Program Integrity Issues
MACRAO Workshop
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Why Regulate Now?

• Congress and the Department of Education are legislating/regulating more deeply now in higher education

• Concern about federal dollars being spent
  – High deficit, high unemployment, shift in types of employment available (more requiring degrees)
  – Rising cost of education
  – Difficulty in measuring success

• Regulation is moving out of financial aid offices into many other units in the institution
New Regulation

- Eligibility for Title IV aid is the “hook” that much of the regulation is hanging on.
- Most schools using federal aid cannot imagine being without it and thus must comply.
- This presentation discusses regulation published October 29, 2010 and most of which goes into effect on July 1, 2011.
The Issues in the new Regs

Fourteen agenda items were part of the published regulation

1. Definition of High School Diploma for the Purpose of Establishing Institutional Eligibility to Participate in the Title IV Programs, and Student Eligibility to Receive Title IV Aid
2. Ability to Benefit
3. Misrepresentation of Information to Students and Prospective Students
4. Incentive Compensation
5. State Authorization as a Component of Institutional Eligibility
6. Employment in a Recognized Occupation
7. Definition of a Credit Hour
8. Agreements Between Institutions of Higher Education
9. Verification of Information Included on Student Aid Applications
10. Satisfactory Academic Progress
11. Retaking Coursework
12. Return of Title IV Funds: Term-based Programs with Modules or Compressed Courses
13. Return of Title IV Funds: Taking Attendance
14. Disbursements of Title IV Funds
Relevant issues for MACRAO members

• We will outline the issues that particularly impact the Admissions and Registrar functions
  – Verifying high-school diploma
  – Banning incentive compensation for recruiting
  – Required state authorization
  – Definition of a credit hour
  – Tracking drops of modular courses (“subterm”)
  – Tracking repeated courses
  – Tracking last date of academic activity and using attendance records, even if you are not required to “take attendance”
Verifying High School Diploma
(effective 7/1/12)

• ED will add 2 questions to the FAFSA (high school name and state) and flag those that appear invalid. The school will be required to verify the validity of the diploma before the student may receive federal aid.
• Will require a cooperative effort between Admissions and Financial Aid.
• The Department has declined to keep a list of known valid (or invalid) high schools.
Banning Incentive Compensation

• Cannot pay recruiters or aid officers based upon increasing enrollments or on number of financial aid awards made
• No only direct recruiters but also administrators and support staff
• This may not even be a consideration while determining merit raises
Required State Authorization

- HEA requires Institutions of Higher Education (IHEs) to be legally authorized by the State in which they are located to be Title IV eligible.
- The State must also have a method of handling consumer complaints about an IHE in the state.
- All IHEs who have multiple campuses and/or distance education (such as online learning) must be approved by each state in which they are delivering instruction.
- Since states have varying requirements, this requires research to determine requirements.
- Some institutions have requested that the Dept rescind this regulation.
Definition of a Credit Hour

- Credit hours are used to measure degree progress and to award/disburse Title IV aid, but there had been no regulatory definition of a credit hour.
- Definition of a credit hour for financial aid purposes is that of the Carnegie unit but allows the institution to be flexible about seat time vs. out of class time.
- The Department allows an institution to set different standards for academic credit than for financial aid credit.
- Some institutions have requested that the Dept rescind this regulation.
Dropped Courses in Modular Terms

• Terms that have sequential modules or courses rather than concurrent coursework have been treated as non-withdrawals if the student completes the first course before dropping out.

• Now this is changing so a student who doesn’t complete all enrolled courses is considered withdrawn for aid purposes (and is subject to a calculation on what aid must be returned)
Modules, continued

• Regulation makes it clear that this applies to all subterms, summer sessions, and compressed courses (nonstandard terms)
• However, much depends upon when a student drops a course, and if he/she intends to return later in the term
  – Student drops one class while attending another is not withdrawn
  – Student drops a class after finishing an earlier class is withdrawn
  – Student drops a class but gives written notice he intends to still take an even later starting class is not withdrawn
  – Student fails to start the class he said he would later attend is withdrawn
Modules - Examples

• **Scenario 1**: The student begins attendance in both courses in the first module, but ceases to attend both courses after just a few days and does not confirm that he will return to any courses in modules two or three. The student is a withdrawal because he or she ceased to attend courses he or she was scheduled to attend; was not still attending any other courses; and did not confirm attendance in a course in a module beginning later in the period.

• **Scenario 2**: If, however, the student begins attendance in both courses in the first module, but drops just one of the courses after just a few days, the student is not a withdrawal. Although the student ceased to attend a course he or she was scheduled to attend, the student was still attending another course.

• **Scenario 3**: If the student completes both courses in module one, but officially drops both courses in module two while still attending the courses in module one, the student is not a withdrawal. Because the student officially dropped both courses in module two before they began, the student did not cease to attend or fail to begin attendance in a course he or she was scheduled to attend. However, because the student did not begin attendance in all courses, other regulatory provisions concerning recalculation may apply.
Tracking Repeated Coursework

- Under current regulations, students in term-based courses may receive aid to retake courses only if repeating a failed course.
- New regulation allows for aid-eligible repeats for any failed course but only one repetition of a previously-passed course.
- Can’t require repeat of a passed course due to other failed course(s).
- Courses with different content but same course number may be problematic (dissertation credits, studio, etc.) unless you can show difference in content or that a number of enrollments in the same course is required. Example:
  - Private instruction in piano. This requirement must be met by completing 12 credits of Music 150A and 12 credits of Music 350A (24 credits).
Tracking Last Date of Academic Activity

• For purposes of financial aid withdrawal calculations, institutions must supply the last date of academic activity if they know it

• Knowledge may rest with the instructor rather than the Registrar or other administrative unit

• Institutions required to take attendance must use that information to determine last date of attendance when calculating a withdrawal date (for unofficial – walk-away – withdrawals)
More on Academic Activity

• Institutions not required to take attendance can use midpoint of the term if they have no other information available
• The Department requires that schools having attendance records of any kind to use them
• Schools are required to monitor students receiving 0.0 grades to determine whether they are “earned”
• “Unearned” failing grades may indicate that a student has dropped or withdrawn
References

• Federal Register

• Dear Colleague Letters (further Federal Guidance)

• AACRAO Transcript

• WCET (Wiche Cooperative for Educational Technologies)
  – [http://wcet.wiche.edu/advance/state-approval](http://wcet.wiche.edu/advance/state-approval) (State Authorization)
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