STATE AUTHORIZATION LANDSCAPE AND PROCESS: AN INVENTORY, CLASSIFICATION, AND ANALYSIS

Erik Ness, Sean Baser, & Matt Dean

University of Georgia

ACKNOWLEDGMENTS

This research was supported by a research grant from the SHEEO Association and Arnold Ventures. We are thankful for Jason Lee, Madison Dell, Dustin Weeden, and other members of the research team—Ijaz Ahmad, Alexa Arndt, Ben Cecil, Grace Covello, Ricky Kirby, Chad Mandala, Julianne O'Connell, Dori Pap, and David Tanner—for their data collection efforts. The views expressed in this article and any errors are solely attributable to the authors.

This paper is one in a series of reports coordinated by the State Higher Education Executive Officers Association (SHEEO) and supported by Arnold Ventures. Given increased public concerns about educational quality, the series is designed to generate innovative empirical research regarding state authorization processes and policies that can serve as a foundation for future research and policy in this understudied area. The views expressed in this paper – and all papers in this series – are those of its author(s) and do not necessarily reflect the views of SHEEO or Arnold Ventures.

INTRODUCTION

The tension between an institution's autonomy and its accountability to the state has been present since colleges were formed in the U.S. The Dartmouth College v. Woodward (1819) U.S. Supreme Court decision offered protection from direct state oversight and distinguished between state chartered and state operated institutions. To ensure quality assurance of postsecondary degrees and the institutions that confer them, the U.S. built a voluntary regional accreditation process and system instead of a federal authorization approach favored by most of the world. As states established public colleges and universities, they took varying governance approaches. Some states created boards for each college, and others created a centralized state system board with authority over all public higher education institutions. Given these foundational precedents of federal and state governments and regional accreditation of higher education programs and institutions, it is not surprising that the tension between accountability and autonomy also exists in the authorization of postsecondary education programs and institutions.

The regulation of postsecondary education institutions has long been a shared responsibility between a triad of actors: state higher education agencies, regional accreditors, and the U.S. Department of Education. This "regulatory triad" serves many functions related to educational authority, quality, and public accountability. States regulate the establishment of institutions and their right to grant degrees through a formal authorization process. Regional accreditation agencies serve a quality assurance and enhancement function required for postsecondary education

institutions to receive federal funding, importantly including Title IV financial aid programs such as Pell Grants and subsidized student loans. Monitoring and regulating compliance with these Title IV programs is one of the main ways the U.S. Department of Education provides oversight. In recent decades, much of this activity has dealt with the rising for-profit sector over concerns with student loan default rates and the overall financial viability of institutions beyond their reliance on federal funding.

For higher education researchers and leaders, these two actors—regional accreditors and the federal government—have received the lion's share of attention in the regulation of institutions. Recently, however, higher education leaders and policymakers have called our attention to the role of states in the initial and continuing authorization of postsecondary education institutions. Perhaps most notably, the State Higher Education Executive Officers Association (SHEEO) has highlighted its policy relevance through a white paper (Tandberg et al., 2019), a series of research projects, and a community learning project with nine state agencies. These efforts have arisen in large part because states have been seen as "the forgotten stewards of higher education quality" (Bruckner, 2020) and "where accountability goes to die" (McCann & Laitinen, 2019, November 19).

The irony of states as "forgotten stewards" of quality is that 98% of U.S. degree-granting institutions operate within the legal authority of state governments (Contreras, 2020b). Notwithstanding the influence of the federal government and regional accreditors, the legal authority to authorize institutions rests with states by virtue of the reserve clause of the Tenth Amendment. With states' responsibility to

authorize every postsecondary institution comes the opportunity to ensure quality and protect consumers (i.e., students). As with many elements of state higher education, we know that there is a wide array of approaches to structure, authority, governance, funding, capacity, process, and policy objectives. The primary purpose of our study is to offer a deeper understanding of the state authorization landscape and process. Our study aims to describe and classify the state authorization landscape by conducting a 50-state inventory of state authorization efforts. The following research questions will guide our study.

1. How do states authorize postsecondary education institutions? What is the landscape, process, and objective of these efforts? Who are the key actors (boards, agencies, governmental entities) responsible for authorization?
2. What patterns emerge among state authorization approaches? How stringent are state authorization efforts? How might they be classified into distinct categories?

STATE AUTHORIZATION LITERATURE

Despite the longstanding and central role states play in the regulatory triad, the scholarly literature on state authorization remains limited (Harnisch et al., 2016; Tandberg et al., 2019). Several authors have used state authorization to contextualize studies on for-profit institutions (Ward & Tierney, 2017) and distance education (Onwuameze, 2017). For instance, Ward and Tierney (2017) investigated the factors that led to regulatory enforcement of for-profit colleges in a state. They found geographic diffusion between states and the ability of students at for-profit colleges

to repay student loans as predictors of a state filing a lawsuit against a for-profit college. In another study, Ozdemir and McDaniel (2013) evaluated the state authorization process for distance education at George Mason University in order to provide guidance to leaders at other four-year institutions. However, the academic literature largely discusses state authorization as a tangential portion of a broader study.

Most information about state authorization has been gathered, reported, and published by state associations, membership-based organizations, think tanks, consulting firms, and the media (Contreras, 2020a; Harnisch et al., 2016; Kelly et al., 2015; McCann & Laitinen, 2019, November 19; Tandberg et al., 2019; Taylor et al., 2016). These stakeholders have reviewed the history of state authorization; created, implemented, and published surveys of state authorizers to better understand the landscape of state authorization; and offered myriad recommendations to improve state authorization. Since 2011, for example, much of what we know about the landscape has been gleaned from the National Council for State Authorization Reciprocity Agreements' (NC-SARA) State Authorization Guide, a collaborative project with the Western Interstate Commission for Higher Education (WICHE) Cooperative for Educational Technologies (WCET) State Authorization Network (SAN) that offers insights into each state's laws, programs, and processes on state authorization of primarily out-of-state distance education programs. More specifically, it provides information about the agency responsible for state authorization, the type of educational providers it regulates, exemptions, distance education, the application

process, interstate reciprocity, consumer protection, student complaints, and enforcement. Using the state authorization surveys and 10 interviews with campus leaders, Kelly and colleagues (2015) found significant variation between and among states in what actors are involved in the authorization process and what is required for institutions to be authorized and reauthorized. Despite these promising developments, there is little "empirical research on the effectiveness or outcomes of different strategies for state authorization, the process of state authorization, or the experience of individuals involved in state authorization" (State Higher Education Executive Officers Association, 2021, para. 1).

CONCEPTUAL FRAMEWORK

Agency Theory: Key Elements, Assumptions, and Problems

There are numerous theories that can help explain the state authorization process, from principal-agent theory to field theory to theories of performance. Originating in economics, principal-agent theory (agency theory) provides a framework to study contractual relationships between two parties (Ferris, 1991; Lane & Kivistö, 2008; Moe, 1984; Ross, 1973). The principal-agent relationship occurs when one party (the "principal") contracts with another party (the "agent") to perform a task and/or act on their behalf. For instance, popular economic examples include the relationship between shareholders (principal) and CEOs (agent) along with employers (principal) and employees (agent). The theory assumes this contract is fraught with problems because of self-interested utility maximizers, information asymmetries, and goal conflict (Waterman & Meier, 2004). These problems provoke

the principal to monitor or incentivize the agent to ensure they do not shirk their contractual obligations. Agency theory attempts to resolve this monitoring-empowerment predicament by determining the optimal contract between the principal and agent (Eisenhardt, 1989; Lane & Kivistö, 2008).

Simply stated, agency theory is concerned with analyzing the relationship between the principal and agent, "given assumptions about people (e.g., self-interest, bounded rationality, risk aversion), organizations (e.g., goal conflict among members), and information (e.g., information is a commodity which can be purchased)" (Eisenhardt, 1989, p. 58). Agency theory posits that the principal lacks the appropriate information and resources (e.g., time, energy, knowledge) to accomplish their objectives in an efficient manner. To resolve this issue, the principal contracts with an agent who is understood to possess the required information and expertise, which provides the agent with an information advantage over the principal. These information asymmetries, coupled with a self-interested and self-preserving agent, can prove problematic. As a result, the principal may be interested in incentivizing and monitoring the agent to moderate information asymmetries, reduce goal conflict, and ensure the conditions of the contract are satisfied.

Agency theory suggests that information asymmetries and goal conflict can render two contractual problems: the pre-contractual problem of "adverse selection" and the post-contractual problem of "moral hazards." Adverse selection generally refers to a situation in which an agent misrepresents their expertise prior to agreeing to the contract, and the principal selects the agent for the task because they "cannot

completely verify these skills or abilities either at the time of hiring or while the agent is working" (Eisenhardt, 1989, p. 61). On the other hand, the problem of moral hazards materializes when one party (normally the agent) shirks their contractual responsibilities to pursue their own policy interests because the other party cannot adequately monitor the agent's behavior.

Principal-Agent Theory in Higher Education & State Authorization

In higher education, scholars have primarily adopted the political science framework to examine governance and oversight issues, including the relationship between state governments and universities (Lane, 2007; Lane et al., 2013; Lowry, 2001; Morgan et al., 2021; Rubin & Ness, 2019; Toma, 1986). To illustrate the elements of principal-agent theory in higher education, let us consider the relationship between state authorizing agencies (principal) and postsecondary institutions (agent). In this scenario, state authorizing agencies do not have the capacity to carry out the implementation of higher education (e.g., instruction, recruitment, student support services). To remedy this, they (namely, state authorizing agencies) delegate the responsibility of administering higher education to postsecondary institutions.

The authorization process signifies the contract between the agency and institution. Although these processes vary considerably from state to state, institutions generally submit an application providing information about their academic programs, student services, and consumer protection policies, among other characteristics and policies. The application and other pre-authorization

requirements denote an attempt by the authorizer to reduce information asymmetries and avoid adversely selecting an institution with different intentions than the principal. For example, a state authorizing agency with a stringent process (e.g., robust application and review process, site visit, surety bond) might be expected to catch predatory for-profit colleges and universities quicker than an authorizing agency with a less rigorous process might.

Up to this point, we have focused on a single principal-agent relationship between the authorizer and an institution. Indeed, this is an overly simplistic view of institutional oversight in higher education (Lane, 2007). From the perspective of an accredited institution receiving federal student aid, they are an agent to both regional/national accrediting agencies and the Department of Education. Alternatively, the state authorizing agency plays multiple roles as an intermediary, serving as the principal for institutions and as an agent for state governments (Morgan et al., 2021; Rubin & Ness, 2019). Taken together, state authorizing agencies exist within a complex network of governmental and non-governmental actors. Despite this complexity, the authorization (contract) and, ultimately, reauthorization (oversight) processes between state authorizing agencies and postsecondary institutions are ripe for analysis using agency theory.

RESEARCH DESIGN & INVENTORY CONSTRUCTION

We used a descriptive policy analysis framework to examine the landscape of state authorization in the United States. According to Patton et al. (2013), descriptive policy analysis "refers to either the historical analysis of past policies or the evaluation

of a new policy as it is implemented" (Patton et al., 2013, p. 22). Descriptive approaches—such as inventory and typology frameworks—enable researchers to retroactively explain and interpret policies across various settings, develop classifications, and make recommendations for policy, practice, and research (Gerring, 2012; Patton et al., 2013). Given the number of postsecondary policies and the variation between states, policy inventories have become a popular way to describe the contexts of various issues, including governance (McGuinness, 2016), performance-based funding (Kelchen et al., 2019), promise programs (Perna & Leigh, 2017; Perna et al., 2008), and ideological think tanks (Gándara & Ness, 2019). Similarly, we systematically constructed a 50-state (and Washington, D.C.) inventory of key qualitative and quantitative variables through an iterative, three-phase data collection and analysis process.

Phase I. Initial Inventory Construction, Collection, and Analysis

The first phase of data collection involved the creation of an agency-level inventory and initial collection of key metrics and occurred between January 2020 and June 2020. We followed two primary steps to develop our initial inventory of state authorization efforts. First, we constructed the inventory skeleton to identify the key data elements (columns) for each state authorizing agency (rows). We used the most recent information available in the NC-SARA database of survey responses from each authorizing agency in every state, including in many cases links to the state agency's website for more information on the type of institutions authorized, application process, fees, physical presence triggers, data reporting, and consumer

protection. We also identified elements from the metrics suggested in Appendix A of the Improving State Authorization report (Tandberg et al., 2019), such as academic quality, academic resources, capital resources, consumer protection, finances, and management & operations. Each of these categories included multiple data elements. Ultimately, our first inventory skeleton included a matrix of nearly 200 columns and 65 rows of state authorizing agencies due to multiple authorizing agencies in many states.

The second step entailed data collection. The objective of this step was to construct descriptive information for the elements identified for our inventory. The NC-SARA database survey responses provided a useful starting point, however, the scope of survey responses varied widely, which necessitated additional data collection from state sources. For example, most survey responses to the application process included a link to the state agency's authorization application and/or website. We followed those links according to the metrics included in our inventory. This required data collection from additional state sources for each authorizing agency, including the authorizing agencies in each state, SHEEO agencies (if not the authorizing agency), state statutes and regulations, and various other sources to which these agencies refer. Our research team met regularly to establish systematic search protocols and to discuss strategies to collect data for agencies with less transparent publicly available information. This most often included requests for the initial authorization application. This early collection and analysis phase was exploratory in nature, laying the foundation for future collections and analysis.

