

[DATE]

Subject: Clarification of Terminology and Requirements for Accrediting Agency Reporting to the U.S. Department of Education

Summary: This letter outlines categories of terminology used by accrediting agencies to describe negative actions and statuses, and provides guidance to federally recognized accrediting agencies on the information to be reported to the Department.

Dear Federally Recognized Accrediting Agencies:

Students, families, employers, and taxpayers depend on accreditation as a critical marker of educational quality. In November 2015, the Department announced a series of executive actions and legislative proposals “to improve accreditors’ and the Department’s oversight activities and move toward a new focus on student outcomes and transparency.” In a January 20, 2016, memorandum, the Department outlined a number of areas for further action, including the need to clarify terminology used by accreditors and to provide additional guidance to accreditors on information to report to the Department. This letter provides that clarification. A separate letter will be issued to federally recognized accrediting agencies in spring 2016 to provide guidance on the flexibility that accreditors have in applying their standards and review processes.

This letter is directed to accrediting agencies recognized by the Department for federal title IV, Higher Education Act (HEA), purposes, but the Department encourages all federally recognized accrediting agencies to follow this guidance.

Background

The Department of Education, in its work with both institutions of higher education and accrediting agencies, has noted significant variation in the terminology of accrediting actions taken and statuses applied to various institutions of higher education. These differences in the terms used make it difficult for the Department and the public to understand the seriousness of concerns, implications of actions taken, and thus their meaning in terms of the quality of an institution and the education it offers. These differences also create challenges as the Department works to protect students and hold institutions and agencies accountable for complying with federal laws and regulations.

In accordance with federal regulations (34 CFR 602.26), accrediting agencies must report on probation actions or their equivalent; actions to deny, withdraw, suspend, revoke, or terminate accreditation or preaccreditation; and any other adverse action. However, accrediting agencies frequently use a variety of terms within those categories. Furthermore, even where the terms two accrediting agencies use are different, the definitions are frequently overlapping; or the same term may carry distinct definitions across two agencies. Given the challenges of understanding the actions taken with particular institutions for the purposes of enforcing compliance with

federal title IV, HEA rules and regulations, and in the Department's work to consider accrediting agencies' efforts to evaluate academic quality and hold schools accountable when they fail to meet the agencies' standards, the U.S. Department of Education recommended in November 2015 that Congress require a single federal vocabulary for all major actions and terms, including sanctions and key outcomes.¹

In the meantime, the Department has reviewed the terminology used by federally recognized accreditors. The Department is applying information from this review toward two purposes: 1) categorizing terms with similar or related meaning based on their implications for institutions or programs (see terms in boldface in "meaning of terms" sections in this document); and clarifying which actions accreditors are required to report, based on those categories, without regard to the specific label the accreditor may use. This letter represents a part of the Department's efforts to ensure greater transparency around accrediting agencies' use of actions against institutions and provide the Department with key pieces of information for protecting students and safeguarding taxpayer dollars.

Please note that this guidance regarding reporting by accrediting agencies does not reduce existing reporting requirements. Accrediting agencies must continue to report basic statuses to the Office of Postsecondary Education's Accreditation Group (see item 6 below) along with items described in this letter. This includes the existing requirement in 34 CFR 602.27(a)(6) that the accrediting agency report "[t]he name of any institution or program it accredits that the agency has reason to believe is failing to meet its title IV, HEA program responsibilities or is engaged in fraud or abuse, along with the agency's reasons for concern about the institution or program." Rather, the requirements outlined in this memorandum constitute the Department's request for specific information (e.g., final decision letters) regarding those statuses and the format for reporting that information.

The following sections outline categories of statuses and actions that we believe Congress intended agencies to report, the sets of common terms in that category, and additional information about required reporting to the Department. Improving accreditors' reporting in the ways outlined below will enable the U.S. Department of Education to monitor more effectively both institutions and their accrediting agencies, and to better protect students, families, and taxpayers.

1. Required Reporting on Loss of Accreditation

A. Meaning of Terms

Based on our analysis of agency terminology, loss of accreditation or other adverse actions means that an institution does not meet the agency standards for accreditation, and the agency is

¹ "Department of Education Advances Transparency Agenda for Accreditation." U.S. Department of Education. Fact Sheet: November 2015. Available at www.ed.gov/accreditation.

ceasing to accredit the institution. Access to federal title IV, HEA student financial assistance is terminated accordingly.

