

Joan Sanders:

I'm Joan Sanders. I'm Director of Financial Aid at Northern Virginia Community College. We are quite a large community college. We have somewhat over 78,000 students, six full campuses and all of the issues we're gonna talk about this evening pertain to me and probably to every single one of you. This is a discussion. It is not a lecture. So we want feedback from you. We want input from you.

How many of you have read this new document that was just released by the American Association of Community Colleges? Anyone seen it yet? It came out about the same time you might have been traveling to the conference and it is called "Community Colleges and the Nation's Future: Reclaiming the American Dream." It was a report from the 21st Century Commission on the Future of Community Colleges and it was sponsored by AACC, also with grants from the Bill and Melinda Gates Foundation, Kresge Foundation, ACT and Educational Testing Service.

I want to read you just a little bit from this. "This historic commitment of the last two generations to the development of community colleges created a prodigious engine of opportunity and economic growth. All told, by 2010, community colleges enrolled more than 13 million students in credit and non-credit courses annually." Annually 13 million students.

"They have prepared millions of students for careers and for transfer to baccalaureate institutions." Now on the flip side. "Despite these historic successes and amid serious contemporary challenges, community colleges need to be redesigned for new times. What we find today are student success rates that are unacceptably low, employment preparation that is inadequately connected to job market needs, and disconnects in transitions between high schools, community colleges and baccalaureate institutions.

"Community colleges historically are under-funded. They have also been financed in ways that encourage enrollment growth though frequently without adequately supporting that growth and largely without incentives for promoting student success. These conditions hinder middle class students and have a devastating affect on low-income students and students of color, those often in greatest need of what community colleges have to offer."

The report breaks it into three suggestions; their three R's. Those three R's are: redesign, reinvent and reset. Under redesign, increase completion rates by 50 percent. We all know our

completion rates are too low. Dramatically improve college readiness so that we're not having to teach quite so many developmental classes. Close the American skills gap by sharply focusing career and technical education on preparing students with the knowledge and skills required for existing and future jobs in regional and global economies.

Under the reinvent, refocus community college mission and redefine institutional roles to meet the 21st Century education employment needs and investing in support structures to serve multiple community colleges through collaboration among institutions with partners and philanthropy in government and the private sector. And to reset the system by targeting public and private investments strategically to create new incentives for institutions of education and their students and support community college efforts to reclaim the American Dream. Implement policies and practices that promote rigor, transparency and accountability for results in community colleges.

Throughout this document, the statement is made more than one time, the American Dream is at risk. It is at risk because community colleges are not fulfilling our purpose to the extent possible. The single factor looming largest between the potential student and college completion is financing for that education and for that degree. As financial aid administrators, we have tremendous impact on and for our students. The rules and the regulations we are required to follow have tremendous impact on our ability to provide access and encourage success.

I want to introduce to you the panel that you have before you. Many of you know these folks. Chris Christiansen, if you would raise your hand a little bit, is from Valencia College. They can each tell you a little more about their school if they feel like it would be helpful. Sharon Hassan is from Prince George's Community College in Largo, Maryland. Valencia is in Florida. Ellen Neal is from Glendale Community College in Arizona. There's another Glendale Community College in California. And Christie Easton-Millard is from Salt Lake Community College.

These are all folks that have been in the profession awhile. They have a lot of expertise and they're going to present to us some of the hurdles that they face every day. They're probably the same hurdles that you face. And then perhaps present to us some of the best practices that they're utilizing to allow that student access and success. I'm gonna let them kind of choose their topic of choice.

As they make comments, if you have a comment to make and you want to provide feedback, please go to the microphone and do that.

If you have a comment, if you have something that you're doing at your school that could be helpful, we want that feedback from you. Chris, would you like to go first, please?

Chris Christiansen: Howdy. My name's Chris Christiansen. As Joan said, I'm here in Orlando at Valencia College. We changed our name not too long ago and I wasn't here during that transaction. We have about 60,000 students on five campuses here in Orlando, and welcome to our community. We're so glad to have you all and host you here, even though we're not the host, but you know it's a great place to be.