Phase II. Second Inventory Collection and Initial Scoring Protocol

The second phase of data collection and analysis focused on refining the variables collected in the inventory and developing and implementing a scoring protocol for the stringency of select metrics. This phase of collection occurred between July 2020 and October 2020. Throughout the first phase of data collection and analysis, our team identified stringency as a guiding construct to understand varying approaches to state authorization. We noticed that some agencies require detailed reporting requirements, including thresholds for resources and outcomes; other agencies required very little information. To systematically capture the nuance between agencies, we developed a 3-point scale (0 = agency does not require this metric in the application, 1 = agency requires institutions to report this information, 2 = agency requires institution to report metric and establishes threshold or additional stipulations). We employed this scale to code 24 organizational and governance, academic, and consumer protection metrics for 65 agencies in 50 states; the unit of the analysis in the inventory continued to be the authorizing agency. We then determined each state's overall stringency for each category and reported preliminary results at the annual conference of the Association for the Study of Higher Education.

Next, we used this preliminary analysis and feedback on the scoring to develop a more refined collection process. Our research team noticed several important nuances. In previous phases of data collection, the unit of analysis for inventory was the authorizing agency. In the context of state authorization for postsecondary

institutions, past research suggested wide variation in the type of authorizing entity, the number of authorizing entities, the process through which authorization (and continuous approval) occurs, the objectives of authorization, and the broader state context in which this authorization activity takes place. Despite the complexity identified in previous research, examinations of state authorization processes have largely been positioned at the agency or state level, excluding important differences at the application level. Second, our review illuminated the need for specific protocols and definitions for scoring the metrics to ensure consistency in documentation. In sum, the second phase of data collection served as a pivotal intermediate step that enabled our team to create a robust and meaningful inventory of state authorization processes.

Phase III. Final Inventory & Analysis

The final phase of our data collection and analysis occurred between November 2020 and June 2021. The final inventory is a product of the two preceding phases, with specific changes implemented at this stage. It is important to note that the report's findings are derived primarily from Phase III.

Data

Following our review of our previous collection and analysis processes, we developed a new skeleton for our typology of state authorization processes. With the understanding that one agency may be responsible for administering multiple authorization processes, we positioned our collection at the agency and application level (rows). The final inventory included information about the state context,

including socio-economic, organizational and policy, and politico-institutional conditions (Hearn & Ness, 2017); the agency context, including descriptive data and information about governance structure, fee schedules, and the type of institutions authorized; and the initial authorization process, including information about the accessibility of the initial authorization application, site visits, organizational and governance metrics, academic metrics, consumer protection metrics, and student outcome metrics. Appendix A reports the 41 metrics collected for the final inventory. In sum, our final typology in Excel included a matrix of 109 columns and 100 authorizing processes (rows).

Data for the inventory were collected using a variety of sources. Contextual information about the state was collected from publicly available sources, such as the U.S. Census, U.S. Bureau of Economic Analysis, NC-SARA, Integrated Postsecondary Education Data System, National Conference of State Legislatures, and the regional higher education compacts. Data for the agency context and initial authorization were primarily collected through publicly available sources (namely, agency websites, administrative rules and regulations, state laws, and the NC-SARA State Authorization Guide). For applications that were not publicly available, we requested access to applications and application portals.

Several protocols and guidance documents were developed to support our final data collection. Building on the previous scoring protocol, we developed definitions with examples to clearly specify whether applying institutions are required to report the metric (baseline) and/or report the metric with specific stipulations

(threshold). We also developed a comprehensive summary document for each state that captured information at the state, agency, and application levels. Importantly, this summary document served as the single location for cataloging all ratings for metrics using a metric scoring protocol. The metric scoring protocol was developed to assist the research team in scoring academic, organizational and governance, consumer protection, and student outcome metrics included in the state authorization inventory. For each metric, the scoring protocol gathered the researcher's name; a synopsis that indicates whether the agency required the metric; the stringency score; the metric's location in application, administrative rules, or statutes; official references to the metric; the source; and any relevant notes (see Appendix B). The purpose was to provide a systematic collection process to improve the reliability and validity of ratings across researchers and provide a user-friendly and consistent format for metric analysis.

Analysis

Our analysis centered on our process-level typology of state authorization processes, particularly as it relates to centralization and stringency. While past research that classifies centralization in higher education has largely focused on the role of the governing board (McGuinness, 2016), our early research revealed that the administrative agency and the number of unique authorization processes were crucial to determining the centralization of state authorizing processes. To classify the centralization of state-level authorization approaches, we developed nine categories based on the number of governing entities, agencies, and processes

administered in the state, ranging from the least centralized (0) to the most centralized process (8). We provide an overview of the centralization categories in Table 1 and visual conceptualizations of each stringency category in Appendix C.

Table 1

Centralization of State Authorizing Processes

Category	Description	Definition
8	High Centralization - High	1 Governing Entity | 1 Agency | 2 Processes
7	High Centralization - Moderate	1 Governing Entity | 1 Agency | 3 Processes
6	High Centralization - Low	1 Governing Entity | 1 Agency | 4+ processes
5	Moderate Centralization - High	2 Governing Entities | 1 Agency | 2+ Processes
4	Moderate Centralization - Moderate	2 Governing Entities | 2 Agencies | 2 Processes
3	Moderate Centralization - Low	2 Governing Entities | 2 Agencies | 3+ processes
2	Low Centralization - High	3+ Governing Entities | 2 Agencies | 3+ processes
1	Low Centralization - Moderate	3+ Governing Entities | 3 Agencies | 3+ processes
0	Low Centralization - Low	3+ Governing Entities | 3 Agencies | 4+ processes

Notes.
Governing entity includes any governing entity that has responsibility for establishing rules for the agency or serves in an advisory capacity to the agency. This includes traditional board of trustees/regents, advisory councils, and executive agencies.

To measure the stringency of the processes, we employed our revised definitions and scoring protocol to score all 41 metrics for each authorization process on a 3-point scale (0 = agency does not require this metric in the application, regulations, or statutes; 1 = agency requires institutions to report this information in the application, regulations, or statutes; 2 = agency requires institution to report metric in application, regulations, or statutes and establishes a threshold or additional stipulations). Our analysis of stringency included 4,100 metrics collected from 100 authorizing processes at 73 agencies. In this round of analysis, we identified more agencies in some states than the 65 agencies in our first phase of data collection. To understand the variance within and between states, we summed the

metrics at the application level to develop scales for our metric categories: (1) all metrics, (2) organizational and governance metrics, (3) academic metrics, (4) consumer protection metrics, (5) and student outcome metrics. We determine agency-level scores by calculating the average of all processes administered by the agency and determine state-level scores by calculating the average of all processes administered in the state. Next, we developed a 5-point scale of stringency that grouped findings into equal bins (e.g., minimum, low, moderate, high, and maximum) based on the range of our select categories. In Appendix D, we provide the scale and range for stringency along our categories.

To illustrate our process for analysis at the state level, let us consider the category for all metrics in New Jersey. Because there are 41 total metrics and the maximum score for each metric is 2, the total score for an authorizing process can range from 0 to 82. Using this range, we developed five equal buckets of stringency: minimum stringency (0.00-16.40), low stringency (16.41–32.80), moderate stringency (32.81–49.20), high stringency (49.21–65.60), and maximum stringency (65.61–82.00). In New Jersey, the Office of the Secretary of Higher Education is responsible for authorizing degree-granting institutions and the Department of Labor, and Workforce Development is responsible for authorizing non-degree-granting institutions. The all-metrics score was 49 for the degree-granting process and 45 for the non-degree-granting process, giving us a state-level score of 47. As such, we would find that, as a state, New Jersey has a moderately stringent process overall.

Validity and Reliability

Given the descriptive policy analysis design of our project, we employed strategies from both qualitative and quantitative traditions to enhance the reliability and validity of our study (Creswell, 2014). First, we relied on Lincoln and Guba's evaluative criteria (credibility, transferability, confirmability, dependability) for trustworthiness (Lincoln & Guba, 1986). To establish credibility (or confidence in the findings), we implemented strategies of prolonged engagement and persistent observation (e.g., three data collections and two scoring processes) and triangulation of data (different sources and multiple researchers). We also established credibility by using detailed protocols with specific definitions. We established transferability of our findings by collecting and analyzing data across 100 processes, 73 agencies, and 50 states, and Washington, D.C. To ensure dependability of our findings, we created comprehensive summary documents (thick descriptions) about each state's process and established an audit trail for our data collection processes.

We also used quantitative approaches to test the dependability of our stringency scoring of metrics. We calculated Cohen's Kappa to measure interrater reliability several times throughout Phase III (Cohen, 1960; McHugh, 2012). This included following a pilot study in which we had moderate agreement between raters ($\kappa = .6559$, $p > .001$, agreement = 78.05%). The agreement improved substantially following the pilot state and team meetings to discuss differences and refine definitions ($\kappa = .9484$, $p > .001$, agreement = 96.5%).[1] Finally, we substantiated

[1] Kappa scores were calculated in Stata. The post-pilot kappa calculation is a collective score based on five states (seven processes) for data collected by the two primary data collectors.

the credibility of our findings by holding weekly and ad hoc research team meetings to discuss the data collection and analysis process. Moreover, members of the research team wrote memos and took notes throughout all phases of the data collection and analysis process.

Limitations

There are several limitations of this study that are worth noting. First, our study is positioned at the process level. To our knowledge, we are the first to systematically collect data for authorization at the application level. As such, some processes may be absent from our inventory. We plan to remedy this in the future by having agency staff check our findings for accuracy. This study solely reports findings regarding initial authorization processes, excluding renewal and reauthorization processes. This has practical implications, particularly for student outcome metrics that are most often requested in an annual reporting or reauthorization. Additionally, our inventory omits processes for public in-state institutions that are authorized through state charters or law. Future research should specifically examine program approval to contextualize how various states and agencies approve programs for public in-state institutions. For this study, we also did not collect data on state-level NC-SARA applications (assuming these are consistent across states), exemption applications, and traditional career licenses that are commonly approved by independent boards. Additionally, given the complexity within and between states, we faced several methodological challenges related to determining the correct metrics and to understanding the differences between statutes, regulations, applications, and on-

the-ground implementation. Future inquiry on this topic would benefit from interviews or member checking with state higher education officials and authorization agency staff members.

FINDINGS

In this section, we present findings from our inventory of state authorization processes along two main dimensions: centralization and stringency. We begin with centralization by providing descriptive information about the number and type of authorization governing entities, agencies, and processes. Next, we report findings related to the stringency of the authorization process in each state. We focus on four sets of common metrics requested in the initial authorization process: organizational and governance metrics, academic metrics, consumer protection metrics, and student outcome metrics. Finally, we present a two-dimension analysis of states arrayed by centralization and stringency. This scatterplot reveals the distinct approaches that states take to authorizations.

Number of Institutional Authorizing Agencies, Governing Entities, and Application Processes

The centralization of state authorization approaches refers to how many or few actors and applications are involved in each state's efforts to authorize postsecondary education institutions. We base centralization on three main items reported in Table 1 for each state. The first column includes the number of governing entities, which serve as the board, council, or cabinet where the official authority lies. States range from one to four governing entities. In many states the governing entity

is also the state higher education agency that governs or coordinates the state higher education system. In other states, the governing entity is another government office (e.g., Department of State) or a state board created for the sole purpose of authorizing postsecondary institutions. The second column includes the number of agencies, which represent the department that is carrying out the authorization work. States range from one to three agencies. In many states, the governing entity and agency may be the same organization (e.g., Tennessee Higher Education Commission [THEC]). The distinction here is that the governing entity would be the nine-member Commission (or board), and the agency would be THEC staff carrying out the authorization work. The third column includes the number of processes, or applications for different types of postsecondary education institutions or programs. States range from two to five different processes, including the NC-SARA process. The most common distinction is between degree-granting and non-degree-granting programs, for which many states require separate initial authorization processes. Some states may also have separate processes for authorized and non-authorized institutions.

As Table 1 reports, states vary in the number and type of authorizing agencies for higher education as well as the types of institutions the agency is charged with overseeing. According to our inventory, 31 states have one institutional authorizing agency, 18 states have two authorizing agencies, and Oklahoma and North Carolina each have three authorizing agencies (see Table 2). Complicating matters, states differ by how they structure the authorization process, governance systems, and the

responsibilities of authorizing agencies. For instance, we found every state to have at least two unique authorizing processes. More specifically, 10 states have two authorizing processes, 34 states have three authorizing processes, six states have four authorizing processes, and one state has five authorizing processes. We should note some interesting nuances regarding these authorization processes. First, every state has a distinct process for in-state authorization and distance education authorization, with the latter often deriving from the state's SARA process. Interestingly, numerous states have explicitly outlined alternative authorization processes for institutions seeking to offer distance education outside of SARA processes, whereas other states' processes are administered irrespective of course modality. These separate processes enable institutions in a non-SARA member state or territory and other non-SARA participating institutions to seek authorization. Second, states most often separate authorization processes by degree-granting and/or accreditation status. Further, the number of governing entities overseeing authorization agencies vary widely by state. Most states have one governing entity (n = 20) or two governing entities (n = 24), while six states have three governing entities, and North Carolina has four governing entities. In addition to states having a different number of governing entities, these entities vary in other ways, including their position in government, how membership is selected, and their responsibility in the process (governing or advisory).

