

**Accreditation, Innovation, and Modernization (AIM)
Negotiated Rulemaking**

Summary and Discussion of Initial Draft Regulations

Background: Section 496 of the Higher Education Act (HEA), as amended, requires the Secretary of Education (Secretary) to establish criteria for determining whether an accrediting agency is a reliable authority, for purposes of the HEA and for other Federal purposes, on the quality of education or training offered by the institutions or programs that they accredit. Such criteria are required to include appropriate measures of student achievement.

Consistent with the statute, the Secretary has established regulations for recognition of accrediting agencies at 34 CFR Part 602 and has revised these regulations periodically.

Executive Order 14279, titled "Reforming Accreditation to Strengthen Higher Education," issued on April 23, 2025, by President Trump, directs the Secretary to take several actions related to the recognition of accrediting agencies or associations by the Department. Some of these actions require changes to existing regulations.

The goal of these regulatory changes is to realign the Secretary's criteria for recognition of accreditors to promote high-quality, high value, and affordable education for students that—

- Promotes such academic programs and activities at higher education institutions that are focused on student outcomes and are free from unlawful discrimination and other violations of Federal law;
- Reduces barriers that limit competition, innovations, and new education models that advance credential and degree completion;
- Holds institutions accountable for discrimination and other unlawful acts; and
- Advances academic freedom, intellectual inquiry, and student learning by ensuring that accreditation requires that institutions support and prioritize intellectual diversity among faculty.

Specifically, the Executive Order directs the Secretary to—

- Resume recognition of new accrediting agencies to foster competition and expand institutional options; and
- Mandate that accreditors require member institutions to use data on program-level student outcomes to improve such outcomes, without reference to race, ethnicity, or sex.

Proposal Summary: To implement the directives set forth in Executive Order 14279 and other Administration priorities, align the implementing regulations more closely with statute, reduce regulatory burdens, protect students and taxpayers, and foster innovation, the Department proposes to revise the existing agency recognition regulations at 34 CFR Part 602.

Reducing Regulatory Burdens

- Reduce overall regulatory burden for all accrediting agencies, with particular focus on those seeking initial recognition by removing the arbitrary “two-year rule”;
 - 600.11(a)(1)(ii) modified and 600.11(a)(1)(iii) added to ease restrictions on institutions changing accreditors.
 - 600.11(b) modified to ease restrictions on institutions having multiple accreditors.
 - 602.12(a) modified to eliminate the two-year rule and clarify conditions for initial recognition.
 - 602.16(g), formerly (f), modified to limit additional standards to those consistent with establishing institutional quality.
 - 602.17(b) and (e) modified to allow additional flexibility in the accreditation process.
 - 602.20(e) modified to clarify that binding arbitration is allowed, and that arbitration must be fair and impartial.
 - 602.22(a)(1)(ii)(B) modified to add “substantive” to changes in legal status that must be evaluated.
 - 602.30(a) modified to remove the requirement that applications for renewal of recognition must be submitted 24 months in advance.
 - 602.31, formerly 602.32, modified to eliminate (b), that required letters of support with applications.
 - 602.31, formerly 602.32(d), modified to remove requirements for multiple site visits and remove detailed requirements for site visits.

- Streamline the recognition process and utilize a risk-based review of accrediting agencies;
 - 602.30 was previously reserved. The previous section 602.31 was renamed as 602.30. The previous section 602.32 was split into 602.31 and 602.32. The new sections 602.31 and 602.32 were rewritten to enable risk-based review of agencies.
 - 602.31(g), (h), and (i) modified to speed Department evaluation of applications.

- Clarify the statutory limitation on the Secretary's authority to recognize only those accrediting agencies whose institutions and/or programs actively participate in a Federal program;
 - 602.10(a) and (b) modified to clarify that agencies will only be recognized if agency accreditation is a material condition of eligibility for institutions to participate in Federal programs.
 - 602.10(c) added to clarify requirements for initial recognition.

- Require accrediting agencies to administer their standards, policies, and procedures in a manner that minimizes unnecessary compliance costs and administrative burdens on accredited institutions, including by avoiding duplicative reporting, excessive documentation requirements, and prescriptive processes that do not demonstrably advance educational quality or student achievement;
 - 602.15 modified by adding (a)(3) and (c) requiring cost effectiveness and openness to low-cost models.

