

ABHES 8th Annual National Conference

How The Federal Title IV Regulations May Impact Your Everyday Processes & Procedures

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Topics

- Definition of a Credit Hour
- Required Clock Hour Programs
- Retaking Coursework
- Satisfactory Academic Progress
- Valid High School Diploma
- Return to Title IV Funds
- Ability to Benefit

Topics

- Misrepresentation
- Incentive Compensation
- State Authorization
- Agreements Between Schools
- Disbursements
- Gainful Employment
- Verification

Definition of Credit Hour

34 CFR 600.2, 602.24, 603.24, 668.8

- One Hour of Classroom **and**
- Two Hours Outside Work
- 10-12 Weeks Per Quarter
- 15 Weeks Per Semester
- Will Affect Credit Hours in Current Non Degree Programs that Don't Transfer to Degree
- More Scrutiny by Your Accrediting Agencies
- ED May Review to Ensure Compliance

Clock/Credit Hour Conversion

34 CFR 600.2

- Method of Converting Modified using 900 Clock Hours (not 720 Hours) as Minimum Academic Year Length
- Exceptions
 - Program minimum is an Associates Degree with a Least Two Academic Years in Length, 60 Weeks/48 Semester Credits or Equivalent **or**
 - Each Course within the Program Transfers to an Acceptable Degree Program at the School

Clock/Credit Hour Conversion (cont)

- Quarter Credit
 - 25 Clock Hours Equal 1 Quarter Credit
- Semester Credit
 - 37.5 Clock Hours Equal 1 Semester Credit
- 900 Hours, 36 Quarter Credits or 24 Semester / Trimester Credits Equal Full Pell Grant and Loans
- Programs Less Than 600 Clock Hours Only Eligible for Loans

Quarter Credit Hour Example

- 720 Clock Hours/28 Quarter Credits/30 Weeks
- Pell Award, 0 EFC
 - \$4,317 (Reduced by \$1,233)
- DL Loans
 - Base Year Sub \$2,722 (Reduced by \$778)
 - Independent Additional Unsub \$4,667 (Reduced by \$1,333)

Semester Credit Example

- 720 Clock Hours/19 Semester Credits/30 Weeks
- Pell Award, 0 EFC
 - \$4,394 (Reduced by \$1,156)
- DL Loans
 - Base Year Sub \$2,771 (Reduced by \$729)
 - Independent Additional Unsub \$4,750 (Reduced by \$1,250)

Impact of New Definition

- Loss of Pell and Loan Eligibility
- Programs Between 480 and 599 Clock Hours Must Prove 70% Completion and 70% Placement to Remain Loan Eligible
- Revise EApp

Required Clock Hour Programs

- State or Federal Licensing Authority Requires Program to Be Measured in Clock Hours
- Clock Hour Measurement Required for Licensing or to Practice the Occupation
- Credit Hours Awarded Are Not in Compliance With Definition of Credit Hour

Retaking Coursework

34 CFR 668.2

- Definition of Full Time Student Amended for Repeated Course Work
- Allows the Repeat Courses to Count Toward Enrollment Status
- Only 1 Repeat for any Subject Already Passed
- Can't Repay Previously Passed Course if Included with Other Failed Courses



Satisfactory Academic Progress

34 CFR 668.16(e), 668.32(f), 668.34

- Transfer Credits Would be Counted as Credits Attempted and Completed
- Summer Terms Treated Like Other Terms
- SAP Monitored by Term or Payment Period Allows Academic Warning and Probation
- Successful Appeal Required for Probation
- Must Specify Pace of Progress Within Maximum Time Frame

Valid High School Diploma

34 CFR 668.16(p)

- 2011-12 FAFSA Will Ask Two New Questions
 - Name of High School
 - State
 - Dropdown Provided on FOTW (1st Time Students)
 - Currently not using Information
- Schools Must Develop Policies and Follow Procedures to Validate High School Completion

Return to Title IV Funds

34 CFR 668.22(a), (b) & (f)

- Terms With Modules, Required to do Pell Recalculation and R2T4
- Attendance Requirements
 - Voluntary Attendance
 - Required to Provide Hours to Any Agency
 - Hours Required for Licensure
 - No longer eligible to use 50% of Payment Period for Unofficial Drop

R2T4 Exemptions

- Clock and Nonterm Credit Hour Programs
 - Next Module Must Start Within 45 Days
- Nonstandard Term Programs
 - Written Confirmation Returning for Another Module Within Term
 - R2T4 Completed, Student Returns Within Term, Treated Like Nonterm

Ability to Benefit

34 CFR 668.32, & Subpart J

- Completion of 6 Semester, Trimester, or Quarter Credits or the Equivalent (225 Clock Hours)
- Not Eligible Until Next Payment Period Unless Clock Hour or Modular
- Transfer Hours/Credits if Applies to any Eligible Program
- ATB Tests Maintained by ATB Tester in Secure Location
- Additional Requirements/Reporting for ATB Publishers and Administrators
- Possible Increased Cost Passed on to Students