Table 2

State Authorization Landscape: Number of Boards, Agencies, and Processes Scored

State	Governing Entities	Agencies	Processes
AL	2	2	2
AK	1	1	3
AZ	2	2	2
AR	2	1	3
CA	2	1	3
CO	2	1	3
CT	1	1	3
DE	2	1	3
DC	1	1	3
FL	2	1	3
GA	1	1	2
HI	2	2	3
ID	1	1	3
IL	1	1	3
IN	3	2	3
IA	1	1	2
KS	1	1	2
KY	2	2	3
LA	2	1	3
ME	1	1	3
MD	1	1	3
MA	3	2	3
MI	1	1	4
MN	1	1	3
MS	3	2	3
MO	1	1	2
MT	1	1	3
NE	3	2	4
NV	2	2	3
NH	1	1	3
NJ	2	2	3
NM	1	1	4
NY	2	1	3
NC	4	3	3
ND	2	2	3
OH	3	2	3
OK	3	3	4
OR	1	1	3
PA	2	1	4
RI	2	1	3
SC	2	1	3
SD	1	1	2

TN	1	1	2
TX	2	2	3
UT	2	2	4
VT	2	1	2
VA	1	1	3
WA	2	2	3
WV	2	2	5
WI	2	2	2
WY	2	2	3

Structure of State Authorization Processes

The types of authorizing agencies in each state is another important distinction in authorization processes. In Figure 1, we present a breakdown of institutional authorizing agencies in each state. We placed states in one of six categories: SHEEO Agency, Independent Authorizing Agency, Department of Education, Other State Agency, Multiple Agencies with a SHEEO Agency, Multiple Agencies without a SHEEO Agency. In this context, SHEEO agency refers to any state agency or system of higher education, irrespective of whether they are an official member of the SHEEO organization. This category captures states (n = 23) that rely exclusively on state agencies or systems of higher education to fulfill the authorizing role for higher education. For instance, this would include a state that has one SHEEO agency (e.g., Kansas Board of Regents, Tennessee Higher Education Commission, Oregon Higher Education Coordinating Commission) responsible for all facets of authorization as well as a state (e.g., Alabama, West Virginia) with two states systems of higher education that have distinct roles in the authorization process.

Still, other states have created an independent authorizing agency charged with authorizing postsecondary institutions. The Independent Authorizing Agency

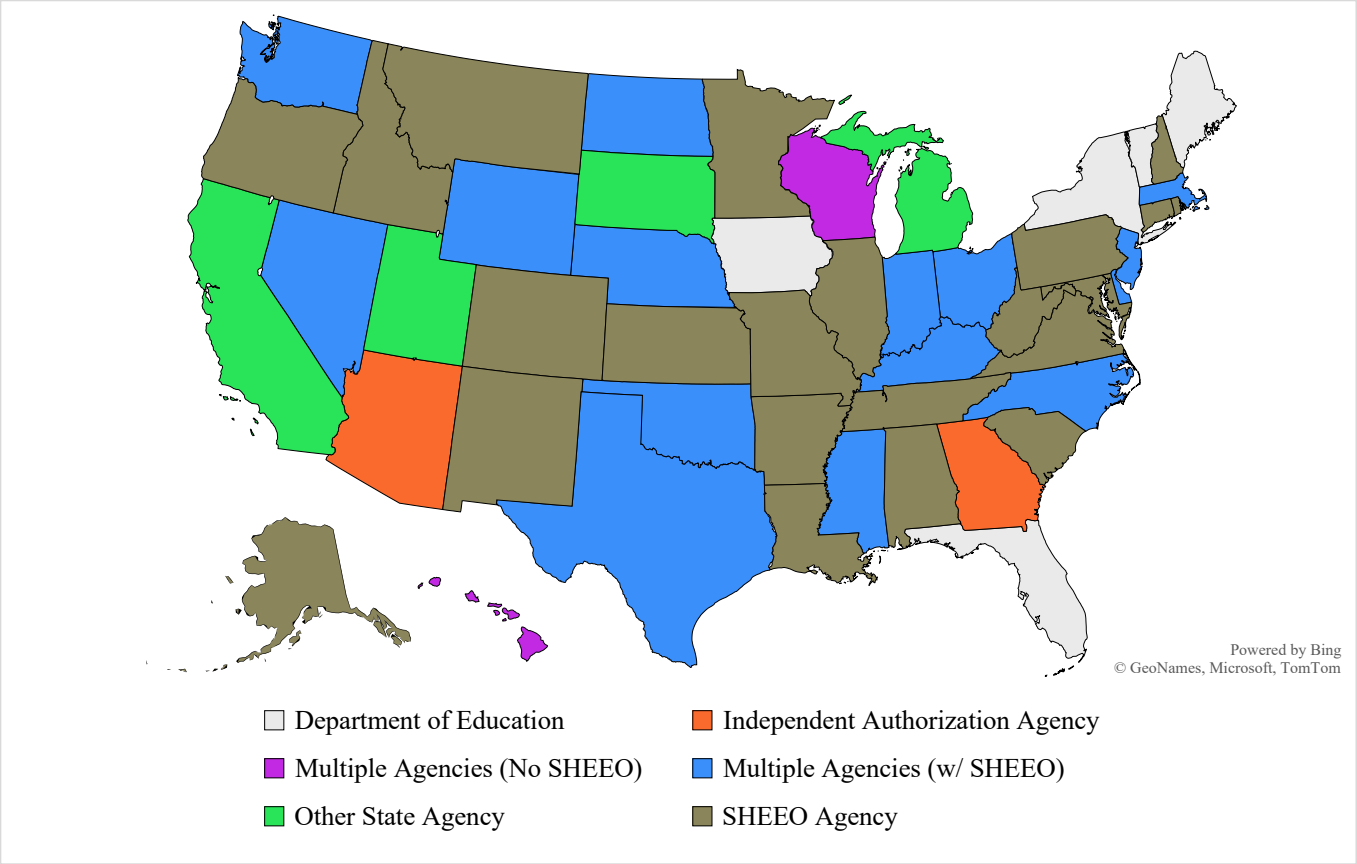
category refers to two states that either have one independent authorizing agency charged with authorizing all institutions (Georgia) or an independent authorizing agency charged with authorizing all in-state institutions and an independent authorizing agency responsible for authorizing SARA institutions in the state (Arizona). A handful of states delegate authorizing responsibilities to the state's department of education or another loosely connected entity. These include the Florida Department of Education (Commission on Independent Education), Maine Department of Education, the New York State Department of Higher Education (Bureau of Proprietary School Supervision and the Office of College and University Evaluation), Vermont Agency of Education, and the Iowa Student Aid Commission.

In other states (n = 4), the authorizing agency has more general responsibilities than education. For example, the South Dakota Secretary of State and the Michigan Department of Labor and Economic Opportunity are responsible for authorizing institutions in their respective states. Finally, 17 states have slightly more complex authorization structures, with multiple agencies of different types. To conceptualize these structures, we separate the states into two groups: multiple agencies with at least one SHEEO agency (n = 15) and multiple agencies without a SHEEO agency (n = 2). States in the category with a SHEEO agency divide authorizing responsibilities between a state system of higher education and an independent authorizing agency, department of education, other education entity, or some other state agency. For example, Kentucky, Mississippi, Nevada, and Ohio structure their authorization processes with a state system of higher education and an independent authorizing

agency. Interestingly, North Carolina delegates the process to two state systems of higher education and an independent authorizing entity for SARA. Oklahoma, on the other hand, delegates the process to a SHEEO agency (Oklahoma State Regents for Higher Education), an authorizing agency (Oklahoma Board of Private Vocational Schools), and another education entity/agency (Oklahoma Department of Career and Technical Education). Four states have a state higher education agency and a workforce development, consumer affairs, or similar agency serving as the authorizing agencies (Indiana, Massachusetts, New Jersey, Texas). In five states, the SHEEO agency and another education entity authorize different types of institutions using distinct processes (Delaware, Nebraska, Wyoming, North Dakota, Washington).

Figure 1

Types of Authorizing Agencies (State-Level)



Note. Microsoft Excel product screenshot (s) reprinted with permission from Microsoft Corporation. Maps supported by Bing, GeoNames, Microsoft, and TomTom.

Types of Institutions Authorized

The state authorization process includes myriad postsecondary institutions, from public degree-granting institutions to for-profit non-degree-granting institutions to religious institutions. Multiple states have organized their higher education regulatory structures around the type of postsecondary institution. While many states have one primary authorizing agency for all institutions, other states separate the responsibilities between several agencies. These divisions of authority

occur along several domains, including whether the institution is degree-granting or non-degree-granting, public or private, non-profit or for-profit, or some combination of these categories. We should acknowledge that some common institutions are not captured in our inventory. There is a wide range of institutions that are licensed or regulated by other state agencies or independent boards, including barber/cosmetology schools, nursing schools, truck driving schools, massage schools, and yoga schools, among others.

Appendix E reports the authorizing bodies by institution type in six states. In New York, degree-granting institutions pursue authorization through a cooperative process between the New York State Education Department Board of Regents (NYSED BOR) and the Office of College and University Evaluation (OCUE), whereas non-degree-granting institutions seek authorization from the Bureau of Proprietary School Supervision (BPSS). Oklahoma presents another state with a multifaceted authorization process. The functions of authorization are divided by public and non-profit degree-granting institutions (Oklahoma State Regents for Higher Education), public non-degree-granting institutions (Oklahoma Department of Career and Technical Education), and private non-degree-granting institutions (Oklahoma Board of Private Vocational Schools).

Appendix E also illustrates that states take various approaches to authorizing public in-state institutions, particularly degree-granting institutions. New York, Oklahoma, and South Dakota all have overlap between the authorizer for public in-state institutions and out-of-state and private institutions. On the other hand, in

Michigan and Oregon, public in-state degree-granting institutions are authorized through the state constitution and/or law. Georgia represents an outlier because the University System of Georgia has the power to "establish all such schools of learning or art as may be useful to the state and to organize them in the way most likely to attain the ends desired" (O.C.G.A. § 20-3-31). However, the authorization process for a new institution—which was most recently observed with the establishment of Georgia Gwinnett College in 2006—is distinct from the conventional process in which institutions apply for authorization. Taken together, states take a number of different approaches to authorizing postsecondary institutions.

Centralization of State Authorization Processes

We also sought to understand the landscape of state authorization by considering the number of governing entities, agencies, and processes administered in the state. We report these findings based on a range of centralization from the least centralized (0) to the most centralized process (8) (see Table 1). In Table 3, we present a 50-state overview of centralization of state authorization processes from the most centralized to the least centralized processes. In addition to the nine categories, we also distill these to three main categories of centralization (High Centralization, Moderate Centralization, Low Centralization) for additional comparisons.

At its core, our centralization categories are based on the number of organizations and application processes within a state. The broad High, Moderate, and Low categories relate to the number of governing entities within a state. This

seems intuitive that states with a single governing entity are more centralized than states with multiple governing entities. We also found important variation within these broad categories, so we used a similar approach to array state centralization approaches by the number of agencies and application processes within the state. Appendix C includes figures that illustrate each of these nine distinct categories of state organizational approaches to postsecondary education authorization.

Based on our scale, we identified 20 states with highly centralized processes, 24 states with moderately centralized processes, and seven states with less centralized processes. Of the states with highly centralized process, six states had the most centralized processes (Appendix C, Figure C1); these states are marked by one governing entity, one authorization entity, and two authorization processes. While these states vary widely in how they structure authorizing agencies, they share the characteristic of facilitating one general application process and one process for SARA. The 15 other highly centralized states have more than three authorization processes, often separated by degree-granting, public/private, or accreditation status. Among the 24 states determined to have moderately centralized processes, we identified 11 states with two governing entities, one authorizing agency, and multiple authorizing processes. In most of these states, one administrative agency implemented the policies of a degree-granting board and a private occupational or advisory council. We identified 13 states within the moderate centralization category as having slightly less centralized processes (see Figure C5). Alabama provides a unique example as it relates to centralization. In Alabama, the authorization process is

bifurcated between two state agencies: the Alabama Commission on Higher Education (ACHE) and the Alabama Community College System (ACCS). Alabama represents the only state where jurisdiction over private school licensure and programmatic review for degree-granting institutions is divided between two state agencies. Programmatic approval is carried out by ACHE, and ACCS administers the licensure process. Similar to the highly centralized states with three or more processes, many of the moderately centralized states separated processes on degree-granting status. For other states, like Arizona and Wyoming, there is an entity charged with exclusively authorizing SARA institutions.

Finally, seven states had less centralized processes, with each having three governing entities. Indiana, Massachusetts, Mississippi, Nebraska, and Ohio each had three governing entities, two authorizing agencies, and at least three application processes (Figure C7). North Carolina and Oklahoma (Figures C8 and C9) represent the states with the least centralized state authorization approach as both states have three authorizing agencies.