- Eliminate regulations that are not required by statute, thereby reducing burdens on accreditors;
 - 602.15(a)(2), (3), and (4) modified by removing requirements not in statute.
 - 602.16(a)(2)(i) is not required by statute and was removed.
 - 602.17(a)(3) is not required by statute and was removed.
 - 602.17(h) is not required by statute and was removed.
 - 602.21(b), (c), and (d) are not required by statute and were removed.
 - 602.22(b), former (c)(1)-(5), (f) and (g) were removed.

- o 602.23(f) is not required by statute and was removed.
- o 602.25, (f)(1)(iii) and (f)(1)(iv) are not required by statute and were removed.

Accreditor Integrity

- Discourage identification of agencies as having regional scope;
 - o 602.11 modified by adding that recognition does not limit the geographic scope of agencies.
 - o 602.12 modified to remove a reference to geographic areas, and (c) was added to remove geographic constraints.

- Strengthen the fiscal and administrative requirements for an agency to demonstrate that it is "separate and independent" from any related, associated, or affiliated trade association or membership organization;
 - o 602.14(b)(2) modified to require that representatives of the public on an agency board are not current or former suppliers of higher education services or professionals in the field in which the agency conducts accreditation.
 - o 602.14 (b)(3), (b)(4), and former (b)(5) modified by strengthening language on conflicts of interest. (b)(5) was renumbered as (b)(6).
 - o 602.14 (b)(5) and (b)(7)-(b)(14) added to strengthen language on "separate and independent."
 - o 602.14(c) that allowed sharing of resources in some circumstances was eliminated.
 - o 602.14(d) and (e) that regulated the Department's option to grant waivers to the "separate and independent" requirements are eliminated.

- Address "credential-inflation" by forbidding collusion between accrediting agencies and any related, associated, or affiliated trade association or membership organization;
 - o 602.31, formerly 602.32(e), modified to allow the Department to view as a negative factor anti-competitive behavior including actions that limit entry into a profession.

- Protect taxpayers and address the college affordability issue by requiring institutions to presume the transferability of credits earned at another institution

toward general education requirements, not only as electives;

- o 602.24(e) (3) added to require a presumption of credit transferability.
- Ensure that accreditors are not allowed to engage in anticompetitive behavior;
 - o 602.13 was previously reserved. The section now states that recognition does not confer immunity from antitrust laws.
 - o 602.15(d) added to ensure standardization of applications and data templates to ease the process of changing accreditors.
- Protect taxpayers and students by adding requirements regarding misrepresentation and fraud;
 - o 602.16(a) (5) and (a) (6) added to require integrity and transparency and controls against fraud and misrepresentation in financial aid practices and the administration of Title IV programs.
- Ensure transparency and consistency;
 - o 602.18(d) moved to 602.20 and modified to remove the ability of an agency to allow an institution to be out of compliance with standards for more than three years, and for an agency to allow an institution to be out of compliance if compliance would cause undue hardship to students.
 - o 602.20(h) added to require policies to restore accreditation in case of material error.
 - o 602.23(d) modified to require that agencies require institutions to publicly disclose enforcement actions.
 - o 602.26(g) added regarding violations of an agency's own policies.

Legality and Constitutionality

- Require accrediting agencies to ensure that all standards, policies, and procedures comport with, and require institutional and program compliance with, all Federal and State laws, including the prohibition of preferential treatment based on protected characteristics, such as race-based scholarships or programs, and preferential hiring or promotion practices;

- o 602.16(a)(1)(vi) modified to add that student support services must be provided in accordance with Federal law.
 - o 602.16(a)(1)(vii) modified to add that student recruiting must be conducted in accordance with Federal law.
 - o 602.16(a)(7) added to require that standards may not direct institutions to violate Federal or State law.
 - o 602.23 modified by adding (h)-(j) that requires agencies to require institutions to follow Federal and State law.
- Require accrediting agencies to ensure that accredited public institutions' policies, practices, and procedures comport with the First Amendment as interpreted by Federal courts, including with respect to viewpoint nondiscrimination, religious nondiscrimination, and speech protections;
 - o 602.16 modified by adding (a)(8) that requires that agency standards allow public institutions to fulfill their obligations under the First Amendment.
 - o 602.18(b)(4) added to ensure viewpoint and ideological neutrality in policy implementation, with protection for religious institutions.
- Expand current regulations on faculty standards to include support for and appropriate prioritization of intellectual diversity amongst faculty in order to advance academic freedom, intellectual inquiry, and student achievement and learning outcomes;
 - o 602.16 modified by adding (a)(2) that requires standards to ensure academic freedom under which a range of academic perspectives may be expressed.
- Direct accrediting agencies to refrain from interfering with institutional governance decisions that fall within the rightful purview of State governments, boards of trustees, or similar governing bodies, limiting their role to advisory purposes only;
 - o 602.23 modified by adding (j) that prohibits review or evaluation of matters within the authority of State governments.

