation. The literature that does exist on accreditation and for-profits focuses on providing a narrative on how accreditation works for for-profits and a historical account of the relationship between the two.

Although empirical literature that exists on for-profits and accreditation is limited, the concerns about the practices at for-profits fill the news. Read any higher education news site and regularly there are articles about lawsuits and investigations being conducted on for-profit institutions (e.g. Armour and Zibel, 2014; Fain, 2015; Field, 2015; Halperin, 2015). Many for-profit institutions have faced federal investigations, one of the most publicized being Corinthian Colleges Inc. Corinthian one of the largest for-profit chains in America declared bankruptcy after a year of investigations by the U.S. Department of Education, for reporting false graduation and job placement rates (Nasiripour, 2015). At its Heald College campuses, Corinthian Colleges Inc. overstated job placement rates by paying companies to hire their graduates temporarily and counted work at a food service job (i.e. Taco Bell) as job placement for a graduate of accounting (Halperin, 2015). However, even before the Department of Education began to investigate Corinthian Colleges on issues of unethical job placement reporting, there had been investigations by eight state attorney generals and the federal Consumer Financial Protection Bureau about Corinthian's financial aid and recruitment practices. The default rate of students at Corinthian institutions was so high that in California, the state would not provide state tuition grants at Corinthian campuses. Yet despite multiple investigations, Corinthian was still accredited on the day Corinthian declared bankruptcy (Stratford, 2015a).

Besides investigations conducted by the federal Consumer Financial Protection Bureau, the federal government has demonstrated their frustration with for-profits and accreditation under the Obama administration with added regulations that an institution must meet to receive federal funds. Those regulations included the gainful employment rule, cohort default rate on federal loans, and regulation on how much total revenue can come from Title IV loans and grants (known as the 90/10 rule) (Cellini and Goldin, 2012; Darolia, 2013; Skinner, 2007; U.S. Department of Education, 2010). Federal government's frustration with higher education

accreditation was further illustrated under President Obama's administration when they unveiled a series of executive actions to provide more transparency between accreditation agencies and higher education institutions, especially, for-profit higher education institutions (U.S. Department of Education, 2015). According to Ted Mitchell, Undersecretary of Education at the time, the hope with the executive actions was to signal to accrediting agencies the federal government has taken notice (Camera, 2015; Stratford; 2015b). The executive actions included requiring that every accreditor makes public the standards they hold institutions to when evaluating student outcomes. The U.S. Department of Education also requested that when an accrediting agency places an institution on probation, they submit the letters to the department. Previously, accrediting agencies only had to tell the Department of Education that they sent a letter, not why the institution has been placed on probation. When it comes to evaluating the success of students attending those institutions, the Obama administration argued that accreditation is not holding institutions to high enough standards and varies too greatly among accreditors. The Department of Education published data showing that some accreditors were approving many institutions despite the fact that these institutions were returning poor student outcomes when it came to graduation rates, loan repayment rates, and post college earnings (Camera, 2015; Stratford; 2015b).

With the Trump administration it continues to be (if not more) important to understand the relationship between for-profits and accreditation because the current administration has begun rolling back policies that the Obama administration had established (i.e. borrower defense and gainful employments rules) (Strauss, 2017). Secretary of Education, Betsy DeVos argues that these rules are broken and do not actually protect students (Lambert, 2017).

Besides accreditation's relationship with the federal government, accreditation also affects students and taxpayers. Students are not only using federal funds, received through

federal student aid, but they are also using their own dollars when they attend for-profits with the belief that the investment will return dividends. Taxpayers are also investing into federal student aid. As already mentioned, billions of dollars are spent at for-profit higher education institutions each year. Accreditation was brought in to ensure quality of institutions, to ensure federal funds were being invested wisely, but with investigations of for-profits, there are real questions if accreditation is fulfilling this role.

More information is still needed to better inform the development of effective public policy and ensure the prudent investment and use of public monies. There needs to a better understanding of the relationship between accreditation and for-profit institutions to inform policy. Research needs to explore if certain for-profits are less likely to lose accreditation and what factors reduces the chances of loss of accreditation. For example, are some for-profits too big to fail? It is also important to learn if there are differences in the types of institutions that are regionally versus nationally accredited. Such information will provide the foundations for further questions to be explored and inferential statistics to be conducted.

The federal government depends on accreditation to guarantee the minimum quality of institutions receiving federal funds (American Council on Education, 2012; Brittingham, 2009; Eaton, 2012a, Eaton, 2012b). Yet what we see in the news is that many for-profit institutions are engaging in aggressive practices to recruit students and are under investigations by agencies like Department of Education, Securities and Exchange Commissions, Federal Trade Commission, Consumer Financial Protection Bureau and many state attorney generals. Accreditation brings legitimacy to an institution. The fact that some of these for-profits are engaging in these unethical practices, calls into question the legitimacy of accreditation. So it is particularly important to conduct large-scale organizational analysis of the relationship between for-profit higher education and accreditation.

This research paper will quantitatively address the relationship between for-profit higher education institutions and accreditation, using panel longitudinal data that has been merged together from the Integrated Postsecondary Education Data System (IPEDS), the Office of Federal Student Aid, and the Postsecondary Education Participation System (PEPS). The focus of this paper is to explore whether there are for-profit institutional characteristics that impacts the type of accreditation and status of accreditation. Two sets of research questions will be empirically explored in this paper. The first set of research questions will empirically analyze the extent to which for-profits are accredited by regional versus national accreditors, and the characteristics of institutions accredited by national versus regional. The second set of research questions will explore loss of accreditation and the characteristics of institutions that lose accreditation.

Background on Accreditation

What is Accreditation?

A basic definition of accreditation in higher education is that it “is the process whereby an organization or agency recognizes a college or university or program of study as having met certain pre-determined qualifications or standards” (Selden, 1960 as cited by Harclerod, 1980). From an institutional theory perspective, accreditation is a status affiliation as well as a process (COPA, 1980 as cited by Harclerod, 1980). It is a signifier of legitimacy, in the form of eligibility to receive federal monies.

There are two types of accreditation, institutional-level and program-level (also known as specialized) (U.S. Department of Education, 2016a). Institutional accreditation applies to a higher education institution as a whole. Within institutional accreditation there are two types- regional and national (Eaton, 2012). Program-level or specialized accreditation is applied to a specific program. These are programs or institutions that are directly related to a profession,

specialized or vocational in nature (U.S. Department of Education, 2016a; Kinser, 2006). The focus of the research presented in this paper is institutional accreditation.

How did accreditation originate?

For over 100 years accreditation of higher education institutions has existed in the United States. It developed as a way to define institutions of higher education and ensure quality. The University of the State of New York (New York Regents) were the first to begin reviewing the curriculum of the colleges in their state and reporting it back to the legislature in 1787. Other states began doing same such as Iowa (1846), Washington (1909), and Maryland (1914). The first program association (now referred to as national accreditation) was the American Medical Association (1847). Regional accreditation developed in the last half of the nineteenth century because there was a surge in the number of colleges, universities, and public high schools. With the rise of educational institutions, lines became blurred between the curriculum offered at high schools versus colleges. Regional accreditation was created by educators to define academic standards and evaluation of higher education institutions. Four of the regional associations were created during this time (Harclerod, 1980).

The role of accreditation has expanded over the years, especially in the eyes of the federal government. In addition to providing quality assurance, accreditation is also responsible for helping students identify credible institutions (legitimacy), determining transferring of credits, and is one of the criteria a higher education institution must have to be eligible to receive Title IV federal student aid (Harclerod, 1980).

What is the relationship between accreditation and access to federal funds?

The relationship between the federal government and accreditation did not begin until about 1952. In 1952 the Veteran Readjustment Assistance Act (also known as the Korean War GI Bill) was created (Eaton, 2012). The bill allowed for returning veterans to use federal funds to

attend higher education institutions. Unfortunately, it also stimulated an increase of the creation of institutions- some of which were questionable in their quality (CHEA, 1998) because of access to federal funds from the GI Bill (Harclearoad, 1980; Brittingham, 2009). The federal government wanted a way to certify quality. The government turned to accreditation agencies that already existed (saving the government time and money) and “deputized” accreditation into the role of ensuring quality. Accreditation was formalized in their role of assuring quality with the signing of the Higher Education Act (HEA) of 1964 (ACE report, 2012; Eaton, 2012).

One of the requirements the higher education institution must meet, in order to be eligible for federal student financial aid, is having accreditation from an accrediting agency that is recognized by the U.S. Department of Education. To be recognized by the U.S. Department of Education, there are specific requirements the accrediting agency must meet. These requirements, as listed by the Department of Education, fall into four broad categories: basic eligibility requirements, organizational and administrative requirements, required standards and the application of standards, and required operating policies and procedures. Basic eligibility requirements include that the accrediting agency must establish that the accreditation it is providing meet the requirements for higher education institutions and/or programs to participate in HEA program or non-HEA federal program. The agency also must demonstrate that their accrediting activities cover a State, region in the United States (that include at least three states reasonably close to each other) or the United States. If the accrediting agency is seeking recognition for the first time, the agency must demonstrate that it has engaged in accrediting activities for at least two years. In addition, the agency must demonstrate that it has granted accreditation or pre-accreditation to institutions or programs that cover the range of degrees, certificates, institutions, programs, and geographic area it seeks recognition. Every five years (though the timeframe may be shorter and will be specified in the recognition decision) the

accrediting agency will need to reapply for recognition by the U.S. Department of Education (U.S. Department of Education, 2016b).

In addition to being accredited by an agency that is recognized by the U.S. Department of Education, there are other criteria a higher education institution must meet in order to be eligible for student financial aid. Those requirements include: institution must have existed for at least two years, licensed or authorized by the state they are operating in, and meet provisions outlined by the Department of Education. Additional provisions include for example, the ability to demonstrate the administrative capacity and fiscal integrity of program (Cellini and Goldin, 2012; Darolia, 2012; Skinner, 2007).

Regional versus national accreditation

There are two types of institutional accreditation--national and regional accreditation. Regional accreditation associations accredit public and private higher education institutions, typically nonprofit and degree granting that include two-year and four-year institutions. Though regional accreditation associations do accredit some for-profits. Regional accreditation is divided into six geographic regions but there are eight commissions that accredit institutions. National accreditation associations mostly accredit for-profits, but there is a small portion of associations that do not accredit any for-profits, like the American Academy for Liberal Education. National accreditation focuses on degrees associated with a specific occupation, such as business, art, and healthcare. National accreditation associations accredit both degree and non-degree programs. There are more than 50 national accrediting associations (Eaton, 2012a; Kinser, 2006).

Table 1 and **Table 2** provide a breakdown of the number of institutions accredited by regional and national. The data comes from 2014 Integrated Postsecondary Education Data System (IPEDS) and Postsecondary Education Participants System (PEPS). **Table 1** focuses on regional accreditation agency. It emphasizes how regional accreditation accredits public and

private non-profit institutions. North Central Association of Colleges and Schools, also known as The Higher Learning Commission, accredits the most for-profits with 58 institutions. However, it is also one of the largest accreditation agencies with a total of 1,040 institutions and 19 states. Northwest Commission on Colleges and Universities accredits the least number of for-profits with only three for-profit institutions. But it is also one of the smaller Commissions with only 165 institutions. **Table 2** focuses on national accrediting agencies. Since there are over 50 national accrediting agencies only the nine largest national accrediting agencies are highlighted. **Table 2** reinforces that national accreditation focuses accrediting for-profit institutions. National Accrediting Commission of Cosmetology Arts and Sciences (NACCAS) is the largest national accrediting agency with a total of 1,482 institutions and 1,474 for-profit institutions. Making it the largest Commission among both regional and national accrediting agencies. The larger national accrediting agencies focus on broad vocational programs whereas the smaller agencies focus on a specific religious education.

Accreditation and reaffirmation process for regional and national accreditation

Broadly speaking the process of accreditation with any accrediting agency includes a self-study, on-site evaluation, and reaffirmation (Eaton, 2012). During the self-study the institution prepares a written document outlining its performance in relations to the accrediting agency's standards. The on-site evaluation includes a review team sent from the accreditation organization who evaluates the institution's program(s) and reviews whether the institution meets the standards set by the accrediting agency. Reaffirmation is the process of reevaluation an institution goes through to continue being accredited by the organization,

However, with further investigation of individual accreditation agencies variations with the process of obtaining and maintaining accreditation appear among the different associations. The accreditation process and requirements were reviewed for three regional and three national

accrediting agencies. The accrediting agencies were selected based on the number of institutions they accredit; accrediting the largest number of institutions in their category.

Variations with requirements and process exist not only between regional and national accreditors but also within. There are several areas of variation. Those include whether the potential institution needs to attend a workshop prior to applying for accreditation, if there is a candidacy period, the number of on-site visits required, and how long an institution can go before having to go through the reaffirmation process.

Within regional accreditors, Middle States (MSCHE) does not denote a candidacy period while Southern Association (SACSCOC) and Higher Learning Commissions (HLC) does (MSCHE, 2006; HLC, 2016a; SACSCOC, 2015a). However, Middle States like Southern Association require an institution to go through the self-study and the on-site visit again at the five-year mark of accreditation (MSCHE, 2016; SACSCOC, 2014). Southern Association, unlike HLC and Middle States, require a potential institution to conduct two on-site visits during the process of obtaining accreditation. The first on-site visit occurs during the candidacy period. If the institution has been able provide strong evidence of meeting Southern Association standards, then the Candidacy Committee conducts an on-site visit. The host institution is fiscally responsible for Committee's visit. The second on-site visit occurs after the SACSCOC's Board of Trustees awards Candidacy and authorizes the Accreditation Committee to visit. The second visit must occur early on in the Candidacy period because the report by the Accreditation Committee must be reviewed by the Board of Trustees no later than 24 months after Candidacy has been awarded (SACSCOC, 2015a). Within the national accrediting agencies, only Commission of Career Schools and Colleges did not require a candidacy on-site visit (ACCSC, 2015; COE, 2016; NACCAS, 2016b;).

Among the three national accrediting agencies were there some aspects of accreditation that were consistent. First, all three of the agencies required institutions to attend a workshop prior to applying (ACCSC, 2015; NACCAS, 2016a; COE, 2016). The three accrediting agencies also expected the institutions to provide written response to the prepared report from the on-site visit. The written response provides the institution opportunity to address any recommendations the on-site team had for the institution. The final commonality among the three national accreditation agencies is that they discussed the fees associated with the process of obtaining and maintaining accreditation (ACCSC, 2015; COE, 2016; NACCAS, 2016b).

