

Supporting Statement
for
Request for OMB Approval

The Secretary's Recognition of Accrediting Agencies

A. Justification

1. The Secretary of Education is required to publish a list of nationally recognized accrediting agencies that the Secretary determines to be reliable authorities regarding the quality of education or training offered by the institutions or programs they accredit. In determining whether a specific agency should be recognized, the Secretary evaluates the agency for compliance with the criteria for recognition contained in regulations. The collection of information is necessary for the Secretary to evaluate the agency's compliance with each of the criteria and to monitor its continued compliance with the criteria during any period of recognition granted.

The authority for collecting this information is contained in the Higher Education Act of 1965, as amended (HEA), and 34 CFR part 602.

The Department of Education (the "Department") is requesting OMB review and approval of the following paperwork sections in the regulations:

(a) Information accrediting agencies must submit to ED

§602.30, which describes how an agency applies for recognition.

§602.26, which describes an agency's responsibilities for notifying the Secretary and others about its accrediting decisions.

§602.27, which describes other information a recognized agency must provide the Secretary.

(b) Information accrediting agencies must collect from the institutions or programs they accredit

§602.16, which describes the accreditation standards an agency must have.

§602.24, which describes certain information an institution must submit to its accrediting agency.

The Department is also requesting OMB review and approval of two record retention requirements: those in §602.15(b) and those in §602.23(a). Section §602.15(b) requires an agency to keep full and accurate records of its last two full accreditation or preaccreditation reviews of each institution or program, as well as its decisions with respect to all preaccreditation and accreditation actions, including all adverse actions. Section §602.23(a) requires an agency to maintain and make publicly available certain written materials, including its accreditation standards, policies, and procedures, a list of each accredited institution or program, and the names of its policy and decision-making bodies. An agency would normally make all of these written materials available to its accredited members, most often through its web site, so this requirement does not represent an added burden on agencies.

Finally, the Department is requesting OMB review and approval of the third-party disclosure requirements contained in §602.23(e) and §602.28(e). Section §602.23(e) requires an agency to provide for the public correction of incorrect or misleading information an accredited institution or program might release about its accredited status, the contents of a site team report, or the agency's accrediting actions with respect to the institution or program. This requirement does not represent any measurable burden on agencies because institutions and programs in good standing with their accreditor rarely release incorrect information about their accredited status while institutions in bad standing are quickly removed from the rolls.

Section §602.28(e) requires agencies to share, upon request of other recognized accrediting agencies and State approval agencies, information about the accreditation or preaccreditation status of an institution or program. This requirement does not represent any measurable burden on agencies because it rests upon the request of another agency. Usually, these requests are quite infrequent.

2. The purpose and use of the information collection requirements for which the Department is requesting OMB approval are discussed below under each section of the regulations.

§602.30. The Secretary uses the information collected under §602.30 to determine if an accrediting agency applying for either initial or renewed recognition complies with the criteria for recognition. This section contains two specific information requirements: a statement of an agency's requested scope of recognition and an agency-prepared analysis of the agency's compliance with each of the criteria for recognition contained in subpart B of the regulations, together with supporting documentation for the agency's claim of compliance with the criteria.

The statement of requested scope of recognition is essential for two reasons. First, it identifies the types of accrediting activities the agency conducts that Department staff must evaluate to determine whether the agency complies with the criteria for recognition. Second, it identifies the possible range of institutions and/or programs an agency may accredit that may then seek eligibility to participate either in the Title IV, HEA student financial aid programs or in other programs administered by the Department or other Federal agencies. When the Secretary grants recognition to an agency, the Secretary defines its approved scope of recognition, as required by section 496(n)(3) of the HEA. The scope granted may be narrower than that the agency requested, depending on the results of Department staff's evaluation of the agency's compliance with the criteria.

