include students paying the institution for the program fee and the institution then paying the program (31%); students paying full-home-school tuition but paying for their own room and board (29%); students paying full-home-school tuition and fees and the institution paying all of the program expenses, including room and board (18%). In addition, some institutions report that they assess an additional fee that study-abroad students must pay.

**Study-abroad offices and programs are generally funded through the institution’s general resources and revenue from study-abroad-program fees.**

Institutions report that they commonly negotiate reduced program fees with provider organizations. Forty-four percent of institutions reported that in deciding whether to affiliate with a program they negotiated fee reductions (“always” or “sometimes”) for each student sent on the provider’s program. Fewer institutions report that they (“always” or “sometimes”) negotiate rebates for each student sent (8%), with this rebate funding used to support their study-abroad office. A more common approach employed by institutions is to negotiate scholarships for their students, with 38 percent of institutions reporting that they (“always” or “sometimes”) take part in this practice. Seventeen percent of institutions report that they (“always” or “sometimes”) negotiate scholarships based on student volume.

Also noteworthy, given the recent media coverage in the United States, only 3 percent (two institutions) reported having exclusive agreements with program providers. “Exclusive agreement” here refers to the practice of an institution not affiliating with or not permitting a student to enroll in any other study-abroad program in the same city, country, or region covered by the provider program. Based on the survey, exclusive agreements appear to be an uncommon practice.

Another aspect of the relationship between colleges and universities and study-abroad-provider organizations is institutional representation on the program providers’ external advisory boards or committees. Seventy-four percent of provider organizations report that they have an external advisory board or committee or similar group, demonstrating how common this practice is. Provider organizations report that these entities have several responsibilities. Eighty percent of organizations report that they provide guidance on the needs of institutions and 80 percent report that they provide guidance on the needs of students. Fifty-three percent report that such boards give credibility to the program provider’s offerings. Almost half of program providers (47%) report that these bodies are utilized to evaluate programs, while 33% of them report that the advisory board actually approves programs.

**Financial Aid for Students**

It is not surprising that some portion of study-abroad fees go to institutions’ general funds given the amount of financial aid that institutions provide for students who study abroad. About 75 percent of US institutions report that their students who study abroad receive need-based and merit institutional financial aid when they study on the institution’s programs, while approximately 60 percent report their students receive this type of aid when they study on programs on an approved list. Most provider organizations also offer scholarship funding to students in a variety of ways, with the most prevalent practice, reported by 63 percent of organizations, being that students apply directly to the organization for scholarships.

**Standardization or Adherence to Standards**

Some might suggest that the diversity of approaches and practices among US institutions represents a failure of the education-abroad field to agree on a set of standard practices. It would be a mistake, however, to recommend that all institutions and study-abroad organizations adopt the same specific policies and practices. Nevertheless, institutions and provider organizations should agree on a set of principles that guide study-abroad management and funding practices.

While adhering to standards of good practice does not mean adopting the standardization of practices, it does mean practicing transparency and openness, avoiding conflicts of interest, and keeping the student-learning experience foremost in mind. Institutions and organizations that adopt standards of good practice show that they are committed to being clear and consistent about their mission and goals, and employ continuous quality improvement.

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**US Accreditation: Bridging the International and National Dialogue Gap**

**Judith S. Eaton**

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Throughout this decade, international conversations about higher education have been punctuated with significant attention to accreditation and quality assurance. Whether the subject is expanding access to higher education, the need for global competitiveness, or the imperative to create knowledge
economies, there is a sophisticated understanding of the relevance of robust quality review to the success of these endeavors. Central and often dominant in these deliberations is accreditation as practiced in the United States, its operation and accomplishments.

Yet, something is missing—a major oversight—in the international dialogue when it turns to US accreditation. There is little attention to the concerns, criticisms, and challenges to accreditation as practiced in the United States. However, while the international conversation proceeds, there is a robust US national dialogue underway focused almost exclusively on the limitations of accreditation, with an image of accreditation as an enterprise under siege.

**The International Conversation**

While international colleagues are not, quite appropriately, seeking to imitate what is done in the United States, they are looking for effective practices and insights that they might glean from the long and extensive history of US accreditation. The sheer scope of US activity—with 19 active institutional accreditors and 62 active programmatic organizations—is impressive to many. Typically, questions are raised about whether and how this extensiveness and diversity can sustain appropriate and aspirational levels of quality.

The international conversations also focus on US accreditation’s strong embrace of core educational values, perhaps its most attractive feature. Colleagues are aware that advocacy for institutional autonomy, academic freedom, and the centrality of institutional mission is fundamental to US accreditation, assuring a firm foundation for the historically strong academic leadership role that colleges and universities have played over the years. Colleagues often note that, at least to date, control of accreditation has remained in the hands of higher education itself, run by independent, nongovernmental bodies created for this specific purpose. This is in contrast to the government-dominated control of colleges and universities typical of many other countries.

**The National Conversation**

In contrast, the concern and criticism characterizing the US national conversation has been driven by the changing expectations of US politicians and policymakers as well as an informed segment of the private sector that has made accreditation a subject of ongoing national debate. This last sector includes, for example, organizations of trustees of colleges and universities, philanthropic organizations, and research institutes in the tradition of a strong US civil society.

During the past two years, the concerns and criticism have been most powerfully expressed through a nationwide Commission on the Future of Higher Education. This body of educators, business leaders, and policymakers, appointed by the US secretary of education, has been a source of unprecedented and sustained federal and national criticism of accreditation, challenging both accreditors and the higher education community. These concerns about the role of accreditation are levied in a climate in which the demand for higher education is great and the price of higher education even greater, engendering considerable anxiety about access and value for money.

