STATE AUTHORIZATION RESEARCH: FINDINGS, THEMES, AND FUTURE DIRECTIONS

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The demand for greater consumer protection in higher education has increased in recent years, perhaps due to a number of high-profile institution closures and lawsuits alleging fraud perpetrated by postsecondary institutions (e.g., Butrymowicz, 2020; Folley, 2018; Wong, 2015). The "regulatory triad" consists of three entities that share responsibility for protecting students in higher education: the federal government, accrediting bodies, and state governments (Hegji, 2019; Kelchen, 2018). State governments play a crucial role in consumer protection since they are empowered to decide which institutions may operate in the state through a process called state authorization. Through the authorization process, states request information and evidence that institutions will prepare students with high-quality education to develop necessary skills for labor market success. Though authorization is incredibly important in keeping bad actors out of the higher education market, relatively little research has explored the process of state authorization and its impacts on states, institutions, and students. This paper series, supported by Arnold Ventures and coordinated by the State Higher Education Executive Officers Association (SHEEO), aims to begin filling the gap in the literature with seven papers. These papers use diverse methods to answer novel questions and provide evidence about different aspects of state authorization. The introduction and summary proceed as follows: I provide a brief overview of each paper, then identify key themes among the papers, and conclude with a discussion about opportunities for future research in this space.

OVERVIEW OF PAPERS

The series contains three primarily qualitative papers. Boatman and Borowiec (2021) used a multiple-case design to study the role of states in authorizing providers of short-term,

career-oriented credentials. They completed interviews and conducted document analysis in five states: California, Georgia, Illinois, New York, and Washington. Their work aimed to understand how authorization works for these types of credentials, identify challenges with the process, and provide policy recommendations to help states improve authorization processes for providers of short-term credentials. Natow et al. (2021) employed a similar multiple-case design to study how states understand and respond to federal policy on state authorization. They also completed interviews and conducted document analysis in five states: California, Illinois, Massachusetts, North Carolina, and Pennsylvania. Their work aimed to better understand the relationship between state authorizers and the federal government and provide recommendations for improvement based on their findings. Hutchens et al. (2021) developed a consumer protection framework based on their review of state laws, regulations, and court opinions. They used exemplar cases from Arkansas, California, and Massachusetts to provide recommendations for states and federal governments to protect consumers from predatory practices in higher education, particularly among for-profit institutions.

Ness et al. (2021) bridged the qualitative and quantitative work in this paper series by using qualitative data (i.e., state laws, agency regulations, and administrative rules) to develop a quantitative measure of the stringency of authorization processes in each state. They provided descriptive analyses of their stringency measure and its relationship to centralization of state authorization to offer insight on the broad context of authorization across all 50 states. Two other papers in the series used data from Ness et al. (2021) to perform their analyses. Fowles (2021) used machine learning methods to systematically identify clusters of states with similar approaches to authorization. He regressed these clusters on a host of state

characteristics to understand whether economic, social, political, and institutional factors predict assignment to clusters. Dell et al. (2021) also used the stringency measure from Ness et al. (2021) in their descriptive and correlational analyses to estimate relationships between stringency and institution openings and closures in each state. The final quantitative paper in this series (Ward et al., 2021) estimated the effect of state reciprocity participation on online enrollment using a quasi-experimental difference-in-differences approach. The National Council for State Authorization Reciprocity Agreements (NC-SARA) has in many ways revolutionized state authorization by streamlining the process for institutions seeking authorization for distance education in multiple states. Ward et al. (2021) answered the important question of whether NC-SARA has broadened college access by increasing options (particularly online enrollment options) for students.

KEY THEMES

One of the key takeaways from these papers is that state authorization is complicated, and, up to this point, researchers have understood relatively little about it. This complexity arises because states take varied approaches, and many states have multiple processes, which can differ based on institution type, degree or credential type, mode of educational delivery (i.e., in-person or online), and accreditation status. The work by Ness et al. (2021) goes a long way to improve our understanding of these processes by creating an inventory rating the stringency of the requirements for initial authorization of each process in all 50 states plus the District of Columbia (a total of 100 processes across 73 agencies), finding substantial variation in the stringency of authorization processes. Fowles (2021) builds on the work by Ness et al.