The agency-prepared analysis of the agency's compliance with each of the recognition criteria contained in subpart B of the regulations and supporting documentation constitute a significant information collection requirement. The information is essential, however, if the Secretary is to evaluate the agency's compliance with each of the criteria for recognition. The Department has significantly reduced the magnitude of the information collection requirement by allowing agencies to provide simple assurances that they are in compliance with the majority of the criteria, together with documentation (e.g., copies of already-existing standards or policies related to the particular requirement) that supports their statement of simple assurance.

While the information collection requirement contained in §602.30 is significant, an agency that has been granted recognition by the Secretary must submit the information only when it seeks renewal of recognition, which normally takes place about every five years.

§602.26. The information collected under §602.26 is used by the Department and the other entities that have oversight responsibilities for institutions and programs to assist them in making informed decisions about those institutions and programs. For example, if the Department learned that an institution's accreditation was in jeopardy, the Department might monitor the institution's participation in the Title IV programs more closely to make sure that the institution continued to meet its Title IV program responsibilities.

Section 602.26 implements section 496(a)(7) of the HEA and requires agencies to notify the Secretary, the appropriate State licensing or authorizing agency, the appropriate accrediting agencies, and the public of their accrediting decisions. Agencies typically meet two or three times a year to make accrediting decisions

and already prepare a list of those decisions for publication in their newsletters. Thus, the burden to provide a copy of the list to others is relatively small.

§602.27. Section 496(l) of the HEA requires the Secretary to limit, suspend, or terminate an agency's recognition before the end of its recognition period if the Secretary determines that the agency does not comply with the criteria for recognition or is not effective in its performance with respect to those criteria. The Secretary uses the information collected under §§602.27(a) through 602.27(d) to monitor an agency's compliance with the criteria during its recognition period. The information in §§602.27(a) through 602.27(c) is to be collected on an annual basis, the information in §602.27(d) only when the agency makes any changes to its standards, policies, or procedures that affect its scope of recognition or ability to comply with the criteria for recognition.

The information collection requirements in §§602.27(e) and 602.27(f) relate to section 487(a)(15) of the HEA, which authorizes the Secretary, accrediting agencies, and other oversight bodies to share information about the eligibility of any institution that participates in the Federal financial assistance programs the Department administers under Title IV of the HEA. An agency must submit the information in §602.27(e) only if the agency has reason to believe an institution it accredits is failing to meet its Title IV program responsibilities or is engaged in fraud or abuse. The information is necessary to assist the Secretary in ensuring that institutions participating in Title IV meet their Title IV responsibilities and do not engage in fraud or abuse when administering Title IV funds.

An agency is required to submit the information contained in §602.27(f) only upon the request of the Secretary and only when the information is needed to assist the Secretary in resolving problems related to the Title IV eligibility of an institution or program accredited by the agency.

§602.16 Section 496(a)(5)(I) of the HEA requires an agency to have standards that address the record of student complaints received by, or available to, the agency concerning an institution or program it accredits, while section 496(a)(5)(J), which was added to the HEA as a result of the Higher Education Amendments of 1998, requires the agency to have standards that address the record of an institution's compliance with its Title IV program responsibilities, based on information the Secretary provides the agency. Sections §602.16(a)(1)(ix) and §602.16(a)(1)(x) of the regulations implement these requirements. These provisions do not actually require agencies to collect the information; agencies must simply maintain a record of the information provided to them from other sources (e.g., students and ED).

§602.24 Section 496(c) of the HEA imposes two information collection requirements on agencies that are reflected in §602.24. First, §602.24(a) requires institutions that establish a new branch campus to submit a business plan for that campus to the agency for approval. Second, §602.24(c) requires institutions that enter into a teach-out agreement with another institution to submit that agreement to the agency for approval.