In our review, we found that agencies used a multitude of terms to reflect variations on this basic status, including **denial, withdrawal, suspension, revocation, or termination** of the accreditation or preaccreditation of an institution or program.

B. Required Reporting to the Department

Pursuant to 34 CFR 602.26(b), an accrediting agency “[p]rovides written notice . . . to the Secretary, the appropriate State licensing or authorizing agency, and the appropriate accrediting agencies” of “[a] final decision to deny, withdraw, suspend, revoke, or terminate the accreditation or preaccreditation of an institution or program; [and a] final decision to take any other adverse action, as defined by the agency,” no later than 30 days after it reaches the decision; and provide written notice to the public of those decisions within 24 hours of its notice to the institution or program. Within 60 days, agencies must also provide a brief statement summarizing the reasons for the decision and any official comments the affected institution may wish to make or evidence the affected institution has been offered an opportunity to provide official comment (34 CFR 602.26(d)). The Department regards a copy of the final decision provided to the institution under 34 CFR 602.25(e) as containing the summary required.

Consequently, for schools that receive a final decision about any of these statuses, accrediting agencies must notify the Secretary within 30 days, and with 60 days must submit to the Secretary the final decision letter for such institutions, describing the basis for the action as provided in 34 CFR 602.25(e), together with any official comments from the institution or evidence that the institution has been provided with an opportunity to submit such comments. Letters must be shared with the Department of Education’s Accreditation Group in accordance with the current procedures. In the public interest, the releasable portions of these letters will be posted publicly.

2. Required Reporting on Probation and Equivalent Agency Actions

A. Meaning of Terms

Based on our analysis of agency terminology, probation is typically defined as significant noncompliance with accrediting agency standards, but not loss of accreditation. Accordingly, and in light of the existing regulatory scheme, the Department regards the following as actions constituting “probation or an equivalent status”:

An action or assessment that indicates an institution is out of compliance with one or more of the accrediting agency’s standards, and that the noncompliance can be remedied by the institution within a period allowed by the agency and the regulations.

For at least some accrediting agencies, this category would include **show cause orders**: serious compliance issues that must be addressed by an institution in order to retain its accreditation. Any status that is not a loss of accreditation but is more severe, in terms of the risk of loss of accreditation, than probation as described above also falls within this category.

B. Required Reporting to the Department

Pursuant to 34 CFR 602.26(b), an accrediting agency “[p]rovides written notice to the Secretary, the appropriate State licensing or authorizing agency, and the appropriate accrediting agencies” of “[a] final decision to place an institution or program on probation or an equivalent status,” no later than 30 days after it reaches the decision; and provide written notice to the public of those decisions within 24 hours of its notice to the institution or program. Accrediting agencies whose definition of probation does not include all actions described above must include those additional actions in their reporting to satisfy the regulatory reporting requirements concerning probation. Pursuant to Section 487(a)(15) of the Higher Education Act, as amended (HEA), the Department has determined that for purposes of effective oversight of institutions participating in the federal student aid programs, it also needs an explanation of the reasons why the institution was placed on probation.

Accordingly, for schools placed on probation or its equivalent status, as described above, accrediting agencies must notify the Secretary, and must submit to the Secretary the final decision letter for such institutions, describing the basis for the action as provided in 34 CFR 602.25(e), within the required time period. Letters must be shared with the Department of Education’s Accreditation Group in accordance with the current procedures. In the public interest, the releasable portions of these letters will be posted publicly.

3. Requested Reporting on Other Factors That Affect Student Success

A. Meaning of Terms

The Department has a strong interest in understanding the nature of certain other accreditor actions, where they indicate potential issues with the academic quality of the institution, both for the purposes of evaluating the effectiveness of accrediting agencies and for monitoring accredited institutions participating in the title IV, HEA programs. In particular, the Department is interested in accreditors’ concerns about institutions that are at risk of failing to comply with the following accreditation standards, as outlined in 34 CFR 602.16(a)(1):

- (i) Success with respect to student achievement in relation to the institution’s mission, which may include different standards for different institutions or programs, as established by the institution, including, as appropriate, consideration of State licensing examinations, course completion, and job placement rates.