Table 3

Centralization of State Authorization Processes

Centralization Category	High Centralization			Moderate Centralization			Low Centralization		
	1 Governing Entity 1 Agency 2 Processes	1 Governing Entity 1 Agency 3 Processes	1 Governing Entity 1 Agency 4+ Processes	2 Governing Entities 1 Agency 2+ Processes	2 Governing Entities 2 Agencies 2 Processes	2 Governing Entities 2 Agencies 3+ Processes	3+ Governing Entities 2 Agencies 3+ Processes	3+ Governing Entities 3 Agencies 3+ Processes	3+ Governing Entities 3 Agencies 4+ Processes
States	GA IA KS MO SD TN	AK DC ID IL ME MN MT NH OR VA	CT MD MI NM	AR CA CO DE FL LA NY PA RI SC VT	AL AZ WY	HI KY ND NJ NV TX UT WA WI WV	IN MA MS NE OH	NC	OK

Stringency of Authorization: Metrics Collected in the Initial Authorization Process

This section offers findings for three sets of metrics requested in the initial authorization application. More specifically, we present the results of our five-category ordinal scale (minimum, low, moderate, high, maximum) for the stringency of a state's authorization process around common organizational and governance metrics, academic metrics, consumer protection metrics, and student outcome metrics. In the subsection that follows, we present several 50-state maps with the collective score for each set of metrics. It is important to remember that these findings are based on application-process-level scores that were averaged at the state level.

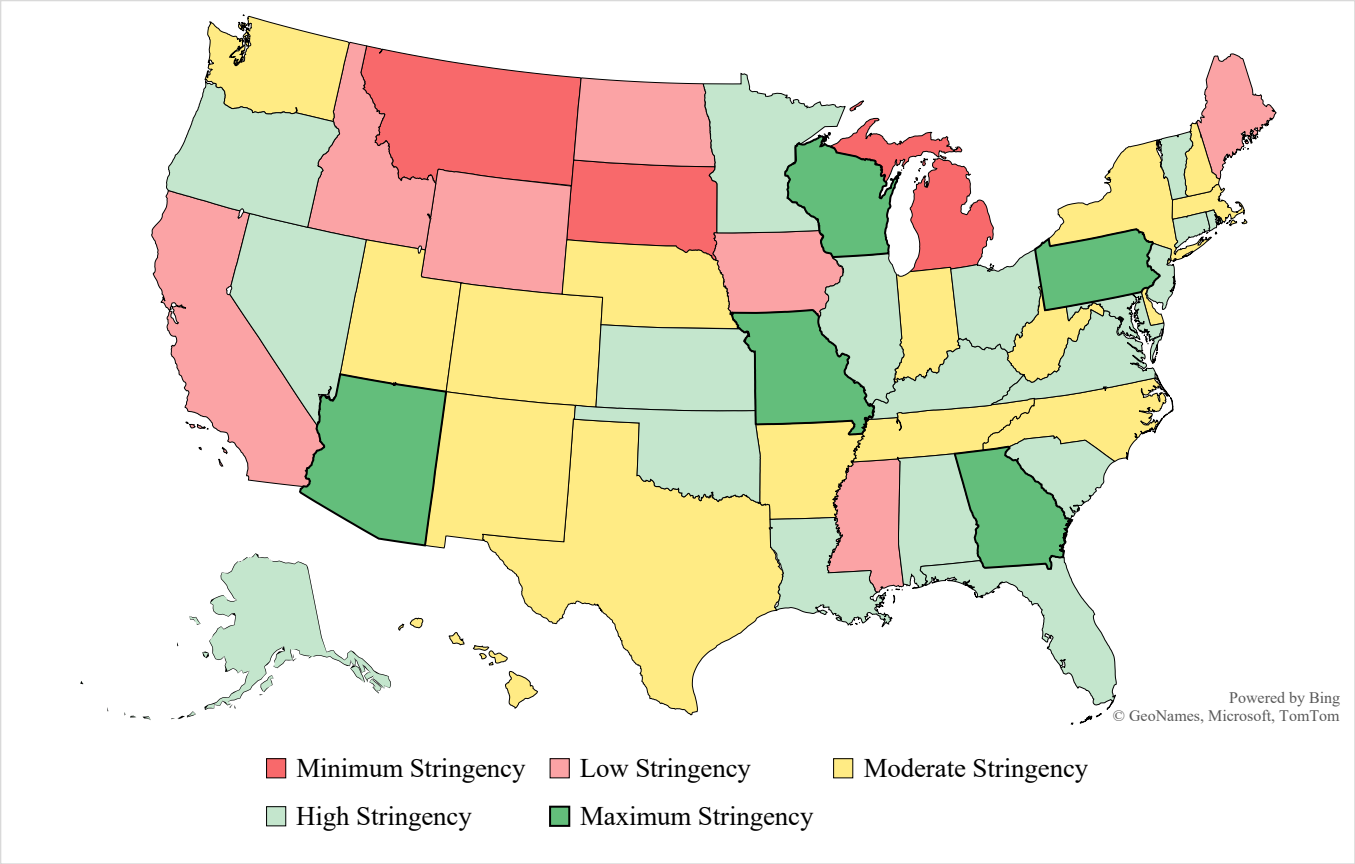
Organizational and Governance Metrics

The organizational and governance metrics are comprised of eleven different metrics, including the organizational structure, mission and vision, accreditation requirements, administrator qualifications, business licenses, and advertising, marketing, and recruitment. As Figure 2 highlights, we rated the authorizing processes in Arizona, Georgia, Missouri, Pennsylvania, Washington, D.C., and Wisconsin as having instituted a highly stringent process for institutions regarding organization and metrics. In fact, Washington, D.C., received the maximum score possible in this category. Additionally, nineteen states' processes were rated as highly stringent, and sixteen states were rated as moderately stringent. The states we found to be more stringent about organizational or governance concerns typically required institutions to explicitly define their organizational structures. The most stringent

agencies often coupled the transparent reporting of organizational structures with well-defined requirements for administrative personnel, accreditation, and organizational structure. For example, agencies in Georgia, Pennsylvania, and Washington, D.C., requested organizational charts and the names of board members. Others may have instituted specific standards (e.g., terminal degree) that administrators or faculty had to meet for authorization. Stringent agencies regulating for-profit or non-degree institutions often required detailed information about owners or proprietors in lieu of board members, such as percentage of stock ownership (Oklahoma, Washington, D.C.) or the disclosure of previous employment with other proprietary institutions (Oregon).

Figure 2

Organizational and Governance Metrics Requested in the Initial Authorization Process



Note. Microsoft Excel product screenshot (s) reprinted with permission from Microsoft Corporation. Maps supported by Bing, GeoNames, Microsoft, and TomTom.

On the other end, seven states were rated as having low stringency, and three states were rated as having the minimum stringency regarding organizational and governance metrics. The states we found to be less stringent regarding organizational or governance concerns typically did not require institutions to provide information about mission and vision, organizational structure, administrator qualifications, building licenses, and articles of incorporation. At the agency level, several of these states had one process (generally, non-degree-granting) with a

higher score for organizational governance and other processes (generally, degree-granting) with lower scores, pulling the state average down, such as in Nevada. More specifically, most low-scoring degree-granting processes require institutional accreditation information but not other facets of the organizational and governance metrics.

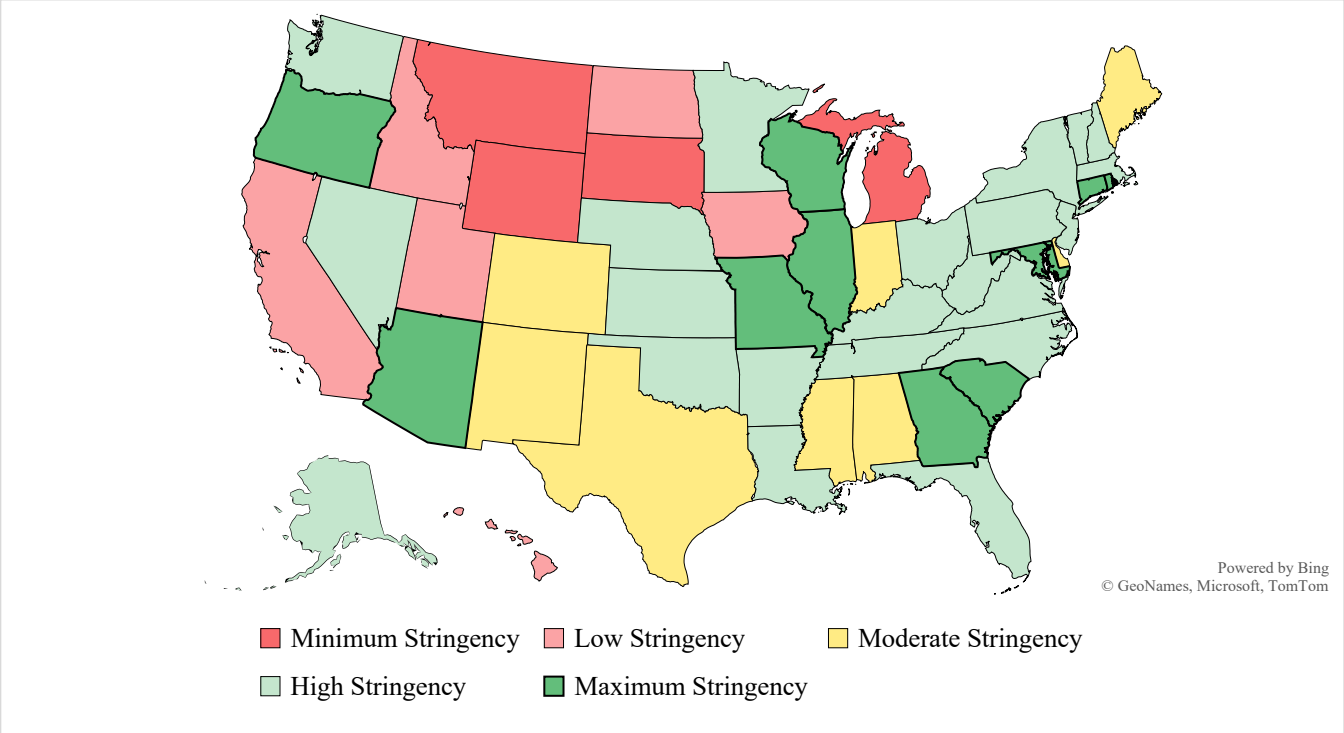
Academic Metrics

Figure 3 represents our stringency rating for academic metrics for each state. This overall academic metric is composed of 13 individual metrics, including information about the curriculum, instructor qualifications, student support services, course catalog, library resources, facilities, tuition and fee schedule, and admission and graduation requirements. Overall, we found 11 states to have the most stringent initial authorization process regarding academic metrics and another 22 states with high stringency. States that scored high on academic metrics often had depth and breadth in their academic catalogs and enrollment agreements, such as New Mexico. Many academic requirements were tied not only to specific academic stipulations, but also to create student-facing transparency from the institutions seeking authorization. States such as Arizona, South Carolina, and Tennessee all included requirements for institutional policies on tuition, fees, and admission and graduation to be published in public facing documents. The most stringent agencies, for example those in Maryland and Rhode Island, also required institutions to demonstrate a need within the state, either at the programmatic or institutional level, to receive authorization. These agencies often were intentional in the interplay

between their institutional and programmatic application designs to ensure academic stringency. A robust requirement for student support services was often another signifier of an agency that received a high stringency rating on academic metrics, such as counseling, advising, and career services.

Figure 3

Academic Metrics Requested in the Initial Authorization



Note. Microsoft Excel product screenshot (s) reprinted with permission from Microsoft Corporation. Maps supported by Bing, GeoNames, Microsoft, and TomTom.