Student Outcomes

- Require accrediting agencies to use program-level student outcomes to demonstrate achievement by its institutions and/or programs and identify minimum expectations related to return on investment (ROI) of tuition, completion rates, placement rates and/or State licensing exam success;
 - 602.16(a) (1) (i) modified to require that standards address student success at the program level and that student success must be measured objectively and may include measures of economic return relative to tuition and fees.
 - 602.16(a) (1) (xii) added to require meaningful, objective measures of student learning.
 - 602.16(a) (3) added to require agencies to permit the use of standardized assessments of student learning.

Affordability

- Provide relief for students and taxpayers who have suffered from increasing tuition by allowing greater institutional flexibility to control costs and to make cost efficiency a factor that accreditors consider;
 - 602.15(a) (3) added to require training of agency staff to encourage low-cost models that can provide high quality education.
 - 602.16(a) (1) (iii) modified to clarify standards for faculty, including sufficiency, qualifications, regular review, flexibility of appointment process, and academic freedom.
 - 602.16(a) (1) (iv) modified to add that evaluation of facilities should include cost/benefit analysis.
 - 602.16(a) (1) (v) modified to require appropriate resourcing for institutional conditions.
 - 602.16(a) (1) (vi) modified to add that evaluation of student support services should include cost/benefit analysis.
 - 602.16(a) (1) (viii) modified to add that program length must be appropriate.
 - 602.16(a) (1) (xiii) modified to add that staff should be trained on different education modalities with emphasis on cost effectiveness.
 - 602.16(a) (4) added that standards must be administered in a manner that minimizes costs.

- o 602.17(h) added to encourage institutional innovation.

Other

- Other changes were suggested to update and simplify regulations;
 - o 602.2 updated to state that notices are available on the Department website.
 - o 602.3 updated to define and use the term "Institution" instead of "Institution of Higher Education."
 - o 602.3 definition of "Related, associated, or affiliated trade association" added.
 - o 602.15(a) (5) modified to make terminology consistent.
 - o 602.16(a) (1) modified to better reflect the underlying statute.
 - o 602.18(c) modified for clarity.
 - o 602.20(a) (4) modified to correct confusing language.
 - o 602.22(a) (1) (ii) modified to remove the qualifier "high-impact, high-risk changes."
 - o 602.23(c) (1) and (3) modified to include preaccreditation and to clarify treatment of complaints.
 - o 602.24(b) modified regarding site visits.
 - o 602.24(c) modified by making adjustments to language regarding teach-outs.
 - o 602.24(d) modified by adding additional detail about closed institutions.
 - o 602.26(b), (c), (d), and (e) modified to require that written notice provide a clear explanation of accreditation decisions.
 - o 602.26(d) modified to require changes to agency websites instead of public written notice.
 - o 602.27(a) (1) modified to allow regular updates instead of annual updates.
 - o 602.28(d) edited for clarity.
 - o 602.30 (f) (1) modified by making a technical change.
 - o 602.30(f) (1) modified regarding redaction of material in submissions.
 - o 602.32 split into two sections, one for procedures for submitting applications for recognition or renewal of recognition, and another for expansion of scope and other applications. This was accomplished by renaming 602.31 as 602.30, which was previously reserved, part of 602.32 was renamed as 602.31, and the remaining part of 602.32 retained the same name.
 - o 602.33 modified by making technical changes.

- o 602.34 modified by making technical changes.
- o 602.35 modified by making technical changes.
- o 602.36 modified by making technical changes.
- o 602.37 modified by making technical changes.