My topic that – one of the topics that I suggested to Joan was default aversion and financial literacy, the challenges with that and how to set that up at your college and community. One of the things that we're doing, we're not under a mandatory need to do the – to get default management and default aversion and financial literacy on our campus because of our default rate, but I do recognize that it's gonna go up. We know what that three-year cohort default rate is gonna be because it's been given to us for the past years and stuff like that.

So we have a campus-wide committee. From every campus, we have our representatives from every campus. We have a financial literacy team with student ambassadors that go out to do presentations. They are connected to our SLS classes, which are our first-year experience classes, study skills classes, for freshmen that do take those or freshmen and sophomores that do take those. They do a lot of outreach to faculty to help supplement any education necessary.

We do campus-wide events and presentations to help students understand their responsibilities as it pertains to their own financial situation and how they can best utilize some of the tools that are out there and everything. So we have a – and we call it the flirt team. It's kind of misnamed, but our student ambassadors, we have them on our large campuses, a group of student ambassadors, probably about five to eight student ambassadors who do a lot of that outreach and a lot of those educational opportunities for their peers.

Secondary to that, we're implementing some things as far as default management. What we're trying to do is bring ourselves

up to speed once our draft default cohort default rate comes out in February. We're going to go through that file with a fine-toothed comb and figure out where each student is that is on our default and then being the process to challenge any of those that may be out of sorts or something like that. That'll be our first thing.

Our second thing that we'll do after we do that challenging everything is to begin to do some outbound calling on the students that are delinquent on the rosters from each of the servicers. We're getting a system where we can accumulate that information all into one place so that those who are doing that outbound calling can go through those files in a seamless manner, make notes on the system, send information to any servicer that may need that information, any new and updated information of those students to contact them and how they communicate to those student.

Also, we'll be educating those students on deferment, forbearance and repayment options that they may not have considered to try to keep them from going to default. So those are the those things we're going to be doing on the default side – the default diversion side this coming spring.

Joan Sanders:

Can I just see a show of hands? How many of you have implemented a financial literacy program on your campus? So quite a number of you. I know that without additional resources it's a challenge. Were you given any additional resources? Did anyone receive additional resources? So a few of you, but not very many. It's a big job. We, too, have implemented a financial literacy within what we call our SDB class, which is the beginning class – orientation-type class – for one semester.

That has seemed to be very, very beneficial. Trying to get it across campus for everyone in those classes is an issue we haven't quite accomplished yet. It sounded to me from what the department said in the loan servicing section that they're doing more with financial literacy this year than they were a year go. Is that correct? And we also have figured out how to get most students under one servicer, which – oh, you didn't know that. *[Laughs]* Have you experienced that, most of your students under one servicer or are you still using multiple servicers for one student?

Audience:

Multiple.

Joan Sanders:

Really? That was not the message I heard this morning. We need to let the department know that, that it's not quite there yet. Christie?

Christie Millard:

Hi, I'm Christie Millard from Salt Lake Community College. I feel small. We have about 32,000 students. We have four full campuses and nine satellite locations, and of course we're going to open a new campus, but they don't give me any new people. They just say, "Staff it with what you have." Joan asked us our pet topic. I said my pet topic peeve was the shopping sheet, but we're not going to go there. *[Laughter]* But I asked a question on that and got an interesting answer.

But one of the things – and it kind of goes along with what Chris has said, one of our concerns is with the extreme amount of money our students are borrowing. Since we have had the ability to loan them more money, it seems our students are borrowing that money because – we're firmly committed to the fact that they're borrowing for lifestyle.

So one of our challenges is helping my advisors understand we don't prepackage the additional unsubs. They have to meet with an advisor. So what we're trying to do this year is encourage our advisors to just say no. Any of you try to do that yet with your – *[smattering of applause]*. A couple of you are brave, but for me, we're a low-cost, well not compared to California, but we're a low-cost community college.

Our students, if they're fully Pell eligible, their Pell more than takes care of their tuition and fees and their books and supplies. So we know that what they are borrowing when they go to the additional unsubsidized is just money to pay for the BMW that's parked in the parking lot that's nicer than my car.

