Start-Up Culture Comes to K–12 Accreditation

ESA laws can support—or stifle—new schools

By MICHAEL B. HORN AND RAPHAEL GANG

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Evidence is growing that accreditation, considered a bellwether of school quality, is in fact a burden to innovation. But a new experiment is cutting through the red tape, giving hope to families and new school models.

THERE'S A CERTAIN IRONY at play, as of late, when it comes to accreditation. In Washington, the Trump administration is trying to lower barriers to entry in higher education by calling for targeted reviews of accreditors' policies and practices. Meanwhile, Republican lawmakers in a growing number of states are introducing laws requiring new K–12 schools to meet a variety of input-based requirements before they become eligible for Education Savings Account (ESA) dollars. The most visible proposed rule? Get accredited.

But accreditation wasn't built for quality control; rather, its agencies and processes were designed to support ongoing school improvement. Counting on accreditation to ward off fraud and to ensure quality poses two major hazards. Not only might policymakers fail in their objectives, but they also are likely protecting existing institutions—and consigning education entrepreneurs to mounds of red tape that will delay and block new schools from getting off the ground.

The good news? At least one accreditor is innovating to create a less onerous process that focuses on the essentials. We can only hope states will rethink what they're really trying to incentivize as a result.

A Brief History of Accreditation

The first U.S. accrediting body began in 1885 in New England, when a group of volunteers focused on how to delineate between secondary schools and colleges. They formed the New England Association of Schools and Colleges (NEASC), a membership organization for K–12 and higher education that created input-based standards. (To be a college, for example, the institution had to have at least 8,000 books in its library.)

NEASC also began the peer-review process, in which peers at other institutions would regularly review one another's missions, resources, and programs, and offer feedback to help them improve. The ongoing process of improvement over time thus became a core value proposition of accreditors. Many more such accreditation agencies formed in the 20th century, as educators and administrators in specific regions, programs, or institutional types banded together in similar quests for self-improvement.

The quality assurance role for accreditors of colleges and universities only began in earnest after the Higher Education Act of 1965 was signed into law. It established federal student loan and grant programs but only for programs at accredited institutions. Congress essentially tasked accreditors with becoming the gatekeeper for federal dollars for the entirety of higher education.

Over time, being accredited was typically understood as a mark of quality—an assumption that was far from the truth. A 2022 report by the Postsecondary Commission found overwhelmingly that U.S. Secretary of Education Arne Duncan was right when he quipped that, "For the most part, accreditation agencies are watchdogs that don't bite." Hardly any accreditors penalized schools for poor outcomes.

Although accreditation costs time and money—hours of preparation, hundreds of pages of reports, and thousands of dollars for regional reaccreditation, for example—among the report's findings were that "low graduation rates, high loan default rates, and low median student earnings did not increase the likelihood that an accreditor would take disciplinary action towards a college." When such actions were levied, only 2.7 percent were related to poor student outcomes or low-quality academics. This despite the fact that 38 percent of students at public colleges and 32 percent at private colleges don't graduate within six years.

Meanwhile, upstart institutions like the University of Austin (UATX) and College Unbound have to raise millions of dollars and spend years navigating the accreditation process to get a chance at being approved by what looks like a very chummy bunch of "peers." With high barriers to entry and seemingly unbreachable guardrails for schools already in the club, accreditation in higher education often seems better designed to protect the status of existing members than the interests of students that those institutions serve. Indeed, the recently passed One Big Beautiful Bill Act takes direct aim at holding colleges accountable in ways that traditional accreditation seldom does, including by limiting student loan amounts and disqualifying institutions from federal funding programs if their graduates' earnings are too low.

Requiring Accreditation for K–12

Accreditation requirements in K–12 education are far from universal. In 2017, *Education Next* reported that fewer than half of states require all public schools to be accredited (see "K–12 Accreditation's Next Move," *features*, Winter 2018). However, "many private and religious schools opt to earn accreditation as a marketing tool for parents," many of whom consider it important as they look ahead to college admissions. With the growth of homeschooling in the years since and those students now matriculating at colleges, those concerns seem arguably less relevant.

So why has accreditation emerged as a requirement in many newer proposals for ESAs, which create publicly funded, government-authorized savings accounts that parents can use for multiple educational purposes, ranging from school tuition to tutoring, materials, and enrichment? Accreditation was not a major focus in the first wave of ESA legislation, which put laws on the books in more than a dozen states. From 2011 to 2023, nine states started ESA programs that did not require accreditation, compared to four states that did (see Figure 1).

But more recent laws include accreditation requirements and other regulations that make it harder to start up a new school. For example, Georgia passed a new ESA program in 2024—the Georgia Promise Scholarship program. But for schools to be eligible, they must be accredited by a recognized accrediting agency (or be in the process of becoming accredited), and they must demonstrate fiscal soundness by having been in operation for one school year—without the help of ESA dollars, in other words—or by submitting a financial information report.