Only 18 states were rated as having moderate (n = 8), low (n = 6), or minimum stringency (n = 4) for academic metrics. Similar to organizational and governance metrics, Michigan, Montana, South Dakota, and Wyoming had the lowest scores for academic metrics. Interestingly, most of the states with minimum and low stringency rating are west of the Mississippi. While several states only collected a handful of

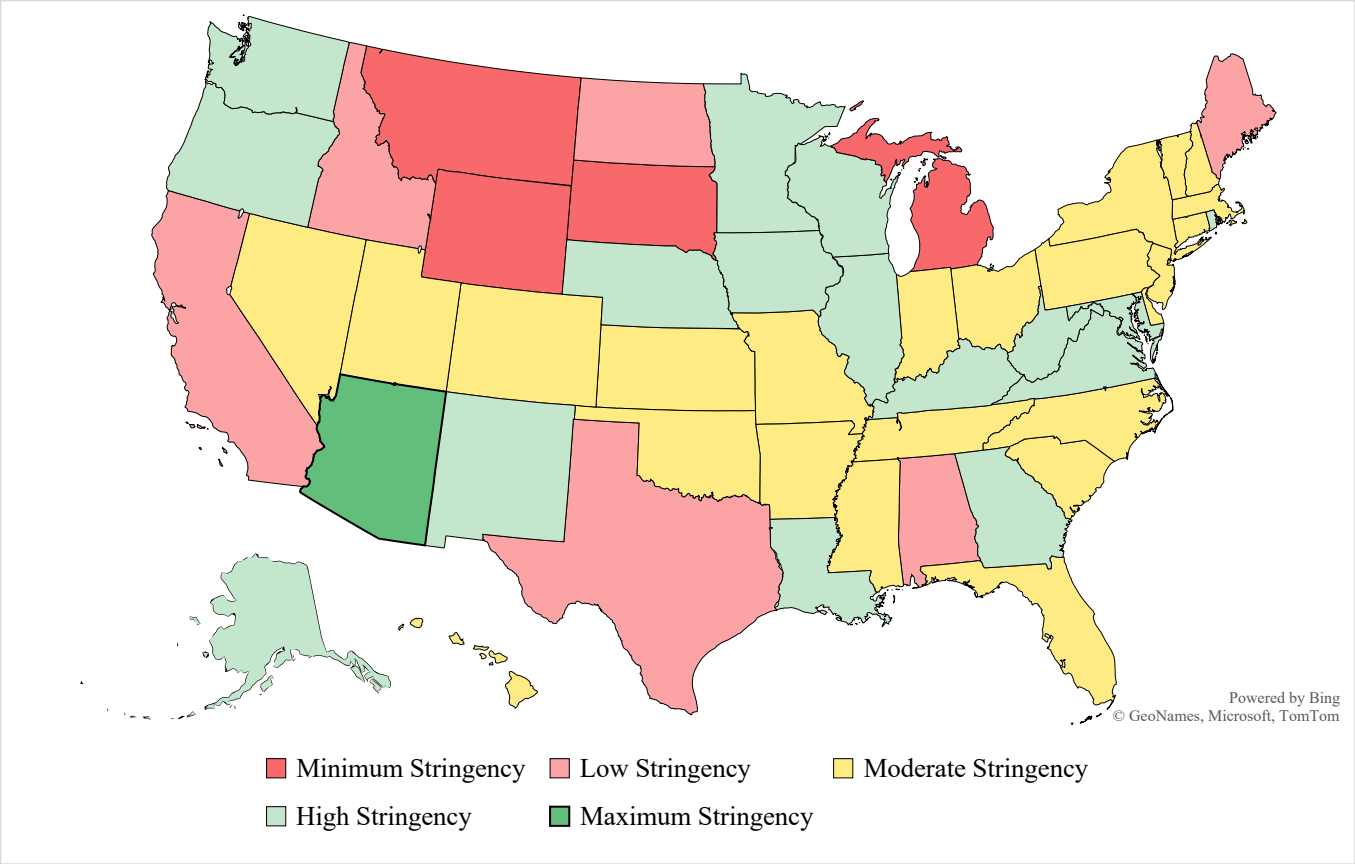
academic metrics, collectively, states emphasized academic metrics more than any other set of metrics.

Consumer Protection Metrics

We also examined the stringency of popular consumer protection metrics collected in initial authorization processes for each state. This metric consisted of ten individual metrics focusing on student grievance, student records retention, institutional sufficiency of finance, liability insurance, and school closure policies. Arizona represented the only state that received the maximum rating for consumer protection metrics. Additionally, we found 17 states with high stringency, 23 states with moderate stringency, six states with low stringency, and four states with minimum stringency. New Mexico and Iowa are two states that received high stringency ratings for the consumer protection components of their authorization process. We found New York, Oklahoma, and Tennessee to feature a moderate level of stringency, with Michigan, Montana, South Dakota, and Wyoming again serving as exemplar states that rated low on the scale.

Figure 4

Consumer Protection Metrics Requested in the Initial Authorization



Note. Microsoft Excel product screenshot (s) reprinted with permission from Microsoft Corporation. Maps supported by Bing, GeoNames, Microsoft, and TomTom.

States with high levels of stringency on consumer protection metrics required institutions to provide information and comprehensive requirements for student grievance, student records retention, tuition refund policies, and audited financial statements. The most stringent agencies (such as those in Arizona, Georgia, Iowa, and New Mexico) mandated multiple financial requirements for institutions seeking initial authorization, such as surety bonds and tuition protection funds, in an effort to protect students and taxpayers from predatory and poor-performing institutions.

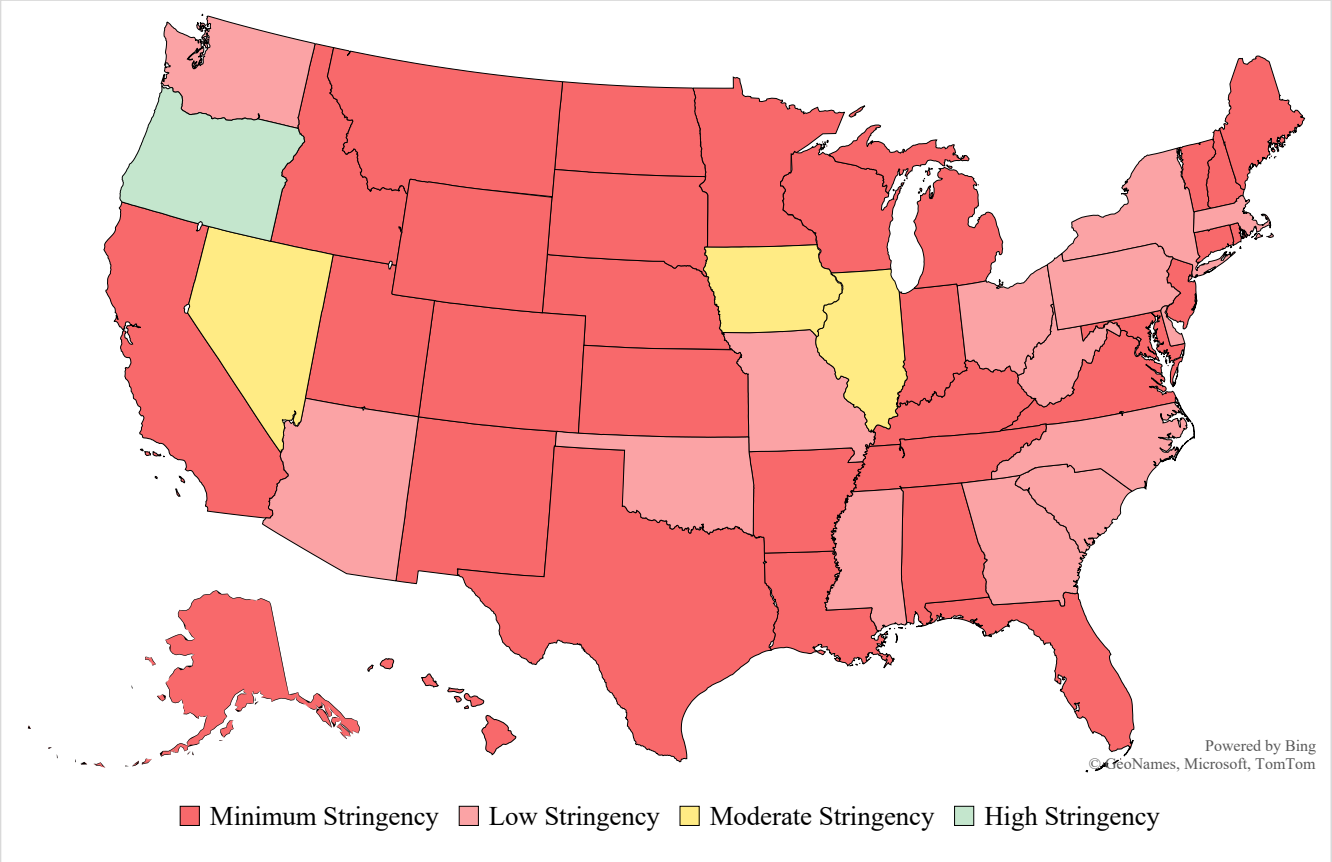
Interestingly, requiring institutions to provide multiyear financial statements and budgets, obtain some form of liability insurance, and to preemptively define school closure/teach-out plans were three consumer protection metrics that even states with high stringency often lacked, with the exception of Minnesota's Office of Higher Education.

Student Outcome Metrics

We also examined the stringency of student outcome metrics collected in initial authorization processes for each state. This metric consisted of seven individual metrics, which included retention rates, graduation rates, job placement rates, and wage data, among others. In the initial authorization process, few states and agencies required applying institutions to provide information or data about student outcome metrics. Oregon is the only state to be rated as having high stringency, and Illinois, Iowa, and Nevada are the states with moderate stringency on student outcome metrics collected. Interestingly, the degree-granting process administered by the Illinois Board of Higher Education required every student outcome metric except for wage data; however, the non-degree-granting process did not require any student outcome metrics in the initial process.

Figure 5

Student Outcome Metrics Requested in the Initial Authorization



Note. Microsoft Excel product screenshot printed with permission from Microsoft Corporation. Maps supported by Bing, GeoNames, Microsoft, and TomTom.

Most states did not collect information regarding common student outcome metrics. For instance, we found 47 states to have low (n = 15) or minimum (n = 32) stringency for the initial authorization process. Of those low-rated states, 20 states did not collect a single student outcome metric. States with high levels of stringency on student outcome metrics required institutions to require institutions to provide

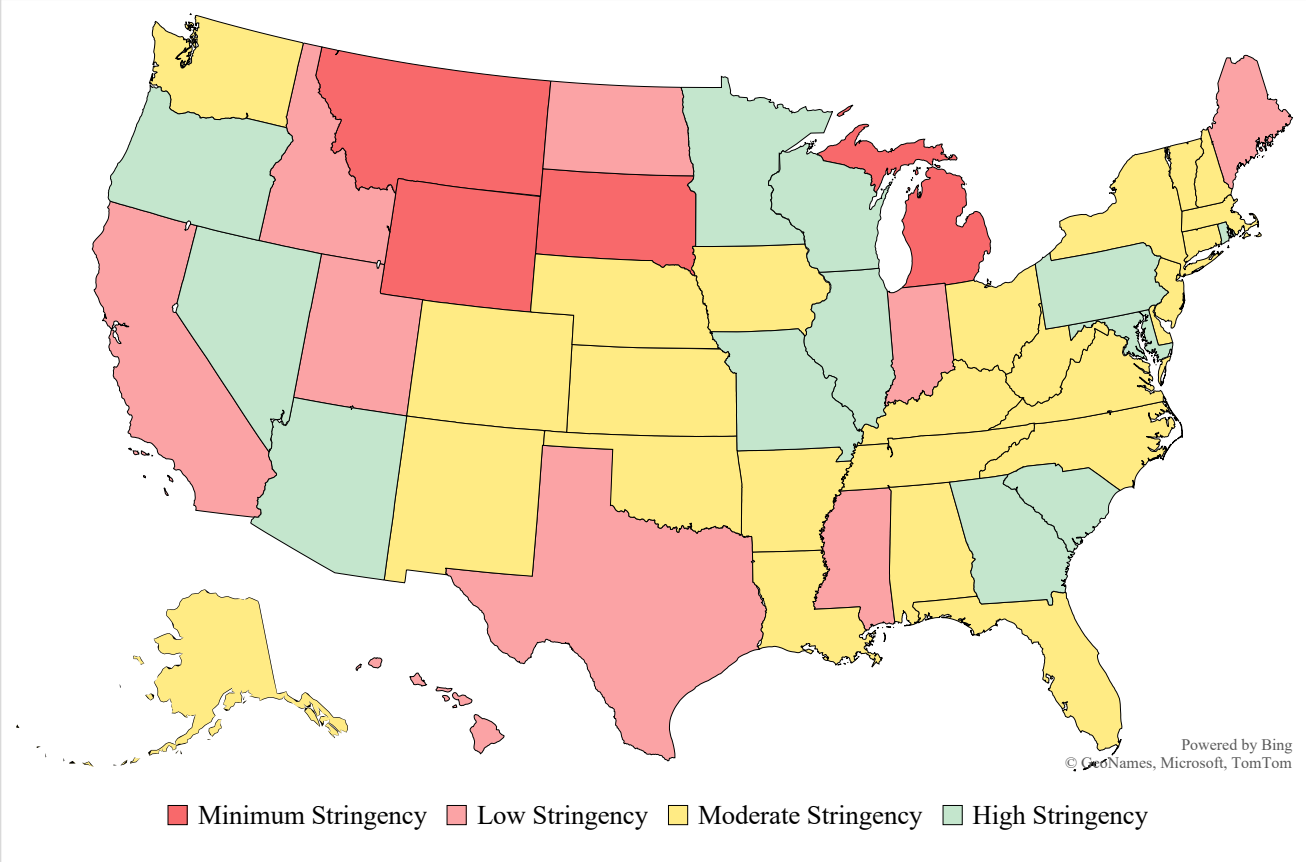
graduation rates, job placement rates, and retention rates. Only a few states, Iowa, Oklahoma, Oregon, and Washington, respectively, required institutions to provide wage data or debt-to-income ratios in the initial authorization process.

All Metrics

Finally, we examined the metric categories collectively to understand stringency in a holistic manner (Figure 6). Overall, we found 13 states to have highly stringent processes, 25 states to have moderately stringent processes, nine states to have less stringent processes, and four states to have minimally stringent processes. According to our scale, Washington, D.C., Georgia, Arizona, Wisconsin, Oregon, and Missouri had the most stringent processes for initial authorization. On the other end of the spectrum, Michigan, South Dakota, Wyoming, and Montana had the least stringent initial authorization processes. Stringent states generally received a maximum score of stringency for organizational and governance metrics and academic metrics.

Figure 6

All Metrics Requested in the Initial Authorization



Note. Microsoft Excel product screenshot(s) reprinted with permission from Microsoft Corporation. Maps supported by Bing, GeoNames, Microsoft, and TomTom.

