

Speaker:

Our session is entitled “Another Look at the Student Eligibility Toolkit.” This is something we sort of put together last year was the student eligibility toolkit, because there were a number of little issues that are all sort of around the student eligibility front that come up and basically there’s not enough material to put into a single session. But when you combine them, there’s plenty of material to go around and to cover. Enables you to kind of have a focus on student eligibility in one particular session.

So with that said, here’s today’s agenda. I’m going to start off and talk about high school diplomas and their alternatives and ability to benefit. And then Marty’s going to take over and talk about satisfactory progress, yeah, everything else. Professional judgment, dependency status and unusual enrolment history.

A little part of our toolkit tools that we’ve given you. I’m getting a little slaphappy now, I guess. *[Laughter]* Slide is a bunch of resources that you may find helpful on some of the topics that we’re covering today.

So when you get back to your campus, we’re referring you back to the MPRM and Final Rules, Program Integrity Rules, Dear Colleague Letters, and we have a Q and A site on our OPE website that you can link to from IFAP if you want to that has some questions and answers on some of the areas that were covered under the Program Integrity Regulations.

So with that, I’m going to start with a brief refresher on student eligibility requirements and then move into some specifics concerning high school diplomas, the recognized equivalent of a high school diploma and home school requirements.

So sort of as a little reminder, one of the basic requirements for establishing student eligibility for Title IV student financial assistance is that a student has to have either a high school diploma, the recognized equivalent of a high school diploma or completed their secondary school education in a home school setting. Or for students who were enrolled prior to July 1, 2012 they can demonstrate they have the ability to benefit from the education or training.

Now these requirements are found in Section 484 of the Higher Education Act of 1965 as amended. And they’re also found in the Student Assistance General Provisions Regulations at 668.32, paragraph little *e*.

Now those Program Integrity Regulations that I referred to a few minutes ago were actually published over two years ago now on October 29th, 2010. So I guess this is my third FSA Conference that I've been talking about them.

But we've added some minimal, what I call minimal, but very important language to the administrative capability requirements standards that require institutions to develop and then to follow procedures to evaluate a student's high school completion if either the institution or the secretary has reason to believe that the high school diploma was not obtained from an entity that provides secondary school education.

Now, most institutions, or many institutions, have procedures in place as part of their admissions process. But this requirement applies to all institutions, including those that do not require a high school diploma for admission. So open enrolment institutions, for example, still have this requirement to develop and follow these procedures.

Basically, when we were doing the negotiations – I won't go back to all of this – but we made the determination that you the institution are really in the best position to make determinations of this nature. You have more familiarity with high schools in your area. And you've got experienced individuals on staff in many cases that can help you with this. So you're really the best ones to do that.

What we did with this regulatory language is we provided you a basis that you could point to if, for example, the student says, "Um, tell me where that says that you can ask for this." You know, "Why are you asking me for this information?" You now got sort of some cover there.

It also allows the department to also identify selected applicants for review by the institution. Now so far – I'll talk a little bit, sort of an exception in the verification realm – but we've not done something like that at this point in time. We did start asking a question on the FAFSA about high school completion with some specificity. Asking for the name of the high school and the city and state of the high school if somebody indicates that in fact, their high school completion status is that they have a high school diploma.

For students who are filing, like most everyone is, using FAFSA on the web, there's actually a drop-down box that students can use.

Or they can type in the information if they can't find the institution or just feel like doing so, I suppose.

Originally, we only asked this questions to first time students, but we are now asking this question of everyone, I understand. This does not make a requirement for institutions now to start collecting copies of high school diplomas. If you are not required to by your accrediting agency, if you don't have requirements, this does not mean that you're required to collect high school diplomas for everybody.

And there's also not really a requirement that you're going back and forth with the admissions office and comparing the information that you have on that. And also for 12-13, there are no comments that are related to high school completion status on the **ISA** for 2012-13. So this is just, you know, we're moving along, but moving along carefully and cautiously with this.

So as I said, let's talk a little bit more about high school diploma. First of all – and this is because I go back to the dark ages – the receipt of a high school diploma is really a student eligibility criterion. In other words, this is a requirement for a student to establish eligibility for student financial assistance under the Title IV programs.

The procedure that I just referred to, the procedures, the policies and procedures, that's an institutional requirement and it's not a verification item. This is something that you need to have in place at your institution that you've got policies and procedures in place to determine the validity of a high school diploma if you've got a question about it. Okay?

Now, you're required to take action if you, the institution or the secretary, has concerns of the validity of that particular high school diploma. Last year, a little over a year ago, we issued your Colleague Letter 11-17 on the issue of distance education fraud rings. You may recall that.

In that particular Dear Colleague Letter, in addition to asking for your help for institution's help in using various procedures that you have in place to help detect potential fraud, we also stated that in future years, we might specify high school diploma information as an item for verification for certain students.

And it would be a verification item for just certain selected students and for 2013-14 that's what we did. We did add to this a

verification item for a small group of students. And there's more information in the verification session at this conference about that. You can find more information about that, also, in the Federal Register Notice that we published back on July 12, 2012 in the accompanying Dear Colleague Letter, which is GEN-12-11, that will give you more information about the verification item for some of these at-risk people. But it's like, we've got numerous fronts going here. So today, I'm really focusing on the student eligibility requirement portion of the program.

So remember I said, you've got to have these policies and procedures in place if you or the secretary has reason to believe – and I guess we're sort of telling you that for certain verification people there's one set. But when would you, the institution, have reason to believe that there's an issue with the student's high school diploma?

Well, obviously, if we told you so, you'd have reason to believe. Right? And the other thing is, you the financial aid office may have a problem, may know that there's a problem with that particular high school based upon information that you have or that your admissions office might have, you know, another office at your institution has identified an issue with this particular problem.