There is also variation among the agencies with reaffirmation (the process of retaining accreditation). For example, among the regional agencies both HLC and SACSCOC require their institutions to complete the reaffirmation process every eight to ten years (HLC, 2016d; SACSCOC, 2014). Their process of reaffirmation is very similar to their accreditation process. MSCHE on the other hand, requires an institution to submit a Periodic Review report every five years (MSCHE, 2016a). But both MSCHE and HLC have procedures and a process in place for institutions who engage in substantial institutional change such as mission, ownership, or programs and courses offered and this impacts their reaffirmation process (MSCHE, 2016a; HLC, 2016f; HLC, 2016g). For example, with HLC, organizations considering substantial change would engage in the Open Pathway process for reaffirmation. Among the national accrediting agencies, Accrediting Commission of Career Schools and Colleges (ACCSC), National Accrediting Commission of Career Arts and Sciences (NACCAS), and Council on Occupational Education (COE), the amount of time an institution can go before going through the reaffirmation process is shorter compared to regional accrediting agencies with reaffirmation occurring between every one to six years (ACCSC, 2015; NACCAS, 2016b; COE, 2016). Like HLC and SACSCOC all three of the national accrediting agencies process of reaffirmation

reflects the initial accreditation process where institutions must attend a workshop, self-study, and on-site review (ACCSC, 2015; NACCAS, 2016c; COE, 2016b).

As with the accreditation process, regional accreditation had variations on non-compliance with accreditation standards and requirements. The actions that may occur were consistent- ranging in severity from warning/placed on notice, probation, to withdrawal of accreditation but how they defined each of the actions differed. HLC defines being placed on notice as when an institution is at risk of being noncompliant with one or more requirements of accreditation (HLC, 2016i) whereas SACSCOC defines warning status as an institution not in compliances with a Core Requirement or Comprehensive Standard of the Commission (SACSCOC, 2015b). Both SACSCOC and Middle States place a two-year limit on the amount of time an institution may be in the warning or probation status (MSCHE, 2016a; SACSCOC, 2015b). Both HLC and Middle States note it is possible for an institution to not be placed on notice/warning before probation status (HLC, 2016j; MSCHE, 2016a). Middle States specifically notes that an institution may not be placed on notice or probation before withdrawal of accreditation may occur (MSCHE, 2016a). Whereas SACSCOC notes that withdrawal of accreditation usually occurs only if an institution has been monitored and continually and/or significantly noncompliant (SACSCOC, 2015b). All three Commissions note that the institution will need to demonstrate improvement if placed on probation but only Middle States requires an on-site visit if any type of action (i.e. warning, probation) is carried out (MSCHE, 2016b). For appealing noncompliant actions only Middle States and HLC explicitly state that the withdrawal of accreditation is the only noncompliant action that can be appealed (HLC, 2016k; MSCHE, 2016b).

The loss or potential loss of accreditation among the three national accrediting agencies also varied. ACCSC was the only national accrediting agency that closely resembled the regional

accrediting agencies with different levels of action (warning, probation, and withdrawal of action). However, ACCSC had one other status ‘deferral of action’ which could be applied during the initial or renewal process when the institution needs to provide further information to demonstrate compliance (ACCSC, 2014). Like HLC and Middle States only withdrawal of accreditation can be appealed. However, unlike Middle States and SACSCOC, ACCSC does not provide a timeframe for how long an institution may be in the warning or probation status or how long an institution has to demonstrate compliance (ACCSC, 2014). NACCAS does not outline different noncompliant actions that may be carried out but rather has different types of accreditation statuses (NACCAS, 2016d). The different statuses of accreditation are: accreditation with recommendation for improvement, accreditation with stipulations, accreditation with reporting requirements, and accreditation probation. Accreditation with Recommendation for Improvement is applied when there are no issues with compliance with the Commission’s regulations and/or standards but the Commission has noted areas that the institution could improve. Accreditation with Stipulations is when an institution not compliant with standards but the Commission believes the noncompliance can be corrected within 45 days. Accreditation with reporting requirements occurs if the institution is noncompliant with financial standards, has pending actions by the government, or standards for graduation, placement, state licensures/certificates does not comply. Accreditation probation is applied when an institution is unresponsive to the Commission, engages in fraud, adds another location without going through proper process, or does not comply with accreditation requirements. The amount of time an institution has to demonstrate compliance depends on length of program the institution offers. For example, if the longest program the institution offers is 12 months then the institution has less than a year. But if the longest program is two years then the institution has at least two years. Like Middle States, NACCAS notes that an institution may not necessarily be placed on

probation before accreditation is withdrawn (NACCAS, 2016d). Finally, with COE no information could be found on the Commission's website on how an institution might lose accreditation. However, there is a section on the website where notices are posted when action has been taken with an institution i.e. candidates for accreditation, initial accreditation, those under heightened monitoring, warning, probation, or complaints filed (COE, 2016c).

Benefits of regional versus national accreditation

As Kinser (2006) writes, from a federal policy perspective there is no difference if the higher education institution is accredited by a regional or national agency. Nevertheless, institutions that are nationally accredited are often viewed as second-class citizens of higher education institutions. Regional accreditation, on the other hand, is seen as a marker of quality and prestige (Kinser, 2006; National Public Radio, 2010) because regional accreditation is associated with traditional institutions of higher education; prestigious institutions of higher education.

Regional accreditation provides legitimacy (Kinser, 2005; Tierney and Hentschke, 2007). Regional accreditation is associated with traditional institutions of higher education. Prestigious institutions such as Harvard, Yale, and Stanford are regionally accredited. Not many for-profits are regionally accredited. Therefore, when for-profits are able to gain regional accreditation, it sets them apart from for-profits and associates them closer to traditional institutions of higher education. For example, Kinser (2005) writes how Capella University used to state that they are accredited by "the same body that accredits major universities in the Midwest, including Big Ten Universities."

Obtaining regional accreditation is also a good business decision beyond the legitimacy it brings. Regional accreditation provides ability to students to transfer credits to other institutions. Many regionally accredited institutions will not accept credits from a nationally accredited

institution (Kinser, 2005). For example, when looking at several state schools' admissions information, their websites explicitly mention transfer credits are only accepted from regionally accredited colleges and universities (i.e. UCLA, UC Berkeley, Ohio State, ASU, Penn, and Boston College). This is relevant to current educational trends because so many students do not follow a traditional path of higher education by attending just one institution (National Student Clearinghouse Research Center, 2012). Obtaining regional accreditation can lead to articulation agreements between for-profits and state universities that provide further educational options for students after completing the limited degree program offered at for-profits (Kinser, 2005). In theory increasing student demand for regionally accredited for-profit institutions.

Legitimacy/prestige and regional accreditation

Regional accreditation provides legitimacy (Kinser, 2005; Tierney and Hentschke, 2007). Regional accreditation is associated with traditional institutions of higher education. Prestigious institutions such as Harvard, Yale, and Stanford are regionally accredited. It is uncommon for for-profits to be regionally accredited, so when for-profits are able to gain regional accreditation, it sets them apart from for-profits and associates them more closely to traditional institutions of higher education. For example, Kinser (2005) writes how Capella University used to state that they are accredited by "the same body that accredits major universities in the Midwest, including Big Ten Universities."

Contemporary Policy Concern

Understanding the importance of studying the relationship between for-profits and accreditation requires a comprehension of contemporary policy concerns surrounding the two institutions. As already discussed, the federal government has illustrated its frustrations with accreditation and for-profits with numerous investigations on for-profits and the passing of additional rules that higher education institutions must meet (targeting for-profits) to receive

federal student financial aid (Camera, 2015; Cellini and Goldin, 2012; Darolia, 2012; Skinner, 2008; Stratford; 2015b; U.S. Department of Education, 2010; U.S. Department of Education, 2014). However, although Obama's administration, in particular, has shown its frustrations with accreditation with pushing for reform with regulations like gainful employment and reporting of graduation and job placement, there has been much resistance from Congress, accreditors, and for-profit institutions. These stakeholders see such regulations as the overstepping of the federal government (Eaton, 2012b; Field, 2014; Stratford; 2015b).

Passing regulations to increase the federal government's role over accreditation and for-profits has been an uphill battle. In October 2014, Obama's administration announced revised regulations with respect to rules like the gainful employment rule. The regulations were to go into effect July 2015. The gainful employment rule was tougher than the ones proposed in 2011. The hope with the tougher gainful employment rule was to make it quicker for poor performing programs to lose eligibility. To be considered as a program that leads to gainful employment, graduates from the program had to have annual loan payment that did not exceed 20% of their discretionary income or 8% of their total earning (U.S. Department of Education, 2014). This is revised from the 2011 regulations that set a threshold of 30% of their discretionary income or 12% of their total earnings (U.S. Department of Education, 2011). A month before those new rules were to go into effect, a federal judge rejected the legal challenge brought by Association of Private Sector Colleges and Universities against the gainful employment rule (Thomason, 2015). That same day, the Senate passed a spending bill that would prevent the Obama administration from implementing the gainful employment regulation and the college rating system (Lederman, 2015).

There is not much surprise with the Senate passing such a bill given that in the previous election, Republicans took over the Senate. Lamar Alexander became the committee chair of

education. He had made it clear his goal was to deregulate the federal government involvement and has stated he takes a firm opposition to President Obama's accountability agenda. Alexander has stated he is against Obama's college rating plan and the gainful employment rule (Basken, Field, and Read, 2014; Field, 2014). Understanding Alexander's stance on the role of government and the regulation of accreditation and for-profits is important because he was in charge of the reauthorization of the Higher Education Act (HEA). And as seen in 2008 with the reauthorization of the HEA, regulation of accreditation by the federal government can be constricted with provisions. In the 2008 reauthorization, a provision was included that prohibits the Department of Education from establishing standards of student achievement that accreditors must make their institutions meet.

An understanding of the relationship between accreditation and for-profits is needed so that decisions about the regulations of accreditation and for-profits are not just made by politicians, but rather influenced by empirical data. Empirical data that is currently lacking in the field. The current Secretary of Education, Betsy DeVos, takes a similar view as Alexander on the accountability policies that the Obama administration established. DeVos has gutted borrower defense and gainful employment regulations, stopped the approval of student-fraud claims against for-profits, and appointed Julian Schmoke Jr. (a former dean at DeVry University) to lead the policing of fraud in higher education (Stratford, 2017).

Literature Review

Research on for-profit higher education and accreditation is limited. Of the three existing articles on the relationship between for-profit higher education institutions and accreditation status, the research focus is narrow and incomplete. In this section, each of the three pieces will be reviewed on how they have contributed to the literature on for-profits and accreditation. Areas

that the literature has left unexplored will also be addressed. Finally, this section will discuss how the research in this paper contributes to the gaps in literature.

In Kinser's (2005) article, "A Profile of Regionally Accredited For-Profit Institutions of Higher Education", he uses data from the fall 2001 Institutional Characteristics section in Integrated Postsecondary Education Data System (IPEDS) to look at characteristics of regionally accredited for-profits and their accreditors. Kinser (2005) provides a picture of the diverse institutional characteristics of regionally accredited for-profit institutions. He also highlights the differences among regional accreditation associations. For example, among the seven regional accreditors, only one, the New England Association of Schools and Colleges Commission on Institutions of Higher Education (NEASC-CICHE) does not accredit for-profits. Additionally, while covering the same region, Western Association of Schools and Colleges, Accrediting Commission for Community and Junior Colleges (WASC-Jr) accredits more for-profits than Western Association of Schools and Colleges, Senior College Commission (WASC-Sr.). This article provides insight that there are differences among the regional accrediting agencies when it comes to accreditation of for-profits. However, as Kinser (2005) points out there are still many unanswered questions. Some of those questions include whether regional and national accreditation are equivalent systems and what differences does it make if an institution chooses to be regional or nationally accredited?

Kinser (2006) also writes about accreditation in his book, *From Main Street to Wall Street the Transformation of For-Profit Higher Education*. The purpose of the chapter, External Approval: Accrediting the For-Profit Sector, is to explore the relationship between for-profits and accreditation and how accreditation evolved to accommodate the growth of for-profit institutions. The chapter provides an historical context on the development of accreditation as a method of quality assurance and a requirement to receive federal funds. Kinser (2006) identifies

the portion of schools that are regionally and nationally accredited. He briefly touches on characteristics of for-profits that are accredited by regional agencies. But he does not study the characteristics of these institutions or potential factors that contribute to the type of accreditation an institution acquires or how these factors or characteristics may contribute to the loss of accreditation.

Kinser (2006) does find that institutions can negotiate the system and gain accreditation from an agency they know will be favorable to for-profits. For example, most multistate and virtual for-profits are accredited by North Central Association. Kinser (2006) notes that regional accreditation standards vary in ways that jeopardizes quality assurance. Kinser's (2006) chapter initiates the conversation of the relationship between for-profits and accreditation, yet he does not address how institutional characteristics relate to the type of accreditation. Nor does this chapter address loss of accreditation and what factors may contribute to loss accreditation.

In regards to scholarly research on nationally accrediting agencies, Scalon and McComis (2010) wrote a chapter that provides an historical account of one national accrediting agency. The authors tell the story of the development and establishment of the National Association of Trade and Technical Schools/Accrediting Commission of Career Schools and Colleges of Technology (NATTS/ACCST). This chapter gives insight to accreditors but it does not address the relationship between institutions and accreditors. Nor does it articulate the impact of institutional characteristics on accreditation status.

In contrast to the existing research on for-profits and accreditation, this study provides an analysis of the relationship between accreditation and for-profits. This study analyzes the factors impacting the connection between for-profits and accreditation. Analysis is conducted to determine which institutional characteristics, if any, are correlated with regional versus national accreditation and explores the loss of accreditation among for-profit institutions. Do certain

institutional characteristics influence the type of accreditation and loss of accreditation among for-profit institutions? For instance, are for-profits who receive a larger portion of federal student aid less likely to lose accreditation? This is especially relevant because existing research has not explored whether institutional characteristics are correlated to the loss of accreditation for for-profits. Furthermore, unlike existing research, this study evaluates both regional and national accreditation rather than just focusing on one. This provides a richer picture of the relationship between accreditation and for-profits.

To fill in the gaps in existing literature, data from three sources are used in this paper. This differs from current literature that exists. In Kinser's (2005) research he only uses data from IPEDS. This paper utilizes data that provides information on federal student aid disbursement to institutions, institutional characteristics, and accreditation information of institutions. Merging data from three datasets provides the ability to conduct rich analysis and answer questions that have not been addressed yet in existing literature.