**Concerns and Criticisms**

As led by the commission, the national conversation is overwhelmingly about accreditation’s perceived limitations as these relate to student achievement, transparency, student mobility, and operating structures. Accreditation is viewed as lacking accountability in promoting and enhancing student achievement. It is charged with neglect of the rigor of undergraduate education and an inability to provide comparable data about the quality of institutions and programs. Students and the public, for example, cannot use accreditation to easily compare the relative strengths of institutions and cannot turn to accreditation (e.g., to explain the decline in the standing of the United States internationally).

Accreditation is criticized for allegedly failing to meet current transparency expectations in the world of the Internet, the Web, search engines, and instant information about almost any topic. Accreditation reports are not routinely made public, nor do accreditors regularly supply detailed information to the public about the strengths and limitations of the institutions they review.

There are also charges that accreditation is a barrier to student mobility among college and universities, standing in the way of student advancement through transfer of credit at both the undergraduate and graduate levels. While more than 60 percent of students obtaining a bachelor’s degree attend at least two institutions, there are fault lines in the student mobility system, especially between two-year and four-year institutions and between for-profit and nonprofit institutions.

The national conversation also includes questions about the ongoing effectiveness of the current structure and operation of accreditation as these were forged in the late 19th and early 20th centuries. Does it make sense to continue the geographically based accreditation represented by the regional (institutional) accrediting bodies that dominate US accreditation? Do these regional configurations currently limit the options for individual colleges and universities seeking an institutional accreditation? This, in turn, leads to a concern that accreditation is not adequately subject to market forces that some believe can, through enhanced competition, strengthen quality. Are there too many programmatic accreditors, with the 62 active organizations mentioned above? Is this contributing to a fragmentation in the professions?
JOINING THE TWO CONVERSATIONS
The international conversation about quality assurance and accreditation that tends to focus on the strengths of US accreditation can benefit from at least some additional attention to the national conversation of concerns and criticisms in the United States. Awareness of US concerns can assist quality assurance leaders in other countries in assessing the value of their own ongoing initiatives. Understanding these concerns can provide an early alert to developing countries that are in the preliminary stages of establishing their own quality assurance organization and structure. At the same time, the US national conversation can benefit from awareness of the international conversation—a reminder of accreditation’s strengths and usefulness, a view that is lost in the current national dialogue.

The Private Financing of Higher Education
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In recent years, cost sharing has been on the rise. Tuition has been introduced in countries such as Australia, China, Germany, and the United Kingdom. Likewise, where charging tuition was already the norm (e.g., Canada, Japan, and the United States) students have faced a substantial rise in tuition. While the growth of cost sharing has been swift, the financial mechanisms to facilitate this cost sharing have not developed as quickly. In a handful of countries, the growth of mechanisms such as bond issuances, private equity, and philanthropy have marked an increased role for private finance in higher education, but these mechanisms have not been widely adopted. Both students and institutions continue to face credit constraints on worthwhile educational investments. If greater cost sharing is to achieve what its proponents claim it can—namely, greater efficiency, equity, and access—private finance will have to play a greater role in overcoming these credit constraints.

BOND ISSUANCE AND SEURITIZATION
One way that higher education can tap private capital markets is through the issuance of bonds. A university can issue bonds on a public exchange, and over time investors are repaid the original capital plus some interest rate. This interest rate reflects the risk that the institution will fail to meet its obligations—in other words, that it will default. The likelihood of default, in turn, is determined by the financial health of the institution, rather than by the specific project for which money was borrowed. For example, a university may want to raise funds to build a new business school, but it will have to issue bonds that carry a high interest rate if many of the university’s other operations are struggling.

In 2001, the Hungarian Ministry of Finance established the Student Loan Centre (SLC), a nonprofit company that by August 2007 had issued loans to 234,000 students amounting to 142.8 billion Hungarian forints (about US$780 million). To fund the scheme, the SLC issues bonds backed by a state guarantee. The scheme appears to have helped boost enrollments. According to data from the UNESCO Institute for Statistics, enrollment at the tertiary level increased between 2000 and 2005 by 42 percent. This compares favorably to other eastern central European countries. In the same period, Slovakia and the Czech Republic both saw an increase of 33 percent, and Poland saw an increase of 34 percent. However, it is still difficult to judge if the SLC will be financially sustainable in the long run since default rates on the student loans have not been established.

In a very different part of the world, universities, rather than the state, are taking steps to draw on private finance. A handful of Mexican universities have received credit ratings, including Universidad de las Americas de Puebla, Universidad Autonoma de Nuevo Leon, Universidad Autonoma del Camen, and Benemerita Universidad Autonoma de Puebla. Credit ratings are necessary for these universities to issue bonds because they help investors judge the likelihood of default. This trend is not limited to Mexico. In August 2007 Moody’s, one of the major credit-rating agencies, issued a report on its methodology for rating public universities outside the United States. Moody’s has already issued ratings for universities in Canada and the United Kingdom and expects that public universities in France, Germany, Italy, and elsewhere are likely to seek ratings in the future.

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Securitization, a more recent financial innovation, can help deal with risk more effectively in some situations than the types of bond issuances described earlier. In particular, securitization has helped finance the growth of government-guaranteed and private loans in the United States over the last 10 years. During a securitization, student loans—issued by a commercial bank, nonprofit organization, or any other institution—are bundled together and placed in a legally independent trust.