So this is a requirement in the administrative capability regulations. And remember that those particular regulations require institutions to have policies and procedures in place to share information between offices about any information that would have a bearing on a student's eligibility for Title IV aid. And that's in 668.16, little b, Arabic 3.

Okay. Let's talk a little bit, as I do each year, about the FAFSA list of high schools. We are using information from two surveys that are conducted by our colleagues from the National Center for Education Statistics to populate this list.

I want to stress this is not a list of good schools. Inclusion on the list really means that the school has participated in one of the surveys. There's certain criteria that NCES puts them through to have them participate, but they're very cautious about saying that this is a good school list. We've heard rumors, and I haven't heard them recently, but in the past I was hearing rumors that some schools were saying, "Yeah, if you're not on this list, we're not accepting a high school diploma from you." Please don't do that.

There's some very valid reasons why, particularly some of these smaller private schools, might not be participating in this survey. May be a perfectly legitimate school. The list is not the be all and end all. So please don't say that if somebody does not have a high school diploma from a school on the list that it's no good. That's really not the case.

I also want to stress to you that really, honestly, the Department of Education does not have a list of bad schools. Okay? Sometimes people think that there are some institutions that have put together and have shared and been very open with sharing with their colleagues a list of schools that they have found problems with. The Department does not have a list of bad schools.

If you think about it, part of the reason we don't have a list of bad schools is if you're trying to come up with a fraudulent school and we found out about it and put you on a bad list, what would you do? Change the name of the school. Right? So it's kind of an ever-moving target on the list of bad schools. So we do not have such a thing as a bad school list.

We also get asked frequently what are some resources that we might be able to do. Those of us that don't have an admissions office that's used to dealing with high school diplomas. Where would you point us? Well, the first resource is probably, the best resource is the State Department of Education in the state in which that high school is located to find out some information about it.

I've also listed a resource that fairly recently came to our attention, even though it's just elsewhere in the department. Our colleagues in, I think it's OII, have put together a state regulation of private schools document. It's been out there for a couple of years. And this seems to have a real wealth of information.

It's got a lot of information about private schools, what the requirements that states put on private schools in their states. And also, information about home school requirements for that particular state. So you can kind of click on the state, and go down and find out some information there.

There are also some companies out there, I know, that are available that evaluate, for example, foreign high school diplomas and the validity of those. Other institutions of higher education. As I pointed out, I know that there have been a lot of institutions – you know, y'all are a great resource for one another in terms of providing good information and feedback and sharing the

information that all of you have. And that's just a great thing. So other institutions of higher education. You can usually reach out to your colleagues and find out if they're aware of a particular school. They may have more information about it than you do. So they're a good resource.

There are also membership organizations that your institution may be a member of that evaluate the validity of high schools. I'm thinking including, for example, the NCAA. They've got a pretty rigorous process, although it's proprietary, they're not going to share that with us. But they might share it with their member organizations.

Along with the college board and some other things like that. So there may be other resources like that that you can turn to as far as a resource in making a determination if you've got a question about a particular high school diploma.

We became aware when we were implementing the provision we had some schools that, correctly so, they came up with their policies and procedures. And in implementing it, they identified some students who didn't possess a valid high school diploma from prior award years. In other words, as they were sort of doing their due diligence on this particular year, when they first started doing it, they identified a school that was a problem. And then they started looking at their records.

And even though the really weren't required, they went back and said, "Oh, wait a minute. I have the following three other students who gave me evidence that that was the high school they graduated from. And now I see that there's a real problem with that high school and they've received Title IV aid from some prior award years. Now what do I do?"

So we issued a Dear Colleague Letter, GEN-12-03, very early this past year. And basically, what that tells you to do is to contact your school participation team and provide them with certain information about the situation that is involved. I just want to point out, that's all assuming that there's no evidence of fraud here. If you do think that there was fraud involved, then, and I should say, if you have credible information that the student may have engaged in some sort of a fraud, you need to report that to the office of the inspector general.

But the information otherwise that you need to contact your school participation team with, you need to give them some details of

your initial determination, or your determination now that the high school diploma is not valid. The information about the circumstances about how and why you initially accepted the student's high school completion status. Which could be that they self-certified it on the FAFSA and you had no reason to know that there was a problem, for example.

You need to give them some information about the payment period or periods when the aid was received and information about the type and amounts of aid received by payment period. And then the school participation team will give you some guidance about how to handle the situation once they have all of that information in place.

Because we know in some cases there were some students who truly believed maybe that they had a high school diploma and so they indicated and they had no reason – and you may have kids that are, I should students, that are very close to graduating from your institutions that you now uncover. So contact your school participation team if you find any situations like that at this point in time.

So I've talked now about the high school diploma. And the next student eligibility criteria is what is the recognized equivalent of a high school diploma. And this definition is found specifically defined in our regulations, in the Institutional Eligibility Regulations at 600.2 and then the Student Assistance General Provisions Regulations at 668.32 e 1.

These regulations, because we're going to get to it in a moment or two I just want to tell you, they were not impacted by the changes that were made by the Consolidated Appropriations Act of 2012. These are what is considered to be the recognized equivalent of a high school diploma. So there are four of them.

The first one is one that everybody is really familiar with. That is the General Education Development Certificate or GED. And that's the one that I think everybody thinks of when they say high school diploma or – a lot of times people say “high school diploma or GED.” And they kind of forget about the other three that are here.

That's certainly the vast majority, I have to say. The second alternative or recognized equivalent of a high school diploma is a state certificate that has been received by a student after the student has passed a state authorized examination that it recognized as the

equivalent of a high school diploma. This is not talking about like the high stakes tests that some states have as a result of No Child Left Behind. This is not a certificate of completion. This is like a different animal.

There are a few states out there that have alternative ways that students can basically get a high school diploma after they have left high school. So that's what this is talking about. I'm not very familiar with many cases. I think somebody told me that at least one state that's on the West Coast that may have such a policy or procedure in place. I don't know that it's very common. But if your state is one of those that has one of those, then this is an alternative, also a recognized equivalent of a high school diploma.

