

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 collection described below is being submitted due to changes in the 34 CFR Part 602 as a result of the Department's notice of proposed rulemaking.

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 under OMB Control Number 1840-0788:

(a) Information accrediting agencies must submit to ED

§602.32, provides an opportunity for each agency to provide a written response to the draft staff analysis of the agency's application for recognition and to any third-party comments that were received from the public.

§602.31, describes how an agency applies for recognition and several reports that must be submitted to the Department.

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

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

§602.25, describes due process requirements regarding an agency's appeals procedures, which also includes an institution's or program's right

to request review of new financial information before the agency takes a final adverse action.

§602.19, describes information that agency's must collect from institutions or programs to monitor continued compliance with the agency's accreditation standards.

§602.15 require accrediting agencies to maintain all records pertaining to the accreditation or preaccreditation of their institutions or programs for the last full accreditation review.

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

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

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.

§602.32 the proposed regulation would require the Department to forward to the agency a draft analysis of an agency's application for recognition that includes any identified areas of non-compliance and the proposed recognition recommendation as well as a copy of all third-party comments that the Department received. The agency is then invited to provide a written response to the draft staff analysis as well as to the third-party comments. The proposed change simplifies the language of the current regulation in that it combines several paragraphs of the current regulation into a single paragraph. The current regulations also require that the Department invite accrediting agencies to provide a written response to all draft analyses developed by Department staff as well as all third-party comments received by the Department. Therefore, the proposed changes would not impose a new reporting burden on agencies.

The opportunity to allow a response from an accrediting agency is voluntary and is provided to ensure that accrediting agencies are afforded an opportunity to comment on any perceived inaccuracies in the Department's draft analysis and, comments provided by the public.

§602.31 proposed §602.31(a) would require accrediting agencies to submit an application for recognition or renewal of recognition at the end of the period of recognition granted by the Secretary, generally every five years. The application must demonstrate that the agency complies with the Department's Criteria for Recognition as defined in CFR 34 part 602, subpart B. The proposed regulation clarifies what documents must be provided with an agency's application for

recognition. The information is essential if the Secretary is to evaluate the agency's compliance with each of the criteria for recognition as required by the HEA. The language of the proposed regulation would not impose a new reporting burden on agencies.

Proposed §602.31 (b) would require accrediting agencies that wish to expand their scope of recognition to submit an application to the Secretary. The proposed language would not place any additional reporting burden on accrediting agencies since the current regulations also require the submission of an application when an agency seeks to expand its scope of recognition. The proposed regulation would reduce the reporting burden since institutional accrediting agencies would only have to provide a notification to the Secretary and would no longer need to submit an application when they wish to expand their scope of recognition to include distance education or correspondence education.

Proposed §602.31 (c) would require that agencies provide a compliance report when it has been determined that they do not fully comply with the criteria for recognition or are ineffective in applying those criteria. In order for the Secretary to determine that agencies are reliable authorities regarding the quality of education or training offered by their accredited institutions or programs, agencies must demonstrate that they fully comply with 34 part 602, subpart B. Therefore, while no requirement to submit a compliance report exists in the current regulations, the proposed language reflects the existing practice of the Department under the HEA. The proposed changes to the regulation would not impose a new reporting burden on agencies

The information collected under §602.31 is essential if the Secretary is to evaluate the agency's compliance with each of the criteria for recognition as required by the HEA. Further, the scope of recognition is used by the Department to determine what institutions and programs within institutions are eligible to participate in the Department's student financial aid program; therefore, without the Department's approval for an expanded scope of recognition, some students would not be eligible for financial aid. For example, if an accrediting agency's scope of recognition identifies institutions offering undergraduate programs, students enrolled in graduate programs within those institutions would not be eligible for student financial aid unless the agency submitted a request to expand its scope of recognition to include graduate degree programs.

§602.27. proposed 602.27(a) would require agencies to provide to the Secretary a copy of any annual report it prepares, an updated directory of its accredited institutions and programs, any proposed changes in an agency's policies procedures or accreditation standards that might alter its scope of recognition or compliance with the Criteria for Recognition, and a notification if it is changing its

scope of recognition to include distance education or correspondence education. Further, if requested by the Secretary, agencies must provide a summary of the major accrediting activities conducted during the year. It also would require agencies to provide to the Department, if the Secretary requests, any information regarding an institution's compliance with its title IV, HEA program responsibilities.