So one of the challenges that we have is how do we get our advisors to feel comfortable, when the student comes in to meet with them, to say you don't need to borrow this much money. When I have students who don't even have an Associate's degree who've already borrowed in excess of \$25,000.00, I'm a little concerned. I don't know about the rest of you, but I'm a little concerned because especially the fact that they're gonna lose eligibility for subsidized loans.

If you've heard what they're saying about that 150 percent, we have that now to contend with. I have students who are already losing their Pell grant eligibility because of LEU who do not have an associates degree yet. And so I'm concerned about how do we meet this challenge but meet it with money that students will end

up being able to repay at some point. So that's my big challenge right now that we're working with is trying to reduce.

I've talked to people in the department and said we'll become an experimental site and it's like you know what? I barely have time to breathe much less do what I need to do to become an experimental site. That's a little bit further down the road. But if any of you have any ideas of what you've done or concerns that you have about this same subject, if you wouldn't mind sharing. You're like, "Don't ask me." Oh good, someone. Yes?

Audience:

Hi. I'm from Central Texas College. We're right outside the gates of Fort Hood. Our population is about 75,000 students and we're worldwide. Our biggest issue in regards to what you're saying is, for instance, \$135,000.00 typical loans coming in to a two-year community college that have never been awarded above the grade level one. We see this every day and we feel a lot of this is out and out fraud.

Students are coming to us because we have online, worldwide and we have no way to control that. They come in and sign up for one semester and move on to the next school. They're never gonna pay these loans back and we know that and I don't know how to stop them. We have just implemented requiring transcripts from every prior college.

Typically we do require transcripts, but we're open enrollment, so our students have the right to come in and have one semester to get their transcripts to us for financial aid. By then they're already gone. So I'm really interested in any other school that has figured out a way to get a handle on this because if we know our default is gonna go through the roof.

Joan Sanders:

There's a good report that was put out by TIKUS. I can't remember what the acronym stands for, but it's an organization, I believe, out of California. It really was a very, very well-done paper on this issue. We were quoted in that paper because I wrote a policy about a year ago. We were seeing the same issue. We were seeing students with bachelors degrees, masters degrees, doctorates, coming back to the community college, taking two-year programs that were not gonna enhance their ability to repay anything, borrowing the maximum amount of money on six credits.

I finally said enough already. Our default rate is gonna go out the roof because there's no way these students can repay the loans. So

I put together a policy. I took it clear to the state attorney to make sure it passed muster there, and then we implemented it. What we started doing was running a query every time we pulled in FAFSA's for students who had aggregate loan volume already in excess of \$45,000.00. We have had hundreds of students in that category. Most of those students have loans in excess of \$100,000.00, some in excess of \$70,000.00, \$80,000.00, \$90,000.00 coming back to the community college to borrow what's left of their undergraduate loan limit.

We also have had plus loan borrowers – a parent with income less than \$9,000.00 one year, 412,000.00 another year – who has already borrowed almost \$200,000.00 in plus loans. Tell me how that is allowed. All they're doing is checking credit history. They're not checking any capability for repayment. This is not the person who's getting the college education who could, now, have enhanced earning skills. This is a parent who has very minimal income. What are some of the rest of you doing?

We have been challenged, by the way, with the Department of Education on our loan denial policy. We started denying loans for this same group of students if they have over \$45,000.00 in loans and we cannot justify an additional loan. The ones that we could justify might be those students who are going on in nursing who have a good chance at repaying that loan. We've been challenged at the Department and the Department has supported us. And I'm no longer afraid to deny a loan. *[Applause]*

Chris Christiansen: One of the things we do at Valencia College, and I came to this though I didn't set it up or anything, it's rather cumbersome but I think it really helps out with the excess of loan borrowing. Every time a student comes to our campus we require every transcript that they had wherever they went. Also a student has to declare what major they're in and then we evaluate the credits they've taken and what have transferred into that degree and then what they have left to take.

We will only pay for those courses that fit within that degree. Only. We don't do anything else. If it's outside that certificate or degree, we do not pay for that course or courses. So a student may be in 12 credits, but we're only paying for six because six of them only apply to that degree that they're in or three or whatever it is. Let me tell you, we have a lot of angry students that challenge that. We tell them up front, the courses you're taking we will pay for if they apply to your degree or certificate only.