The third one is really what we have always talked about as the two-year transfer program. An academic transcript of a student who has successfully completed at least a two-year program that is acceptable for full credit toward a bachelor's degree. So as we've been getting questions about this, we thought, well, what do we mean? What is a two-year program that's acceptable for full credit towards a bachelor's degree? And we came up with three things that would meet this.

The first is associate's degree program. If somebody's completed an associate's degree program, they didn't have a high school diploma, they've got the recognized equivalent of a high school diploma.

The second is if the student has completed at least 60 semester credit hours or 72-quarter credit hours of academic credit that doesn't result in getting say an associate's degree, but those credits are fully acceptable for credit towards a bachelor's degree. That would also meet this criteria.

And the last one is – and you can think about that if a student is starting off at a community college and maybe they've earned 60 credits. They didn't get an associate's degree along the way. But the 60 credits that they earned are able to be transferred and accepted for full credit towards the bachelor's degree at the four-year public institution. So that would be that circumstances.

The last one is if you've got a student who's been attending a bachelor's degree program and they've attended at least 60 semester credit hours or 72 quarter credit hours towards that bachelor's degree, they have the equivalent of a high school diploma in that circumstance.

Okay. So here's the fourth one. This last equivalent – how many of you remember a program – or I should say Neil Patrick Harris' first foray into television? Right? Remember *Doogie Howser*? And for you younger ones, this is before *How I Met Your Mother*. Anyway, it was a story about a teenage medical doctor back in the 1980s. And that's really what this provision is about.

This is a person who's seeking enrolment – first of all, a few things to highlight. They have to be seeking enrolment at a program at the associate's degree level or higher. They have to have achieved – excelled academically in high school. And you have to document that they have excelled academically in high school and have met your formal written policy for admitting the _____ students.

But this is what we also called the Doogie Howser provision. Because this predates, this being student eligibility, institutional eligibility. And there's always a few child geniuses floating around that didn't complete high school and went straight on into college. And so this was a provision for them. So that's our fourth alternative there as far as being recognized equivalent of a high school diploma.

The next way that a student can establish eligibility for Title IV student financial assistance is if he or she completed secondary education in a home school setting. Once again, there were no changes made by the consolidated appropriations act to these particular provisions. When that first came out there were a lot of questions that people had. So home school students are still eligible based upon completing their secondary school education in a home school setting.

These are also in the regulations at 668.32 e 4. And basically the student has a home school credential or they have completed secondary education in a home school setting that qualifies as an exemption from compulsory school attendance requirements under state law. So as I said, those remain unchanged.

So high school diploma, recognized equivalent, home school. Those are three student eligibility criteria that are in the regulations, in the law. They're still there. They sort of remain unchanged. And then we get to ability to benefit. So that's our final alternative is the people who qualify under the ability to benefit provisions. And that's where there have been recent changes.

And you'll sort of note the recent change sort of in that very first bullet. The provisions, once again they're at the top of the slide. They're in our regulations at 668.32 e2, 3 and 5. And basically, a student who's enrolled in a Title IV eligible program that was prior to July 1, 2012 can demonstrate the ability to benefit under a couple of circumstances.

First one is, passing the independently administered Department of Education approved ATB test. And the second is by completing at least six credit hours, or 225 clock hours that are applicable toward a degree or certificate offered by the institution.

There's a third alternative in our regulations that talk about completing a state process that's been approved by the Secretary of Education. But it's really not an option, because no state has ever come in to us with a process for approval. So it's still on the books, because a state could still come in there, but it's really not a viable option because we've never had anybody take advantage of that at this point in time.

So the Consolidated Appropriations Act of 2012, which was enacted last December 23, I believe, eliminated the ability to benefit option for establishing student eligibility for individuals who first enroll in an eligible program on or after July 1, 2012. I'm reiterating again, there were no changes made to high school diploma, recognized equivalent of a high school, or home school students.

We issued two Dear Colleague Letters, GEN-12-01 and GEN-12-09 with additional guidance on this particular change. You know, if you really think about it, most students who were enrolled prior to July 1, 2012 will have already established their eligibility during that prior enrolment period. But if they've not done so, they may still use one of the ATB alternatives to establish eligibility. Because ATB is a student eligibility criteria, it's not an admissions criteria.

They may establish eligibility at the institution they previously attended or they may establish it at a different institution. And it does not matter, this enrolment prior to July 1, doesn't matter whether they previously received Title IV aid. The requirement is that they had to have been first enrolled in a program of study before July 1, 2012 to be able to use this alternative. Right?

You, the institution, have to document that if the student qualifies to use one of the ATB alternatives. And that could include documentation from NSLDS showing that they received Title IV aid at a previous institution. They clearly then in that case were enrolled prior to July 1, 2012.

So in that second Dear Colleague Letter, we ask a couple of grandfathering questions that will help you make a determination whether or not a student that does not have a high school diploma or recognized equivalent or was not home schooled qualifies to use the ability to benefit alternative. The first question is, “Did or will the student attend an eligible program at any Title IV institution prior to July 1, 2012?” If the answer to that is yes, they can use any of the ATB alternatives to become eligible for Title IV **HEAS** student assistance. If no, you go to the next question.

And the next question is, “Did the student, prior to July 1, 2012, officially register at a Title IV institution? And is the student scheduled to attend an eligible program?” And if the answer to that is yes, they can use any of the ATB alternatives to establish eligibility. And yes, this does apply to students who have executed, say, an enrolment agreement. They executed that prior to July 1, but had not commenced attendance until after that date and time.

I also had somebody ask me yesterday in another session, they had a student they had admitted for the fall, for example. For the fall of 2012. And the student had registered for classes prior to July 1. So they were also okay. So that’s officially registering, so they were good to go as well. So those were the two questions for grandfathering.

