

Department of Education's Withdrawal of Its Recognition of ACICS as an Accrediting Agency

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On December 12, 2016, the Secretary of Education (the Secretary) [upheld a previous decision](#) made by a Department of Education (ED) official to withdraw recognition of the Accrediting Council for Independent Colleges and Schools (ACICS) as an accrediting agency for purposes of institutional participation in the federal student aid programs authorized under Title IV of the Higher Education Act (HEA). The complete effects of the Secretary's recognition withdrawal are currently unknown; however, approximately [900 separate locations of institutions of higher education \(IHEs\)](#), enrolling approximately [600,000 students](#), potentially risk the loss of their Title IV eligibility should they not obtain accreditation from another ED-recognized accrediting agency. This CRS Insight discusses the potential effects of the Secretary's withdrawal of ACICS' recognition.

ED's Accrediting Agency Recognition Process and Timeline

To participate in Title IV federal student aid programs, IHEs must, among other requirements, be [accredited by an ED-recognized accrediting agency](#) (hereinafter "Title IV accreditor"). To achieve ED recognition, agencies must show they meet a variety of [federal standards](#), illustrating that they are a reliable authority regarding institutional quality. Should an agency fail to satisfy the recognition standards, the Secretary may withdraw recognition of the agency.

[HEA Section 498\(h\)\(2\)](#) specifies that upon the withdrawal of an agency's recognition, IHEs accredited by the agency may continue to participate in the Title IV programs for up to 18 months under provisional certification. Under provisional certification, ED may place additional conditions on the IHEs' participation (e.g., additional reporting requirements) in the Title IV programs. During the 18-month period, IHEs must also become accredited by another [Title IV accreditor](#) to maintain Title IV eligibility beyond this timeframe.

Should the Secretary withdraw recognition from an accrediting agency, the accrediting agency may contest the Secretary's decision in federal court. The recognition withdrawal becomes effective immediately, and the 18-month provisional certification for the IHEs it accredits begins on the date of the Secretary's withdrawal decision, [unless stayed \(delayed\) by a court](#).

Implications for IHEs

The Secretary withdrew recognition of ACICS, finding "[pervasive noncompliance](#)" with multiple recognition standards. Areas of concern included the [level of rigor](#) and [lax enforcement](#) of ACICS' accreditation standards. ACICS stated it will [contest the Secretary's decision](#) and seek a stay of the decision in court. If a stay is granted, the 18-month provisional certification period for ACICS-accredited IHEs will not begin until the matter is resolved by a court. If a stay is denied, then the 18-month provisional certification period is effective as of December 12, 2016, and ACICS-accredited IHEs must become accredited by another Title IV accreditor to continue Title IV participation.

For the duration of provisional certification, ED will require ACICS-accredited institutions to meet a variety of additional Title IV participation conditions. For instance, IHEs will be restricted from making major changes (e.g., opening new locations) without ED approval, and will be prohibited from disbursing Title IV funds to students newly enrolled in programs that, as a result of ACICS' loss of recognition, no longer meet requirements that would permit them to sit for a licensing or certification exam. Also, IHEs that do not meet certain milestones toward obtaining accreditation from another Title IV accreditor will be subject to additional Title IV participation conditions. For example, IHEs without an application in process with another Title IV accreditor within 180 days of the Secretary's withdrawal of ACICS' recognition will be ineligible to receive Title IV funds for any student that enrolls after those 180 days.

The extent to which ACICS-accredited IHEs will be able to obtain accreditation by another Title IV accreditor within 18 months is uncertain. ED officials speculate that [5 or 6 \(out of 37\) Title IV accreditors](#) could feasibly accredit ACICS-accredited IHEs and that [higher-performing IHEs may be able to attain accreditation](#) within 18 months. However, they also speculate that IHEs with poorer performance may have difficulty obtaining accreditation within 18 months. Moreover, for a Title IV accreditor to accredit an IHE that is accredited by ACICS but subject to a pending or final ACICS action to suspend, revoke, withdraw, or terminate its accreditation, the new accreditor must [justify its decision to ED](#).

[Another institutional Title IV participation requirement](#) is that an IHE must be authorized to provide a postsecondary education within the state in which it is located. As a condition of authorization, [many states require](#) that IHEs be accredited by a Title IV accreditor; although, authorization requirements vary by state. With loss of accreditation, some IHEs in some states may immediately lose their state authorization and, thus, Title IV participation. [Some states have already taken action](#) to ensure that IHEs within their borders do not immediately lose state authorization, and consequently, Title IV eligibility. Often, when IHEs lose accreditation, and thus, Title IV eligibility, they close or significantly curtail operations.

Implications for Students

The extent to which students may be immediately affected by new provisional certification requirements placed on IHEs as a result of ED's withdrawal of ACICS' recognition is unclear. Many of the new provisional certification requirements with which IHEs must comply in the near future may have minimal immediate consequences for enrolled students (e.g., additional institutional disclosure requirements); however, new provisional certification requirements with which IHEs must comply later on may have larger impacts. For instance, IHEs without an application in-process with another Title IV accreditor within 180 days of ACICS' loss of recognition will become ineligible to receive Title IV program funds for its students, which may affect those students' ability to continue their educational program.

For students who attend IHEs in states requiring accreditation by a Title IV accreditor for state authorization, the extent to which they may be affected by the withdrawal of ACICS' recognition will largely depend on state law. For students who attend IHEs in states that do not require accreditation from a Title IV accreditor for state authorization, the IHEs would still need to become accredited by a Title IV accreditor within 18 months; otherwise, they would lose eligibility to participate in the Title IV programs and students would lose access to Title IV aid.