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
• 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
• 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
• 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
• 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**
• 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