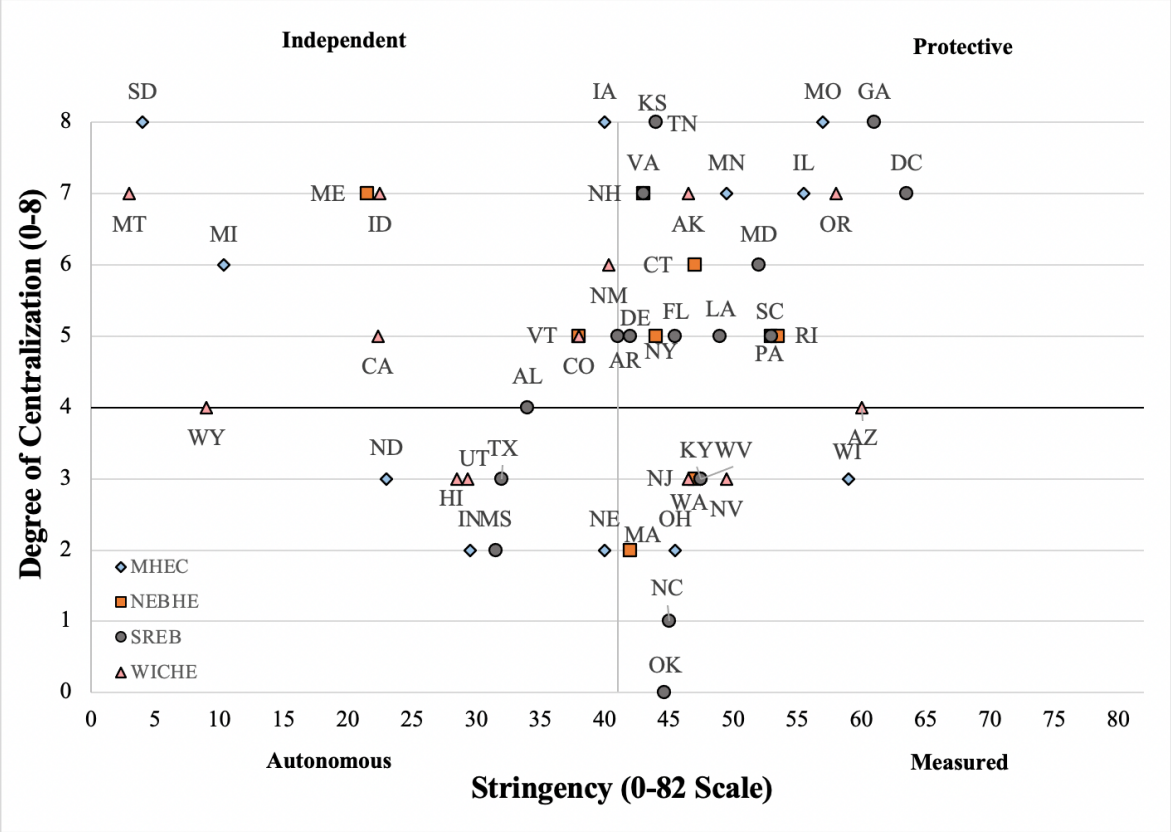
Stringency & Centralization

We were also interested in how our collective score of stringency related to our categories of centralization. Figure 7 presents a scatter plot of stringency and centralization by the regional compact state's use for the SARA process. Interestingly, there are mixed findings regarding the various relationships. Across the regional compacts, SREB (average = 45.66) and NEBHE (average = 43.22) had the highest

average state scores on stringency, and WICHE (average = 34.88) and MHEC (average = 38.11) had less stringent processes for initial authorization. In addition to these differences by region, there is a clustering of states within each of the four quadrants, which suggests some similarity of state authorization approaches despite the overall variation across all 50 states and Washington D.C.

Figure 7

State Authorization Approaches by Stringency (all metrics), Centralization, & Regional Compact



We contend that each quadrant can be considered as a distinct approach to state authorization of postsecondary education. The upper right quadrant, which includes states with high centralization and high stringency, represents a protective

approach to authorization. This quadrant has the highest number of states (19 plus Washington, D.C.). Nearly all states with the most stringent approach are in this quadrant. Moreover, the centralized structure limits the number of governing entities and agencies involved in the authorization process, which allows states to take a consistent approach. In the lower right quadrant (low-centralization, high-stringency), the majority of states have moderate levels of stringency and centralization, which suggests a measured approach to authorization. This professionalized and measured approach to authorization may also be a result the SHEEO agency serving as a governing entity in all but one state (Wisconsin) in this quadrant. By contrast, the states in the bottom left quadrant (low-centralization, low-stringency) take a more autonomous approach to authorization. States in this quadrant (which has the fewest, with just seven states) have the most varied approaches to authorization with multiple governing entities and relatively low stringency. In several states within the quadrant (e.g., North Dakota and Utah), there are extreme differences in stringency between agency approaches. Finally, the upper left quadrant (high-centralization, low-stringency) represents an independent approach. States in this quadrant seem to take an intentionally laissez-faire approach to authorization. All states with the lowest stringency scores appear in this quadrant. This quadrant also has the highest proportion of non-education governing agencies. The SHEEO agency serves as a governing entity in less than half the states in this quadrant.

DISCUSSION

This inventory stands to offer three contributions to our understanding of state authorization. Each potential contribution also includes possibilities for further examination. First, our inventory reveals wide variation in stringency and centralization. States vary by stringency in the four categories of metrics, by centralization based on governing entities, agencies, and processes, and by authorizing agency types. The patterns of variation do not seem to align other state higher education classifications, such as governance (McGuinness, 2016), or other state contexts (Hearn et al., 2017), such as political party control, geographic region, and interest group activity. This suggests a more malleable state approach to postsecondary authorization that is not driven by other state characteristics. More research is needed to test these findings. Empirical examinations of the associations between the four state approaches to authorization and other state contexts, for example, may offer insights into connections unidentified in our study. Moreover, future research could examine how these distinct agency approaches may be associated with state authorization decisions and potentially other higher education outcomes, such as educational attainment, enrollment, retention, and student debt burden. For example, the variation in stringency levels, especially on academics and consumer protection, could affect equity gaps that might exist between students by race, income, or other factors. If, for example, students of color and students from low-income households are over-represented in postsecondary institutions that are authorized with low stringency, then this could have serious consequences for the

students and the state's social and economic well-being. Researchers should examine these associations so that policymakers know the implications of their state's approach to postsecondary education authorization.

Second, the four categories of postsecondary authorization provide researchers and policymakers with a classification with distinct state approaches. This contribution can be amplified with the application of the principal-agent theory (PAT). Within the 20 high centralization states operating with a single governing entity, the principal-agent relationships seem clear: state government > authorization agency > postsecondary institution. Yet, as Rubin & Ness (2019) and Morgan et al. (2021) outline, the PAT relationships become more nuanced with more governing entities. For the moderate- and low-centralization states, the influence of state governments may be more muted due to multiple governing entities and agencies. This could be further complicated when some governing entities are led by governors' offices or governor-appointed boards with other governing entities led by independent boards. For example, states taking protective approaches to authorization are more centralized and thus able to enforce more stringent requirements. PAT would also suggest that states in the independent quadrant, which also have high centralization, are enforcing the states' preferred laissez-faire approach to authorization. By contrast, the autonomous and measured state approaches, which have less centralization, include multiple governing entities and agencies that may take different approaches to stringency. PAT suggests that goal conflict between state governments and authorization agencies could be more pronounced in these states.

Future research is needed to understand better the dynamics within states from the four quadrants. Case studies that examined the goals, preferences, and actions of officials from state government, governing entities, authorizing agencies, and postsecondary institutions seeking authorization would advance our understanding of how PAT may explain these relationships and authorization approaches.

Third, authorization agency type appears to be associated with stringency. Arizona and Georgia, for example, both have independent authorizing agencies and high stringency scores, yet they vary on centralization. On the other hand, states with authorization entities governed by a non-education state agency (California, Michigan, and South Dakota) all have relatively low stringency. Principal-agent theory would suggest that the goals of a SHEEO agency may be different from another state agency. For instance, in nine of the 12 states that our analysis identifies as most stringent, the SHEEO agency serves as the authorizing agency. Moreover, in eight of these nine states, the SHEEO agency is the only authorizing entity in the state. The stringent approach of these SHEEO agencies would align with their broader mission to coordinate statewide higher education and ensure consumer protection of students within the state. On the other hand, SHEEO agencies that also serve as authorizing agencies may experience goal conflict in protecting the public colleges and universities in their system and authorizing other institutions that could be competitors. Future research should examine the extent to which these states could align the authorization process with statewide higher education goals.

Alternatively, there is a different type of authorizing agency in the four states with the least stringent approaches. Principal-agent theory could reveal the extent to which goal conflict or alignment exists between the state government and authorizing agency. For instance, our findings of South Dakota's less stringent approach to postsecondary education authorization align with other studies (Kelly et al., 2015; Tandberg et al., 2019) and suggest further alignment with South Dakota's low regulatory approach to other sectors (Gramlich, 2011).

ADDITIONAL IMPLICATIONS FOR RESEARCH

As the attention to quality assurance and state authorization remains at the forefront of postsecondary policy discussions, our study of the landscape of and processes around state authorization in postsecondary education has implications for state policymakers, higher education leaders, and researchers. This study aims to address the pleas for expanding the research agenda on state authorization (Harnisch et al., 2016; Tandberg et al., 2019). While the annual surveys have provided much-needed context and information, an in-depth and empirical study of state authorization has important implications for policy and practice. NC-SARA's State Authorization Guide serves as a centralized source of information, but does include data for all authorizing agencies and states. As such, policy researchers will likely benefit from a 50-state inventory and classification that attempts to standardize information in a consumable and researchable manner. For instance, scholars examining the extent to which state authorization structures influence organizational

and academic outcomes may use the inventory as a starting place to identify key characteristics and processes. Future work may also examine how authorization stringency may be associated with other elements of our inventory, such as the ongoing renewal process of authorization, the resource capacity of authorizing agencies, and many other statewide demographic, organizational, economic, and political characteristics (Hearn et al., 2017).

Our study deals primarily with the stringency of the initial authorization process. Future research should also explore how the authorization process compares to the reauthorization process across different sets of metrics, the politicization of authorization (e.g., legislative action, appointed boards, executive reorganization), and how capacity (e.g., fiscal and administrative) affects the stringency of the state authorization processes. Examining the differences between the language in statutes and regulations (adoption) and regulatory action by street-level bureaucrats (implementation) is another important area of research. Principal-agent theory and other conceptual frameworks could offer additional insights, especially related to how the monitoring efforts of governing entities constrict adverse selection and how authorizing agency capacity affects the information asymmetries between agencies and states.

RECOMMENDATIONS FOR POLICY AND PRACTICE

This report provides an extensive overview of initial state authorization processes in the United States. Our inventory reveals significant variation of state

approaches to stringency and centralization. Thus far our discussion of the findings has highlighted the project's contribution to researchers and has offered many implications for future research. We end the report with a set of three recommendations for policy and practice.

First, we join the recommendation of SHEEO and other policy organizations to enhance the state role in the regulatory triad. Our study identifies significant activity, often by multiple governing entities, agencies, and processes, with the state. We also reveal four distinct approaches to state postsecondary education authorization based on stringency and centralization. The scope of this activity reminds us that states are in a much better position to influence authorization than accrediting bodies or the federal government. This is most obvious in the protective state approach that has among the most stringent standards for authorization. These states are embracing state authority over education by virtue of the Tenth Amendment. Although the functions of the regulatory triad have often been seen as separate among the three actors, we believe that the states can design their authorization processes to be complementary to the roles played by accreditors and the federal government. This more integrated approach would enhance overall quality assurance and consumer protection measures. For example, states could better assure quality by actively engaging with accreditors in the coordination of joint site visits and better protect consumers by implementing stricter state-level requirements for authorization based on existing federal financial responsibility scores. One specific recommendation for authorizing agencies of degree-granting programs would be to request the

information that these institutions provide to accreditors. Moreover, in constructing this inventory of state authorization approaches, we found many state statutes, regulations, policies, and application processes that enhanced the state role in initial authorization. States with less stringent approaches to authorization should consider whether adopting more stringent requirements or more streamlined processes would help meet broader state goals of high-quality education and safeguarding students' financial interests.

Second, state higher education officials and leaders should craft an intentional approach to postsecondary education authorization within their state. This is not to say that all states should strive for a more centralized, streamlined approach to authorization. Rather, that all states, regardless of how centralized the authorization landscape and process, consider how their authorization approach aligns with broader state objectives. Higher education researchers (e.g., Hearn et al., 2017; McGuinness, 2016) have long acknowledged wide variation in state higher education approaches to governance, funding, and policy adoption and have attributed much of this variation to different state-level political, social, economic, and institutional conditions. So, variation in state authorization approaches is entirely understandable. However, some states and agencies appear to be checking off a box to ensure compliance with federal regulations. States must remain intentional in how they organize authorization processes in their state to ease the burden on agency staff, to limit unfunded mandates from legislatures, and to clarify for prospective institutions the process to become authorized. Creating a 50-state matrix with various categories

could allow policymakers, state agencies, and campus leaders to have a better understanding of each state's authorization processes in relation to other political, social, and economic conditions in the state. By better understanding the landscape and process, states and SHEEO agencies will better understand the range of approaches to state authorization. This might lead state systems to consider other approaches that align better with their policy objectives and specific state context.