Although the proposed changes to the regulation primarily clarify language that is in the current regulation, the changes would impact the reporting requirement regarding adding distance education or correspondence education to an agency's scope of recognition. The proposed regulation would remove the requirement for institutional accrediting agencies to submit an application to the Department if an agency wished to add distance education or correspondence education to its scope of recognition and only require agencies to notify the Department that its scope has been changed to include distance education or correspondence education. Therefore, the proposed changes to the regulation would not impose any new burden on an accrediting agency and in the case of adding distance education or correspondence education its scope of recognition; it would reduce the burden on an accrediting agency. Department staff estimates that burden on the 15 agencies that would be affected by the proposed regulation would be reduced by a total of 300 hours.

The information is necessary to assist the Secretary in ensuring that accrediting agencies continue to comply with 34 part 602 subpart B and to ensure that institutions participating in Title IV meet their Title IV responsibilities and do not engage in fraud or abuse when administering Title IV funds.

§602.26 proposed §602.26(b) would require agencies to provide a written notice to the Secretary of any final adverse accrediting decision, as defined by the Department, as well as any statement an affected institution or program may want to make regarding that decision. The proposed changes do not constitute any new reporting requirements and, therefore, do not represent any additional burden on accrediting agencies.

The proposed §602.26(d) would require agencies to provide a written notice to the Secretary of any final decision that is considered by the agency to be an adverse action as well as final decisions withdrawing, suspending, revoking, or terminating an institution's or program's accreditation or preaccreditation. Proposed §602.26(d) would require agencies to make available to the Secretary and the public a statement regarding the reasons for withdrawing, suspending, revoking, or terminating an institution's or program's accreditation or preaccreditation. The statement must include any comments that affected institutions or programs want to make with regard to that decision or evidence that the institution or program was offered the opportunity to provide comments. The proposed changes provides clarifying language and adds that the statement

must provide evidence that an institution or program was offered an opportunity to provide comments if no comments were received. The proposed changes do not constitute any new reporting requirements and therefore, do not represent any additional burden on accrediting agencies.

The information collected under proposed §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 had lost its accreditation action would be taken regarding that institution's participation in the Department's Title IV program.

§602.25 Proposed 602.25(f) requires agencies to revise their appeals policies to ensure an institution's or program's right to appeal any adverse accrediting agency action before an appeals panel that is subject to a conflict of interest policy and does not contain members of the underlying decision-making body.

Agencies are already required to have an appeal process, though some agencies may need to revise their procedures to meet the new requirements. The estimated burden is associated primarily with implementing the regulation in the initial year as agencies establish new procedures. The burden under §602.25(f) is estimated to be 610 hours based on 61 accrediting agencies x 10 hours.

Proposed 602.25(h) requires agencies to revise their appeals policies to ensure an institution's or program's right for review of new financial information, if it meets current provisions, before the accrediting agency takes a final adverse action.

Although accrediting agencies must be prepared to respond to appeals and to requests for review of new financial information, the decision to undertake these actions is a voluntary one on the part of an institution. Based on the discussion on this issue at negotiated rulemaking, and historical data on appeals, it is likely that no more than five institutions per year will be able to meet the qualifications to be considered under the new provision for review of new financial information and will seek such a review. The burden under §602.25(h) is estimated to be 2440 hours based on 61 accrediting agencies x 40 hours.

This information is required to ensure due process for institutions and programs if they want to appeal an adverse action.

§602.24 proposed §602.24 would mandate that an accrediting agency require an institution it accredits to submit a teach-out plan for approval by the accrediting agency if any of following events occurs: the Department initiates an emergency action against an institution, or an action by the Secretary to limit,

suspend, or terminate an institution participating in any title IV, HEA program; the accrediting agency acts to withdraw, terminate, or suspend the accreditation or preaccreditation of the institution; the institution notifies the agency that it intends to cease operations entirely or close a location that provides one hundred percent of at least one program; or a State licensing or authorizing agency notifies the agency that an institution's license or legal authorization to provide an educational program has been or will be revoked. If the teach-out plan requires a teach-out agreement, proposed §602.24 would also identify the components of the teach-out agreement. The Department estimates that the proposed regulation would place an additional burden on 70 institutions each year for a total of 280 hours

This information is required to ensure that Title IV funds are not used to pay for duplicate courses or programs by ensuring that students are provided an opportunity to either finish their program at their current institution or at another institution.