...

- (v) Fiscal and administrative capacity as appropriate to the specified scale of operations.
...
- (vii) Recruiting and admissions practices, academic calendars, catalogs, publications, grading, and advertising.
...
- (viii) Measures of program length and the objectives of the degrees or credentials offered.
- (ix) Record of student complaints received by, or available to, the agency.
- (x) Record of compliance with the institution's program responsibilities under Title IV of the Act, based on the most recent student loan default rate data provided by the Secretary, the results of financial or compliance audits, program reviews, and any other information that the Secretary may provide to the agency...

Such issues may arise in the form of another action, not listed above, that is taken by the accrediting agency. Those actions may include **warnings, notations, and admonitions; accreditation with reporting requirements, conditions, contingencies, or stipulations; and heightened monitoring**, among others.

B. Requested Reporting to the Department

The Department requests information about cases in which accreditors have relayed concerns to institutions about their risk of failing to comply with the accreditation standards listed in section 3.A. of this guidance. Such reporting may contribute to the ongoing monitoring of the title IV, HEA federal financial aid programs, as well as provide relevant information for the Department's recognition of accrediting agencies. For 34 CFR 602.16(a)(1)(i) the Department is particularly interested in issues related to retention and completion of course, program, and certificate or degree; job placement; licensure exam participation and passage; student debt repayment and default; and student satisfaction.

Copies of letters to institutions or other documents describing these concerns should be shared with the Department of Education's Accreditation Group in accordance with the current procedures.

4. Submission of Information to the Department Separated by Severity

In the interest of ensuring that the Department can quickly recognize and act on determinations that may have implications for title IV, HEA program compliance and eligibility, negative actions must be clearly noted and submitted separately from positive or neutral actions. To facilitate simpler understanding of accrediting agency actions and the implications of those actions for the Department's monitoring of title IV, HEA participating institutions, the Department directs accrediting agencies to separate the information they submit to the Department into three categories:

- i. Negative or adverse actions include the denial, withdrawal, suspension, revocation, or termination of accreditation or preaccreditation of an institution; probation and other actions placing the institution's accreditation at greater risk; or actions, warnings, or assessments that indicate the potential for any such decisions.
- ii. Actions that result in a probation or equivalent status being removed from an institution's accreditation status, so that the accreditation is unconditional.
- iii. All other actions that do not indicate such action or potential action.

Further description of the format and specific fields of information to be submitted is provided in section 6 below.

5. Required Reporting on Agency Information on Title IV Issues

A. Meaning of Terms

Each federally recognized accrediting agency is required by 34 CFR 602.27(a)(6) to report “[t]he name of any institution or program it accredits that the agency has reason to believe is failing to meet its title IV, HEA program responsibilities or is engaged in fraud or abuse, along with the agency’s reasons for concern about the institution or program.”

34 CFR 602.27(a)(7) requires that each federally recognized accrediting agency to report, “[i]f the Secretary requests, information that may bear upon an accredited or preaccredited institution’s compliance with its title IV, HEA program responsibilities, including the eligibility of the institution or program to participate in title IV, HEA programs.”

B. Required Reporting to the Department

Among the information the Department may obtain through 34 CFR 602.27(a)(7) is a further description of circumstances which lead an agency to make a report under 34 CFR 602.27(a)(6). Through this guidance, the Secretary is instituting a standing request that whenever a report is made under 34 CFR 602.27(a)(6), the agency should also submit all information that prompted the concern. Information must be shared with the Department of Education’s Accreditation Group in accordance with the current procedures.

6. Fields and Formatting for Reporting to the Department of Education

In order to ensure proper Department categorization and action on notifications of accrediting decisions, the Department requires the information described in this letter to be submitted using the following format:

- Separate document or e-mail for each of the three overall categories outlined in section 4 (one for negative/adverse actions, one for actions removing of probation and returning institutions/programs to unconditional accreditation, one for all other actions).

- Within each category of actions, an overview of actions organized by:
 - state
 - specific type of action
 - institution(s) affected by that specific action.
- Followed by copies of relevant letters or documents for each of the actions. (In the case of loss of accreditation, please include the overview and summary within the 30-day notification period; letters can follow separately within the 60-day period but should be clearly marked as follow-up to the preceding notification.)