So it does reduce the debt that students try to accumulate because we limit them. We say here's your prescriptive program. You will stick to that and that's what we will pay for.

Joan Sanders: One more comment and then we'll go on down the lane here.

Audience: What system are you on and how does your system do that?

[Audience tittering]

Chris Christiansen: We use Banner, but we use a cap process that is a hook-on to the Banner product. We have to write scripts that go to and from the Banner product to something called Cap to articulate that for each student. It's a painful process, but I really think it makes our students know that it's a purpose to be there. We're serious about their education and they need to be serious about it too.

Again, this was implemented a couple of years ago before I got to Valencia. A lot of people grumble about it, but I think it really helps articulate to the student what they really need to do to get their education and get out of there and move on either to gainful employment or to another institution.

Christie Millard: We do something similar to what Chris does, but we didn't have the ability to track the exact courses. So when we have a student who has brought in multiple credit hours we do the same thing. Then we actually have them meet with an advisor and they sign a contract that says they understand they only have eligibility for 18 more credits. If they take classes that are not required, it counts on that 18 credits and we cut them off at the 18 credits.

That has really helped. They meet with an academic advisor so they know what they have to take, so when they come back to use they can't say I didn't know because we've got the contract they signed. They initial every line and we will only fund that 18 credit hours.

The other thing we've done to try to limit is our school policy is that we will automatically prorate their loan. So if they are attending fall and spring, they get half their loan for fall and half for spring. Because I have students who come back to my college in the spring, they've already borrowed \$3,500.00 for fall at their previous school. So they come to me, they're only eligible for loans and it's like all I can give them is unsubsidized, which I really don't want to do, but we prorate automatically because we

found our defaulters are the ones who leave after one or two semesters. We try to limit how much they borrow.

But I'm still concerned about the additional unsubs for our students who – I mean I had a couple who came in who already has, between the two of them, almost \$30,000.00 in debt. Neither one of them have finished their associates degree yet, so a little concern.

Audience: _____.

Christie Millard: You mean with the additional unsub? We would do \$3,000.00 and \$3,000.00 if they're eligible for \$6,000.00. So we do it the same way with the unsub.

Joan Sanders: I'm going to move on to Ellen and we'll come back to any additional comments about loans.

Ellen Neal: I'm surprised to see so many people when we had ducks to contend with, which is why I couldn't get an elevator to get down. Glendale Community College is one of the 10 of the Maricopa Community College district. We currently have over 32,000 students annually. The district as a whole has over 150,000 annually. We have the experience of what we call swirlers, so we are looking also at our default rates.

Unfortunately Arizona has the highest default rate in the country. We are at 22.9 percent. All the community colleges within Arizona, which there are 20, three of them do not participate in the loan programs and the average of the default rate for the balance of us is 22 percent. Fortunately the Maricopas are below and are keeping the average down.

We do several of the same things that the other two institutions do. We are finding students are borrowing way too much. One of the – I had the opportunity to read *Reclaim the American Dream* before I came to the conference and there was a statement that stuck out. It was, "Students don't do optional." Optional financial literacy, optional counseling doesn't work. We have found what we have done is require students who have \$23,000.00 or more in student loan debt when they come to Glendale to meet with our counselor one-on-one to go over what they have borrowed, what their goals are, where they're going.

All their transcripts come in and they're evaluated for our satisfactory academic progress. If they're at the 150 percent, we

will put them on an academic plan and we will pay only for those classes still remaining on that plan. Yes, it's cumbersome. Yes, it's manual. But we're getting them through trying to get a successful experience for the student and get them to succeed and go out and actually get the job. We do have a family that visited our campus that was a family of eight. Each one of them maxed out their loan borrowing before they left and none of them had a degree.

We also have initiated two modules of a product that students do if they want to borrow through the unsub program. They must complete that. We offer them the loans up front and we ask them to complete and form to tell us how much they want. Then they go through the steps, turn in the form. They go out and identify themselves on NSLDS, find out how much they've borrowed. They use a calculator to see how much their repayments would be if they're prior borrowers, and again this is all manually tracked.