And in Texas, the latest state with an ESA law on the books, participating private schools must be accredited and pre-approved by the Texas comptroller, and the schools must have been in operation for at least two years to participate in the program. That will severely restrict the rise of new entrants that can't avail themselves of the funds from the ESAs.

Compare these regulations with those in Florida, which, along with Arizona, has one of the nation's most robust ESA programs. Florida does not have an accreditation or track-record requirement and has experienced explosive growth in new school entrants: a net gain of 700 private schools between 2012 and 2022 (see Figure 2). This kind of entrepreneurship is what burdensome rules and requirements—like mandating schools be accredited and operate years before accessing ESAs—risk shutting down.

What's Next

Rather than requiring new schools to operate for several years before becoming eligible for ESA funding—a policy that disproportionately benefits established schools that often serve wealthier communities—there are other ways forward.

In response to concerns about fraud, for example, states could build or enhance auditing systems to detect and respond to fraud, rather than relying on front-end gatekeeping. Research shows that entry requirements do not strongly predict which schools will be successful. Take the charter authorization process: According to research by Whitney Bross and Doug Harris, charter applications in New Orleans in 2006 "ranged from 100 to 3,483 pages in length and included 10 main categories." But although the "length and

More States Adding ESA Programs, Requiring Accreditation *(Figure 1)*

Three out of the five most recent states to launch ESA programs require participating schools to be accredited. In Texas, they must also have been in operation for at least two years.

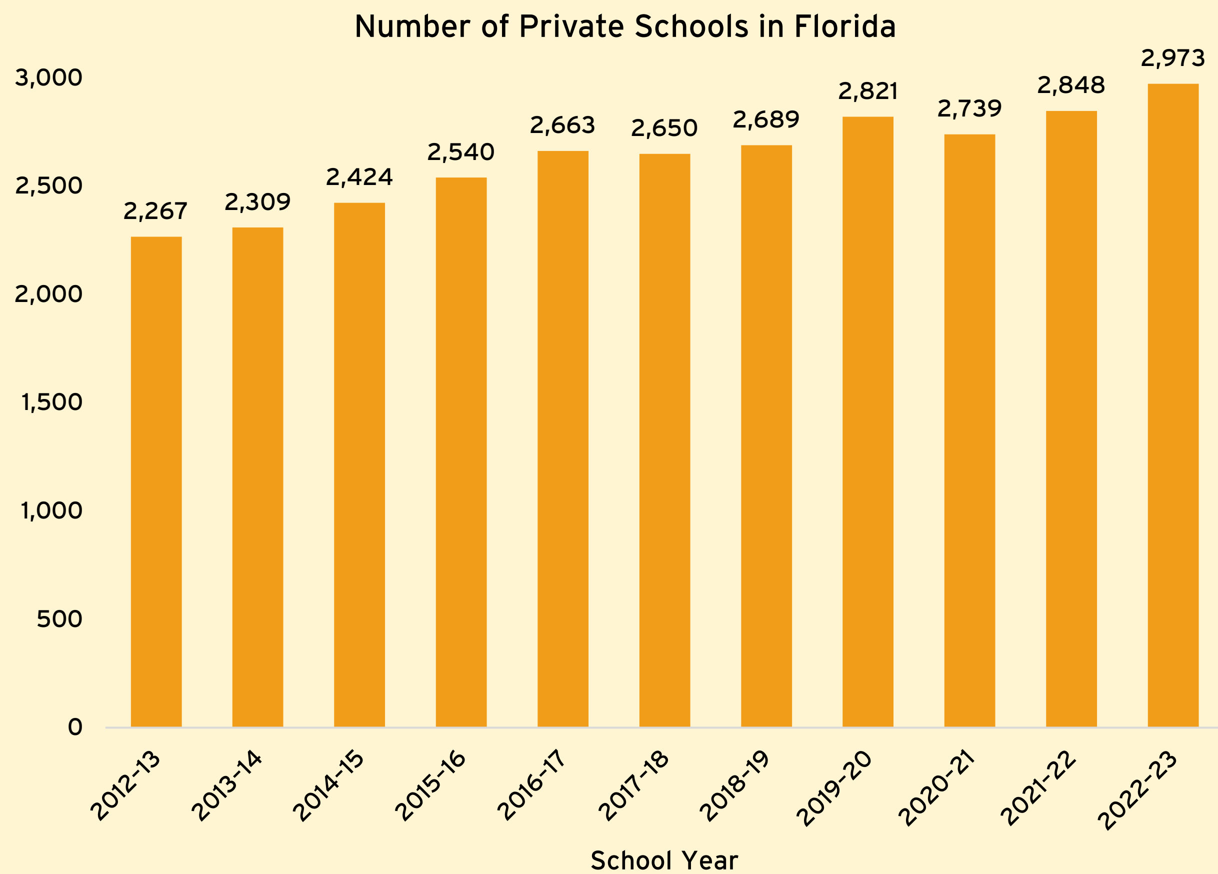
State	Year First Enacted	Universal Eligibility (Y/N)	Require School Accreditation (Y/N)	Require School to have Operated Previously* (Y/N)
Arizona	2011	Y	N	N
Florida	2014	Y	N	N
Mississippi	2015	N	Y	N
Tennessee	2015	N	Y	N
Indiana	2021	N	Y	N
New Hampshire	2021	N	Y	N
North Carolina	2021	N	N	N
West Virginia	2021	Y	N	N
Arkansas	2023	Y	Y**	Y**
Iowa	2023	Y	Y	N
Montana	2023	N	N	N
South Carolina	2023	N	N	N
Utah	2023	N	N	N
Alabama	2024	N	Y	N
Georgia	2024	N	Y	N
Louisiana	2024	N	N	N
Wyoming	2024	N	N	N
Texas	2025	N	Y	Y