For example:

Category 1: Negative or other adverse actions

- State A
 - Action type 1 (e.g., denial/revocation of accreditation)
 - OPE ID/Institution/Program A
 - OPE ID/Institution/Program B
 - OPE ID/Institution/Program C
 - Action type 2 (e.g., probation or equivalent)
 - OPE ID/Institution/Program D
 - OPE ID/Institution/Program E
 - Action type 3
 - OPE ID/Institution/Program F
 - OPE ID/Institution/Program G
 - OPE ID/Institution/Program H
- State B
 - Action type 1
 - OPE ID/Institution/Program I
 - OPE ID/Institution/Program J

Category 2: Removal of probation/return to unconditional accreditation

- State A
 - Action type 4
 - OPE ID/Institution/Program K

Category 3: All other actions

- State A
 - Action type 5
 - OPE ID/Institution/Program L
- Etc.

The listing of the actions must be formatted as **Microsoft Excel document**, using the attached template.

Additionally, all notifications to the Department must include a **summary of the number of actions** taken in the period since the preceding report, in each of the following categories:

ABC Accrediting Agency	
Date of last report	XX/XX/XXXX
Loss of accreditation (denial, withdrawal, etc.)	#
Probation and equivalent (including show cause)	#
Noncompliance with one or more standards (warnings, conditions, etc.)	#

All documents—the Excel spreadsheet listing actions, the summary, and copies of the documents themselves—should be **e-mailed** to the Department of Education’s Accreditation Group in accordance with the current procedures.

The Department continues to explore opportunities to improve information submission processes to enhance all parties’ ability to utilize the information quickly and effectively.

Summary

To summarize the steps outlined above:

- The Department requires accrediting agencies to submit to the Department the name of any institution or program for which it has made a final decision to **deny, withdraw, suspend, revoke, or terminate the accreditation or preaccreditation**, or for which it has taken **any other adverse action that results in the potential or actual suspension or loss of accreditation**, along with the agency’s decision letter meeting the requirements of 34 CFR 602.25(e).
- The Department requires accrediting agencies to submit to the Department the name of any institution or program it is **placing on probation or an equivalent status** (a status that indicates an institution is out of compliance with one or more of the accrediting agency’s standards and that the noncompliance can be remedied by the institution within a period allowed by the agency and the regulations), or any action placing the institution’s accreditation at greater risk, along with the agency’s reasons for that status, in the form of a final decision letter that satisfies the requirements of 34 CFR 602.25(e).
- The Department requests that accrediting agencies submit to the Department the name of any institution or program for which it has taken an action below level of probation, such as **warnings/admonitions for violations of standards that indicate potential issues with the academic quality of the institution**, particularly related to the following standards: student achievement, fiscal and administrative capacity, student support

services, recruiting and admissions practices, student complaints, and program responsibilities under title IV, HEA; along with the agency's reasons for that action.

- **When submitting this information, the Department asks accrediting agencies to separate the information they submit to the Department into three overall categories:** 1) negative actions, including denial, withdrawal, suspension, revocation, or termination of accreditation or preaccreditation of an institution; probation or any equivalent status, or a status placing the institution's accreditation at greater risk; or actions, warnings, or assessments that indicate the potential for any such decisions; 2) actions that result in a probation or equivalent status being removed from an institution's accreditation status, so that the accreditation is unconditional; and 3) all other actions that do not indicate such action or potential action. Within those three categories, the information should then be grouped by state, then by the specific type of action, and finally by institution. Agencies must also include **a table summarizing the number of actions taken** that result in or reflect: 1) loss of accreditation; 2) probation or equivalent status; and 3) risk of noncompliance with one or more standards.
- The Department requires accrediting agencies to submit to the Department the name of any institution or program it accredits that the agency has reason to believe is **failing to meet its title IV, HEA program responsibilities or is engaged in fraud or abuse**, along with all of the agency's reasons for that concern.

Accrediting agencies and the Department share an interest in ensuring a high-quality education for all students at accredited institutions. The steps outlined in this memo will increase our collective ability to ensure that quality. The Department appreciates the partnership of accrediting agencies in this effort.

Sincerely,

Ted Mitchell
Under Secretary
US Department of Education