So sort of summing that up, if the response to either question is yes, then the student’s eligible for Title IV aid and they either have to have met one of the alternatives prior to July 1, 2012 or they can meet it afterwards. Because once again, this is a student eligibility criteria. It determines the date, whether or not you can use one of the alternatives. The student doesn’t have to have met that alternative by July 1, 2012.

In the Dear Colleague Letter GEN-12-09, we provided five scenarios, which I’m not going to go over right now. That sort of walk you through most of the cases that we had had questions about prior to that and demonstrate how the student’s able to demonstrate eligibility under each of those various scenarios.

If you think about it, many of these students, even if they were enrolled and let's say they hadn't received Title IV aid. They were going less than half time or half time at a community college. And so they hadn't needed any Title IV aid. They were able to crib together, get enough money to pay for their tuition. And now they've transferred to another institution which may be a higher cost. And they need student financial assistance and they didn't need it before.

Many of these students will already have met the criteria, the ATB already that says earning six credits or completing 225 clock hours. So just kind of keep that in mind. And we've also been asked, "Well, what about the testing alternative?" We're still maintaining a list of department approved examination. There are still certified test administrators out there. There are still people who are participating in that program. And we will continue to have a list of approved tests and continue to approve tests. Because there will be students who still need to establish eligibility under that.

Okay. So with that, I will now turn it over to Marty.

Speaker:

See if I can get my microphone here. Perfect. Thank you. So now, let's turn to satisfactory academic progress. As you know, we revised these regulations on October 29th of 2010. And I think folks are pretty familiar with the changes that we made. But I'm going to set the stage with a few reminders and then talk about some of the issues that we've had questions about.

The satisfactory academic progress regulations require regular monitoring and eliminate automatic long-term statuses. But still give you the flexibility to set your satisfactory academic progress policy at the institutional level in a way that best meets the needs of your students and fulfills the purpose of the regulations to ensure that the student is making progress toward an educational credential or a degree.

A few important reminders. Under the regulations, you must review a student's academic progress at each payment period annually or less often than each payment period, but always at the end of a payment period. Your institution's policy must specify both the qualitative and quantitative satisfactory progress standards. And you are required to review both measures at each evaluation.

Your policy must be at least as strict as your academic policy for non-Title IV recipients. The regulations require that certain items

must be specifically addressed in your institution's policy. You can find a complete listing in the regulations. But I want to mention just a few things today.

Your policy must specify how incompletes, withdrawals, repetitions and transfers of credit affect a student's GPA and pace. How you treat these is up to you except in the area of transfer hours. Here, the regulations require that institutions count any transfer hours that they accept towards the completion of a student's program as both hours attempted and hours completed in measuring satisfactory progress.

So now, I'd like to turn to some of the questions we've received and talk about what the guidance that we've given with those issues. Some folks have asked us whether they are required to adopt the terms in the regulations such as probation and warning. And the answer is basically yes.

As we explained in the preamble to the final regulations, institutions must incorporate these regulatory changes into the information they provide to students. And this includes ensuring that the information made available uses the terminology that's used in the regulations. Therefore, to the extent that your institutions uses the statuses that we describe in the regulations, your institution's policy must use the terminology that's included in those regulations.

In addition, we regularly receive questions about the treatment of accepted coursework for transfer students, as I just mentioned. Remember that any accepted coursework must be included in both attempted and completed hours for purposes of calculating a student's pace.

Another question that we hear frequently is how to treat students who return after a gap in attendance. In this situation, there is no academic amnesty or automatic amnesty. But the student could appeal if the institution accepts appeals.

We receive many questions about when a student must be reviewed. You know that you can review annually, as I just mentioned, at the end of a payment period or less frequently than each payment period. But that you must review at the end of a payment period.

At an institution that reviews satisfactory progress annually and that uses the probation status and/or academic plans, this means

that the student would be reviewed at the end of one payment period. And this could mean that the student on financial aid probation or on an academic plan is reviewed on a different schedule than the other students at your institution.

Finally, remember that while monthly reviews are permitted under the idea that more is better, they would not replace the review that is required to be conducted at the end of a payment period.

We've also received questions about the quantitative measure. Particularly about when a student becomes ineligible. In this situation, remember that the maximum timeframe is not a new concept. It was included in the old regulations and is unchanged in the current regulations as a part of the quantitative portion of the satisfactory progress review.

When it is mathematically impossible for a student to finish within 150 percent of the program, the student becomes ineligible. In this situation, an appeal would be possible if the institution permits appeals. And in terms of the pace and GPA components, remember that you may use a graduated pace or a graduated GPA, but you must also measure the cumulative pace and GPA.

Another topic we're frequently asked about is appeals. Most specifically it's about how to handle to student that I mentioned a few moments ago who wants to return to your institution, perhaps after poorly performing years earlier. As I mentioned, the regulations have no provision for academic amnesty, but this situation could be the basis for an appeal if you're institution permits appeals.

And remember that it's up to you to decide whether you will accept appeals. If you do, you would determine acceptable appeals situation and appropriate documentation to support the appeal. If you do not accept appeals, your policy must describe how a student may reestablish eligibility to receive assistance.

In terms of implementing the satisfactory progress regulations at clock hour schools, we posted guidance about the use of scheduled versus actual hours in clock hour programs. And this guidance is part of a larger program integrity Q and A on the OPE website.

And gives clock hour schools some additional flexibility in determining when satisfactory progress reviews will take place by offering schools the option to review at the point when the student's scheduled clock hours for the payment period have

elapsed or at the point when the student has attended the scheduled clock hours. Or at the point when the student successfully completes the scheduled clock hours for the payment period. The option that you select must be used for all students in a program.

Additional details are included in the satisfactory progress Q and A that I referenced. And then in August we posted an example to illustrate how these review options would work. And I would encourage you to review that information if you have clock hour programs.