(2021) and attempts to simplify our interpretation of this stringency measure by classifying

states that take a similar approach to authorization into clusters. He identifies three distinct

clusters, which roughly represent states with high, moderate, and low stringency scores. Ward

et al. (2021) estimate the impact of NC-SARA, a streamlined authorization process developed to

address the complexity of authorization. Prior to the creation of NC-SARA, institutions had to

seek separate authorization from each state in which they had a physical presence (and, in

some cases, from each state in which they enrolled students, even if only online). NC-SARA

allows institutions to seek authorization in just one state, and this authorization is reciprocated

by all other NC-SARA member states. Boatman and Borowiec's (2021) work explores another

dimension of complexity: the often-overlooked process of authorizing providers of short-term,

career-oriented credentials, which can be quite different from traditional degree programs and

often have separate authorization processes. Boatman and Borowiec (2021) take a deep dive

into five states' approaches to authorizing these providers, and, though some overlap exists

between the states, it is clear that each approach is context-specific and presents unique

advantages and challenges. Collectively, these papers help to illuminate just how complex

authorization can be and begin to peel back the layers to give us insight about how the process

works and its effects on institutions and students.

Another unifying theme of these papers is identifying challenges in existing

authorization processes and suggesting pragmatic improvements for policymakers and

practitioners. Hutchens et al. (2021) review state law, regulations, and court opinions to offer

insight about how states approach consumer protection issues, such as requiring disclosures to

prospective and current students and the regulation of marketing and advertising practices.

They use cases in Arkansas, California, and Massachusetts to explore the legal limits of state

regulation and provide specific examples of how states can wield their authority to protect

students without overreaching. From their case study of five states, Natow et al. (2021) list four

specific recommendations for building federal and state capacity for authorization: (1) the U.S.

Department of Education (ED) should build stronger relationships with state authorizing

agencies; (2) state authorizing agencies should build relationships with authorizers in other

states; (3) institutions as well as state authorizing agencies should be included in training

opportunities and communications; and (4) state and federal governments should provide

additional resources to ensure sufficient capacity for authorization. Boatman and Borowiec

(2021) are perhaps the most explicit and intentional about providing clear policy

recommendations, with separate recommendations for state authorizing agencies,

policymakers, and researchers. Their recommendations primarily revolve around collecting and

maintaining data about the types and quality of non-degree credentials; developing

collaborative efforts between institutions, state authorizing agencies, policymakers, and

employers to support students' success during and after these short-term programs; identifying

bottlenecks that slow down the authorization process; and understanding the impacts of short-

term credential programs, in terms of college access, equity, and labor market outcomes.

Boatman and Borowiec (2021) also echo the call from Natow et al. (2021) for increased

investments in state authorization offices, a finding highlighted in a recent survey of state

authorizers (Hall-Martin, 2021). Each of these papers provides critically important insights that

have immediate relevance to policy and practice.

Finally, a common refrain among nearly all the papers is the need for more and better data on state authorization. Each of these papers makes a unique and valuable contribution to our collective understanding of state authorization, but many important questions remain. In fact, the entire purpose of the research by Ness et al. (2021) was to provide a novel source of quantitative data that characterize various components of the authorization process in terms of their stringency. Though this was a monumental effort that greatly contributes to advancing the research frontier, Fowles (2021) and Dell et al. (2021) note that the measure of Ness et al. (2021) is limited by its cross-sectional nature. Longitudinal or panel data that incorporate changes in state authorization policy would allow researchers to exploit variation over time and across states to make stronger causal claims. Boatman and Borowiec (2021) discuss at length the lack of publicly available data on short-term credential programs. Without a centralized source of data about such programs, it is not only difficult for prospective students to gather information about programs, but it is also difficult for researchers and policymakers to evaluate the quality of these programs, as well as track student outcomes after completion. The scarcity of data related to state authorization has clearly been an impediment to research efforts thus far, and greater availability of data would allow researchers to evaluate more rigorously what works in state authorization and make prescriptive recommendations about best practices.

CONCLUSION

Opportunities for future research in this space are abundant. Boatman and Borowiec (2021) and Ward et al. (2021) note that research at the student level is noticeably absent in the state authorization space. Understanding the relationship of state authorization to student

outcomes, such as enrollment (i.e., college access), completion, employment, and earnings, with explicit attention to heterogeneous effects and implications for equity, would add great value to existing literature. Ward et al. (2021) and Dell et al. (2021) also note the importance of understanding institutional responses to state authorization policies, particularly how institutions might strategically choose which programs to offer and in what formats. At the state level, Ness et al. (2021) and Dell et al. (2021) suggest that more work remains to identify the relationships between components of stringency and state-level demographic, political, economic, and organizational characteristics, as well as how capacity affects states' ability to effectively manage authorization processes. Fowles (2021) and Dell et al. (2021) note a dearth of policy-relevant research that evaluates the efficacy and cost-benefit of state authorization practices; thus far, we have little empirical evidence about what aspects of the state authorization process work well to protect students while minimizing the burden to institutions and the state. Though there is certainly room for much more work about state authorization, this series of research papers provides a solid foundation from which to build. These papers approach the work from diverse methodological perspectives and investigate different aspects of the authorization process to provide a more holistic understanding of how authorization works, its successes and challenges, and its efficacy and impacts.

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