Conceptual Framework

Three sets of theoretical concepts are utilized to explore the relationship between accreditation and for-profit higher education institutions. The paper investigates two sets of questions when it comes to the relationship between accreditation and for-profits. The first set of questions explores which for-profits (i.e. four-year or two-year) are more likely to be regionally versus nationally accredited. Social identity theory helps to understand how institutions are embedded within a larger environment and how actions are guided by maintaining positive social standing. In conjunction with social identity theory, institutional theory is used to understand how institutions may be using accreditation to maintain or gain legitimacy. The second set of questions explores the loss of accreditation among for-profits and resource dependency theory

guides this paper in considering why certain for-profits, those rich in resources, will be less likely to lose accreditation.

Rao, Davis, and Ward (2000) analyzed movement of firms from NASDAQ to New York Stock Exchange (NYSE). Rao, Davis, and Ward (2000) integrate concepts of embeddedness and social identity theory, to understand why firms moved from NASDAQ to the NYSE.

Embeddedness is the idea that social relationships shape economic action (Granovetter, 1985 as cited in Rao, Davis, and Ward, 2000). An organization's social identity is developed from its membership to formal and informal groups. An organization will want to strive to maintain a positive social identity. Bringing these ideas together, Rao, Davis, and Ward (2000) argue that an exit of an organization from a group and joining of another group occurs if an organization receives an identity-discrepant cue. The organization's ties between in-group and out-group members affect how the organization responds to the cue, whether they exit and join a new group or not.

Rao, Davis, and Ward (2000) found that corporations gained their social identity from their membership to stock exchanges (NASDAQ or NYSE). The NASDAQ is seen as newer and the organizations that are listed on it are seen as part of the "new high-growth economy" (Rao, Davis, and Ward, 2000). The New York Stock Exchange (NYSE), on the other hand, is older and larger. Being listed on the NYSE gives an organization an identity of being mature and having made it as a corporation because of the perception of the NYSE as established and traditional. Because of this, being listed on the NYSE is not easy and neither is exiting from it. Organizations that leave NASDAQ to be listed on the NYSE report they do so because of prestige. Qwest reported in an interview that they moved to NYSE to improve its social standing because membership with NSYE would affiliate Qwest to an organization they saw as higher quality.

The idea of moving groups because of prestige and social standing resonate with the idea of legitimacy and isomorphism in institutional theory. This paper argues that certain for-profits are more likely to be regionally accredited (i.e. four-year, multi-campus) because they are mimicking prominent institutions (i.e. traditional institutions) to gain legitimacy and maintain a positive social identity. Institutional theory uses isomorphism, or the process of homogenization, to explain how organizations become isomorphic with the external normative environment to gain legitimacy. Organizations within a population face the same environmental pressures, and over time they adjust to be compatible with their environment (DiMaggio and Powell, 1983). There are three forces that have been identified by institutional theorists through which isomorphism occur: regulative, normative, and cultural-cognitive (Scott and Davis, 2007). With those three forces there are three corresponding mechanisms through which institutional isomorphic change occurs: coercive, mimetic, and normative (DiMaggio and Powell, 1983; Scott, 2008). This paper focuses on mimetic isomorphism.

Mimetic isomorphism occurs when organizations mimics what other organizations, similar to them, are doing. This paper argues that for-profits will mimic institutions similar to them via obtaining the same accreditation type to gain legitimacy and maintain positive social standing. DiMaggio and Powell (1983) write that mimetic isomorphism occurs when organizations face uncertainty and as a result mimic successful organizations to establish legitimacy. Legitimacy is defined as “a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions” (Suchman, 1995b as cited in Scott, 2008).

Synthesizing the ideas of embeddedness, social identity, isomorphism, and legitimacy together, this paper maintains that certain types of for-profits (i.e. four-year, multi-campus) will be more likely to be regionally accredited than nationally accredited. As the ideas of

embeddedness and social identity together explain, organizations desire to maintain positive social identity through group membership (i.e. NASDAQ vs. NYSE; regional vs. national accreditation). In turn, social identity influences the economic decisions an organization makes (i.e. moving from NASDAQ to NYSE; moving from national to regional accreditation). As the Rao, Davis, Ward (2000) paper illustrates, organizations reported their move from NASDAQ to NYSE was influenced by the prestige of NYSE and the desire to enhance the organization's social identity. This paper argues for-profits pursue regional accreditation which they perceive as more prestigious and legitimate than national accreditation.

The idea of positive social identity and prestige enhances the concept of isomorphism and legitimacy. From institutional theory we gain understanding that environmental pressures can cause organizations to become isomorphic within a population to gain legitimacy. For-profits are routinely in the news for questionable practices and uncertainty that they provide students with expected outcomes. That uncertainty is reflected in the actions the federal government has taken to evaluate the performance of for-profits. Therefore, this paper argues that as a result of environmental pressures for-profits face, certain characteristics of for-profits are positively correlated with being regionally accredited because of the legitimacy and positive social standing regional accreditation provides. However, only for-profits that are similar to institutions that are currently regionally accredited will move to regional accreditation because as mimetic isomorphism explains, organizations mimic organizations similar to themselves.

Knowing that regional accreditation typically accredits nonprofit degree granting two-year and four-year institutions and that national accreditation accredits degrees associated with a specific occupation such as business, art, and healthcare (Eaton, 2012a; Kinser, 2006) this paper argues that four-year for-profits are more likely to be regionally accredited than two-year or less than two-year for-profits. This paper hypothesizes that four-year for-profits are more likely to be

regionally accredited than two-year or less than two-year for-profits because four-year for-profits are mimicking four-year nonprofits in response to an identity-discrepant cue (questions of legitimacy), trying to improve their positive social identity and thereby increasing their legitimacy. National accreditation is not focused on programs that offer Bachelor's degrees but rather tend to focus on short term vocational programs. It would not improve the legitimacy of an institution that offers short-term vocational degrees/certificates to be nationally accredited. Regional accreditation focuses on institutions that offer four-year programs. Therefore, it would increase a four-year for-profit legitimacy to be regionally accredited.

H_{3a}: Four-year for-profits are more likely to be regionally accredited than two-year or less than two-year for-profits.

Bridging off of that idea that for-profits will base the type of accreditation they obtain on their social identity and mimicking similar institutions, this paper hypothesizes that for-profits that offer just one program in a specific niche (i.e. beauty, technical) will be more likely to be accredited by a national accrediting agency than for-profits that offer programs in multiple fields of study. For-profits that offer programs in multiple fields of study will be more likely to be regionally accredited because of their similarity to regionally accredited institutions that offer majors/programs in multiple areas. Their similarity to other regionally accredited institutions, like non-profit four-year institutions, will also contribute to them wanting to provide the ability to students to transfer credits to other institutions. Regional accreditation provides students the ability to transfer credits to other institutions. As this paper has already established, national accrediting agencies accredit institutions that offer limited career-focused (vocational) curriculum. Therefore, for-profits that offer just one program in a specific niche (i.e. beauty, technical) will likely be accredited by a national agency, to maintain positive social standing and mimic other institutions that offer just programs in specific niches.

H_{3b}: For-profits that offer just one program in a specific niche (i.e. beauty, technical) will be more likely to be accredited by a national accrediting agency than for-profits that offer programs in multiple fields of study.

There are other indicators of size that identify similar institutions. In the literature of for-profits, there is a classification system of for-profits as an enterprise or a supersystem. Enterprise institutions teach limited career focused curriculum and are typically single campus. Enrollment at these institutions are usually less than a few hundred students. Whereas supersystems have branch campuses across a large geographical area and offer a wider array of programs. Examples of supersystems are University of Phoenix, ITT, and DeVry (Kinser and Levy, 2007; Kinser, 2006). Both University of Phoenix and DeVry are regionally accredited by Higher Learning Commission (HLC) (University of Phoenix, 2016; DeVry, 2016).

As this paper has established, national accreditation focuses on specific career focused curriculum. The type of curriculum offered at single campus institutions or enterprise institutions. Institutions whose enrollments are typically less than a few hundred. Whereas, supersystem institutions with larger enrollments and various degree programs fit more with other regionally accredited institutions. Therefore, this paper argues that institutions with large enrollments will be more likely to be regionally accredited to maintain positive social standing by mimicking similar institutions with large enrollments who are regionally accredited.

H_{3c}: Large for-profits (as measured by enrollments) will be more likely to be regionally accredited than smaller for-profits.

The second set of research questions in this paper explores the loss of accreditation. Resource dependency theory guides this paper in hypothesizing that certain for-profits, those rich in resources, will be less likely to lose accreditation. Resource dependence theory focuses on organizations and their relationships with other organizations that have resources they need.

There are three core ideas of resource dependency theory. First, social context matters. Much of what organizations do is in response to their environments. Second, there are many strategies an organization can engage in to maintain their autonomy and gain the necessary resources. Lastly, power is important to understanding the actions organizations take, not just rationality or efficiency. (Davis and Cobb, 2010; Scott and Davis, 2007). Power in resource dependency theory is a relational concept- power of one actor over another. Actor A has power over Actor B to the degree that Actor B is dependent on Actor A for a resource (Davis and Cobb, 2010; Scott and Davis, 2007).

The power component is especially relevant when evaluating the relationship between for-profits and accreditation. Within resource dependency theory there is the concept of mutual dependency/interdependence. Rather than seeing power as Actor A having power over Actor B, and therefore Actor B without power; mutual dependency views it as possible for both actors to hold power over one another and become interdependent. Davis and Cobb (2010) provide an example mutual dependency with the relationship between General Motors (GM) and Fisher Body. General Motors was dependent on Fisher Body for auto bodies. However, Fisher Body was also dependent on GM because GM was the primary buyer of their products.

A similar interdependency is seen with the relationship between for-profits and accreditation. Many for-profits are dependent on federal funds. A large portion of revenue for many for-profits comes from federal funds (Deming, Goldin, and Katz, 2012; Federal Student Aid, 2015; U.S. Department of Education, 2014). Access to federal funds is partially ¹contingent on accreditation from a recognized agency. Since for-profits need accreditation in order to be

¹ The word partial is used because obtaining accreditation is just one of the requirements needed to be met in order to be eligible to receive federal funds. There are also several regulations laid out by the U.S Department of Education, as discussed in the introduction.

eligible for federal funds, for-profits are dependent on accreditation agencies. However, as this paper argues, that dependency is mutual. Accreditation agencies are dependent on for-profits as well.

Accrediting agencies funding comes from the fees paid by the institutions that they monitor (Eaton, 2012; Kirkham and Short, 2013). When researching the requirements for accreditation and reaffirmation, among regional accrediting agencies, only Southern Association of Colleges and Schools, Commission on Colleges (SACSCOC, 2015a), explicitly mention the costs for accreditation. The nationally accrediting agencies did note there were fees but actual dollar amounts were not shared. The Council on Occupational Education was the exception to this. Prior to the accreditation visit, institutions must submit a \$1,0000 accreditation fee. Non-public institutions are required to pay a \$5,000.00 deposit to the Council to off-set travel expenses of the visiting accreditation team.

The review teams that visit the institutions as part of the accreditation and reaffirmation process are made up of volunteers from institutions also accredited by that agency (Brittingham, 2009; Eaton, 2012; Kirkham and Short, 2013). When we look at, for example at how Corinthian was able to maintain accreditation for so long despite the high default rates and investigations at both a state and federal level, it highlights the dependency accreditation agencies also have on for-profits (Kirkham and Short, 2013). Accrediting agencies are dependent on for-profits for resources- funding and volunteers. That dependency is not exclusive to Corinthian. Both the Accrediting Commission for Career Schools and Colleges (ACCSC)² and the Accrediting Council for Independent Colleges and School (ACICS)³ accredit Corinthian and together

² No maximum amount set for annual membership fees. (Flores, 2017).

³ Annual membership fee range from \$1,210 to \$14,510 (Flores, 2017).

accredit almost 60 percent of all American for-profit institutions. Almost half of these schools have the worse student loan default rates (Kirkham and Short, 2013). Yet they continue to be accredited by these agencies because of the dependency the accreditation agencies have on for-profits.

Although focused on understanding the amount of money spent on quality assurance among accrediting agencies, a report written by Center for American Progress (CAP) also highlights the financial dependency accreditors have on for-profits. CAP reviewed the tax filings of 12 major institutional accrediting agencies. In their analysis they found that membership dues and fees for services was accrediting agencies largest source of revenue. The accrediting agencies were dependent on colleges/institutions for income. Among national accrediting agencies the minimum fees for annual membership that the accreditors set ranged from \$1,200 to \$2,723 per institution and maximum fees ranged from \$3,083 to \$14,510 per institution. Under regionally accrediting agencies the minimum fees for annual membership set by the accreditors ranged from \$1,500 to \$8,049 per institution and the maximum ranged from \$18,080 to \$162,055 per institution. The factors that determine how much an institution pays in membership fees varied by accrediting agencies. Examples of factors that impacted membership fees included: full-time equivalent enrollment, total head count, total expenses, total revenue, and gross tuition. In addition to annual membership fees there are also the initial accreditation fees, reaffirmation process fees, and substantive changes fees. Initial accreditation fees among regional and national accrediting agencies ranged from \$2,500 to \$41,367. Reaffirmation process fees ranged from no charge to \$15,000. Substantive change fees depend on the type of change i.e. change of ownership but ranged between \$150-\$1,1500 to \$20,000 (Flores, 2017).

The dependency accrediting agencies have on for-profit institutions is further fueled by another resource dependency theory concept, cooptation. Cooptation is when external groups are

brought into the decision-making or advisory structure of an organization (Scott and Davis, 2007). With accreditation and for-profits, we see that national accreditation agencies are full of executives from the for-profits that they monitor (Kirkham and Short, 2013). Ten of the 15 board members on ACICS represent individuals from the for-profit industry. This includes executives from Corinthian, Education Corporation of America, and ITT Technical Institute. Within ACCSC eight of the 13 seats on the board are taken by executives from the for-profit industry including Universal Technical Institute and Kaplan Higher Education (Kirkham and Short, 2013).

This mutual dependency between for-profits and accreditation drives the following hypothesis. This paper hypothesizes that for-profits that have large total revenue (controlling for size) will be less likely to lose accreditation. For-profits are dependent on accreditation to be eligible for student federal financial aid. Accreditation agencies are dependent on for-profits for revenue and volunteers. For-profits that have significant total revenue become valuable to accreditation agencies because the for-profit will have the financial means to pay for the fees associated with accreditation and keeps the agency in business. It signals to the accreditor that the institution is financially stable (have the means to cover student services costs) and pay accreditation fees. As noted above, one of the factors some accrediting agencies used to determine the annual membership fees for institutions were based on size (i.e. total head count, revenue) (Flores, 2017). Accreditation agencies will be unlikely to remove these for-profits from their Commissions because the accreditor is dependent on for-profits for revenue.

H_{5a}: For-profits that have large total revenue (controlling for size) will be less likely to lose accreditation.