As we have indicated throughout the presentation, we receive regular questions about different aspects of the regulations. And we include the most frequently asked questions in the Q and A on the program integrity website on OPE's site. I would encourage you to take a look at that Q and A and to check back periodically as we update that information on an as-needed basis. When we do, we try to post an alert notice on IFAP to give you a heads up about that.

And then one more valuable resource for you in the satisfactory progress area is the FSA Handbook. Satisfactory progress is included in chapter one of volume one in the 2012-13 version. And now let's move on to professional judgment.

We have issued several Dear Colleague Letters that I would like to briefly review with you. But first, I want to remind you that professional judgment deals with a special situation of an individual student. Not with a class of students.

Professional judgment decisions are made on a case-by-case basis and must be documented with verifiable third party documentation as the goal. And today's focus is on professional judgment related to student eligibility.

The first letters I'd like to cover don't really fit into the category of new guidance. I want to cover some old ground first and then tell you about the Dear Colleague Letters we issued related to unemployment. The numbers and issue dates of these letters are shown on this slide. As you can see, they're from 2009. These letters remind you about decisions you can make for individuals who are unemployed.

And the letters suggest that one way you might handle this type of situation, but are not intended to be directive. Despite the fact that we issued these letters more than three years ago, they are still in

effect now and will be in effect until further notice. There's much more detail about this specific circumstances in these letters. So I would encourage you to take a look at those, and look at them carefully.

The next letter I'd like to cover relates specifically to military families. And this letter was issued early last year and served two primary purposes. The first was to remind you about how combat pay is treated in this calculation of a student's EFC. Specifically, that certain types of combat pay are excluded from income for Federal Income Tax purposes.

And the second point of the letter was to remind you to be sensitive to the special circumstances that may arise for members of the U.S. Armed Forces and their families. These could include loss of income due to the service member's return to college or the deployment of the service member. And as we indicate in the letter, it is appropriate to take into account a changed circumstance that affects the student's or family's current and near term economic situation.

The next Dear Colleague Letter I'd like to address was issued last year in July and provided information about the conditions and the documentation needed to support dependency overrides. As you know, a dependency override is not exactly professional judgment, but it's in a similar category. Decisions must be made on a student-by-student basis and documentation is a critical element, with third party documentation as the goal.

The Dear Colleague Letter GEN-11-15 reminds you of the basics in making this type of decision and includes three different examples along with possible acceptable documentation options. These examples were offered to help you identify additional situations in which a dependency override might be appropriate.

The letter also indicates several conditions that do not qualify as unusual, either individually or in combination. And these conditions are listed on the slide.

A related issue that we've recently received questions about concerns the homeless determination that may be made by the financial aid administrator. A determination of being homeless is not a dependency override or a case of professional judgment. As you know, a student's homeless status would generally be determined by a school district homeless liaison, the director of a

HUD funded emergency shelter program, or the director of a runaway or homeless youth basic center or transition program.

If the student doesn't have the documentation from one of these authorities and can't get it, the financial aid administrator must determine if the student meets the definition. Complete details and documentation requirements are included in chapter five of the application and verification guide.

And we would encourage you to work with these students who find themselves in this difficult situation. And to review the information in the AVG to ensure that these students are well served.

The last stop on my part of the presentation is a new item called unusual enrolment history. Starting in the 2013-14 award year, students with unusual enrolment patterns will be identified using Pell Grant payment data. A C code and an unusual enrolment history flag will be added to the ICER for students who have received Pell Grants from multiple institutions over a short period of time.

For example, receiving a Pell Grant from three different institutions over three terms could indicate a questionable situation. We know at this point that there will be two flag values that will generate a C code. One will indicate a possible problem that the institution may need to resolve. And one will indicate a questionable pattern that the school must resolve. We are still in the process of developing guidance on how students in this situation will be addressed.

And we would be interested to hear your thoughts about how a student who has been denied aid due to the unusual enrolment history flag could regain their eligibility. So we'll look forward to hearing some of your thoughts in our questions and answer portion. And now at this point we'll open it up for questions. As Carnie indicated, I would encourage you to step to the microphone and speak clearly. Because I had a session earlier today in this room and it's really difficult to hear because of where the microphones are in relation to the acoustics of the room.

Speaker:

And if you're leaving, if you could be kind of quiet on the way out for that very same reason. Okay. So I'm going to look to my left.

Audience:

Thank you. I have a question about the definition of probation for satisfactory academic progress. My school was told by a

Department of Education employee that we don't have to wait till the end of the probationary quarter to put a student on an academic plan. We could choose to have the academic plan go into effect the first quarter after the appeal is approved. So my question is, in that circumstances where the person is on an academic plan starting immediately after the appeal is approved, do we still need to call that first quarter probation?

Speaker: Yes. The first payment period of an academic plan is called probation. So you would need to review the student at the end of that first payment period.

Audience: This is for grandfathering ATB questions. Student did not graduate high school, went to school A, enrolled, attended prior to July 1, 2012. They come to school B; school B can administer an ATB test?

Speaker: Okay, so let me repeat. So the student attended school A prior to July 1, 2012. So they qualify. They didn't have a high school diploma. They qualify to use one of the alternatives. And they didn't receive aid at school A? Correct?

Audience: Let's say they've received aid.

Speaker: I'm sorry?

Audience: They've received aid.

Speaker: They did receive aid. Okay. Well, that's fine also. When they come to school B, you know that they can qualify under ATB. You have to make a determination that the student has either passed an independently administered Department of Education approved examination, maybe by getting information from school A. Or if you are accepting at least six credits or 225 clock hours upon transfer, they've also satisfied the ATB requirement.

Audience: So you have to get a copy – in most cases, our schools have been getting copies of the ATB that was administered at school A. So that satisfies?

Speaker: As long as you can make a determination that it was independently administered.

Audience: Right. So in the grandfathering, there's no criteria where the school B is actually administering the test for that person?

