

or associations to obtain waivers if the conference or association of which it is a member provides substantially comparable information, as contained in § 668.49(d) (page 49161).

Summary of Changes From the Proposed Regulations

The Secretary has added definitions of "first-time freshman students," "certificate- or degree-seeking students," and "undergraduate students". The Secretary has also changed the definitions of "full-time students" and "normal time".

The Secretary requires institutions to disclose information on completion or graduation rates and transfer-out rates for the general student body by the January 1 immediately following the expiration of 150% of normal time for the group of students on which the institution bases its completion or graduation rate calculation.

The Secretary requires an institution that offers a predominant number of programs based on standard terms (semesters, trimesters, or quarters) to establish a fall cohort, consisting of undergraduate students who are enrolled as of October 15, or the end of the institution's drop-add period, on which to calculate its completion or graduation rate. The Secretary also requires such an institution to count as an entering student an undergraduate student who is enrolled at the institution as of October 15.

The Secretary requires an institution that does not offer a predominant number of programs based on standard terms (semesters, trimesters, or quarters) to count as entering students all full-time undergraduate students who enter the institution between July 1 and June 30 for purposes of calculating its completion or graduation rate. Such an institution will consider a student to have entered for these purposes if the student attends at least one day of class.

The Secretary requires an institution to count as an entering student only first-time freshman students as defined in the regulations. An institution may calculate a completion or graduation rate or rates for students who transfer into the institution as separate and supplemental rate or rates.

The Secretary requires institutions to publish two rates: one, the rate at which students complete or graduate, and the other, the rate at which students transfer out of the institution.

The Secretary allows institutions to count as completers those students who complete a transfer preparatory program described in § 668.8(b)(1)(ii).

The Secretary is dropping the proposal that would have allowed

institutions to count as completers those students still enrolled in good standing in programs longer than the program on which the institution bases its disclosure date.

The Secretary will require documentation of a transfer in order for an institution to count a student as a transfer-out, and will accept such documentation as a certification letter, electronic certification, confirmation of enrollment data from a legally-mandated tracking system, or institutional data exchange information confirming that a student has enrolled in another institution.

The Secretary is clarifying that an institution that is covered by waivers for substantially comparable data gathered by an athletic association or conference must still comply with the information dissemination provisions of the statute and these regulations.

The Secretary is including a *de minimis* exception to the disclosure requirements for the completion or graduation rates of student athletes that allows institutions not to disclose those rates for categories that include five or fewer students.

Preparation of Final Regulations

The Secretary has formulated these regulations in accordance with Executive Order 12866, the Administration's initiative on regulatory reinvention, and the Department's own Principles for Regulating.

The Secretary believes that the Student Right-to-Know Act establishes important consumer information disclosure standards for institutions. In promulgating these regulations, the Secretary's goal is to ensure that institutions provide consistent and useful information on completion and graduation rates. With this information in hand, the Secretary believes that prospective students, and prospective student athletes, will be better able to make informed choices when they choose a postsecondary institution.

The Secretary believes that these final regulations strike an appropriate balance between establishing a basic level of useful consumer information for students, and keeping burden on institutions to a minimum.

Analysis of Comments

In response to the Secretary's invitation in the September 21, 1995 NPRM, approximately 100 parties, including representatives of large and small institutions, athletic associations, college and university associations, associations of collegiate registrars and institutional researchers, student advocacy groups, and student right-to-

know advocates, submitted comments on the proposed regulations. A summary of those comments, and an analysis of changes in the regulations since the publication of the NPRM, follows.

Substantive issues are discussed under the section of the regulations to which they pertain. Technical and other minor changes—and suggested changes the Secretary is not legally authorized to make under the applicable statutory authority—are not addressed.

General

Comments: Some commenters agreed that the amount of flexibility contained in the proposed rules was appropriate for the purpose of providing consumer information. These commenters believed that the added flexibility of these proposed rules reduced burden, reflected the letter and spirit of the statute, or took into account changes in technology. Some of these commenters maintained that nationwide comparability of data should not be the most important factor in the implementation of the statute, and expressed appreciation that these proposed rules, unlike earlier proposals, recognized the diversity of institutions of higher education. Other commenters agreed that the level of flexibility was appropriate because the only relevant comparisons to be made were within different sectors of the higher education community, and that these proposed rules provided adequate guidance to make such comparisons possible.

Some commenters believed that any degree of flexibility defeated the purpose of the statute in providing meaningful and useful consumer information, and asked the Department to establish and require the use of a standard federal methodology and a set of standard federal definitions.

A majority of commenters appreciated the Secretary's attempt to provide flexibility, but believed the amount of flexibility contained in the proposed rules did not serve well the consumer purpose of this statute. These commenters maintained that the proposed rules would result in the provision of inconsistent, incomparable data that would be of little use to student consumers.

Of these commenters, many believed that for reasons of comparability and burden reduction, the final rules should require all institutions to report according to the definitions and methods contained in the forthcoming National Center for Education Statistics (NCES) Integrated Postsecondary Education Data System (IPEDS) Graduation Rate Survey (GRS). These