Continuing on the idea of mutual dependency, this paper also argues that larger for-profits (measured by enrollment) will be less likely to lose accreditation than smaller for-profits.

Large size reduces the dependency an organization has on another organization. Large size is associated with increased power because when one is larger relative to its competitors it is in a better place to control/set the parameters of the relationship between itself and another organization (Scott and Davis, 2007). In relation to for-profits and accreditation, having large enrollments in comparison to other for-profits contributes to an accreditation's dependency on the for-profit. When an institution is large (has large enrollments) it makes the institution valuable to the accrediting agency. Large enrollments signify that the institution has the means to pay the associated accreditation fees. Larger institutions will also have the means to support their staff to serve on accrediting agency executive boards. For-profits serving on accreditation boards increases an institution's chances of survival (less likely to lose accreditation and therefore eligible to receive federal funds) because of mutual dependency. Furthermore, as Pfeffer and Salancik (1978) have written, large organizations are able to resist immediate pressures from the environment and take time to adapt to these pressures. Size provides an organization cushion from organizational failure (Pfeffer and Salancik, 1978 as cited by Scott and Davis, 2007).

This idea is not just based on theory, there is real evidence that larger for-profits are less likely to lose accreditation. As Kirkham and Short (2013) found when they investigated a decade worth of regulatory filings of for-profits with accreditation agencies, the five largest publicly traded for-profit college companies have never had their accreditation revoked. One of those largest publicly traded for-profit colleges was Corinthian's Everest College chain. This chain had 14 schools lose California State funding because of concerns of low job placement rates and student completion rates. Additional paperwork was required but ultimately they continued to be accredited (Kirkham and Short, 2013).

H_{5b}: Enrollment size has a negative effect on the probability of losing accreditation.

The final hypothesis, continues to focus on the idea that for-profits and accreditation agencies are mutually dependent on one another. It also continues the argument that size is an asset to a for-profit institution. This paper argues that the dependency between accreditation agencies and for-profits become interdependent with increase in size. Large organizations need accreditation for federal funds and accrediting agency needs the for-profit for resources (revenue and volunteers). Multi-campus institutions (supersystems) tend to be larger in size (both physically and enrollment) than single-campus institutions (enterprise). Smaller institutions (i.e. those with fewer campuses) do not have the same power over accreditation agencies. Smaller institutions are dependent on accreditation agencies to gain access to federal funds but accreditation agencies are not necessarily dependent on the small for-profit. Smaller for-profits do not bring the same assurance as a larger organization can in regards to resources (i.e. funding) and longevity (ability to weather possible challenges in the environment).

Thus, this paper hypothesizes that:

H_{5c}: Fewer branch campuses positively affects the probability of losing accreditation.

Furthermore, smaller institutions do not have the same power as larger institutions in regards to flexibility. Large institutions own multiple campuses in multiple locations, small institutions that own only one campus are place-bound. Large institutions possess the resources and economies of scale to invest in online education but small institutions typically do not possess the resources to invest in online education. Providing programs online offers power to for-profits because it can remove the restriction of being place-bound. If the institution is unable to gain accreditation in one state, it can just move its headquarters to another state.

Data, Variables, Methods

Data

To answer the research questions and test the hypotheses outlined in this paper, data from the Integrated Postsecondary Education Data System (IPEDS), the Federal Student Aid (FSA), and the Postsecondary Education Participants System (PEPS) was merged together. IPEDS provides annual data on accredited postsecondary institutions that are eligible for Title IV financial aid. The information in IPEDS provides data in areas such as institutional characteristics and fall enrollments (Jaquette and Parra, 2013). The FSA data, collected on schools that receive Title IV funding, provides information on default rates and gainful employment rates (Federal Student Aid, 2014). PEPS data also collects information on schools that receive Title IV funding and provides data on accreditation. PEPS details which accreditation agency an institution is accredited by (Postsecondary Education Participants System, 2014).

Sample

The sample consisted of for-profit higher education institutions that were receiving federal financial aid and therefore accredited. Only institutions that reported to IPEDS and PEPS were included. This left the number of unique Office of Postsecondary Education ID Code (OPEIDS) analyzed in this study to 3,508. OPEIDS is a hierarchical code that can be utilized in grouping Title IV branch campuses with their main Title IV campus (Jaquette and Parra, 2013). Unique OPEIDS do not count individual institutions because some organizations own multiple OPEIDS.

Analysis Period

The date range for analysis was 1996 to 2014. However, particular focus is on data from 2000 onward because it is just before the increased focus and pressure on for-profit higher education institutions.

Variables

Some of the variables utilized in the analysis of this paper come directly from the datasets (i.e. IPEDS). Other variables were created using existing data to test the research questions. The following institutional characteristic variables came from IPEDS data. **Sector** (sector) variable provides a nine-category variable that brings together ownership control (i.e. public, for-profit) and highest degree awarded (i.e. baccalaureate, associate's degree) (Jaquette and Hillman, 2015). **State** (stabbr) variable identifies where institutions (or institutions headquarters) are located by listing the state abbreviations (i.e. AZ, CA). Variables for **program types** was created by merging individual variables that described program and degree level (i.e. Education less than 2-year, Education Associate, Education BA, Education MA, Education Ph.D) into one variable (i.e. prgeduc).

Two variables, from the Federal Student Data (FSA), were used to capture the amount of federal student aid an institution received. The first variable measured **total Pell grant** (gpelladisp) disbursed to an institution. The second variable measured the **total amount of loans** (totlffeladisp) disbursed to an institution.

Independent Variables

A categorical variable was created for the **number of degrees** (degrees3) an institution offers from a continuous variable in IPEDS data. The values for this variable were one degree, two to four degrees, five to nine degrees, and ten plus degrees. The **revenue** (revinvs) variable provided total revenue for an institution. The **enrollment** (totfteia) variable, provided total full-

time enrollment (FTE) based on total institutional activity each year for an institution converted from clock hours and credit hours, rather than headcounts of students (Jaquette and Hillman, 2015). The enrollment variable was also used as a control variable in hypothesis four. In addition to being a characteristic variable, the **sector** (sector) variable was also used as an independent variable when additional analysis is conducted to understand characteristics of institutions that lost accreditation.

Dependent Variables

The following variables about accreditation came from PEPS. PEPS provided the name of the accreditation agency for each institution. The different accreditation agencies were identified as either a regional or national accreditation agency. From there a categorical variable (0-National, 1-Regional) was created to identify **accreditation type** (accredtype). PEPS data also captured the date when an institution lost accreditation. Utilizing this information, a binary variable identifying **accreditation status** (keepaccred) was created to analysis if an institution ever losses accreditation (0- loss accreditation, 1-kept accreditation).

Each higher education institution is provided an OPEID to participate in Title IV federal financial aid programs. Using OPIED, the number of campuses an institution has was captured. The first six-digits of the OPEID identifies the educational institution and the following two-digit suffix identifies campuses or different locations. However, it is possible for an institution to own multiple OPEIDs for different branches (i.e. Brown Mackie). The categorical variable, **number of campuses** (campusnum2) was created from the data in IPEDS provided by institutions OPEIDS. The values for number of campuses were one campus, two to nine campuses, 10-19 campuses, 20-29 campuses, 30-39 campuses, 40-49 campuses, 50-59 campuses, 60-69 campuses, 70-79 campuses, 80-89 campuses, and 100 plus campuses.

Method

The purpose of this paper is to provide an understanding of the relationship between for-profit higher education institutions and accreditation. Therefore, for most of the hypotheses proposed in this paper, a logistic regression was run to estimate the relationship between the dependent variable (outcome) and independent variable (predictor). Logistic regression was used because the dependent variables were dichotomous. Significance testing was conducted to supplement regression analyses to analyze whether the independent variable fits the model better than no independent variable. *Hypothesis 3a* was not tested using a logistic regression, a two-sample test of proportion was used instead. A two-sample test of proportion was used because the hypothesis evaluated whether the proportion of four-year for-profits regionally accredited equals the proportion of two-year and less than two-year for-profits regionally accredited.

Limitations

The merging of the IPEDS dataset and PEPS was not a perfect match. IPEDS data is collected yearly whereas PEPS is collected weekly. To merge the two datasets, shell observations were created and the fill command in Stata was utilized. However, there were still observations that did not match up by year (endyear) and Office of Postsecondary Education ID Code (opeid5). After merging all the different datasets together and dropping observations that were not for-profit institutions, there were 470 observations that were deleted because they failed to match. It is confusing that there were observations that when merged with PEPS did not match in IPEDS data because PEPS collects data of institutions that are participating in Title IV, and completing IPEDS is a requirement for institutions that are participating in Title IV. A review of the data was conducted to figure out why there was unmatched observations between the two datasets, however a reason was not found. Dropped observations impacts the confidence that the results found in the statistical analysis precisely describes the population.

Another important limitation is that the variable for multiple campuses does not fully capture the landscape because some organizations own multiple OPEIDS, for example Education Management Corporation (EDMC) and Brown Mackie College. When an institution owns multiple OPEIDS the multiple campuses are treated as independent institutions rather than just another campus of the organization. The number of campuses variable (campusnum2) therefore does not fully capture the population and impacts the confidence that the results found in the statistical analysis perfectly describes the population.

Results

This paper focused on understanding the relationship between for-profit higher education institutions and accreditation. Two broad sets of research questions are empirically explored to understand the relationship between for-profits and accreditation. The first set of research questions analyze the extent to which for-profits are accredited regionally versus nationally, and the characteristics of those institutions. The first research question asks how many for-profits are accredited regionally versus nationally. The second research question inquires on the market share of for-profits accredited by the two accreditation types. The third research question focuses on the characteristics of for-profits accredited regionally versus nationally. Within the third research question, three hypotheses are proposed:

Hypothesis 3a: Four-year for-profits are more likely to be regionally accredited than two-year or less than two-year for-profits.

Hypothesis 3b: For-profits that offer just one program- specific niche (i.e. beauty, technical) will be more likely to be accredited by a national accrediting agency than for-profits that offer programs in multiple fields of study.

Hypothesis 3c: Large for-profits (as measured by enrollments) will be more likely to be regionally accredited than smaller for-profits.

The second set of research questions explores the loss of accreditation and the characteristics of institutions that lose accreditation. The fourth research question asks how many for-profits lose

accreditation. The final research question explores the characteristics of for-profits that lose accreditation. Three hypotheses are proposed analyzing the characteristics of for-profits that lose accreditation:

Hypothesis 5a: For-profits that have large total revenue (controlling for size) will be less likely to lose accreditation.

Hypothesis 5b: Enrollment size has a negative effect on the probability of losing accreditation.

Hypothesis 5c: Fewer branch campuses positively affects the probability of losing accreditation.

Addressing the first research question, **Tables 1** and **Tables 2** provide a breakdown of the number of institutions accredited by regional and national, respectively. Supporting current literature on for-profit higher education, the data shows that, in general, regional accreditation agencies tends to focus on accrediting public and private nonprofit institutions and national accreditation agencies concentrates on accrediting for-profit institutions. However, the data also highlights that there is some variation within this larger pattern. The Higher Learning Commissions (regional accrediting agency) one of the largest accreditation agencies, accredits the most for-profits institutions out of all the regional accreditors. Within the Council on Occupational Education (COE), a national accreditation agency, of the 548 institutions they accredit, 267 are public institutions and 30 are private nonprofit. Among the national accreditation agencies, COE accredits the largest number of public institutions. The agency with the next largest number of public institutions is Accrediting Commission of Career Schools and Colleges (ACCSC) with 12 public institutions. **Tables 1** and **Tables 2** provide a broad overview of institutional breakdown of regional versus national accreditation. The empirical analysis in this paper goes deeper to learn more of the characteristics of institutions accredited by regional versus national.

Focusing on the second research question, the market shares of for-profits accredited by regional versus national agencies, a simple tabulation was conducted between the market share variables and accreditation type variable. Market share defined as enrollment and federal financial aid. In the dataset used to conduct analysis, only for-profit institutions were kept. **Table 3** shows the mean total FTE by year and accreditation type. This table shows that from 2000 to 2014 regional accredited for-profit institutions had higher average total FTE than nationally accredited for-profits. In **Table 4** the average Pell grant disbursement by accreditation type is reported. As with enrollment, regional accredited for-profits from 2000 to 2014 received, on average, higher amounts of Pell grant disbursement than nationally accredited for-profit institutions. Just within regionally accredited for-profits we see the average Pell grant disbursement jump significantly in 2009 to 2010 and 2010 to 2011. Finally, in **Table 5** the average loan disbursement is broken down by accreditation type. Again, in regards to market share, regional accredited for-profits receive, on average, higher amount of loan disbursement than nationally accredited for-profits. The difference between national and regional accredited institutions is quite significant when it comes to average loan disbursement with the difference increasing over the years. For example, in 2014 the average loan disbursement for regionally accredited for-profit institutions was \$90,418,984 versus nationally accredited for-profit institutions with \$3,508,979. These results mirror a trend observed in the nonprofit sector of higher education when it comes to the distribution of financial resources, two-year (community colleges) are not receiving the fair share of federal student aid.

Accreditation Type

Moving on to the third research question which explores the characteristics of for-profits accredited regionally and nationally, three hypotheses are set forth to understand the characteristics of for-profits accredited by national versus regional agencies. *Hypothesis 3a* states

that four-year for-profits are more likely to be regionally accredited than two-year or less than two-year for-profits. A two-sample test of proportion was used to see if the proportion of four-year for-profits regionally accredited equals the proportion of two-year and less than two-year for-profits regionally accredited.

The null and alternative hypotheses for *hypothesis 3a*:

H_0 : The proportion of four-year for-profits regionally accredited equals the proportion of two-year and less than two-year for-profits regionally accredited.

H_1 : The proportion of four-year for-profits regionally accredited does not equal the proportion of two-year and less than two-year for-profits regionally accredited.

The two-sample test of proportion returned a z-value of -102.734 and with an alpha level of 0.05 the null hypothesis is rejected. The proportion of four-year for-profits regionally accredited does not equal the proportion of two-year and less than two-year regionally accredited. The results from the two-sample test of proportion are reported in **Table 7**. **Table 6** provides a frequency table for institutional and accreditation type by year. By 2001 the proportion of four-year for-profits regionally accredited is greater than the number of two-year and less than two-year for-profits combined. That number steadily increased over the years. The proportion of two-year and less than two-year institutions nationally accredited remains significantly greater than four-year for-profits nationally accredited for the entire analysis period.

