

**DEPARTMENT OF EDUCATION****Federal Student Assistance Programs Under Title IV of the Higher Education Act of 1965, as Amended**

**AGENCY:** Department of Education.

**ACTION:** Notice inviting applications for participation in the Quality Assurance Program.

**SUMMARY:** The Secretary invites institutions of higher education that are not currently participating in the Quality Assurance (QA) Program under section 487A of the Higher Education Act to submit applications to participate beginning with the 1995–1996 award year.

**DATES:** Applications may be submitted any time after August 8, 1995.

**ADDRESSES:** Barbara Mroz, U.S. Department of Education, 600 Independence Avenue, SW., (Room 3925, ROB-3), Washington, DC 20202–5232.

**FOR FURTHER INFORMATION CONTACT:** Jacquelyn Bannister, telephone: (202) 260–4788. Individuals who use a telecommunications device for the deaf (TDD) may call the Federal Information Relay Service (FIRS) at 1–800–877–8339 between 8 a.m. and 8 p.m., Eastern time, Monday through Friday.

**SUPPLEMENTARY INFORMATION:****Background**

The Department of Education is undertaking a series of initiatives to simplify regulations and administrative processes for the Federal student assistance programs authorized by Title IV of the Higher Education Act (HEA). By notice published on April 25, 1995, 60 FR 20326, the Secretary invited QA Program participants and other institutions to submit proposals to reinvent the administration of those programs through the use of the experimental sites authority in section 487A(d) of the HEA. At the direction of the President, the Secretary has conducted a page-by-page review of all student financial assistance regulations to identify those that should be eliminated or improved. The Secretary will also consider developing proposals for statutory amendments to eliminate unnecessary administrative burden.

As a part of this student aid reform effort, the Secretary intends to expand the QA Program. Begun on a pilot basis in 1985, the QA Program currently permits participating institutions to develop and implement their own comprehensive systems to verify student financial aid application data. Participation in the program is entirely

voluntary. The Secretary is authorized to exempt participating institutions from the reporting and verification requirements that would otherwise apply and to substitute other necessary quality assurance reporting.

Presently, ninety schools participate in the program, and the Secretary has exempted these schools from several provisions of the Student Assistance General Provisions regulations relating to verification.

Beginning with the upcoming award year, the Secretary intends to expand the QA Program by increasing the number of schools that participate in the program and by employing the experimental sites authority in section 487A(d) of the HEA to facilitate the development of innovative management approaches on a broader scale. If participating QA schools, acting alone or together, develop an innovative approach to the management of student aid programs and the Secretary approves the approach, the Secretary is authorized to exempt the schools from any Title IV statutory or regulatory requirement that would bias the results of their experiments.

**Invitation for Applications**

The Secretary invites institutions of higher education that administer one or more Title IV programs to submit applications to participate in the QA Program beginning with the 1995–1996 award year. Institutions that currently participate in the program may continue to do so without submitting new applications. Because training workshops will be scheduled for early fall, institutions are encouraged to apply as soon as possible. The Secretary anticipates that the review of applications will begin within 45 days of the date of this notice; however, applications that are received later will also be considered.

An institution that wishes to apply may do so by mailing a letter of application to Barbara Mroz at the address provided at the beginning of this notice or by faxing it to her at (202) 708–9485. The Secretary will review applications on the basis of demonstrated institutional performance, as indicated by information currently on file that pertains to the institution and information in the letter of application that addresses the institution's commitment to the Secretary's current quality assurance goals. Those goals are the following:

- (1) To improve the accuracy of Title IV student aid awards;
- (2) To increase institutional flexibility in managing student aid funds while

maintaining accountability for the proper use of those funds;

(3) To encourage the development of innovative management approaches;

(4) To emphasize results rather than process, up-front correction rather than after-the-fact inspection; and

(5) To place responsibility for quality control and quality improvement at the point where funds and services are delivered—the institution.

**Features of the Program**

The Secretary encourages institutions participating in the QA Program to employ a continuous cycle of assessment and improvement as they develop and implement their systems to verify student aid application data. Institutions evaluate their verification procedures, adopt improvements in those procedures, test the effects of those improvements, and adopt further improvements.

The Secretary will adopt no regulations for the QA Program. Institutions that participate in the program will be free to develop and implement their own comprehensive verification systems and to request exemptions from reporting and verification requirements that would otherwise apply. It is the Secretary's intention to exempt all participating institutions from the requirements in the following provisions of 34 CFR part 668, subpart E—Verification of Student Aid Application Information:

- Section 668.53(a) (1)–(4);
- Section 668.54(a) (1), (2), and (4);
- Section 668.56;
- Section 668.57; and
- Section 668.60(a).

In addition, a participating institution may request an exemption from any other student financial assistance program reporting or verification requirement. As provided by section 487A(b) of the HEA, the Secretary may substitute such quality assurance reporting as he deems necessary to ensure accountability and compliance with the purposes of the Title IV programs.

Participating institutions may also take advantage of their improved administrative capabilities to propose their own individual or collective innovative approaches to the administration of Title IV programs under the experimental sites authority and to seek exemptions from Title IV requirements that stand in the way of those experiments. Further information on experimental sites may be found in the **Federal Register** document referred to earlier in this notice.

The Secretary believes that the process of continuous improvement in

verification systems fostered by the QA Program has enhanced the integrity of those systems at participating institutions. By expanding the program to include other management areas, the Secretary believes that it can serve to promote improvements not only in the accuracy of student aid awards and payments, but in the management of student aid offices and the delivery of services to students as well.

Dated: August 2, 1995.

**David A. Longanecker,**

*Assistant Secretary for Postsecondary  
Education.*

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