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**Wednesday  
September 9, 1998**

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**Part V**

**Department of  
Education**

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**Federal Student Assistance Programs  
Under Title IV of the Higher Education  
Act of 1965, as Amended; Notice**

**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 of 1965, as amended, to submit a letter of application to participate beginning with the 1998-1999 award year. An institution that wishes to apply may do so by: (1) Mailing a letter of application to Barbara Mroz, U.S. Department of Education, 600 Independence Avenue, SW (Room 3925, ROB-3), Washington, DC 20202-5232; (2) faxing its application to (202) 708-9485; or (3) submitting its application electronically to Mr. Warren Farr at Warren\_Farr@Ed.gov or Mr. John Hill at John\_Hill@Ed.gov.

**DATES:** Applications may be submitted any time after September 9, 1998.

**FOR FURTHER INFORMATION CONTACT:** John Hill, 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. Individuals with disabilities may obtain this document in an alternate format (e.g., Braille, large print, audio tape or computer diskette) on request to the contract person listed in the preceding paragraph.

**SUPPLEMENTARY INFORMATION:** 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 of 1965, as amended (HEA).

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 quality

assurance reporting requirements for them.

The Department continues to support expansion of the QA Program to include more comprehensive flexibility in areas such as institutional processing and disbursements of Title IV funds, verification of student financial aid application data, and student services.

Presently, 142 schools participate in the QA program, and the Secretary has exempted these schools from several provisions of the Student Assistance General Provisions regulations relating to verification. Beginning with the 1998-99 award year, the Secretary intends to expand the QA Program by increasing the number of schools that participate in it.

**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 1998-1999 award year. Institutions that currently participate in the program may continue to do so without submitting new applications. Because training workshops will be scheduled during the 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.

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 reflects 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 maintain accountability for the proper use of those funds;
- (3) To encourage the development of innovative management approaches; and
- (4) 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 QA Program is a management tool for the institutions and an alternative oversight strategy for the Federal government. Institutions are given the flexibility to conduct self-assessments to find their strengths and

weaknesses. Institutions are also provided with a methodology to measure findings and design corrective measures for quality improvements.

QA is a program that works at large research institutions, as well as 2-year colleges, and at public, private, and proprietary institutions. It provides participants with the tools, techniques, and framework to change and improve the way they work. It is a partnership between the Department and the participating institutions where both parties become engaged in promoting continuous improvement in the administration and delivery of the student financial assistance programs and services.

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.

Institutions that participate in the QA program will be free to develop and implement their own comprehensive verification systems. It is the Secretary's intention to exempt QA institutions from certain designated requirements in 34 CFR Part 668, Subpart E.

As provided by section 487A(b) of the HEA, the Secretary may substitute other quality assurance reporting requirements that may be necessary to ensure accountability and compliance with Title IV programs.

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 also in the management of student aid offices and the delivery of services to students.

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**Note:** The official version of this document is the document published in the **Federal Register**.

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Dated: September 1, 1998.

**David A. Longanecker,**

*Assistant Secretary for Postsecondary Education.*

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