Misrepresentation

34 CFR 668.71, 668.72, 668.73, 668.74

- Ban on Substantial Misrepresentation Limited to Statements Made by:
 - Ineligible Institution, Organizations or Person from Eligible Institution with an Agreement to Provide
 - * Educational Programs
 - * Marketing
 - * Advertising
 - * Recruiting
 - * Admissions

Misrepresentation (cont)

- Misleading Statement Includes Communication in Writing, Visually, Orally, or Other Means That Could Deceive or Confuse
- Regulations Clarify Types of False, Erroneous, or Misleading Statements Prohibited Regarding
 - Cost of Programs
 - Availability of Financial Aid
 - Employability of Graduates

Misrepresentation (cont)

- If the Secretary Determines an Institution has Engaged in Substantial Misrepresentation the Secretary May:
 - Revoke the Eligible Institution's PPA
 - Impose Limitations on Participation
 - Deny Participation Applications
 - Initiate a Proceeding Against the Eligible Institution

Misrepresentation (cont)

- Shop Your Institution
- Enforce Code of Conduct
- Separate Agency for Staff to Report Concerns Without Ramifications
- Review Web Site Information, Consumer Information. All Printed Materials
- Review Admission Talking Points

Incentive Compensation

34 CFR 668.14

- Removal of 12 “Safe Harbors”
- Merit-based Adjustments to Salaries
- New Definitions:
 - Commission, Bonus, or Other Incentive Payment
 - Securing Enrollments or Awarding Financial Aid
- Prohibition Goes All the Way to the Top
- No “Private Letter Guidance”

State Authorization

34 CFR 660.4(a)(3), 600.5(a)(4), 600.6(a)(3), 600.9

- Institution Must be Licensed or Authorized by State Agency and Must be Subject to Revocation for Cause (Including Violation of Consumer Protection Laws)
- Institution is Authorized by the Federal Government **or**
- An Indian Tribe **or**
- Exempt from State Authorization as a Religious Institution

Agreements Between Schools

34 CFR 668.5. 668.43

- Common Ownership of 2 or More Eligible Institutions Limited to 25%
- Between 2 or More Eligible Institutions Without Common Ownership up to 100%
- Eligible and Ineligible Institutions, 25% or up to 50% if no Common Ownership and with Accrediting Approval
- Disclosures Required Regarding the Other School
- Institution Issuing Degree or Certificate Must Provide More than 50% of the Education

Disbursements

34 CFR 668.164(i), 685.102(b), 685.301(e), 686.2(b), 686.37(b)

- If Pell Eligible Student is Projected to Have a Credit Balance During Payment Period, Credit Balance at Least Enough to Cover Books and Supplies, Must be Issued Within 7 Days of Start of Payment Period
- Requirement Requires Completion of Verification, C Code Resolution, 30 Day Delay for DL Funds
- Advanced Funds for Books Considered Institutional Charges for R2T4 Calculations

Gainful Employment

34 CFR 600.2, 600.4, 600.6, 600.20(d), 668.6, 668.8

- Additional Disclosures & Reporting
October 1, 2011
- New Program Requirements 07/01/11
 - ED will Decide on Eligible Programs
 - Submit 90 Days Prior to Program Start
 - Notified if Eligible or Requires Additional Information Prior to Approval
- Loss of Eligible Programs
- Final Regulations Pending on Metrics

Gainful Employment Reporting

- Identify Student & Institution
- If Began Program, CIP Program Code
- If Completed Program:
 - Name, CIP Code, Date Completed
 - Total Private & Federal Loans for Program
 - If Student Matriculated to a Higher Degree Program

Gainful Employment Reporting

- For Each Program, by Name and CIP Code the Total Number of Students at the End of Each Award Year
 - October 1, 2011 Information 2006-07 if Available
 - October 1, 2011 Information for 2007-2008 Through 2009-10 Award Years

Student Disclosures

- Occupations by SOC Codes, Links to Occupational Profiles on O*NET, by CIP (<http://online.onetcenter.org/crosswalk/>)
- On Time Graduation Rate
- Tuition, Fees, Books & Supplies for Normal Time Frame, Room & Board if Applicable
- Placement Rate per National Center for Education Statistics (NCES)
- Median Loan Debt
- **DISPLAYED PROMINENTLY ON HOME WEB PAGE**

Verification & Updating FAFSA

7/01/12 34 CFR 668, Subpart E,

- Tolerance Option Removed (\$25 Single Item)
- Correcting ISIR for Every Change
 - Marital Status (School Option)
 - Dependency Status (Required)
- New Definitions, Policies, Required Documentation
- 30% Verification Cap Removed
- Items to Verified, Different for Each Year and Each Student