Hypothesis 3b argues for-profits that offer just one program in a specific niche (i.e. beauty, technical) will be more likely to be accredited by a national accrediting agency than for-profits that offer programs in multiple fields of study. Logistic regression was used to estimate the relationship between accreditation type and number institutional degree programs. Logistic regression was used because the dependent variable (accreditation type) is categorical.

$$\widehat{OR}(x = 0, x = 1) = \frac{\left(\frac{\hat{\pi}(x = 1)}{1 - \hat{\pi}(x = 1)} \right)}{\left(\frac{\hat{\pi}(x = 0)}{1 - \hat{\pi}(x = 0)} \right)} = e^{\hat{\beta}_1} = e^{1.014449} = 2.757842$$

The above equation shows the odds ratio of an institution with two to four degrees being regionally accredited compared to an institution with one degree. The odds of an institution with two to four degrees being regionally accredited is 2.76 greater than offering just one degree. The odds of being regionally accredited increased as the number of degrees the institution offers increased. Here is the odd ration equation offering five to nine degrees:

$$\widehat{OR}(x = 0, x = 1) = \frac{\left(\frac{\hat{\pi}(x = 1)}{1 - \hat{\pi}(x = 1)} \right)}{\left(\frac{\hat{\pi}(x = 0)}{1 - \hat{\pi}(x = 0)} \right)} = e^{\hat{\beta}_1} = e^{1.704896} = 5.500815$$

The odds of an institution with five to nine degrees being regionally accredited is 5.50 greater than offering just one degree. **Table 8** displays the results from the logistic regression. The logistic regression returned a p-value of 0.00 for all categories of degrees (two to four, five to nine, and 10+) and with an alpha level of 0.05 this indicates that there is a statistically significant association between the independent variable (degrees3) and dependent variable (accredtype).

Table 9 provides a frequency table for number of degrees and accreditation type. Of the institutions that were nationally accredited 69.62% of them offered just one program. Those that offered two to four different degrees or five to nine different degrees, 25.47% and 4.81% respectively were nationally accredited. Whereas with regional accreditation 17.63% of the institutions offered just one degree and 44.25% offered two to four degrees.

Hypothesis 3c proposes large for-profits (as measured by enrollments) will be more likely to be regionally accredited than smaller for-profits. Logistic regression was used to estimate the relationship between accreditation type and enrollment. Logistic regression was used because the dependent variable (accreditation type) is categorical.

$$\widehat{OR}(x = 0, x = 1) = \frac{\left(\frac{\hat{\pi}(x = 1)}{1 - \hat{\pi}(x = 1)} \right)}{\left(\frac{\hat{\pi}(x = 0)}{1 - \hat{\pi}(x = 0)} \right)} = e^{\hat{\beta}_1} = e^{.6848727} = 1.983519$$

$$1.984 \times \log(1.1) = 0.080$$

The variable totfteia was log transformed to make the interpretation of the continuous variable clearer. The odds ratio equation demonstrates a 10% increase in FTE is associated with a 0.080 increase odds of being regionally accredited. The results from the logistic regression are presented in **Table 8**. A p-value of 0.00 was returned and with an alpha level of 0.05 this demonstrates that there is a statistically significant association between the independent variable (totfteia) and dependent variable (accredtype).

Additional descriptive statistics were run on a couple of other variables to further answer the third research question about the characteristics of for-profits accredited by regional and national. **Table 10** provides a frequency table for number of campuses and accreditation type. Within nationally accredited institutions 87.27% had one campus and among regionally accredited institutions 66.39% had one campus. While the majority of both regionally accredited and nationally accredited institutions have only one campus, there is a demonstrative association between national accreditation and a single campus institution.

Table 11 and **Table 12** provide a breakdown of where nationally and regionally accredited institutions are located **Table 11** lists the states with the highest number of regionally accredited institutions. California and New York have the highest number of regionally accredited institutions. **Table 12** lists the states with the highest number of nationally accredited institutions. California and Texas have the highest number of nationally accredited institutions. The most striking difference being the overall number of institutions on **Table 11** versus **Table 12**. In **Table 12** California has the highest number of nationally accredited institutions with the

number of institutions ranging from 371 to 450 over the years; California also has the highest number of regionally accredited institutions but with the number of institutions ranging from 15 to 30 over the years (**Table 11**).

Analysis was also conducted on the type of degree programs offered at regionally and nationally accredited institutions. **Table 14** provides a breakdown of the degree programs with the largest number of nationally accredited institutions offering that degree program. Within nationally accredited institutions, the top degree programs were: personal and culinary services⁴, health, business, computer science, and engineering. Consistently, over the years personal and culinary services had the highest number of nationally accredited institutions offering that degree program. Institutions offering business degree programs have slightly declined over the years. Whereas health degree programs have slowly increased over the years.

Table 13 provides a breakdown of the degree programs with the largest number of regionally accredited institutions offering that degree program. Within regionally accredited institutions, the top degree programs were: business, health, computer science, arts and protective services. Business degree programs remained the top degree program offered during the analysis period. Protective services began rising in the number of institutions offering that degree program during the analysis period. The striking difference between nationally accredited institutions and regionally accredited institutions when it comes to type of programs is that there are fewer overall number of institutions by degree programs among regionally accredited institutions. This not surprising since overall there are overall more nationally accredited institutions.

⁴ Personal and culinary services include for example cosmetology, mortuary science, culinary arts/chef training, and food services.

Loss of Accreditation

The second set of research questions explores the loss of accreditation and the characteristics of institutions that lose accreditation. **Table 15** provides a quick breakdown, by year, the number of institutions who lost accreditation versus those that kept/were accredited. In 1999 and 2000 the highest number of institutions lost accreditation with 24 and 25 institutions, respectively, losing accreditation. The results from this simple descriptive analysis highlights an area that begs for further investigation. An insignificant portion of for-profit institutions lost accreditation over the time period analyzed. Almost all of the institutions that did lose accreditation were nationally accredited. Criticism and scrutiny has primarily focused on the for-profit sector but why not further scrutiny and regulation of accrediting agencies, in particular regionally accrediting agencies? Regional accrediting agencies are not revoking accreditation. **Table 16** and **Table 17** provides a breakdown of loss of accreditation by accreditation type (national and regional). Of the 24 institutions that lost accreditation in 1999, 23 were nationally accredited. In 2000 of the 25 institutions that lost accreditation, 24 were nationally accredited. With relatively few institutions losing accreditation it is difficult to run reliable statistical analysis, especially for regionally accredited institutions. **Appendix A** and **Appendix B** provide a list of the institutions that lost accreditation in 1999 and 2000.

The following hypotheses begin exploring the characteristics of institutions that lose accreditation. *Hypothesis 5a* argues that for-profits that have large total revenue (controlling for size) will be less likely to lose accreditation. To estimate the relationship between revenue (revinvs) and accreditation status (keepaccred) controlling for size (totfteia), a logistic regression was run. Logistic regression was run separately for regional and national. See **Table 18** for the results from the logistic regression estimating the relationship between revenue and accreditation status, controlling for size for nationally accredited for-profits. To illustrate the impact of the

reinvsv variable, which is continuous, the variable was log transformed. Below the odds ratio equation demonstrates a 10% increase in revenue (controlling for size) is associated with a .036 increase odds of keeping accreditation for nationally accredited for-profit institutions.

$$\widehat{OR}(x = 0, x = 1) = \frac{\left(\frac{\hat{\pi}(x = 1)}{1 - \hat{\pi}(x = 1)} \right)}{\left(\frac{\hat{\pi}(x = 0)}{1 - \hat{\pi}(x = 0)} \right)} = e^{\hat{\beta}_1} = e^{-.149807} = .8608741$$

$$.861 \times \log(1.1) = .036$$

The logistic regression returned a p-value of .441 and with an alpha level of 0.05 there is not a statistically significant association between the independent variable (reinvsv) and dependent variable (keepaccred). **Table 19** display the results from the logistic regression for regionally accredited for-profits. The odds ratio equation shows that a 10% increase in revenue (controlling for size) is associated with a .040 increase odds of keeping accreditation for regionally accredited for-profits.

$$\widehat{OR}(x = 0, x = 1) = \frac{\left(\frac{\hat{\pi}(x = 1)}{1 - \hat{\pi}(x = 1)} \right)}{\left(\frac{\hat{\pi}(x = 0)}{1 - \hat{\pi}(x = 0)} \right)} = e^{\hat{\beta}_1} = e^{-.0213125} = .978913$$

$$.979 \times \log(1.1) = .040$$

With a p-value of .968 and an alpha level of 0.05 there is not a significant association between the independent variable (reinvsv) and dependent variable (keepaccred).

Hypothesis 5b proposes that enrollment size has a negative effect on the probability of losing accreditation. Again since the dependent variable is categorical, logistic regression was run to the estimate the relationship between enrollment and accreditation status. The logistic regression was run separately for regional and national. The variable totfteia was also log transformed in this regression to make the interpretation clearer. **Table 18** displays the results from the logistic regression analyzing nationally accredited for-profits and enrollments. Below

the equation demonstrates a 10% increase in FTE is associated with a .038 increase odds of keeping accreditation for nationally accredited for-profit institutions.

$$\widehat{OR}(x = 0, x = 1) = \frac{\left(\frac{\hat{\pi}(x = 1)}{1 - \hat{\pi}(x = 1)}\right)}{\left(\frac{\hat{\pi}(x = 0)}{1 - \hat{\pi}(x = 0)}\right)} = e^{\hat{\beta}_1} = e^{-.0906355} = .9133506$$

$$.913 \times \log(1.1) = 0.038$$

The logistic regression also returned a p-value of .642 and with an alpha level of 0.05 indicates that there is not a statistically significant association between the independent variable (totfteia) and dependent variable (keepaccred). The results from the logistic regression analyzing regionally accredited for-profits and enrollments are displayed in **Table 19**. The equation shows that a 10% increase in FTE is associated with a .039 increase odds of keeping accreditation for regionally accredited for-profit institutions.

$$\widehat{OR}(x = 0, x = 1) = \frac{\left(\frac{\hat{\pi}(x = 1)}{1 - \hat{\pi}(x = 1)}\right)}{\left(\frac{\hat{\pi}(x = 0)}{1 - \hat{\pi}(x = 0)}\right)} = e^{\hat{\beta}_1} = e^{-.0562601} = .9452933$$

$$.945 \times \log(1.1) = .039$$

With a p-value of .915 and an alpha level of 0.05 there is not a statistically significant association between the independent variable (totfteia) and dependent variable (keepaccred).

The final hypothesis, *hypothesis 5c*, argues having fewer branch campuses positively affects the odds of losing accreditation. Below is the odds ratio equation for the relationship of having two to nine campuses and keeping accreditation.

$$\widehat{OR}(x = 0, x = 1) = \frac{\left(\frac{\hat{\pi}(x = 1)}{1 - \hat{\pi}(x = 1)}\right)}{\left(\frac{\hat{\pi}(x = 0)}{1 - \hat{\pi}(x = 0)}\right)} = e^{\hat{\beta}_1} = e^{-.1135857} = .8926277$$

Having two to nine campuses was associated with .892 greater odds of keeping accreditation than having just one campus. As the number of campuses increased in the model, Stata removed

the categories of campuses. Stata noted that those values of campuses predicted success perfectly. The results from the logistic regression are provided in **Table 20**. **Table 21** helps explain why Stata removed them. **Table 21** provides a frequency table for loss of accreditation and number of campuses. As the number of campuses increased, institutions did not lose accreditation. The logistic regression returned a p-value of .608 with an alpha level of .05 this indicates that there is not a significant association between the independent variable (campusnum2) and dependent variable (keepaccred).

Additional analyses were run to better understand the characteristics of institutions that lost accreditation. Logistic regression was run to estimate the relationship between institutional type (sector) and accreditation status (keepaccred). **Table 22** displays the results from the logistic regression. Being a two-year for-profit is associated with a 2.77 greater odds of keeping accreditation than being a four-year for-profit. Being a less than two-year for-profit is associated with a 2.92 greater odds of keeping accreditation than being a four-year for-profit. The logistic regression returned a p-value of 0.00 for the sector categories of two-year and less than two-year. With an alpha level of .05 this indicates that there is a statistically significant relationship between being two-year and less than two-year and keeping accreditation. **Table 23** provides a frequency table of institutional type and accreditation status. In general, across institutional type, institutions keep accreditation. **Appendix C**, **Appendix D**, and **Appendix E** provide a list of the institutions that lost accreditation by sector.

The relationship between number of programs and keeping accreditation was also investigated. Results from the logistic regression are displayed in **Table 24**. Offering two to four degrees is associated with .73 greater odds of keeping accreditation than offering just one degree. Offering five to nine degrees is associated with .66 greater odds of keeping accreditation than offering just one degree. The odds of keeping accreditation continued to decrease as the number

of degrees increased. The p-values returned from the logistic regression were .074 (two to four degrees), .160 (five to nine degrees), and .001 (10+ degrees). With the alpha level of .05 the relationship between two to four degrees and five to nine degrees and keeping accreditation is not significant. However, there is a significant relationship between 10 plus degrees and keeping accreditation. **Table 25** displays the frequency table for number of degrees and accreditation status. The frequency table supports the results from the logistic regression that number of degrees does not impact (positively or negatively) accreditation status. **Appendix F, Appendix G, Appendix H, and Appendix I** provide a list of the institutions that lost accreditation by number of degree programs offered.

Discussion

The focus of this paper was to gain a better understanding of the relationship between for-profit higher education institutions and accreditation. Accreditation is relied upon to be a gatekeeper of federal funds. Despite the vital role of accreditation, quantitative research that explores the relationship between for-profits and accreditation does not exist. This paper takes steps to begin quantitatively exploring the relationship between for-profit higher education institutions and accreditation by merging together panel longitudinal data from Integrated Postsecondary Education Data System (IPEDS), the Office of Federal Student Aid, and the Postsecondary Education Participation System (PEPS). Two sets of research questions were set forth. The first set of questions analyzed the characteristics of institutions accredited by national versus regional. The lenses of social identity theory and institutional theory were utilized to hypothesize the relationship between institutional characteristics and accreditation type. The second set of research questions explored the loss of accreditation and the characteristics of institutions that lose accreditation. Resource dependency theory guided the hypotheses of the relationship between institutional characteristics and loss of accreditation.

Analysis began by exploring the market share (enrollment and federal financial aid) of for-profits accredited by regional versus national accrediting agencies. Simple descriptive statistics showed that regionally accredited for-profits have a larger portion of the market share. Specifically, regionally accredited for-profits had the highest average total FTE, received higher amount of Pell grant distribution, and on average a higher amount of loan disbursement. However, in regards to sheer number of institutions, there are significantly more nationally accredited for-profits than there are regionally accredited for-profits. In 2014 there were 154 regionally accredited for-profits compared to 3,181 nationally accredited for-profits. The average FTE for regionally accredited for-profits that year was 9,385 and for nationally accredited for-profits the average FTE was 541. The average Pell grant disbursement for regionally accredited for-profits that year was \$24,913,300 and for nationally accredited for-profit it was \$1,630,791. The average loan disbursement for regionally accredited for-profits was \$90,418,984 and for nationally accredited for-profits it was \$3,508,979.