Speaker: You don't have to. I mean, you do not have to be the one to administer. If, for example, the same student that attended school A and didn't qualify or receive Title IV aid at school A and now they're transferring to school B. So there's never been a determination. In that case, school B would have to administer an examination or the student would satisfy the requirement by having the six credits or 225 clock hours.

Audience: So in most cases the student is unable, or the school B is unable to get a copy of the test, so that's irrelevant in this situation because they could still satisfy the requirement at school B by either taking the test or doing the 225 or six credits.

Speaker: I believe so, from what you're saying. *[Laughter]*

Audience: Thank you.

Speaker: We're going to alternate.

Audience: My questions were very similar. Having to do with student attended previously. You can verify attendance through NSLDS. The school they attended either isn't responsive or doesn't exist. Would that be a case where you would retest the student?

Speaker: Checking NSLDS for a prior Title IV aid merely indicates that the student qualifies to use an ATB alternative. Each individual institution has to make that ATB determination on their own. And as I said, they can do it by getting documentation that the student previously passed the ATB examination, or they can do it on the basis of the six credit hours or 225 clock hours.

Audience: And if the prior test was a test that was administered before I think it was 2001 where those tests were only good for one year, would that be a case where you would retest?

Speaker: I'm not sure about what you're talking about. Tests being valid only for one year in 2001. Because basically once passed, since the law changed back in 1990, if you passed the independently administered examination and it was an approved examination at the time it was taken, you've qualified.

Audience: Okay, thank you. I have a short question about student coming back to school after they have been out for a long time, failed SAP, coming back. Is there – can you define a long time? Is it a year, two years?

Speaker: Any gap. That would be pretty much up to you, I guess.

Audience: Okay.

Speaker: I'm not sure what you're asking there in terms of, we have no academic amnesty policy at all. So any gap an institution would have to be making a determination – if somebody was failing SAP and they came back, regardless whether it was 20 years or one semester, you the institution have to determine whether or not you're going to allow that student to appeal and on what basis you would accept an appeal.

Audience: Okay, thank you.

Audience: Okay, my question is regarding transfer of hours. On the handout, you said that the transfer of hours from an institution must count towards the overall hours attempted or hours passed. But the next slide it says for transfer students, accepted coursework is included in all attempted/completed hours.

Okay. Scenario. Student is transferring from another school. They're bringing in, let's say, 30 hours attempted. Maybe they completed 15 of those hours. They're starting a new program with our school. Well, possibly some of those hours are not applicable to the new degree. But we're including all of those hours as a school we take all 60 hours attempted to determine the SAP.

Now are you saying that it would be okay to have a policy that actually said that you don't have to take the hours they attempted if they are not going towards the degree that they are attempting at our school?

Speaker: Yeah. The hours that we're talking about in question, the transfer hours that we're talking about that must be included in both accepted and completed are the hours that you at the institution accept towards the student's program.

Audience: Okay, so let's say if he's coming in, we don't have to, there's nothing in regulation that says we have to take all of those hours in. We can literally say, okay, you've attempted 60. Well, only 30 goes towards that new degree.

Speaker: Correct. That's correct.

Audience: And will it have to be in some type of policy that we exclude those as a school?

Speaker: Well, you'd think that you'd want to have that as part of your policy so that it would be clear what you were doing with that.

Audience: Okay, that's good to know.

Speaker: And if you think of it, I mean, let's say you had a student who had attended a welding program. Right? And then they transfer to another school and they're wanting to pursue a bachelor's degree in philosophy. It's unlikely that even though your institution that offers both welding and philosophy, let's say, normally would accept those welding credits if they were going into welding. But it really doesn't apply to the degree in philosophy. So it's kind of unfair to count those against them for their degree in philosophy. Is an extreme example. *[Laughter]*

Audience: And that is extreme. Because what's happening with the LEU, the LEU is going to eventually catch them anyway. And it's just really difficult for schools to know what to do. But anyway. Okay, thank you.

Speaker: Yeah, since *[Crosstalk]* I get to do the Pell LEU stuff. It's true, I think it's one of the – you know, when I looked at what we have to do with the Pell LEU now, I was really grateful that we'd made the changes that we'd made in satisfactory progress a couple of years ago. Because I think it's really – you know, what we've heard from schools is you're doing a lot more counseling of students, you're doing a lot more guidance about you really need to get through your program.

And I think in the long run, that's really going to help with the Pell LEU situation. I think if you had my welding/philosophy example, as a real example, and you had that in there, sitting down and talking to the student about how quickly they might need to be taking a few extra credits to get through their program so that they're going to have sufficient funds to complete their program is a good counseling too.

Audience: And really and truly this is good. Because sometimes I think as a financial aid department, we put so much stress on ourselves because we're trying to do what we feel that the feds are wanting us to do. But in essence, we can sometimes make those determinations ourselves. Okay, thank you.

Speaker: You're welcome.

Audience: Yeah, my question's actually very similar to hers. When we get transcripts in, sometimes it's up to the institution on how they're reporting accelerated mechanisms taken in high school. Like institution A can include just the ones that the student passed, but institution B can send us all the ones that they either passed or didn't pass. And I guess our question is for the accelerated mechanisms of student's taken in high school and is not aid eligible, can we exclude that from the hours earned and attempted in our SAP calculation.

Speaker: [*Crosstalk*] I'm not sure I heard your question right. So you are asking whether you could exclude hours that the student did not get financial aid for in computing pace?

Audience: Oh, no, like AP or IB, high school accelerated mechanisms.

Speaker: Oh, AP. I'm sorry. Okay. And if you don't accept the hours as part of the student's program, then they would not be included anywhere. Am I understanding your question?

Audience: The specific situation would be a student transferring to our institution from another institution, we may not know offhand if that was accepted on the, let's say, like an electronic transcript that came in from another institution. And it came in, some of them come in as accepted earned, some come in as zero, but it's still a passing grade that they received at the other institution, or at least that's what they're reporting to us.