We are moving towards a seamless student experience within Maricopa so the student who's at one campus will experience the same thing at other campuses. There are teams that have been put together both on default diversion and financial literacy and I have made myself available for both teams so that we can see what we can do to get the students out successfully and limit the amount they borrow. If we can get something through reauthorization, in allowing community colleges and low-cost institutions to not have to offer up front, but make available or the opportunity to have financial literacy counseling or default aversion counseling prior to disbursement of student loans, I think that would be a great step forward for our particular clientele.

Joan Sanders:

Thank you, Ellen. Question?

Audience:

I just had a comment. I, too, am not afraid to deny a loan. In fact a lot of times – I work for a very small community college. We have less than 5,000 students. We do not prepackage additional unsub. They will have a personal conversation for meeting with me to find out what they need to do. It's a lot of negotiation going back and forth with the students.

I do prescreen according to aggregate loan level as well, but something that we did start doing a couple of years ago is every student who applies for financial aid as part of their in-house documents that they turn into our school, they print out their NSLDS history. That has made more and more students aware of NSLDS, but made them aware of how much they do owe so they

don't act quite as surprised when we tell them you take out this much in loans.

But I do have a question for Chris. You said that you only pay for classes that are on the degree plan. That's something we do as well. Do you make that part of your satisfactory academic progress policy, or how did you work that into your disclosures?

Chris Christiansen: Once a student enrolls, we get close to disbursement, we notify a student through their email saying this class is non-compliant and we will not pay aid for it. Then it gives them an opportunity to find a class that is compliant or they may visit with an academic advisor to see if they can make an exception for that that can be connected to their academic plan.

Audience: So you do it with each disbursement of title.

Chris: Yes. Every time there's a disbursement of something we do a compliance on their enrollment to see what classes we would pay for and which ones we would not.

Audience: Are you on Datatel? No? Okay.

Audience: May I make a comment? We're a Datatel school. I wonder if anybody here is a Datatel school and has figured out a way so that it will only pay for coursework that's acceptable to their degree program. I would sincerely like to talk to you because right now on our report – is somebody holding up your hand? Don't leave this room until I've talked to you. *[Laughter]* Go back and stand by her so she doesn't get out the door.

Right now I run a report every day and go home every night and review the courses a student is enrolled in and compare it with their degree program and then we contact the student and tell them we can't pay for these courses because they're not part of your degree program. Preenrolment started November 12. I've had no life since then.

Joan Sanders: I have another request before we move on. Does anyone here offer bachelor degrees? Is the young man from Samoa here? He's looking for someone who offers bachelor degrees and how you got that approved through the Department of Education. Would somebody please talk with him after our session? Would you stay right back there by the back door, Peter? Whoever offers bachelor degrees at your community college, if you would please share with him how you did that he would really be grateful.

Audience: I'm wondering if each of you could just let us know how many financial aid people you have working in your offices with you.

Joan Sanders: Sharon, you haven't had a chance to talk yet. Do you want to start?

Audience: And add your student population with that, please.

Sharon Hassan: As she said, I'm Sharon Hassan from Prince George's Community College. We have 44,000 total students but 20,000 students who are on financial aid. I came to a community college just a little over two years ago and I had the, I guess, luck to come at time when gainful employment and all the changes had started, so an interesting transition to the community college world.

I picked the satisfaction of academic progress because that continues to be a challenge for us. I think we've done some exciting and great things to improve the program, the way we run it, at the institution. But one of the things we still struggle with is trying to get the institution as a whole to understand that satisfactory academic progress really is an academic issue.

It's an academic issue that has Title Four consequences. So if the student is failing in the class, it really isn't my fault. *[Laughter]* It really isn't. But sometimes people will get up in meetings and say it's that financial aid SAT thing, that financial aid SAT thing. It's like that was here. It's been in place for a long time, it's just that we're looking at it a different way. So again, working on changing the mindset.

Some of the issues that still concern me, and I think a lot of you if you have students who are in developmental programs, a lot of the students in the developmental programs start out at a disadvantage because they are using up their eligibility before they even start into a program. A lot of them are having issues on passing the basic math and reading. So if you can't pass that, odds are you're not gonna make it through to an actual program and you probably won't graduate and you've already got loans and you're going to be in default unfortunately.