Third, authorizing agencies should ensure that authorization processes are transparent and user-friendly. We offer more detailed thoughts on this final recommendation based on our experience constructing this inventory from 100 initial authorization applications. Through our inventory, we discovered that the clarity and accessibility of agency websites and application processes varied greatly. We recommend that all agencies make their application available to the public. Many states are turning to third party vendors, such as EdVera, to streamline their application process through an online portal. Agencies that choose to go with such an e-government solution, most of which require registration and/or payment, should ensure transparency by also including a hard copy PDF version on their website. Agencies with high stringency often include examples of completed documents or tutorials for applicants. Requiring applying institutions to go through an initial consultation with the agency before submitting their application is a strategy employed by numerous agencies; however, we would caution agencies to ensure that this tactic is used to improve the quality of the application, not to hinder applicants from completing it.

Agencies should be conscientious of how their institutional and programmatic application processes work in relation to one another, as well as the number of different processes they require. The most stringent agencies integrate the programmatic process into the institutional approval process in such a way as to not duplicate the administrative burden for the institution and the agency itself. The most stringent agencies also require site visits as a requirement for initial authorization. Some maintain an annual or biannual site visit requirement, and others include a trigger for a site visit should an institution fail to meet standards from annual reporting requirements. Other agencies have designed their site visit policy to coincide with on-site accreditation reviews. In some cases, agencies require institutions to bear the cost of a site visit. However, agencies should keep in mind that state mandates are minimum requirements, and they have the ability to set their own policies that address site visits in a more comprehensive manner.

Finally, states should consider designing robust and well-organized websites with students, institutions, consumer protection advocates, researchers, and others in mind. States with multiple agencies may also be at risk for the silo effect. These states should find intentional ways to encourage these agencies to share information and work together as a cohesive unit. In other cases, states might consider reforming processes in order to institutionalize a comprehensive and interconnected approach to authorization. Understanding how each state authorizes (and reauthorizes) postsecondary institutions is vitally important for improving the state's role in the regulatory triad, maintaining quality, and protecting consumers.

REFERENCES

O.C.G.A. § 20-3-31 (2010). https://law.justia.com/codes/georgia/2010/title-20/chapter-3/article-2/part-1/20-3-31/

Bruckner, M. A. (2020). The forgotten stewards of higher education quality. UC Irvine Law Review, 11(1), 1-41. https://scholarship.law.uci.edu/ucilr/vol11/iss1/5

Cohen, J. (1960). A coefficient of agreement for nominal scales. Educational and Psychological Measurement, 20(1), 37-46. https://doi.org/10.1177/001316446002000104

Contreras, A. L. (Ed.). (2020a). State authorization of colleges and universities (2nd ed.). Oregon Review Books.

Contreras, A. L. (2020b). What is a degree? In A. L. Contreras (Ed.), State authorization of colleges and universities (2nd ed., pp. 5-40). Oregon Review Books.

Creswell, J. W. (2014). Research design: Qualitative, quantitative and mixed methods approaches (4th ed.). Sage.

Eisenhardt, K. M. (1989). Agency theory: An assessment and review. The Academy of Management Review, 14(1), 57-74. https://doi.org/10.2307/258191

Ferris, J. M. (1991). Contracting and higher education. The Journal of Higher Education, 62(1), 1-24. https://doi.org/10.1080/00221546.1991.11774103

Gándara, D., & Ness, E. C. (2019). Ideological think tanks and the politics of college affordability in the states. The Journal of Higher Education, 1-27. https://doi.org/10.1080/00221546.2019.1574696

Gerring, J. (2012). Mere description. British Journal of Political Science, 42(4), 721-746. www.jstor.org/stable/23274165

Harnisch, T., Nassirian, B., Saddler, A., & Coleman, A. (2016). Enhancing state authorization: The need for action by states as stewards of higher education performance. Education Commission of the States. https://www.ecs.org/wp-content/uploads/ECS_FundingReports_HarnischNassirianSaddlerColeman_F.pdf

Hearn, J. C., McLendon, M. K., & Linthicum, K. C. (2017). Conceptualizing state policy adoption and diffusion. In M. B. Paulsen (Ed.), Higher education: Handbook of theory and research (pp. 309-354). Springer International Publishing. https://doi.org/10.1007/978-3-319-48983-4_7

Hearn, J. C., & Ness, E. C. (2017). The ecology of state-higher education policymaking in the US. In D. Palfreyman, T. Tapper, & S. Thomas (Eds.), Towards the private funding of higher education: Ideological and political struggles (pp. 19-47). Routledge.

Kelchen, R., Rosinger, K. O., & Ortagus, J. C. (2019). How to create and use state-level policy data sets in education research. AERA Open, 5(3), 2332858419873619. https://doi.org/10.1177/2332858419873619

Kelly, A. P., James, K. J., & Columbus, R. (2015). Inputs, outcomes, quality assurance: A closer look at state oversight of higher education (AEI Series on Reforming Quality Assurance in Higher Education, Issue 4). American Enterprise Institute.

https://www.aei.org/wp-content/uploads/2015/08/Inputs-Outcomes-Quality-Assurance.pdf

Lane, J. E. (2007). The spider web of oversight: An analysis of external oversight of higher education. The Journal of Higher Education, 78(6), 615-644. https://doi.org/10.1080/00221546.2007.11772074

Lane, J. E., Kinser, K., & Knox, D. (2013). Regulating cross-border higher education: A case study of the United States. Higher Education Policy, 26(2), 147-172. https://doi.org/10.1057/hep.2012.23

Lane, J. E., & Kivistö, J. A. (2008). Interests, information, and incentives in higher education: Principal-agent theory and its potential applications to the study of higher education governance. In J. C. Smart (Ed.), Higher education (pp. 141-179). Springer Netherlands. https://doi.org/10.1007/978-1-4020-6959-8_5

Lincoln, Y. S., & Guba, E. G. (1986). But is it rigorous? Trustworthiness and authenticity in naturalistic evaluation. New Directions for Program Evaluation, 1986(30), 73-84. https://doi.org/10.1002/ev.1427

Lowry, R. C. (2001). Governmental structure, trustee selection, and public university prices and spending: Multiple means to similar ends. American Journal of Political Science, 45(4), 845-861. https://doi.org/10.2307/2669328

McCann, C., & Laitinen, A. (2019, November 19). The bermuda triad: Where accountability goes to die. https://www.newamerica.org/education-policy/reports/bermuda-triad/

McGuinness, A. C. (2016). History of state coordination and governance and alternatives for the future. http://www.ecs.org/wp-content/uploads/051616-State-Policy-Leadership-for-the-Future-KL-final2.pdf

McHugh, M. L. (2012). Interrater reliability: The kappa statistic. Biochemia medica, 22(3), 276-282. https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3900052/

Moe, T. M. (1984). The new economics of organization. American Journal of Political Science, 28(4), 739-777. https://doi.org/10.2307/2110997

Morgan, D. L., Rall, R. M., Commodore, F., Fischer, R. A., & Bernstein, S. (2021). Hiding in plain sight: The potential of state-level governing boards in postsecondary education policy agenda-setting. The Journal of Higher Education, 92(4), 570-595. https://doi.org/10.1080/00221546.2020.1824885

Onwuameze, N. (2017). State authorization reciprocity agreement: Participation and access to higher education. Open Learning: The Journal of Open, Distance and e-Learning, 32(2), 137-146. https://doi.org/10.1080/02680513.2017.1311782

Ozdemir, D., & McDaniel, J. G. (2013). Evaluation of the state authorization processes for distance education. Online Journal of Distance Learning Administration, XV(1), Evaluation of the State Authorization Processes for Distance Education.

Patton, C. V., Sawicki, D. S., & Clark, J. (2013). Basic methods of policy analysis and planning (3rd ed.). Pearson.

Perna, L. W., & Leigh, E. W. (2017). Understanding the promise: A typology of state and local college promise programs. Educational Researcher. https://doi.org/10.3102/0013189x17742653

Perna, L. W., Rowan-Kenyon, H., Bell, A., Thomas, S. L., & Li, C. (2008). A typology of federal and state programs designed to promote college enrollment. The Journal of Higher Education, 79(3), 243-267. https://doi.org/10.1080/00221546.2008.11772098

Ross, S. A. (1973). The economic theory of agency: The principal's problem. The American Economic Review, 63(2), 134-139. http://www.jstor.org/stable/1817064

Rubin, P. G., & Ness, E. C. (2019). State higher education governing agencies and the knowledge brokering process: Investigating their role as multi-facing organizations in the United States. Higher Education Policy. https://doi.org/10.1057/s41307-019-00155-z

State Higher Education Executive Officers Association. (2021). State authorization research projects. https://sheeo.org/state-authorization-research-projects/

Tandberg, D. A., Bruecker, E. M., & Weeden, D. (2019). Improving state authorization: The state role in ensuring quality and consumer protection in higher education. https://sheeo.org/wp-content/uploads/2019/07/SHEEO_StateAuth.pdf

Taylor, T., Coleman, A., Little, B., & Saddler, A. (2016). Getting our house in order: Clarifying the role of the state in higher education quality assurance.

https://ib5uamau5i20f0e91hn3ue14-wpengine.netdna-ssl.com/wp-content/uploads/2016/09/EducationCounsel-role-of-the-state-in-the-triad-Final-pre-publication-copy-2016.pdf

Toma, E. F. (1986). State university boards of trustees: A principal-agent perspective. Public Choice, 49(2), 155-163. https://doi.org/10.1007/bf00181037

Ward, J. D., & Tierney, W. G. (2017). Regulatory enforcement as policy: Exploring factors related to state lawsuits against for-profit colleges. American Behavioral Scientist, 61(14), 1799-1823. https://doi.org/10.1177/0002764217744819

Waterman, R. W., & Meier, K. J. (2004). Principal-agent models: A theoretical cul-de-sac. In R. W. Waterman, A. A. Rouse, & R. L. Wright (Eds.), Bureaucrats, politics and the environment (pp. 19-42). University of Pittsburgh Press. https://doi.org/10.2307/j.ctt9qh4pn.7

APPENDIX A. DESCRIPTION OF METRICS

Metric Category	Metric
Organizational & Governance	Governing board/Ownership
	Organizational structure
	Mission & vision
	Administrator qualifications
	Instructor qualifications
	Advertising & marketing practices
	Recruiting practices
	Institutional accreditation information
	Programmatic/Specialized accreditation information
	Articles of Incorporation/License to Operate in the State
	Business/Building licenses (fire, zoning, and safety)
Academic	Curricula
	Credit-hour requirements
	Instructor qualifications
	Student support services
	Course catalog
	Student handbook
	Enrollment Agreement
	Library Resources
	Facilities
	Tuition and fee schedule
	Admission requirements
	Graduation requirements
	Demonstration of Program/Institutional Need (Market Analysis)
Consumer Protection	Student grievance policies
	Student record procedures
	School closure/teach-out plan
	Tuition refund policy
	Tuition recovery fund (or student protection funds)
	Surety bond
	Audited financial statements
	Multi-year (2+) financial statements
	Multi-year (2+) budget projections
	Liability Insurance
Student Outcome Metrics	Retention rates
	Graduation rates
	Job placement rates

	Cohort default rates Wage data Debt-to-income ratio State licensing/professional certification examination passage rate

APPENDIX B. EXAMPLE METRIC SCORING TEMPLATE

Metric Scoring Example: Washington, D.C., Office of the State Superintendent of Education (Degree-granting)

Mission & Vision

Researcher Name

Synopsis:
The agency requires applying institutions to provide information about mission and goals for authorization (Baseline). The agency specifically stipulates that the mission statement be included in the catalog, contending "institutions shall have a mission statement, which clearly describes its mission and purpose, the goals of the institution with regard to the instruction of its students, any specialized research and public service, its point of view, and any special constituencies that it serves" They stipulate that all institutions include a "Statement describing the mission and goals of the institution; Evidence of processes and procedures for self-analyzing and evaluating the outcomes and effectiveness of its educational programs; and Evidence of a process for forecasting, planning, and implementing reform of the operations and programs of the institution" (Threshold).

Score: 2

Metric Location:
Metric appears in application: Yes (https://bit.ly/3yPMeFZ)
Metric appears in administrative rules: Yes (https://bit.ly/3fVhyKx)
Metric appears in statutes: No (https://bit.ly/3wLYpBR)

Official Language/Reference to the metric:
In order to qualify for a license, a postsecondary degree granting educational institution shall have a written statement which clearly describes its mission and purpose. The statement shall describe the goals of the institution with regard to the instruction of students, specialized research and public service, and any specialized constituencies that it serves. In addition, a postsecondary degree granting educational institution shall have an established procedure for evaluating the outcomes and effectiveness of its educational programs in terms of its mission and goals (D.C. Municipal Regulations A80 § 8004.3)

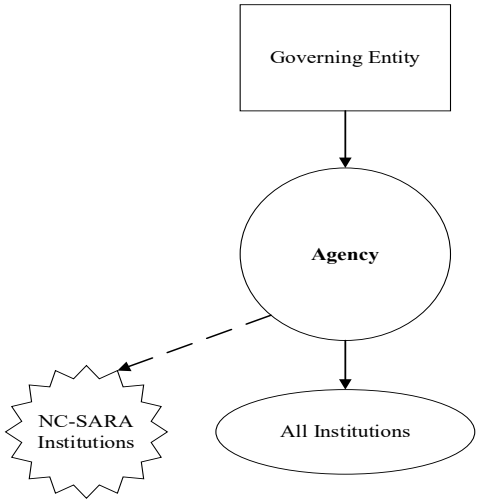
Source:
D.C. Municipal Regulations A80 § 8004.3
HELC Application for Provisional Higher Educational License

Notes:

APPENDIX C. STATE CONCEPTUALIZATIONS BY CENTRALIZATION

Figure C1.