Speaker: I'm still not sure I get that.

Speaker: We're still not sure we understand the question exactly. But basically, this is a student that is transferring into your institution, I think our requirements are really only that they capture any hours that you're accepting as both hours towards the degree and hours attempted towards the degree.

Audience: Okay, so if we're not accepting it on our level, like our admissions is just completely overlooking it since it's a high school and it's an upper level transfer student, we wouldn't have to accept it?

Speaker: Does your institution accept those credits towards the degree?

Audience: Wouldn't be if they transferred to us.

Speaker: They wouldn't accept on transfer. Then you don't have to look at those. I think that's right.

Speaker: Yeah, that's correct.

Audience: I'd like a clarification on the professional judgment part where you say third party documentation is the goal. Could you clarify what you mean by "is the goal?"

Speaker: What we mean by that is that if it's possible to obtain an independent, from an industry source, some type of verification of the student's circumstance, that's what we would like you to strive for. We recognize that that's not possible in all circumstances, and so that's why it's not an absolute.

But we continued to be asked by the attorneys that work with us to stress this in presentations, because of the situations that some of them have encountered at various institutions. So we're not saying absolutely that that's the only thing that's acceptable, but that is the preference and that is what we ask you to strive for. And we'd also suggest that if you can't get third party documentation, that there be a really good reason why and that you make sure that that is clear, also.

Audience: I just have a very quick question here. The one about the multiple, the unusual enrolment history. Someone that has this flag cannot get aid? I thought I heard you say something like that. The multiple enrolment history, the C code.

Speaker: It's hard to hear. You're saying – there are going to be two types of C codes, or two messages. Is that what you're asking about?

Audience: Yeah.

Speaker: One of which is going to say resolution is absolutely required, and the other is resolution may be required. Depending on the circumstances.

Audience: And if it's the first one and you can't resolve it, then they can't get aid. Right? If it says resolution required.

Speaker: Right. If resolution is required, then you're going to have to follow the procedures that we're going to be coming out with shortly to resolve it.

Audience: Oh, okay, fine. Thanks.

Speaker: It's so hard to hear.

Audience: Good afternoon. I actually have several questions so I'm going to rattle them off real quick. About a high school authentication, I guess. If a high school is not authorized to provide secondary education in our state, then can we assume that that high school is not eligible as a high school?

Speaker: So your state says that this high school does not have the authority to provide secondary school education in that state?

Audience: That's correct.

Speaker: Then that would not be a valid high school.

Audience: Okay. Second question I have is about home school. There was some guidance when this all came out that home school was to be administered by the parents. And of course in my state, I'm in Texas; our home school was settled by a court case. It's real loose. Is your guidance going to overrule the guidance from the state, or are we going to use the state standard?

Speaker: No, it's basically the student just has to have completed secondary school in a home school setting as authorized under state law.

Audience: Okay, well, the next question I'm going to ask is a really strange one. Our state would allow them to do diploma mills as a home school situation. We, because the diploma mill when we look them up say "not for college admissions," we have not been accepting those as home school.

Speaker: Have you not been accepting them to your institution as admitted?

Audience: Yes.

Speaker: You don't admit them to your institution.

Audience: Well, we are an open enrolment, so if they're past the age of compulsory attendance they can attend as a regular student. So that's kind of the problem I'm having.

Speaker: Yeah, I'm not an expert on home schooling for each individual state. We have a statutory requirement that says that if you've completed home school in a home school setting that's acceptable under state law, however loosey-goosey that may be, that seems to govern. Now if you've got – and as I pointed out, that document that I gave you a link to that's put out by the department, seems to

have at least the home school requirements for the particular state and perhaps talking to that particular office in the state might give us a little more clarity.

Audience:

I understand. And then the third question, actually, I just have a comment about the implementation of **McKinney Vento**. We have recently been seeing things that we would say are probably not acceptable. And I'll give you an example. We have a student who brings to us a letter from a high school counselor, their homeless advisor from a high school in which the student never attended. Or we see where the student goes all the way through the process and when they get to the verification – they've gotten their parents' information, all that.

And because they're now not eligible for Pell, they're not eligible for anything, all of a sudden they get these letters from people in which they've never been part of that system. And so I'm concerned about maybe perhaps because there's no real teeth in that about the certification, that maybe perhaps if you could take that back and maybe look at, see how we could tighten it up. Because I can see right now where we're having a little bit what we think of is fraud.

Speaker:

So are you – I'm sorry, I couldn't hear parts of it. But are you suggesting that some of the documentation that you receive from some of the homeless – the entities that can designate a student as homeless, you're questioning the authenticity?

Audience:

I don't question that it came from a homeless advisor. What I question is that that homeless advisor had any information about the particular student in question. That they never had any contact with the student. That they're producing documentation – I don't know if – I can't talk about the authenticity.

Speaker:

Hm. There are procedures in the handbook, in the AVG, I think, about what to do if you've got a problem with a particular homeless liaison person. But let me just – you can come and see us afterwards and we'll see if we can find the right thing. But the one thing I do want to point out is that that change in the law that we got – and I just want to, this is sort of an add-on to Marty's PJ portion, but we got the homeless provisions along with some of the other provisions in the independent student definition as a result of people not exercising professional judgment in cases of certain things like homelessness.

Because we all have preconceived ideas about what homeless either looks like or we think it should be. And so as a result, we ended up with a law that is pretty specific about a number of things, including homelessness and who certifies, three different agencies and also the financial aid office. Because there were a number of students who were truly homeless – and I don't have any more specifics than this – but these are the urban legends, perhaps.

But I don't really think so, because it came from congressional staff people. That the homeless advocates were having a very difficult time having financial aid administrators address the concerns of some of these students who were truly homeless and in really difficult situations.