So all these things that don't necessarily keep me up at night, but it causes me to have concerns about what is it that we're really trying to do.

The other thing that is kind of humorous is now having maximum timeframe with satisfactory academic progress. We have the Pell LEU and now we have the 150 percent with the loans. So really it's kind of like overkill because if they have 150 percent I'm not gonna be able to give them anything anyway. So again, just something to think about.

Those are a few things that we do that I think are kind of nice. We worked really hard looking at the program when I went to the institution and trying to look at ways we could really make it more understandable to the community. So what we did was we partnered with different agencies on the campus. One of our biggest supporters is the student government association. They worked hard with us. They allow us to come to pretty much every meeting and say the same thing over and over again. We talked a lot about it.

The one thing we did that I think is really kind of neat is we simplified the message. Initially we were trying to explain the whole SAT policy to the students and going through the quantitative and qualitative and going through all of that. Now we've cut all of that out and we say complete and pass everything you attempt. *[Laughter]* That's it. So everywhere we speak, it's real simple. Complete and pass everything you attempt and always do the three fingers – complete and pass everything you attempt. And they get it.

We tried to make it so complicated and going through all these other – they don't really care about the GPA because they're not gonna remember that. But they will remember complete and pass everything you attempt. The other thing that we've been able to do is partner with advising. Initially they weren't real happy about it, but I'm thinking shouldn't you want the students to pass? So we try to have them all be successful and you're a big part of that.

So we partnered with them. We do a lot of sessions and training and working with them. We also do a lot of work with the academic side. They've really stepped up and I think they understand complete and pass everything you attempt. They try to get into the weeds a little bit with satisfactory academic progress, because this fall they kept trying to get us to tell them whether a student should withdraw or get an F in the class. Again, that's an academic discussion. Financial aid should not be saying whether you should withdraw or get an F in the class because that affects your transcript and life choices, etc.

Again, our goal is to say pass and complete everything you attempt. We're not interested in W's and F's and all of that. The other thing, and I heard someone say this about having students look at the NSLDS, but the other conversation we have is have you looked at your transcript? Do you even know the grades that you have? A lot of students are like no and when they pull it up and look and they see what they've done, that history does matter. A lot of times, because we're a community college like everybody in here, we have students who stepped in a few years ago. Maybe they weren't committed and 20 years later they came back. They forgot about all those F's. We call them queue grades, when they didn't go to class when they were supposed to.

So they have F's, Q's and W's – that's all they had on the transcript. They forgot all about that because they were having such a good time. Now when they come back and they're real serious and ready to get that degree, remember those grades back here? See, all that counts. They're like, "For real?" Yes. Everything you've done, your history. When you were having a good time you weren't thinking this was going to come back later.

So it's not that you can't overcome it, it's that you have to understand that every decision you make matters. So that's another message that we try to put out. Some of the other things we do that I think are really interesting, we do the peer-to-peer videos, and I know a lot of schools are doing those now. We actually go and speak to developmental classes and talk to the students to make them understand that the choices you make now really affect your choices later on in life, so the longer you take to get out of these classes the longer on the back end we may not be able to finance your education.

We also used the life skills things and we do one more thing with the student services side. That is this program called Retention Alert. It's a program where professors notify the college and certain people at the college when students are not doing well in the classes. We partnered with them because we want to know, especially if someone has unsatisfactory progress, if they're not going well in the class, because that affects the academic plan and you know the whole chain of events that can happen when they don't follow the plan.

So those are some of the things that we do. As far as my staff size, we're a staff of 15. You heard how many people we process aid for with a staff of 15. I just want to keep saying it; a staff of 15.

Joan Sanders: We have over 30,000 students apply annually and I have a staff of 18. That includes three managers. And we're down four people.

Christie Millard: We have over 30,000 students; probably 70 percent on aid. I have a staff of full and part time of 31. *[Gasps]* However, I have to staff four campuses as well, so unfortunately I don't have nearly enough. But most of my people are part-time. If I look at how many I have total full time, it's probably closer to 28, but that's still incredibly good compared to what you guys have. I'm happy. I'm feeling good.