§602.19 proposed §602.19(b) would require agencies to collect data to ensure that the institutions they accredit remain in compliance with their regulations. This proposed regulation would clarify the language in the current regulation regarding the data agencies should collect to ensure that institutions and programs remain in compliance with their accrediting standards. Since the current regulation requires agencies to collect this information, the proposed regulatory language change would not represent any additional reporting burden.

Proposed §602.19(c) would require agencies to monitor the enrollment growth of the institution each year. This proposed regulation would represent a change in the information that accrediting agencies must collect. It would require that agencies collect information to monitor enrollment growth for the institutions or programs that they accredit. The Department believes that institutions already collect enrollment data, but estimates that this regulation would increase the burden to the 61 recognized accrediting agencies by a total of 122 hours.

Proposed §602.19(e) would require accrediting agencies that expanded their scope to include distance education or correspondence education by notice to the Secretary to monitor enrollment growth of the institutions they accredit that offer distance education or correspondence education. These agencies must report to the Department, within 30 days, any institution that experiences enrollment growth of 50 percent or more during a fiscal year. The content of the report is described in §602.31(e). Proposed §602.19(e) would represent a change in the information that some accrediting agencies must collect. The proposed regulation would only affect institutional accrediting agencies that currently do not have distance education in their scope of recognition. The Department has determined that 15 recognized agencies may be affected if any

decide to include distance education in their scope of recognition in the future. The Department estimates that the additional reporting requirement would increase the burden to accrediting agencies by a total of 60 hours if all 15 agencies decided to add distance education or correspondence education to their scope of recognition.

The information collected in the above section is required to ensure that an accrediting agency can assess the quality of education offered through their accredited institutions throughout the period of accreditation awarded. The information is also used by the Department to assure that institutions that experience rapid growth continue to have the capacity to ensure the delivery of a quality of education to students that are receiving student financial aid through the Department's Title IV program.

§602.15 proposed §602.15 would require accrediting agencies to demonstrate certain administrative responsibilities, including maintenance of all accrediting documentation for each institution from the last full accreditation or preaccreditation review. Under the current regulations, agencies are required to maintain this documentation for the previous two accreditation or preaccreditation reviews. Accrediting agencies must maintain documents regarding substantive change decisions under this requirement in the current regulations. The proposed regulation would reduce the administrative burden to maintenance of only one full accreditation or preaccreditation review.

The collection of the information in proposed §602.15 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.

3. The Department has implemented a web-based, electronic information collection system that allows agencies to submit their applications for recognition and compliance reports electronically. The system allows agencies to attach supporting documentation for a petition or report 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. Not collecting the information or collecting the information less frequently would jeopardize the recognition process by not allowing the Secretary to obtain the information needed to determine an accrediting agency's compliance with 34 CFR part 602, subpart B.
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 are 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. In these cases, 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), requires agencies to keep complete and accurate records of their last full accreditation or preaccreditation reviews of each institution or program. Since each accrediting agency specifies the length of its review cycle, the length of time records are maintained may exceed three years.

8. Under the Administrative Procedure Act (APA) (5 U.S.C.553), the Department is generally required to publish a noticed of proposed rulemaking and provide the public with an opportunity to comment on proposed regulations prior to



establishing a final rule. In addition, all Department regulations for programs authorized under the title IV, HEA programs are subject to the negotiated rulemaking requirements of section 492 of the HEA. Public comment is solicited through the notice of proposed rulemaking.

9. The Department does not provide any payment or gift to an accrediting agency that applies for recognition.
10. No assurances of confidentiality are given to the accrediting agencies other than those provided under the Freedom of Information Act.
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 61.