NOTE: *Or requires note of accountant
**Although private schools must follow these policies, learning pods—communities of students classified as homeschoolers—have total freedom from these regulations.

complexity of the application and the process of approval demonstrate the significant barrier to entry for charter schools," most of the elements included on applications weakly predicted approved schools' future success.

Private School Growth in the Sunshine State *(Figure 2)*

Unencumbered by accreditation or track-record requirements, the state of Florida saw a 31 percent increase in its number of private schools between 2012 and 2022.



SOURCE: Florida Department of Education, https://www.fldoe.org/schools/school-choice/private-schools/annual-reports.stml

One takeaway from their research is that focusing on a few, carefully selected measures that are not burdensome is a better path forward. These include whether an applicant has named a head of school as well as the financial and legal experience of board members.

Defining school "quality" is at best a lofty goal, since different groups of parents and students will define quality differently based on their unique circumstances. But to the extent that states want some measure of quality assurance in advance, some traditional accreditors are stepping up to meet the times and create novel streamlined processes. This can allow schools to more quickly access funds and open their doors to students, rather than expend energy and resources on surviving current archaic processes that are not just slow but costly.

One such experiment comes from the Middle States Association, a longtime accreditor. It created a

Next Generation Accreditation protocol for innovative school models and launched it in April. (Stand Together Trust, where one of us works, funded the project to create this new process.) The model offers accreditation before a school launches on a six-month timeline that costs less than the traditional model: $650 to $775 annually, plus an additional $500 for an accreditation team visit in reaccreditation years (see Figure 3).

A Kinder, Gentler Accreditation *(Figure 3)*

Middle States Association launched its Next Generation Accreditation initiative earlier this year to make the accreditation process for new schools faster and cheaper. It ensures accreditation in a third of the time and at about 23 percent of the cost of the traditional model.

	Traditional Accreditation in FY26	Next Generation Accreditation in FY26	Improvement
Amount of time school must be in operation before applying for candidacy	9 months	0 months	100% faster
Time to complete candidacy application	60 days	2 days	97% faster
Length of candidacy visit	8 hours	1.5 hours	81% faster
Time to candidacy status	12 months from start (at minimum)	3 months from start	75% faster
Time to accreditation visit	12–18 months from start	4 months from start	66% faster
Length of accreditation visit	3.5 days	1 day	71% faster
Time to accreditation decision	18 months	6 months	66% faster
Cost of accreditation			
membership application	$750	$0	77% total cost reduction
accreditation visit	$3,750	$500	
membership dues	$775	$700	
TOTAL	**$5,275**	**$1,200**	

SOURCE: Middle States Association

Middle States is seeing clear market demand for this new accreditation model from microschools and schools with highly differentiated education models, with more than 150 inquiries and 42 applications in the program's first four months. Middle States is on track to approve 15 new schools by November 2025 with a total of 53 by April 2026—an unheard-of timeline by traditional standards.

"This process is incredible," said Genevieve Hinnant of Arbor Learning Lab, a Montessori-themed microschool serving grades 6–12 outside of Nashville, Tennessee. She continued:

> I went through [accreditation] as a high-school principal previously. It was almost a year and a half process with tons of data digging and interviews that cost thousands of dollars. . . . This started in July and it's possible to be accredited by January. What surprised me the most is how they're such a thought partner, willing to talk through things, willing to play devil's advocate. And [the materials they ask for] are things that I can pull from . . . the handbook that I created, our academic philosophy, mission, vision—things I already had anyway.

The regulations that new schools should be required to meet in exchange for public dollars is sure to remain an active debate in the months and years ahead. ESAs are poised to continue to grow and will surely stimulate renewed efforts designed to protect the status quo. As entities like Middle States are thrust into the role of quasi-regulator, can they innovate? Can they stay focused on their original goal of improvement and keep the spirit of the ESA bills alive? With less restrictive legislation, smart innovation by accreditors, and trusting partnerships on the ground, we believe these agencies can ensure that new entrants with diverse and differentiated schooling models are able to get started, access public dollars, and serve family demand.

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