The results from these simple descriptive statistics provide support of resource dependency theory. The for-profits that are regionally accredited tend to be larger and more powerful. Larger in that they are receiving significantly a greater share of federal financial aid. More powerful in that almost none of the regionally accredited for-profits are losing accreditation. Resource dependency theory would argue that regionally accredited for-profits are not losing accreditation because of the value (revenue) these institutions bring to the regional accrediting agencies. Regional accrediting for-profits are also gaining from the relationship (mutual dependency) by gaining accesses to federal student aid. For-profits are joining regional accreditation to avoid losing accreditation and gain greater access to federal student aid. Although focused on public and nonprofit higher education institutions, academic capitalism as described by Slaughter and Rhoades (2004) explains how these behaviors observed among for-

profits is demonstrative of for-profits engaging in market and market-like practices to generate revenue. For-profits are leveraging and coopting federal and state associated bodies (accreditation agencies) for public subsidization (federal student aid) for private gain. The results found from the logistic regressions conducted in this paper supports this argument and is discussed further, below.

Accreditation Type

The two-sample test of proportion found that the portion of four-year for-profits regionally accredited did not equal the proportion of two-year and less than two-year for-profits regionally accredited. The frequency table showed that there were more four-year for-profits regionally accredited than two-year and less than two-year for-profits. These results appear to support the argument that four-year for-profits are more likely to be regionally accredited because four-year for-profits are mimicking four-year nonprofits in response to an identity-discrepant cue (questions of legitimacy). Trying to improve their positive social identity and thereby increasing their legitimacy, they are more likely to be regionally accredited.

In the second hypothesis it was expected that offering several different degree programs would be another characteristic that make for-profits more similar to four-year nonprofit institutions and therefore more likely to be regionally accredited because for-profits are mimicking similar nonprofits to gain legitimacy. The findings uncovered that offering two to four degrees did result in the institution being more likely to be regionally accredited than institutions offering just one degree. As the number of degrees an institution offered increased (five to nine, ten plus) the odds of being be regionally accredited increased.

The third hypothesis also argued larger sized institutions (in this case measured by enrollments) would be more likely to be regionally accredited. National accreditation tends to focus on accrediting institutions that offer specific career focused curriculum, the type of

curriculum offered at single campus institutions with enrollments typically less than a few hundred. Using social identity theory and institutional theory, this paper argued that for-profits that have large enrollments would be more aligned with nonprofit institutions, many of which are regionally accredited. The results from the logistic regression found that 10% increase FTE was associated with a .080 increase odds of being regionally accredited.

The results from the first three hypotheses seem to offer support for social identity theory and mimetic isomorphism. Yes, four-year for-profits, those that offer many degree programs, and for-profits with large enrollments are more likely to be regionally accredited. However, as the descriptive results on market share of for-profits and loss of accreditation indicate, it also appears for-profits are moving to regional accreditation so as to *not* to lose accreditation and therefore to continue gain access to federal student aid. Combining the information provided from the descriptive statistics and the results from the first three hypotheses, the fact that for-profits are more likely to be regionally accredited can be further understood through the lens of academic capitalism. For-profits are engaging in academic capitalism—engaging in market and market-like activities to generate revenue (access to aid). For-profits are utilizing accreditation agencies for their financial gain, to gain access to federal student aid. Specifically, for-profits that are able to, those that are similar to other regionally accredited higher education institutions, seem to be utilizing regional accreditation because regional accreditation in general is not revoking accreditation from the for-profit institutions they accredit.

Loss of Accreditation

The last three hypotheses centered around revenue, enrollment and number of campuses. Arguing that institutions with larger revenue, enrollment, and number of campuses would be less likely to lose accreditation because of their increase in access to resources. These institutions have more resources that would protect them from losing accreditation because of the benefit

(revenue) they bring to the accrediting agency. Accreditation agencies are dependent on the institutions they accredit for resources (financial revenue and volunteers). The results for these hypotheses found an increase in revenue, enrollment, and the number of campuses was associated with an increase in odds of keeping accreditation. Analysis was conducted to understand if there was any variation among regional and national accrediting agencies when it comes to revenue and enrollment. The impact of enrollment and revenue was greater for regionally accredited for-profits than nationally accredited, though not significantly more.

These results support resource dependency theory. For-profits can become too big to fail. For-profits and accreditation are dependent on each other and are mutually benefiting from that dependency. But the results should not be analyzed in a bubble. Integrating the results from the analysis conducted in this paper, the information presented in the literature review, and what is observed in the environment, illustrates another point from academic capitalism which is that the boundaries between sectors (in this case, for-profits and accreditation) are being blurred (Slaughter and Rhoades, 2004). Individuals who serve on accreditation review board are members of the for-profit sector. Both for-profits and accreditation agencies engage in lobbying to ensure policies that are enacted related to higher education benefit them. For-profit higher education institutions are not solely focused on the educating students who are attending their institutions. Some would even argue that for-profits are only focused on generating revenue. The analysis conducted in this paper seems to, at least to some degree, support this view. However, the analysis conducted in this paper is limited and there are still many areas that need to be explored further to fully understand the relationship between for-profits and accreditation. For example, the politics of regulating for-profits has changed substantially over the years. Politics play central role in the struggle over legitimacy for for-profit higher education institutions. During the Obama administration focus was on regulating for-profits and in the Trump

administration the focus is on removing federal governments involvement in the regulation of for-profits. A shift in the political landscape impacts the behaviors of for-profits and their relationship to accreditation. Future research should analyze the relationship between for-profits, legitimacy, and accreditation through the lens of political theories.

Another area future research should explore to understand the relationship between accreditation and for-profits is lawsuits. Lawsuits against accrediting agencies by institutions is common if accreditation is revoked. Although agencies usually win, it costs the agency in both time and money to fight lawsuits; taking away from their business operations of providing oversight to higher education institutions (Flores, 2017; Kelderman, 2016). For-profit higher education institutions with resources have the means to contest accreditation status in court and are willing to make that investment because of the returns accreditation brings in federal financial aid. Additional research should be conducted on the phenomenon of suing accreditation agencies when action is taken against the for-profit. Does this impact the sanctions (i.e. warning/placed on notice, probation, or withdrawal of accreditation) accreditation agencies make?

Along the same lines, further research should investigate how frequent other types of sanctions are being taken by accrediting agencies (i.e. warnings) against for-profits rather than revoking accreditation. However, current federal data is unable to support this type of analysis. Currently federal data only provides information on whether an institution has lost accreditation. Overall, for-profits are not losing accreditation, especially regionally accredited for-profits. It is in the benefit for both accrediting agencies and for-profits that accrediting agencies *do not* revoke accreditation. As discussed in the background review of accreditation, there are different sanctions accrediting agencies can take to address issues at for-profits. Some of these sanctions, depending on the accrediting agency also comes with additional fees, adding a layer of benefit

for accrediting agencies to apply sanctions instead of revoking accrediting. Further research should explore the use of sanctions by accrediting agencies to increase understanding of the relationship between for-profits and accreditation. Does placing sanctions on for-profits force for-profit institutions to make improvements? Is this why for-profits are not losing accreditation? Current literature suggests otherwise—that for-profits are not taking steps to address student outcomes.

The results found from the statistical analysis in regards to loss of accreditation should be viewed with caution. As the descriptive results show, relatively few institutions are losing accreditation and therefore it is difficult to run reliable statistical analysis, especially on regionally accredited for-profits. An example of why the results should be viewed with caution is illuminated with the additional analysis that was conducted on institutional characteristics and loss of accreditation. The logistic regression found that two-year and less than two-year for-profit institutions had greater odds of keeping accreditation than four-year for-profit institutions. Four-year for-profits are more likely to be regionally accredited. However, as descriptive table on loss of accreditation shows very few regionally accredited for-profits are losing accreditation. What is clear is that for-profits, especially those that are regionally accredited, are not losing accreditation despite concerns of student outcomes. Research needs to continue exploring the relationship between accreditation and for-profits.

The goal of this paper was to gain a better understanding of the relationship between for-profit higher education institutions and accreditation. The results make a contribution to the field's understanding of for-profits and accreditation. Larger for-profits are more likely to be regionally accredited. Regionally accreditors are not revoking accreditation. Revenue, enrollment, and number of campuses, in particular seem to keep institutions from losing accreditation. Policy continues to be created (or reversed) to address concerns over for-profits

but it has done so without enough statistical analysis to backup those decisions. The relationship between for-profits and accreditation is mutually beneficial. Certain for-profits seem to be less likely to loss accreditation, particularly those that are regionally accredited. Overall accreditors are not revoking accreditation. If accreditation is going to continue being a gatekeeper to federal financial aid, then policy needs to understand the relationship between accreditation and for-profits.

Table 1: Regional Accreditation

Regional accreditor	States accredit in	Type of institutions they accredit	Number of public institutions	Number of private non-profit	Number of for-profit	Total Number of institutions accredits
Middle States Commission on Higher Education (MSCHE)	Delaware, District of Columbia, Maryland, New Jersey, New York, Pennsylvania, Puerto Rico, and the U.S. Virgin Islands	Degree granting programs including programs via distance education and correspondence education programs.	205	287	28	521
New England Association of Schools	Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont	Programs that award bachelors, masters and/or doctoral degrees and associate degree-granting institutions that include in their offerings, degrees in liberal arts or general studies. Also, includes programs via distance education.	87	146	9	242
North Central Association of Colleges and Schools, The Higher Learning Commissions (HLC)	Arizona, Arkansas, Colorado, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, New Mexico, North Dakota, Ohio, Oklahoma, South Dakota, West Virginia, Wisconsin, and Wyoming	Degree-granting institutions, tribal institutions, and programs via distance education and correspondence education programs.	536	444	58	1040
Northwest Commission on Colleges and Universities	Alaska, Idaho, Montana, Nevada, Oregon, Utah, and Washington	Degree-granting institutions and programs via distance education.	108	52	3	164
Southern Association of Colleges and Schools, Commission on Colleges (SACSCOC)	Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Texas, and Virginia	Degree-granting institutions and programs via distance education and correspondence education programs.	502	305	17	826
Western Association of Schools and Colleges, Accrediting Commission for Community and Junior Colleges	California, Hawaii, the United States territories of Guam and American Samoa, the Republic of Palau, the Federated States of Micronesia, the Commonwealth of the Northern Mariana Islands, and the Republic of the Marshall Islands	Certificates, associate degrees, and first baccalaureate degrees via distance education and correspondence education and correspondence education programs.	125	13	17	156
Western Association of Schools and Colleges, Senior College and University Commission	California, Hawaii, the United States territories of Guam and American Samoa, the Republic of Palau, the Federated States of Micronesia, the Commonwealth of the Northern Mariana Islands and the Republic of the Marshall Islands	Public and private higher education institutions.	41	119	15	175

Source: Author calculations based on IPEDS and PEPS 2014 data

Note: Mismatch between types of institutions accredited versus total number of institutions attributed to a couple of institutions being classified as “admin” under “sector” in dataset.

Table 2: National Accreditation

National accreditor	Type of institutions they accredit	Number of public institutions	Number of private non-profit	Number of for-profit	Total Number of institutions accredits
National Accrediting Commission of Career Arts and Sciences (NACCAS)	Postsecondary schools and departments of cosmetology arts and sciences and massage therapy.	4	3	1474	1482
Accrediting Commission of Career Schools and Colleges (ACCSC)	Non-degree-granting institutions, and degree-granting (associate, baccalaureate, and master’s degrees) in occupational, trade, and technical careers including programs via distance education	12	62	667	741
Council on Occupational Education (COE)	Occupational education institutions offering non-degree and applied associate degree programs in specific career and technical fields, including programs via distance education.	267	30	249	548
Accrediting Council for Independent Colleges and Schools (ACICS)	Private postsecondary institutions offering certificates or degree-granting (associate, baccalaureate, and master’s degrees) in occupational, professional, and technical careers including programs via distance education.	0	50	423	474
Accrediting Bureau of Health Education Schools (ABHES)	Private postsecondary institutions that primary offer health education programs and programmatic accreditation of medical assistant, medial laboratory technician and surgical technology programs, leading to a certificate, diploma, Associate of Applied Science, Associate of Occupational Science, Academic Associate degree, or baccalaureate degree, including programs via distance education. *	1	16	141	158
Accrediting Council for Continuing Education and Training (ACCET)	Continuing education and vocational programs that offer certificates or occupational associate degree including those via distance education.	2	20	124	146
Association of Advanced Rabbinical and Talmudic Schools, Accreditation Commission (AARTS)	Advanced rabbinical and Talmudic schools.	0	71	0	71
Transnational Association of Christian Colleges and Schools, Accreditation Commission (TRACS)	Christian postsecondary institutions that offer certificates, diplomas, associate, baccalaureate, and graduate degrees, including programs via distance education.	0	60	1	61
Association for Biblical Higher Education, Commission on Accreditation (ABHE)	Institutions of biblical higher education at the undergraduate level, offering both campus-based and distance education.	0	58	0	58

Source: Author calculations based on IPEDS and PEPS 2014 data

Note: Mismatch between types of institutions accredited versus total number of institutions attributed to a couple of institutions being classified as “admin” under “sector” in dataset.