3. The Department has implemented a web-based, electronic information collection system that allows agencies to submit their applications for recognition electronically. The system allows agencies to attach supporting documentation for a petition in electronic formats. If some of the material an agency needs to submit with its application is available on the agency's web site, the agency can inform Department staff of that point, along with the web address.
4. The information collected is not obtained through any other means within the Federal government. The information on agencies is collected only through the accrediting agency recognition process the Department administers.
5. Collection of this information does not involve small businesses or other small entities.
6. Collecting the information contained in §602.30 less frequently than once every five years, the maximum recognition period permitted by law, would severely jeopardize the integrity of the recognition process by not allowing the Secretary to obtain the information needed to make a determination regarding an agency's compliance with the criteria for recognition within the timeframe set by law.

Collecting the information contained in §602.26 less frequently than after each decision meeting an agency holds would allow institutions that lose their accreditation to continue to draw down Title IV funds, even though they become ineligible to participate in Title IV programs when they lose their accreditation, simply because the Department would have no way of knowing they were no longer eligible.

Collecting the information contained in §602.27 less frequently than once a year would limit the effectiveness of the Department's procedures for monitoring accrediting agencies during their recognition period.

7. The Department's electronic submission system significantly reduces the volume of paper agencies must submit. Department staff reviews the agency submission and enters the analysis into the electronic system. Members of the National Advisory Committee on Institutional Quality and Integrity (NACIQI) have access to the electronic system to conduct their reviews in preparation for the

Committee hearing. The electronic system also streamlines the Department's record keeping and archiving responsibilities. Agencies that lack the capacity or decline to use the electronic system may still submit using the old procedures by providing an original and three copies of its application for recognition, although the agency must submit only one copy of some of the more bulky items, like a sample institutional self-study. The reason the Department needs the original and three copies is related to the review of the agency's application for recognition by the National Advisory Committee on Institutional Quality and Integrity. Two members of this committee serve as principal readers of an agency's application, and Department staff sends each of them a complete copy of the agency's application in advance of the Advisory Committee meeting so they can review it and be prepared to ask the agency questions at the meeting. As the information is sometimes quite voluminous, the Department does not require the Advisory Committee members to bring the material with them to the meeting, but instead makes the third copy available to the members at the meeting. The original is used by Department staff in its analysis of the agency's petition and is maintained in the official Department files for the agency.

The recordkeeping requirement in §602.15(b), which requires agencies to keep complete and accurate records of their last two full accreditation or preaccreditation reviews of each institution or program, is necessary because the HEA requires the Secretary to conduct a thorough and independent evaluation of each agency seeking recognition. Part of this evaluation includes a review of actions taken by an agency over an extended period of time to determine what (if anything) the agency has done to follow up on a program review by the Department at one of its schools that shows significant Title IV violations, an IG audit report that shows significant Title IV compliance issues, or other information Department staff provides the agency under §602.16(a)(1)(x). In order to accomplish its evaluation of an agency, Department staff must have access to all documentation supporting the agency's grant of accreditation to an institution or program over an extended period of time. The requirement is also necessary for the Department to be able to verify an agency's claims of strengthening its accrediting policies, procedures, and practices over time.

8. The Department's Regulatory Information Management Services (RIMS) will solicit comments on this information collection in the Federal Register pursuant to 5 CFR 1320.8(d). We will publish 60 day and 30 day Federal Register notice to allow public comment. Summaries of report responses will be shared with OMB. The Department also will solicit informal views and comments from customers during the meeting of project directors, as appropriate, during yearly national and regional education and accreditation conferences.

9. The Department does not provide any payment or gift to an accrediting agency that applies for recognition.
10. While most of the information collected here is available to the public as provided under the Privacy Act and the Freedom of Information Act, there is one section of the regulations that promises confidentiality to agencies that apply for recognition. Specifically, §602.30(c) states that the Secretary does not make available to the public any confidential agency materials examined by Department personnel as part of the evaluation of an agency's application for recognition.