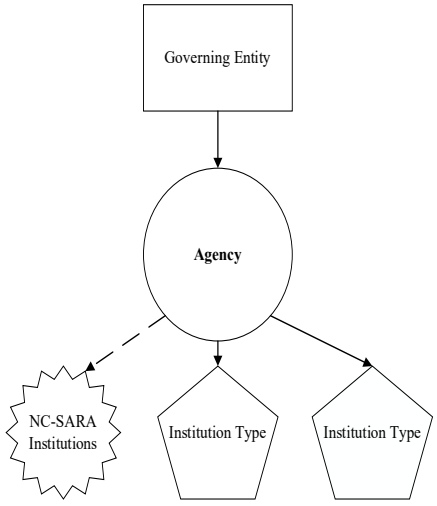
High Centralization – High



States: GA, IA, KS, MO, SD, TN

Figure C2.

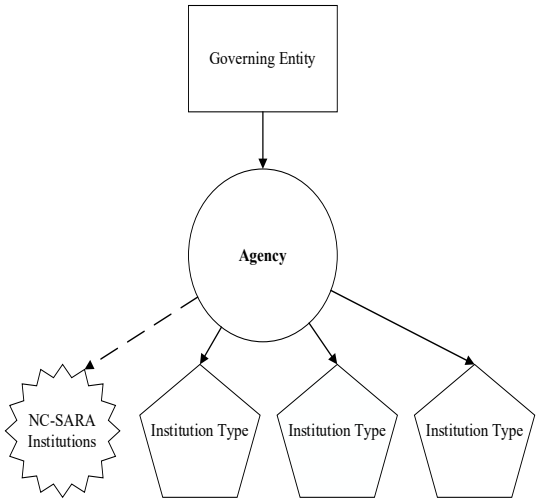
High Centralization – Moderate



States: AK, DC, ID, IL, ME, MN, MT, NH, OR, VA

Figure C3.

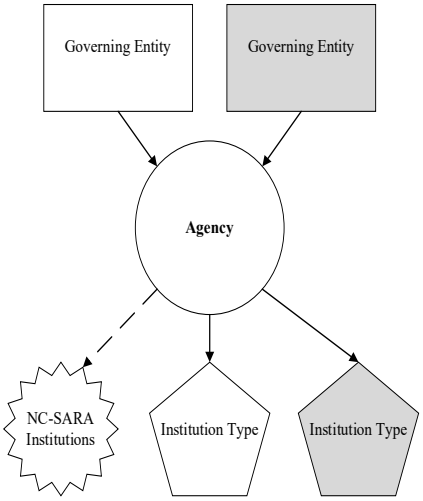
High Centralization – Low



States: CT, MD, MI, NM

Figure C4.

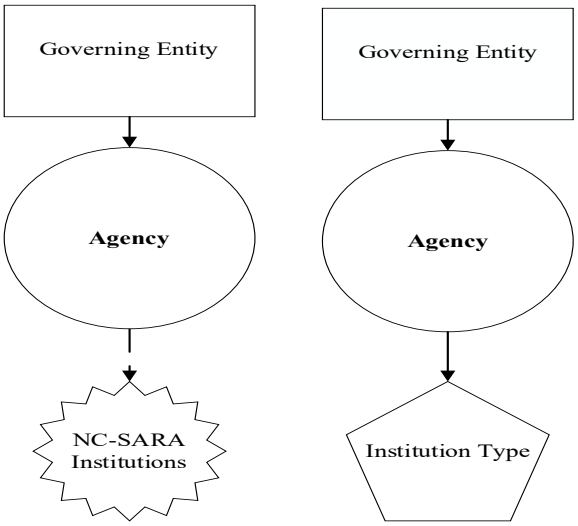
Moderate Centralization – High



States: AR, CA, CO, DE, FL, LA, NY, PA, RI, SC, VT

Figure C5.

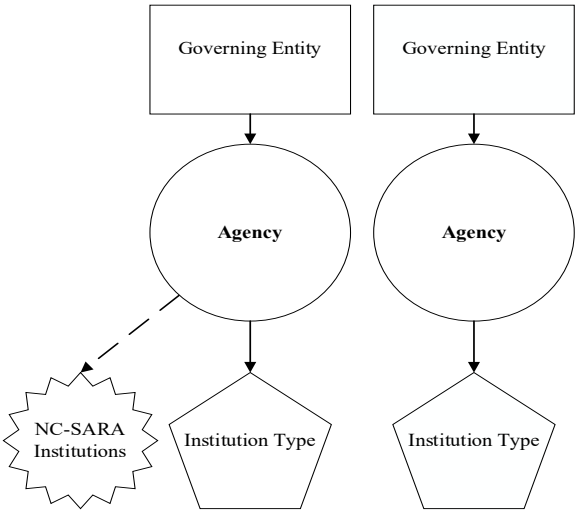
Moderate Centralization – Moderate



States: AL, AZ, WY

Figure C6.

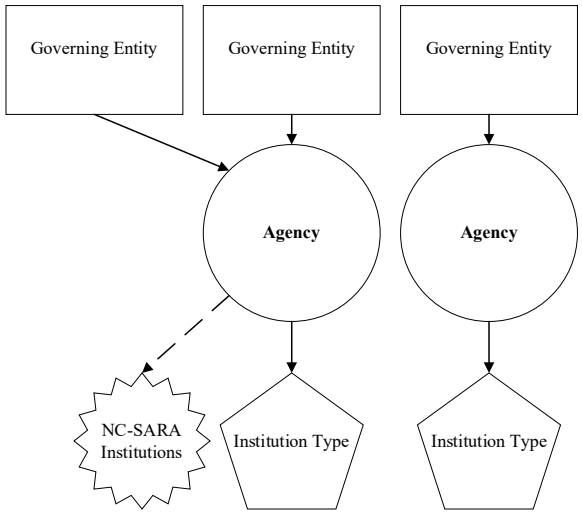
Moderate Centralization – Low



States: HI, KY, ND, NJ, NV, TX, UT, WA, WI, WV

Figure C7.

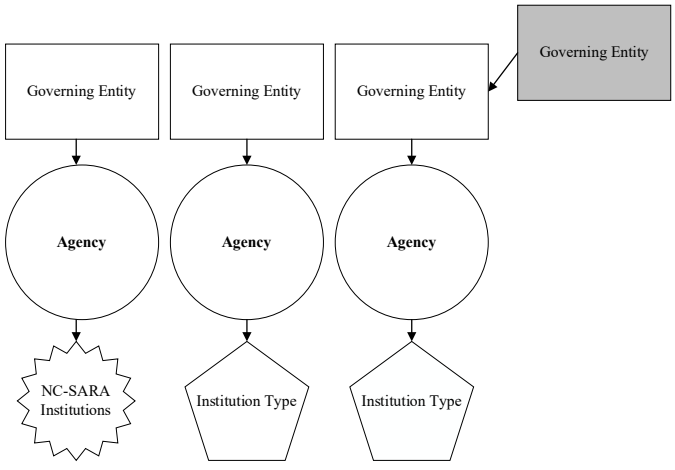
Low Centralization – High



States: IN, MA, MS, NE, OH

Figure C8.

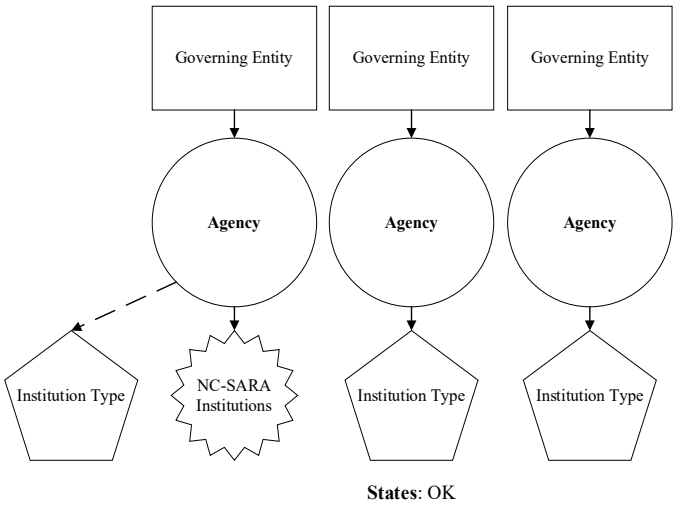
Low Centralization – Moderate



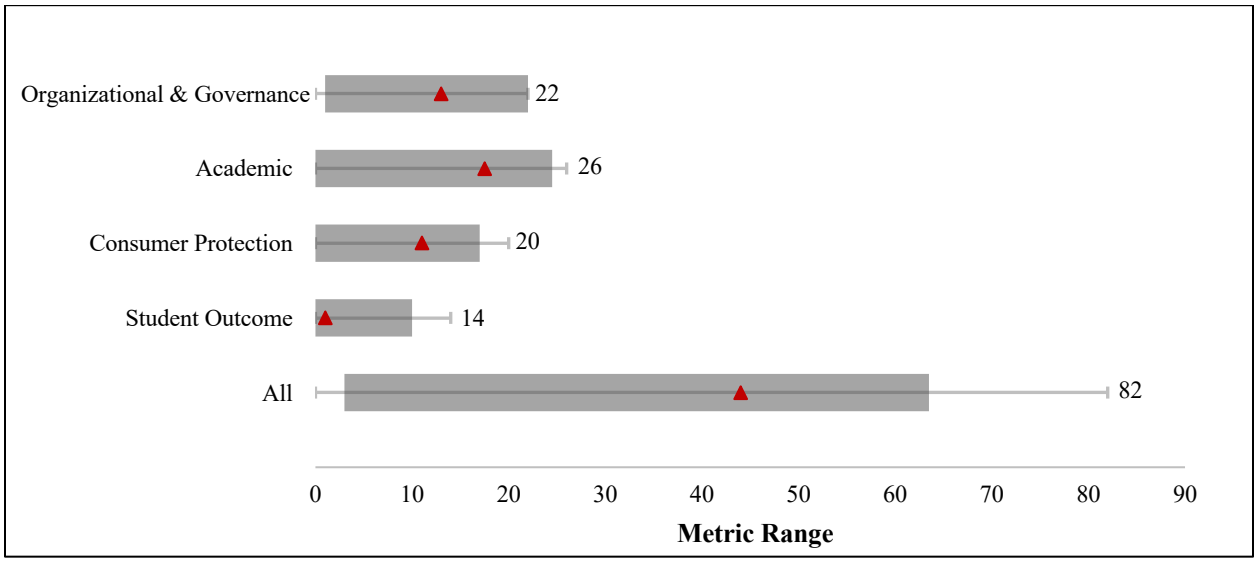
State: NC

Figure C9.

Low Centralization – Low



APPENDIX D. SCALE AND RANGE OF STRINGENCY BY METRIC CATEGORY



APPENDIX E. AUTHORIZING BODY BY INSTITUTION TYPE IN SELECT STATES

	Public				Private			
	In-State		Out-of-state		In-State		Out-of-state	
State	Degree-granting	Non-degree granting	Degree-granting	Non-degree granting	Degree-granting	Non-degree granting	Degree-granting	Non-degree granting
Georgia	USG	USG/TCSG	GNPEC	GNPEC	GNPEC	GNPEC	GNPEC	GNPEC
Michigan	Law/Constitution & LEO[a]	LEO	LEO	LEO	LEO	LEO	LEO	LEO
New York	BOR/OCUE	N/A	BOR/OCUE	N/A	BOR/OCUE	BPSS	BOR/OCUE	BPSS
Oklahoma	OSHRE	CareerTech	OSHRE	CareerTech	OSHRE	OBVS	OSHRE/OBVS[b]	OBVS
Oregon	State Legislature	HECC	HECC	HECC	HECC	HECC	HECC	HECC
South Dakota	Sec. of State	Sec. of State	Sec. of State	Sec. of State	Sec. of State	Sec. of State	Sec. of State	Sec. of State

Note. The following acronyms are used in this table: University System of Georgia (USG); Technical College System of Georgia (TCSG); the Georgia Nonpublic Postsecondary Education Commission (GNPEC); Michigan Department of Labor and Economic Opportunity (LEO); the New York State Education Department's Board of Regents (BOR), Bureau of Proprietary School Supervision (BPSS), and the Office of College and University Evaluation (OCUE); the Oklahoma Department of Career and Technical Education (CareerTech); the Oklahoma Board of Private Vocational Schools (OBVS); and the Oklahoma State Regents for Higher Education (OSRHE), and the Oregon Higher Education Coordinating Commission (HECC).

[a] In Michigan, most public degree-granting institutions are established through the state constitution or legislative action. However, LEO has power over authorization for distance education for public degree-granting institutions.
[b] In Oklahoma, authorization for out-of-state degree granting institutions is divided between OSHRE (nonprofit) and OBVS (for-profit).