And the reason that we included this issue in this presentation today is because we have gotten some questions recently. We've had some situations come to our attention where students in very difficult situations are apparently not being appropriately treated by institutions. So we wanted to call it to everybody's attention to make sure that you remember that you have an obligation to look at whether that student would qualify as a homeless student. Even in the absence of the documentation that's specified.

Audience: This is a question about the equivalent of a high school diploma. You mentioned student goes to school A and receives an associate's degree. And then the other part of it acceptable to a bachelor's, fully credible to a bachelor's degree. Is that criteria for credible to a bachelor's degree at school A or at school B?

Speaker: School B. This is a transfer student situation. Right. So this is somebody they come to your school, they've completed an associate's degree, maybe they never needed student aid before. Maybe they completed a number of years ago. They never had a high school diploma. They come to your school; they've completed an associate's degree. Yes, that's considered.

Audience: So school B has to offer a bachelor's degree then, obviously.

Speaker: Um – No, actually, it just says if the student has completed – I just have to think back to the regulatory language. If they have successfully completed a two-year transfer program, which we define as being an associate degree, then they're considered to have the equivalent of a high school diploma.

Audience: So the issue of credible towards a bachelor's degree?

Speaker: An associate degree, in general, an associate degree is transferrable towards a bachelor's degree whether or not it's transferrable at your school is still the equivalent of a high school diploma.

Audience: Thank you.

Audience: This is going back to high school. Documentation for completion for students overseas. How is the department looking at that?

Speaker: Okay, so you're asking with respect to just student eligibility criteria?

Audience: Yes.

Speaker: First of all, self-certification on the FAFSA is sufficient unless you have reason to believe that it's inaccurate.

Audience: So affidavits are okay.

Speaker: I'm sorry?

Audience: Affidavits of them completing high school in a foreign country.

Speaker: Right. An affidavit is, unless you have reason to believe that there's a problem with it. And in that case, you would try to do, I think one of the references I said was there certain companies that evaluate transcripts, looking at that to determine whether or not the high school in that country is equivalent to a secondary school education, et cetera.

Audience: So we have like refugee students that come under refugee status where they're not able to obtain copies of their high school transcripts. How do we document that?

Speaker: I'm sorry; they're not able to –

Audience: Obtain high school document or transcripts.

Speaker: If we're talking strictly here on the student eligibility side, which we're just staying on this, not on the verification side, once again, do you have reason to believe that their assertion that they have a high school diploma is not correct? If you don't, then you don't need to collect any documentation, assuming you're accrediting agency doesn't require your institution to collect anything.

Audience: Okay. Thanks.

Audience: Under professional judgment, unemployment. We need to claim unemployment? Unemployment benefits if these people have been out of work and unemployment is all they have?

Speaker: I'm sorry; I'm still missing some words up here. It must be my ears. Are you asking if you need to count unemployment?

Audience: Yes.

Speaker: The Dear Colleague Letters that I referenced indicate one possible approach that you might take which includes not counting unemployment.

Audience: Okay. Because that's what we've done, so I thought, "Oh my goodness. Are we now supposed to be counting it?"

Speaker: That's the basic description in the Dear Colleague Letter. And those Dear Colleague Letters, as I indicated, are still in effect.

Audience: Okay, thank you.

Audience: Okay, this is SAP. And this is basic. I'm a little slow here. All year I've been thinking I was okay with the annual checkpoint. Now, I think you said "must" when you got to the end of the payment period checkpoint. So I'm just wondering if I'm supposed to be running the annual SAP process at the end of the fall, basically.

Speaker: You have the option. Are you asking about the frequency of review?

Audience: Yes.

Speaker: You have the option to review annually, to review at the end of a payment period, or to review somewhere in between. But you have to review at the end of a payment period. There is a "must" in there, but there is also an "or" in that slide. So it was like, "must review annually or, or." So if you're reviewing annually, that's fine. *[Crosstalk]* Yeah, unless you're using the warning or probation.

Audience: Okay, okay. Thank you.

Audience: Hi. My question was in regards to international students with the same issue of high school. Now, you said that if they self-certify on their FAFSA that they have a valid high school diploma and yet they're flagged by the department saying they have an invalid high school, what –

Speaker: No, no. Wait. There is no flagging by the department on the student eligibility side saying it's an invalid high school. There is verification – there are people selected for verification. Now that's a separate issue. We're not flagging anybody right now just saying they have an invalid high school.

Audience: Okay. *[Laughter]* So if the student – okay, I guess that's the confusing part there. Because for verification purposes, if the student has a flag stating that they need to provide their high school, and that student has graduated –

Speaker: Right, you're talking about a verification group four or five person?

Audience: Currently, currently, this year, we have had a lot of students who graduated outside of the United States. And they cannot get their information because of different issues. So we have required that they provide us with a high school, proof of high school to be able to get financial aid.

Speaker: I guess what I'm saying is that you didn't have to do that. So there's no requirement that you have to collect documentation. We're getting ready to start – they're going to start giving us the look in a second.

Speaker: Before we close out the questions, I wanted to call your attention to our contact information. If we're not able to answer your question, please feel free to contact us. We'll also be back right here on this stage in this room at 3:30 today and at something tomorrow, I don't know, 10:30 or I don't know. *[Crosstalk]* Yeah, we can take a couple more questions, but Carnie has to go to another.

Audience: Just one more question. Okay. If they are in group four of the verification and they're required to show their high school diploma, but they're from a foreign country and they can't get it. How do we do that?

Speaker: We're looking at all those particular specifics for foreign high schools. We've said, I think, for foreign high schools that might

be a situation where you need to come up with some alternatives. So if you have some suggestions about what somebody might be able to present. There are going to be very few people that are going to fall under this criteria, although it's apt to – there will be one that meets your situation, I'm sure, that you're describing.

Audience: Our school has quite a few of them. Is there going to be future guidance for this?

Speaker: Yes, there is some guidance already out on the verification website about the documentation requirements for V-group four and V-group five.

Audience: Thank you.

[End of Audio]