Table 3

Mean total FTE enrollment by accreditation type		
Academic Year	National	Regional
2000	468	2,373
2001	479	2,742
2002	500	3,132
2003	611	3,528
2004	573	4,753
2005	693	5,386
2006	523	5,733
2007	516	6,219
2008	609	6,879
2009	584	8,806
2010	709	11,114
2011	751	11,134
2012	642	10,132
2013	591	9,804
2014	541	9,385

Table 4

Average Pell Grant disbursements by accreditation type		
Academic Year	National	Regional
2000	418,558	2,197,145
2001	481,930	2,492,114
2002	626,978	3,438,274
2003	772,917	4,272,031
2004	883,329	5,239,071
2005	938,573	6,751,604
2006	888,387	7,157,560
2007	861,445	7,573,876
2008	999,532	10,313,232
2009	1,349,015	15,778,070
2010	2,171,729	28,754,362
2011	2,421,576	34,374,488
2012	1,819,353	29,292,995
2013	1,655,858	26,095,017
2014	1,630,791	24,913,300

Table 5

Average loan disbursements by accreditation type		
Academic Year	National	Regional
2000	1,432,288	12,326,666
2001	1,613,339	14,776,495
2002	1,867,703	18,974,100
2003	2,189,383	25,883,140
2004	2,587,292	34,293,508
2005	2,816,066	44,072,352
2006	2,807,573	50,790,116
2007	2,863,961	56,360,468
2008	3,369,233	69,160,360
2009	4,669,211	91,625,864
2010	5,272,976	111,080,360
2011	5,059,111	109,530,008
2012	4,272,036	94,972,824
2013	3,088,589	75,191,864
2014	3,508,979	90,418,984

Table 6

Academic Year	4-year for-profit		2- year for-profit		Less than 2-year for-profit	
	National	Regional	National	Regional	National	Regional
1996	78	38	451	59	2,060	17
1997	85	42	692	59	1,815	13
1998	91	44	702	60	1,867	12
1999	98	49	718	57	1,890	10
2000	102	53	724	57	1,936	8
2001	116	63	721	54	2,005	7
2002	123	64	729	51	2,080	7
2003	132	71	755	45	2,136	7
2004	145	75	780	44	2,162	9
2005	159	80	796	42	2,191	9
2006	167	90	812	41	2,240	7
2007	173	96	821	35	2,225	7
2008	183	96	817	45	2,210	6
2009	184	103	846	40	2,176	7
2010	189	105	869	40	2,148	6
2011	198	108	891	41	2,115	6
2012	202	109	892	39	2,101	6
2013	212	109	870	39	2,108	6
2014	214	110	876	38	2,091	6

Table 7

	diff	SE of diff	SE under Ho	z	Lower one-sided p-value	Two-sided p-value	Upper one-sided p-value
accredtype	-0.32668	0.007228	0.0031799	-102.734	0	0	1
	Number of obs Group 1: Not 4-yr	Portion in Group 1	Number of obs Group 2: 4-year	Portion in Group 2			
accredtype	55360	0.018822	4356	0.345501			

Table 8

	(1) accredtype
accredtype	
1.degrees3	1 (.)
2.degrees3	2.758*** (0.000)
5.degrees3	5.501*** (0.000)
10.degrees3	11.62*** (0.000)
ln_totfteia_2	1.984*** (0.000)
<i>N</i>	29211

Exponentiated coefficients; *p*-values in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 9

Accreditation	Number of degrees							Total
	1 degree	2-4 degrees	5-9 degrees	10-14 degrees	15-19 degrees	20-24 degrees	25-29 degrees	
National	39,801	14,562	2,747	52	2	2	3	57,169
	69.62%	25.47%	4.81%	0.09%	0.00%	0.00%	0.01%	100%
Regional	449	1,127	854	86	21	9	1	2,547
	17.63%	44.25%	33.53%	3.38%	0.82%	0.35%	0.04%	100%
Total	40,250	15,689	3,601	138	23	11	4	59,716
	67.40%	26.27%	6.03%	0.23%	0.04%	0.02%	0.01%	100%

Table 10

Accreditation	Number of campuses											Total
	1	2-9	10-19	20-29	30-39	40-49	50-59	60-69	70-79	80-89	100+	
National	49,894	7,208	53	2	5	1	1	1	1	2	1	57,169
	87.27%	12.61%	0.09%	0%	0.01%	0%	0%	0%	0%	0%	0%	100%
Regional	1,691	745	6	22	13	3	3	1	8	0	0	2,547
	66.39%	29.25%	2.39%	0.86%	0.51%	0.12%	0.12%	0.04%	0.31%	0%	0%	100%
Total	51,585	7,953	114	24	18	4	4	2	9	2	1	59,716
	86.38%	13.32%	0.19%	0.04%	0.03%	0.01%	0.01%	0.00%	0.02%	0%	0%	100%

Table 11

Regionally accredited for-profits by State*															
Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
State															
AZ	6	7	7	6	6	7	7	8	8	8	8	8	8	8	8
CA	15	16	16	16	16	16	16	16	25	25	25	27	29	29	30
IL	12	12	12	13	12	13	13	13	13	14	14	14	14	13	13
MN	8	8	8	8	8	8	9	9	9	9	9	9	9	9	9
NY	13	13	14	14	15	15	15	15	15	15	15	15	15	15	15
*States with the largest number of regionally accredited institutions															

Table 12

Nationally accredited for-profits by State*															
Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
State															
CA	371	387	405	425	433	443	449	450	447	447	448	446	447	446	445
FL	169	178	184	189	195	201	215	216	216	215	215	217	217	218	216
IL	86	95	101	107	109	111	115	114	114	113	113	113	112	113	114
NY	130	130	133	134	139	145	152	152	152	152	154	152	151	151	151
OH	115	120	123	127	127	128	130	131	131	131	131	131	129	129	129
PA	162	165	166	166	167	170	173	174	174	174	173	172	171	171	171
TX	207	214	225	225	231	237	246	245	245	247	247	247	245	244	243
*States with the largest number of nationally accredited institutions															

Table 13

Top 5 Degree Programs for Regionally Accredited Institutions															
Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Program															
Business	86	84	73	70	70	70	74	77	88	88	87	88	89	83	82
Health	51	52	51	57	55	63	68	72	83	82	76	80	80	73	73
Computer Science	58	64	55	63	61	63	61	58	74	66	64	64	57	48	51
Arts	27	28	28	28	28	30	31	34	34	34	37	39	38	41	41
Protect	10	10	11	14	19	25	31	39	47	42	42	44	55	46	47

*Table provides a breakdown of the degree programs with the highest number of institutions offering that program/major.

Table 14

Top 5 Degree Programs for Nationally Accredited Institutions															
Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Program															
Service	889	901	927	882	909	924	952	941	958	990	1,072	1,123	1,140	1,101	1,137
Health	413	425	429	569	622	675	699	711	723	756	783	806	797	772	746
Business	459	428	418	358	354	363	348	343	357	364	326	318	308	292	262
Computer Science	252	277	314	351	365	358	336	307	311	305	269	259	237	221	209
Engineering	197	190	194	217	221	217	199	185	189	191	158	158	151	141	140

*Table provides a breakdown of the degree programs with the highest number of institutions offering that program/major.

Table 15

Loss of Accreditation				
Academic Year	Loss	% Loss	Kept	Total
1996	0	0%	2,703	2,703
1997	3	0.11%	2,703	2,706
1998	7	0.25%	2,769	2,776
1999	24	0.85%	2,798	2,822
2000	25	0.87%	2,855	2,880
2001	9	0.30%	2,957	2,966
2002	11	0.36%	3,043	3,054
2003	17	0.54%	3,129	3,146
2004	2	0.06%	3,213	3,215
2005	7	0.21%	3,270	3,277
2006	8	0.24%	3,349	3,357
2007	10	0.30%	3,347	3,357
2008	7	0.21%	3,350	3,357
2009	5	0.15%	3,351	3,356
2010	5	0.15%	3,352	3,357
2011	3	0.09%	3,356	3,359
2012	4	0.12%	3,345	3,349
2013	8	0.24%	3,336	3,344
2014	8	0.24%	3,327	3,335
Total	163	0.27%	59,553	59,716

Table 16

Loss of Accreditation (National)				
Academic Year	Loss	% Loss	Kept	Total
1996	0	0%	2,589	2,589
1997	3	0.12%	2,589	2,592
1998	5	0.19%	2,655	2,660
1999	23	0.85%	2,683	2,706
2000	24	0.87%	2,738	2,762
2001	9	0.32%	2,833	2,842
2002	10	0.34%	2,922	2,932
2003	16	0.53%	3,007	3,023
2004	2	0.06%	3,085	3,087
2005	7	0.22%	3,139	3,146
2006	6	0.19%	3,213	3,219
2007	7	0.22%	3,212	3,219
2008	6	0.19%	3,204	3,210
2009	5	0.16%	3,201	3,206
2010	5	0.16%	3,201	3,206
2011	3	0.09%	3,201	3,204
2012	4	0.13%	3,191	3,195
2013	8	0.25%	3,182	3,190
2014	6	0.19%	3,175	3,181
Total	149	0.26%	57,020	57,169

Table 17

Loss of Accreditation (Regional)				
Academic Year	Loss	% Loss	Kept	Total
1996	0	0%	114	114
1997	0	0%	114	114
1998	2	1.72%	114	116
1999	1	0.86%	115	116
2000	1	0.85%	117	118
2001	0	0%	124	124
2002	1	0.82%	121	122
2003	1	0.81%	122	123
2004	0	0%	128	128
2005	0	0%	131	131
2006	2	1.45%	136	138
2007	3	2.17%	135	138
2008	1	0.68%	146	147
2009	0	0%	150	150
2010	0	0%	151	151
2011	0	0%	155	155
2012	0	0%	154	154
2013	0	0%	154	154
2014	2	1.30%	152	154
Total	14	0.55%	2,533	2,547

Table 18

	(1)
	keepaccred
keepaccred	
ln_revinvs_2	0.861 (0.441)
ln_totfteia_2	0.913 (0.642)
<i>N</i>	20334

Exponentiated coefficients; *p*-values in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 19

	(1)
	keepaccred
keepaccred	
ln_revinvs_2	0.979 (0.968)
ln_totfteia_2	0.945 (0.915)
<i>N</i>	1398

Exponentiated coefficients; *p*-values in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 20

	(1) keepaccred
keepaccred	
1.campusnum2	1 (.)
5.campusnum2	0.893 (0.608)
10.campusnum2	1 (.)
20.campusnum2	1 (.)
30.campusnum2	1 (.)
40.campusnum2	1 (.)
50.campusnum2	1 (.)
60.campusnum2	1 (.)
70.campusnum2	1 (.)
80.campusnum2	1 (.)
100.campusnum2	1 (.)
<i>N</i>	59538

Exponentiated coefficients; *p*-values in parentheses

* *p* < 0.05, ** *p* < 0.01, *** *p* < 0.001

Table 21

Accreditation Status	Number of campuses											Total
	1	2-9	10-19	20-29	30-39	40-49	50-59	60-69	70-79	80-89	100+	
Loss Accreditation	139 85.28%	24 14.72%	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%	57,169 100%
Kept Accreditation	51,446 86.39%	7,929 13.31%	114 0.19%	24 0.04%	18 0.03%	4 0.01%	4 0.01%	2 0%	9 0.02%	2 0%	1 0%	2,547 100%
Total	51,585 86.38%	7,953 13.32%	114 0.19%	24 0.04%	18 0.03%	4 0.01%	4 0.01%	2 0%	9 0.02%	2 0%	1 0%	59,716 100%

Table 22

	(1) keepaccred
keepaccred	
3.sector	1 (.)
6.sector	2.776*** (0.000)
9.sector	2.923*** (0.000)
<i>N</i>	59716

Exponentiated coefficients; *p*-values in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 23

Accreditation Status	Institutional Type			Total
	4-year	2-year	Less than 2-year	
Loss Accreditation	30 18.40%	39 23.93%	94 57.67%	163 100%
Kept Accreditation	4,326 7.26%	15,609 26.21%	39,618 66.53%	59,553 100%
Total	4,356 7.29%	15,648 26.20%	39,712 66.50%	59,716 100%

Table 24

	(1) keepaccred
keepaccred	
1.degrees3	1 (.)
2.degrees3	0.733 (0.074)
5.degrees3	0.660 (0.160)
10.degrees3	0.138*** (0.001)
<i>N</i>	59716

Exponentiated coefficients; *p*-values in parentheses

* *p* < 0.05, ** *p* < 0.01, *** *p* < 0.001

Table 25

Accreditation Status	Number of degrees							Total
	1	2-4	5-9	10-14	15-19	20-24	25-29	
Loss accreditation	96 58.90%	51 31.29%	13 7.98%	3 1.84%	0 0%	0 0%	0 0%	163 100%
Kept accreditation	40,154 67.43%	15,638 26.26%	3,588 6.02%	135 0.23%	23 0.04%	11 0.02%	4 0.01%	59,553 100%
Total	40,250 67.40%	15,689 26.27%	3,601 6.03%	138 0.23%	23 0.04%	11 0.02%	4 0.01%	59,716 100%

APPENDIX A – INSTITUTIONS THAT LOST ACCREDITATION IN 1999

	opeid5	instname	endyear
8572.	22965	masters institute	1999
8702.	11737	josephs college of beauty-hastings	1999
8709.	25087	omni technical school	1999
8751.	11534	sawyer college of business-west	1999
8756.	25724	tara lara academy of k-9 hair design	1999
8793.	30322	aladdin beauty college 32	1999
8868.	30257	barons castle beauty academy	1999
8910.	10712	state college of beauty	1999
8970.	09802	mary kawakami college of beauty	1999
9139.	04730	mcintosh college	1999
9323.	01394	morse school of business	1999
9333.	24935	international academy of hairstyling	1999
9418.	31211	bsg training institute	1999
9610.	23611	itt technical institute	1999
9847.	09416	nasson institute	1999
9955.	26036	bemidji beauty academy	1999
10057.	24907	hair fashions by kaye beauty college	1999
10067.	10319	medix schools	1999
10150.	31844	mitchells hairstyling academy	1999
10405.	30734	itt technical institute	1999
10512.	09077	utica school of commerce	1999
10855.	10465	learning institute for beauty sciences	1999
10878.	07557	itt technical institute	1999
10920.	02678	bryant and stratton business institute-buffalo	1999

APPENDIX B – INSTITUTIONS THAT LOST ACCREDITATION IN 2000

	opeid5	instname	endyear
11063.	04729	hesser college	2000
11283.	21763	spencer business and technical institute	2000
11349.	22906	cosmetic arts and sciences	2000
11454.	12464	bronx beauty school	2000
11762.	25460	tri-state college of acupuncture	2000
11981.	22489		2000
12001.	31281	the academy of health care professions	2000
12008.	08555		2000
12016.	12088	louisville technical institute	2000
12090.	25024	serbias school of beauty culture	2000
12101.	23138	consolidated welding school	2000
12381.	22777	bruno academy of beauty	2000
12422.	31523	international unisex academy	2000
12632.	09736	virginia farrell beauty school	2000
12753.	30063	institute of business and medical careers	2000
12782.	25837	municipal training center	2000
12836.	22815	aladdin beauty college 7	2000
12979.	12404	lexington beauty college	2000
13312.	12742	four winds academy of hair design	2000
13323.	07329	itt technical institute	2000
13375.	30223	california institute of locksmithing	2000
13393.	09881	aladdin beauty college 22	2000
13613.	07649	rocky mountain college of art and design	2000
13615.	10967	aladdin beauty college 11	2000
13880.	23070	ross medical education center	2000