**The estimate of the additional burden on accrediting agencies and institutions to collect information for each of the sections of the regulation is as follows:**

Burden to for monitoring enrollment growth [§602.19(c)]:

61 agencies x 2 hours

122 hours

Burden for requiring agencies to gather enrollment data and report institutions where enrollment increases by 50 percent or higher during a fiscal year [§602.19(e)] and [§602.31(d)]:

15 agencies x 4 hours

60 hours

Burden for requiring institutions to submit a teach-out plan or a teach-out agreement to accrediting agencies for approval [§602.24]:

70 institutions x 4 hours

280 hours

Burden for requiring agencies to amend their appeal procedures. [§602.25(f)]:

61 agencies x 10 hours

610 hours

Burden for requiring institutional accrediting agencies to establish procedures to review new financial information [§602.25(h)]:

61 agencies x 40 hours

2440 hours

**The estimate of the reduced burden on agencies to collect information for each of the sections of the regulation is as follows:**

The reduced burden on agencies by requiring them to maintain accreditation records for one complete review rather than the two complete reviews required under current regulations [§602.15]. Since the agencies already collect the information, the reduced hours for maintaining only one complete review cycle is negligible.

The reduced burden for the 15 agencies that would not be required to submit an application for adding distance education or correspondence education to their scope of recognition [§602.27(a)].

15 agencies x 20 hours

300 hours

**The rationale used in determining the burden:**

The estimate of the burden on agencies to monitor enrollment growth [§602.19(c)] was based upon the fact that although agencies already collect enrollment information, additional time is needed to evaluate the information. The Department believes this estimate is reasonable.

The estimate of the burden on agencies to gather information and report institutions where enrollment increases by 50 percent or higher during a fiscal year [§602.19(e)] is based on the additional time needed to evaluate enrollment data, identify the affected institutions, and submit a report described in §602.31(d). The Department believes this estimate is reasonable.

The estimate of the burden on institutions that must submit a teach-out plan or agreement to accrediting agencies for approval [§602.24] is based upon information provided by a small sample of accrediting agencies and then applied to all accrediting agencies. The number of institutions that will fall under one of triggering events outlined in the proposed §602.24 and thus be required to submit a teach-out plan or teach-out agreement will vary greatly from year to year since it is impossible to determine what institutions would be required to do so.

The estimate of the reduced burden on agencies that would not be required to submit an application for adding distance education or correspondence education to their scope of recognition [§602.27(a)] 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.

Under 34 part 602 subpart B – The Secretary’s Recognition of Accrediting agencies, we estimate that there is no change in the burden for §602.19(b), §602.26(b), §602.26(d), §602.31(a), §602.31(b), §602.31(c), and §602.32.

**The estimated costs to accrediting agencies and institutions:**

To estimate the cost to accrediting agencies and institutions, the Department used wage information from the Bureau of Labor Statistics. For institutions, the May 2009 total private non-agricultural average hourly earnings of \$18.54 was used as the hourly rate to monetize the burden of these provisions. This figure is the same estimate used in the NPRMs from Team I and II which have already been approved by OMB.

The estimate of the additional costs for agencies to collect information for each of the sections of the regulation is as follows:

|                               |                |             |
|-------------------------------|----------------|-------------|
| §602.19(c).....               | Staff Salaries | \$2,261.88  |
| §602.19(e) and §602.31(d).... | Staff Salaries | \$1,112.40  |
| §602.24.....                  | Staff Salaries | \$5,191.20  |
| §602.25(f).....               | Staff Salaries | \$11,309.40 |
| §602.25(h).....               | Staff Salaries | \$45,237.60 |

The estimate of the reduced costs to agencies that no longer have to submit an application to add distance education or correspondence education to their scope of recognition is as follows:

|                 |                |            |
|-----------------|----------------|------------|
| §602.27(a)..... | Staff Salaries | \$5,562.00 |
|-----------------|----------------|------------|

**Summary of for current and proposed burden:**

Total Respondents affected by accrediting agencies: 61  
Total Respondents affected by postsecondary institutions: 70  
  
Current approved burden: 1241 hours  
Proposed burden increase: 3212 hours

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.
14. There is no direct cost to the Federal government to collect the information agencies must submit.
15. The regulations have changed to clarify the information that must be collected and monitored by accrediting agencies and this has led to an increase in the reporting in several section and has also decreased the burden for one section of the regulation. Some sections of the regulation have also expanded reporting requirements outlined in the current regulations that has led to an increase in the burden. Considering both the increases and the decrease in burden, the overall impact has led to a 3212 hour increase in the burden when compared to the current burden of 1241 hours.
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 §602.31. 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.