

PART H
PROGRAM INTEGRITY SEC. 495.

ACCREDITATION.

(a) STANDARDS FOR ACCREDITATION.—Section 3496(a) (20 U.S.C. 1099b(a)) is amended—

(1) in paragraph (3)—

(A) by inserting “or” after the semicolon at the end of subparagraph (A);

(B) by striking subparagraph (B); and

(C) by redesignating subparagraph (C) as subparagraph (B);

(2) in paragraph (4)—

(A) by inserting “(A)” after “(4)”;

(B) by inserting “and” after the semicolon at the end thereof; and

(C) by adding at the end the following new subparagraph:

“(B) if such agency or association already has or seeks to include within its scope of recognition the evaluation of the quality of institutions or programs offering distance education, such agency or association shall, in addition to meeting the other requirements of this subpart, demonstrate to the Secretary that—

“(i) the accreditation agency’s or association’s standards effectively address the quality of an institution’s distance education programs in the areas identified in paragraph (5) of this subsection, except that the agency or association shall not be required to have separate standards, procedures, or policies for the evaluation of distance education institutions or programs in order to meet the requirements of this subparagraph; and

“(ii) the agency or association requires that an institution that offers distance education programs to have processes by which it establishes that the student who registers in a distance education course or program is the same student who participates, completes academic work, and receives academic credit.”;

(3) in paragraph (5)—

(A) by amending subparagraph (A) to read as follows:

“(A) success with respect to student achievement in relation to the institution’s mission, including, as appropriate, consideration of student academic achievement as determined

by the institution (in accordance with standards of the accrediting agency or association), retention, course and program completion, State licensing examinations, and job placement rates, and other student performance information selected by the institution, particularly that information used by the institution to evaluate or strengthen its programs;” and

(B) by amending subparagraph (E) to read as follows:

“(E) fiscal, administrative capacity, as appropriate to the specified scale of operations, and, for an agency or association where its approval for such institution determines eligibility for student assistance under this title, board governance, within the context of the institution’s mission;”;

(4) by striking paragraph (6) and inserting the following:

“(6) such an agency or association shall establish and apply review procedures throughout the accrediting process, including evaluation and withdrawal proceedings that comply with due process that provides for—

“(A) adequate specification of requirements and deficiencies at the institution of higher education or program being examined;

“(B) an opportunity for a written response by any such institution to be included in the evaluation and withdrawal proceedings;

“(C) upon the written request of an institution, an opportunity for the institution to appeal any adverse action at a hearing prior to such action becoming final before an appeals panel that—

“(i) shall not include current members of the agency or association’s underlying decision-making body that made the adverse decision; and

“(ii) is subject to a conflict of interest of policy; and

“(D) the right to representation by counsel for an such institution;” and

(5) by striking paragraph (8) and inserting the following:

“(8) such agency or association shall make available to the public and submit to the Secretary and the State licensing or authorizing agency, together with the comments of the affected institution, a summary of agency or association actions, involving—

“(A) final denial, withdrawal, suspension, or termination of accreditation; and “(B) any other final adverse action taken with respect to an institution.”.

(b) OPERATINGPROCEDURES.—Section 496(c) (205U.S.C. 1099b(c)) is amended—

(1) by inserting “(including those regarding distance education)” before the semicolon at the end of paragraph (1);

(2) by striking “and” at the end of paragraph(5);

(3) by striking the period at the end of paragraph (6) and inserting a semicolon; and

(4) by inserting after paragraph (6) the following new paragraphs:

“(7) ensures that its onsite comprehensive reviews for accreditation or reaccreditation include evaluation of the substance of the information required in subparagraph (H) of section 485(a)(1);

“(8) confirms as a part of its review for accreditation or reaccreditation that the institution has transfer policies—

“(A) that are publicly disclosed; and

“(B) that do not deny transfer of credit based solely on the accreditation of the sending institution as long as the association or agency is recognized by the Secretary pursuant to section 496;

“(9) develops a brief summary, available to the public, of final adverse actions in accordance with the requirements of subsection (a)(8);

“(10) monitors the growth of distance education programs at institutions that are experiencing significant enrollment growth relative to their institutional capacity in distance education;

“(11) discloses publicly, on the agency’s website or through other similar dissemination—

“(A) a list of the individuals who comprised the evaluation teams during the prior calendar year for each agency or association and the title and institutional affiliation of such individuals, although such list shall not be required to identify those individuals who comprised the evaluation team used for any specific institution;

“(B) a description of the agency’s or association’s process for selecting, preparing, and evaluating such individuals; and

“(C) any statements related to the accreditation responsibilities of such individuals; and

“(12) reviews the record of student complaints resulting from the student information process described in section 485(a)(1)(J).”.

(c) LIMITATION, SUSPENSION, AND TERMINATION OF RECOGNITION.—
Section 496(l) is amended by adding at the end the following new paragraph:

“(3) The Secretary shall provide an annual report to Congress on the status of any agency or association for which the Secretary has limited, suspended or terminated recognition under this subsection.”.

(d) PROGRAM REVIEW AND DATA.—Section 498A(b)(20 U.S.C. 1099c-1(b)) is amended—

(1) by striking “and” at the end of paragraph (4);

(2) by striking the period at the end of paragraph (5) and inserting a semicolon; and

(3) by adding at the end the following new paragraphs:

“(6) provide to the institution adequate opportunity to review and respond to any program review report or audit finding and underlying materials related thereto before any final program review or audit determination is reached;

“(7) review and take into consideration the institution’s response in any final program review or audit determination, and include in the final determination—

“(A) a written statement addressing the institution’s response and stating the basis for such final determination; and

“(B) a copy of the institution’s statement in response, appropriately redacted to protect confidential information;

“(8) maintain and preserve at all times the confidentiality of any program review report or audit finding until the requirements of paragraphs (6) and (7) are met, and until a final program review or audit determination has been issued, except to the extent required to comply with paragraph (5), provided, however, that the Secretary shall promptly disclose any and all program review reports and audit findings to the institution under review; and

“(9) require that the authority to approve or issue any program review report or audit finding, preliminary or otherwise, that contains any finding, determination, or proposed assessment that exceeds or may exceed \$500,000 in liabilities shall not be delegated to any official beyond the Chief Operating Officer of Federal Student Aid.”.