APPENDIX C – FOUR-YEAR FOR-PROFIT INSTITUTIONS THAT LOST ACCREDITATION

	opeid5	instname	endyear
3598.	31564		1997
4080.	31313	five branches institute	1997
7950.	26090	emperors college of traditional oriental medicine	1998
8572.	22965	masters institute	1999
10405.	30734	itt technical institute	1999
10878.	07557	itt technical institute	1999
11063.	04729	hesser college	2000
11762.	25460	tri-state college of acupuncture	2000
13323.	07329	itt technical institute	2000
13613.	07649	rocky mountain college of art and design	2000
19233.	10727	devry university	2002
19308.	31533	american college of acupuncture and oriental med	2002
20880.	03674	stevens-henager college-ogden	2003
21365.	31795	texas college of traditional chinese medicine	2003
22631.	31280	santa barbara college of oriental medicine	2003
26360.	10193	herzing college	2005
27137.	11017	herzing college	2005
27755.	09621	herzing college	2005
28530.	20897	herzing college	2005
29024.	32253	american institute of health sciences	2005
29574.	10061		2006
31170.	24915	the art center design college-tucson	2006
32335.	04729	hesser college	2006
33801.	01881	ashford university	2007
34904.	07486	the new england institute of art	2007
36838.	09407	briarwood college	2008
41415.	31713		2009
44130.	11166	utah career college	2010
55379.	23124	la college international	2013
58409.	25998	everest university-largo	2014

APPENDIX D – TWO-YEAR FOR-PROFIT INSTITUTIONS THAT LOST ACCREDITATION

	opeid5	instname	endyear
5411.	20609	brown college of court reporting and medical trans	1998
6688.	09292	andover college	1998
8702.	11737	josephs college of beauty-hastings	1999
8751.	11534	sawyer college of business-west	1999
8756.	25724	tara lara academy of k-9 hair design	1999
8970.	09802	mary kawakami college of beauty	1999
9139.	04730	mcintosh college	1999
9610.	23611	itt technical institute	1999
10512.	09077	utica school of commerce	1999
10920.	02678	bryant and stratton business institute-buffalo	1999
11283.	21763	spencer business and technical institute	2000
11349.	22906	cosmetic arts and sciences	2000
11981.	22489		2000
12016.	12088	louisville technical institute	2000
12753.	30063	institute of business and medical careers	2000
12979.	12404	lexington beauty college	2000
14995.	08495	jamestown business college	2001
16561.	10035	southern college	2001
17016.	31293	coastal valley college	2002
20117.	12358	plaza business institute	2003
20288.	31100	academy of medical and business careers	2003
20575.	25420	sierra academy of aeronautics-airline train center	2003
20785.	22198	metropolitan technical institute	2003
21287.	10210	prospect hall school of business	2003
21568.	25229	east kentucky beauty college	2003
21750.	31624	career tech	2003
21857.	34145	southeast institute of oriental medicine	2003
24441.	35933	southwest institute of healing arts	2004
30350.	33223	culinary institute of new orleans llc	2006
30700.	30777	decker college inc	2006
31793.	08544	career colleges of chicago	2006
34781.	30522	cri career training	2007
35586.	40533	international college of hospitality management	2007
36390.	08425	paducah technical college	2008
41285.	06606		2009
42215.	12404	lexington beauty college	2009
43470.	05210	cleveland institute of electronics	2010
45530.	07398	katharine gibbs school	2010
55444.	26171	baton rouge college	2013

	opeid5	instname	endyear
3990.	07907	troutmans college of hair styling inc	1997
5565.	30286	johns cosmetology school	1998
5609.	25307	sebring career schools	1998
6431.	22041	new england tractor trailer training sch of ma inc	1998
6815.	31089	futurama beauty academy	1998
8709.	25087	omni technical school	1999
8793.	30322	aladdin beauty college 32	1999
8868.	30257	barons castle beauty academy	1999
8910.	10712	state college of beauty	1999
9323.	01394	morse school of business	1999
9333.	24935	international academy of hairstyling	1999
9418.	31211	bsg training institute	1999
9847.	09416	masson institute	1999
9955.	26036	bemidji beauty academy	1999
10057.	24907	hair fashions by kaye beauty college	1999
10067.	10319	medix schools	1999
10150.	31844	mitchells hairstyling academy	1999
10855.	10465	learning institute for beauty sciences	1999
11454.	12464	bronx beauty school	2000
12001.	31281	the academy of health care professions	2000
12008.	08555		2000
12090.	25024	serbias school of beauty culture	2000
12101.	23138	consolidated welding school	2000
12381.	22777	bruno academy of beauty	2000
12422.	31523	international unisex academy	2000
12632.	09736	virginia farrell beauty school	2000
12782.	25837	municipal training center	2000
12836.	22815	aladdin beauty college 7	2000
13312.	12742	four winds academy of hair design	2000
13375.	30223	california institute of locksmithing	2000
13393.	09881	aladdin beauty college 22	2000
13615.	10967	aladdin beauty college 11	2000
13880.	23070	ross medical education center	2000
14152.	22852	the hair design school	2001
14482.	23190	computer learning centers inc	2001
14610.	26190	boardwalk and marina casino dealers school	2001
14771.	25525	kenneth shulers school of cosmetology	2001
14854.	26064	wayne starr school of cosmetology inc	2001
16103.	26181	business and banking institute	2001
16486.	33254		2001
17434.	30258	dawn training centre	2002
18346.	21323	berdan institute	2002
18605.	22641	altamore school of cosmetology inc	2002
19252.	24936	chattanooga barber college	2002
19596.	22185	south texas vo-tech brownsville	2002
19718.	25434	brownson technical school	2002
19758.	31227	hamilton professional school	2002
19883.	26052	metropolitan beauty academy	2002
20051.	31534	california institute of customer engineering	2003
20328.	31043	career blazers learning center	2003
21698.	33834	king's career college	2003
21918.	34053	advanced career technologies institute	2003
22526.	32004	desert career college	2003
22538.	34163	computer systems institute	2003
25949.	31096	national institute of technology	2004
27493.	31954	bryman college	2005
28935.	31156	instituto de educacion vocacional	2005
30810.	30614	ascension college	2006
31227.	30877	escuelas leicester	2006
33248.	30261	polytechnic institute	2007
33638.	25868	harrison career institute-vineland	2007
33863.	09958	hicks academy of beauty culture	2007
34381.	30981	instituto irma valentin-manati	2007
35444.	31205	caugas central college	2007
36047.	31384	american college of medical technology	2007
37128.	36507		2008
37135.	21189	evansville tri-state beauty college	2008
38287.	09129	empire beauty school-malden	2008
38378.	12414	empire beauty school-boston	2008
39090.	38793	your school of beauty culture	2008
40043.	31282	kaplan career institute	2009
40308.	25889	san2 school	2009
43783.	38384	walter jay md institute an educational center	2010
45924.	37693	pc tech learning center	2010
46367.	24925	delaware valley academy of medical and dental assistants	2011
47869.	41466	360 degrees beauty academy	2011
48852.	37275	moore career college	2011
50406.	35094	coryell cosmetology college	2012
50547.	35303	keyskills learning	2012
51238.	22387	hairstyling institute of charlotte inc	2012
51905.	22792	dudley beauty college	2012
53305.	41207	aiden's school of cosmetology	2013
53647.	41430	vocational institute of florida	2013
54683.	30040	final touch beauty school	2013
54965.	41736	notter school of pastry arts	2013
55836.	40014	mojave barber college	2013
56143.	26128	los angeles recording school	2013
56484.	41791	pecti st and healthcare	2014
57132.	41879	joe blasco makeup artist training center	2014
57936.	22760	franklin beauty school	2014
57977.	41922	athena career academy	2014
58190.	35683	leon studio one school of hair design	2014
58486.	37653		2014
58992.	40623	brookline college-oklahoma city	2014

APPENDIX E – LESS THAN TWO-YEAR
FOR-PROFIT INSTITUTIONS THAT
LOST ACCREDITATION

APPENDIX F – INSTITUTIONS THAT
LOST ACCREDITATION AND OFFERED
JUST ONE DEGREE PROGRAM

	opeid5	instname	endyear
1729.	06606		2009
3550.	07649	rocky mountain college of art and design	2000
4056.	07907	troutmans college of hair styling inc	1997
4946.	08495	jamestown business college	2001
5096.	08555		2000
5998.	09129	empire beauty school-malden	2008
6359.	09416	nasson institute	1999
7433.	09736	virginia farrell beauty school	2000
7532.	09802	mary kawakami college of beauty	1999
7727.	09881	aladdin beauty college 22	2000
7854.	09958	hicks academy of beauty culture	2007
8664.	10465	learning institute for beauty sciences	1999
9105.	10712	state college of beauty	1999
10657.	11737	josephs college of beauty-hastings	1999
11907.	12358	plaza business institute	2003
11966.	12404	lexington beauty college	2000
11975.	12404	lexington beauty college	2009
11988.	12414	empire beauty school-boston	2008
12126.	12464	bronx beauty school	2000
12689.	12742	four winds academy of hair design	2000
16353.	21189	evansville tri-state beauty college	2008
16854.	21323	berdan institute	2002
19779.	22041	new england tractor trailer training sch of ma inc	1998
21298.	22387	hairstyling institute of charlotte inc	2012
21585.	22489		2000
22390.	22641	altamore school of cosmetology inc	2002
22960.	22760	franklin beauty school	2014
23041.	22777	bruno academy of beauty	2000
23082.	22792	dudley beauty college	2012
23182.	22815	aladdin beauty college 7	2000
23341.	22852	the hair design school	2001
23745.	22906	cosmetic arts and sciences	2000
24778.	23070	ross medical education center	2000
25030.	23138	consolidated welding school	2000
28296.	24907	hair fashions by kaye beauty college	1999
28386.	24915	the art center design college-tucson	2006
28429.	24925	delaware valley academy of medical and dental assistants	2011
28452.	24935	international academy of hairstyling	1999
28461.	24936	chattanooga barber college	2002
28964.	25024	serbias school of beauty culture	2000
29678.	25229	east kentucky beauty college	2003
30023.	25307	sebring career schools	1998
30598.	25420	sierra academy of aeronautics-airline train center	2003
30775.	25460	tri-state college of acupuncture	2000
31116.	25525	kenneth shulers school of cosmetology	2001
32148.	25724	tara lara academy of k-9 hair design	1999
32839.	25837	municipal training center	2000
33023.	25868	harrison career institute-vineland	2007
33942.	26036	bemidji beauty academy	1999
33988.	26052	metropolitan beauty academy	2002
34067.	26064	wayne starr school of cosmetology inc	2001
34222.	26090	emperors college of traditional oriental medicine	1998
34465.	26128	los angeles recording school	2013
34844.	26171	baton rouge college	2013
34907.	26181	business and banking institute	2001
34913.	26190	boardwalk and marina casino dealers school	2001
35449.	30040	final touch beauty school	2013
36521.	30223	california institute of locksmithing	2000
36830.	30257	barons castle beauty academy	1999
37095.	30286	johns cosmetology school	1998
37372.	30322	aladdin beauty college 32	1999
40375.	30981	instituto irma valentin-manati	2007
40867.	31043	career blazers learning center	2003
41172.	31089	futuraama beauty academy	1998
41950.	31211	bsg training institute	1999
42689.	31280	santa barbara college of oriental medicine	2003
42705.	31281	the academy of health care professions	2000
42733.	31282	kaplan career institute	2009
42818.	31313	five branches institute	1997
42851.	31384	american college of medical technology	2007
43065.	31523	international unisex academy	2000
43073.	31533	american college of acupuncture and oriental med	2002
43275.	31713		2009
43352.	31795	texas college of traditional chinese medicine	2003
43451.	31844	mitchells hairstyling academy	1999
43557.	31954	bryman college	2005
43850.	32253	american institute of health sciences	2005
44585.	33223	culinary institute of new orleans llc	2006
45457.	34145	southeast institute of oriental medicine	2003
45495.	34163	computer systems institute	2003
46603.	35094	coryell cosmetology college	2012
47195.	35683	leon studio one school of hair design	2014
47369.	35933	southwest institute of healing arts	2004
48640.	37275	moore career college	2011
49083.	37653		2014
50387.	38793	your school of beauty culture	2008
51695.	40014	mojave barber college	2013
52201.	40533	international college of hospitality management	2007
52304.	40623	brookline college-oklahoma city	2014
53140.	41207	alden's school of cosmetology	2013
54801.	41430	vocational institute of florida	2013
55022.	41466	360 degrees beauty academy	2011
57000.	41736	notter school of pastry arts	2013
57467.	41791	pccti it and healthcare	2014
57950.	41879	joe blasco makeup artist training center	2014
58182.	41922	athena career academy	2014

APPENDIX G – INSTITUTIONS
THAT LOST ACCREDITATION AND
OFFERED 2-4 DEGREE
PROGRAMS

	opeid5	instname	endyear
37.	01394	morse school of business	1999
1634.	05210	cleveland institute of electronics	2010
3003.	07486	the new england institute of art	2007
3267.	07557	itt technical institute	1999
4744.	08425	paducah technical college	2008
5034.	08544	career colleges of chicago	2006
5860.	09077	utica school of commerce	1999
6209.	09292	andover college	1998
7932.	10061		2006
8170.	10193	herzing college	2005
8244.	10210	prospect hall school of business	2003
8438.	10319	medix schools	1999
9112.	10727	devry university	2002
9557.	10967	aladdin beauty college 11	2000
9663.	11017	herzing college	2005
10285.	11534	sawyer college of business-west	1999
11410.	12088	louisville technical institute	2000
14447.	20609	brown college of court reporting and medical trans	1998
20489.	22185	south texas vo-tech brownsville	2002
20565.	22198	metropolitan technical institute	2003
24054.	22965	masters institute	1999
24987.	23124	la college international	2013
25354.	23190	computer learning centers inc	2001
28125.	23611	itt technical institute	1999
29115.	25087	omni technical school	1999
30644.	25434	brownson technical school	2002
33170.	25889	sanz school	2009
35606.	30063	institute of business and medical careers	2000
36837.	30258	dawn training centre	2002
36880.	30261	polytechnic institute	2007
37798.	30522	cri career training	2007
37980.	30614	ascension college	2006
38814.	30734	itt technical institute	1999
39715.	30877	escuelas leicester	2006
41222.	31096	national institute of technology	2004
41249.	31100	academy of medical and business careers	2003
41670.	31156	instituto de educacion vocacional	2005
41890.	31205	caguas central college	2007
42016.	31227	hamilton professional school	2002
42778.	31293	coastal valley college	2002
43093.	31534	california institute of customer engineering	2003
43125.	31564		1997
43204.	31624	career tech	2003
43612.	32004	desert career college	2003
44610.	33254		2001
45083.	33834	king's career college	2003
45354.	34053	advanced career technologies institute	2003
46773.	35303	keyskills learning	2012
48075.	36507		2008
49128.	37693	pc tech learning center	2010
50029.	38384	walter jay md institute an educational center	2010

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