The basis for this assurance of confidentiality is that it is the Department's longstanding policy to require access to confidential agency files to evaluate an agency's claim of compliance with the criteria for recognition but to respect that agency's policies on confidentiality of institutional records by not releasing those records to the public.

11. There are no questions of a sensitive or private nature in the information to be collected.
12. The number of currently recognized accrediting agencies is 73. Each of those agencies must provide the information requested in §602.30 at the end of each recognition period, which for most agencies is every five years. Recognized agencies must submit the information in §§602.26 and 602.27 each year.

The estimate of the burden on agencies to collect this information is as follows:

Burden to complete application for recognition [§602.30]:	
73 agencies x 80 hours	5840 hours
(amortized over 5 years)	1168 hours
Burden for annual data collection and third-party disclosures [§§602.26, 602.27, 602.23(e) and 602.28(e)]:	
73 agencies x 1 hour	73 hours

The estimate of the burden on agencies to complete an application for recognition was calculated on the basis of information provided by agencies regarding how long it took them to prepare the information requirements under the current regulations. The Department believes this estimate is reasonable.

The estimate of burden on agencies for the annual data collection is simply the time required for them to collect already-existing documents and reports of decision meetings and mail them to the Department. The estimate of burden on agencies for third-party disclosures is negligible. The estimate of these two burdens combined is one hour per agency per year.

The cost to each agency for collecting the information to prepare an application for recognition is estimated as follows:

Salary for professional staff:	\$ 3,900
Salary for clerical staff:	\$ 2,600
	<u>\$ 650</u>
Data compilation, Xeroxing, mailing:	\$ 7,150

Note that the above cost estimate should be amortized over the recognition period, which for most agencies is five years. Thus, the estimated annual cost to an accrediting agency to prepare an application for recognition is \$1,430. The estimated annual cost to the 73 agencies currently recognized is \$104,390.

13. Other than postage, there is no cost to any agency for collecting the information required to be submitted to the Department on an annual basis because all of this information is already collected by the agency.

There is no cost to agencies to collect the information required in §§602.16 and 602.24 as this is information institutions, on their own initiative, must report to the agency.

14. There is no direct cost to the Federal government to collect the information agencies must submit under §§602.30, 602.26, and 602.27. There is, however, a significant cost to analyze the information collected under these sections. The Department maintains a staff of 8 people to administer all aspects of the accrediting agency recognition process, including analyzing agencies' applications for recognition and monitoring recognized agencies throughout their recognition period. The total cost of salaries and benefits for all these individuals is approximately \$1,121,350 annually, while annual travel expenses related to their independent evaluation of agencies' compliance with the criteria for recognition are approximately \$50,000 and other incidental expenses (such as supplies) are approximately \$6,000.

In addition to these costs, there is an annual cost of approximately \$50,000 associated with the meetings of the National Advisory Committee on Institutional

Quality and Integrity, which Congress established to advise the Secretary on the recognition of specific accrediting agencies.

15. There are no changes in the information reported in item 14 of the OMB form 83-I. The information reported in item 13 of the OMB form 83-I is changed to reflect an increase in the number of recognized agencies from 63 to 73.
16. The Department does not formally publish any of the information it collects from accrediting agencies. However, Department staff does prepare an analysis of an agency's compliance with the criteria for recognition, based in part on the information that the agency submits in its application for recognition under §602.30. That analysis is presented to the National Advisory Committee on Institutional Quality and Integrity when that body meets to review the agency's application. Copies of the analysis are available to the public at the Advisory Committee meeting and thereafter, upon request.
17. The Department seeks approval not to display the expiration date for OMB approval of the information collection because the Department does not use a form to collect the information. The Office of Postsecondary Education/Accreditation and State Liaison currently displays and will continue to display the OMB Control Number for this collection on the website used by accrediting agencies to submit recognition petitions.
18. No exception is requested.

B. Collections of Information Employing Statistical Methods

The collection of information does not employ statistical methods.

Date: January 8, 2009