Chris Christiansen: We have close to 60,000 students. I have a professional staff of 54 staff members. If you include the student ambassadors, it's over 80 people that work in our office. That staffs five campuses. Fifty percent of our students are on aid.

Ellen Neal: We have somewhat of an unusual college. We have students from 150 countries at NOVA. Some of those are U.S. citizens or eligible non-citizens, so some of them are eligible for financial aid. We also have – I have a number of dual-enrolled students, which would be high school students taking college credits. Of our eligible students, about 50 percent are on financial aid, and we have over 78,000 students total, and a staff of 24 in my office. We are a central processing office. Then we have six full campuses and we have 21 staff members out on the campuses. They do no processing. They do student services and outreach.

We have a combined total of 46 full-time staff and few work-study students and a few ____, which would be part-timers, but only maybe four part-time staff.

Joan Sanders: The first round of concerns, what we'd really like to do is hear from you, but I'm gonna throw out some issues and see what kind of a response I get from you. I find in financial aid there are so many giant contradictions. For instance, we have these great detailed regulations that are extremely time intensive processes and those are processing hogs for the schools at the same time that we're told to keep costs down.

As an example, the Principals of Excellence. How many of you are VA within the financial aid office? A fair percentage. We haven't even faced that one yet. That's coming for 13-14. How many of you have a serious plan in place for how you're going to meet all the requirements for the Principals of Excellence? Okay, that's two, three. We have a long way to go. Those are serious

regulations and there's not one single set of funding that comes along with those regulations.

One of the points I made yesterday at the session on that topic was the fact that we're seeing hundreds of students coming to college with PTSD. They need additional help. The VA is 1,500 counselors short assisting individuals coming back from Iraq with PTSD. I think it's something like 250,000. The colleges, then, are having to absorb that and fit these students in to classes where they're not really ready to go to college. Some of them need developmental work, but many of them also need some emotional care.

Community college were not set up to do that. I don't know how many of you provide counseling. How many of you have the right to do counseling? Short-term I'm guessing, not long-term. How many have long-term counseling on your campuses? Nobody – one maybe. So very, very few are allowed to do that. Another problem I see, RTT4. You hear me say this over and over and over again. I haven't heard a word about RTT4 yet. I'm amazed. Somebody go to the microphone.

The modular RTT4 is unfair to students. It's inconsistent. It makes absolutely no sense whatsoever. I'm really hopeful that if we can't get it done before reauthorization that it comes back to us again after reauthorization and we actually get to negotiate it. It did not have the time that it needed on the original negotiated rule-making process and we came up with a really bad policy.

How about the difference between simplification for students? What does the word simplification do to most of you? It makes me absolutely shudder. Every time the word simplification is mentioned it means more work at the college level. It's simplified for students. Students are asked to do almost nothing to prove eligibility and yet we have all of these detailed processes to get some of the money back. I don't understand how hundreds of thousands of students can go through without being selected for verification will all zeroes across the board.

Really? How do you live anywhere in the United State, much less in Northern Virginia, on nothing? I keep saying okay, where else in the world can you put your name on a piece of paper, put down all zeroes or blanks across the board, sign it and walk away with \$10,000.00, \$15,000.00? And yet we're required to do RTT4 and all of these detailed processes to get back the money that probably shouldn't have been disbursed to start with in many cases.

It's a contradiction. It doesn't make sense to me. Somebody go to the microphone. *[Laughter]* I need support here.

Ellen Neal: I'll go to the microphone. I agree. After the changes in regulation, even when I do an RTT4 now the students pay nothing back for the most part. The school is the one that's having to put all the money back out there.

Joan Sanders: And we can't fill those seats again. We can't control student behavior, but we are asked to. How about expediting the award – speeding up the award – and at the same time trying to control fraud? Somebody talk to me about fraud.

Audience: I actually don't work for a community college. Does anybody here work for a non-profit? I work for a non-profit organization. We do ___ program, so free tax preparation. We do financial coaching, we do affordable housing. I run a program that's called Cash for College.

In our program it's just me and a part-time staff. We do over 100,000 FAFSA's a year. Over 60 percent of our students go to a community college. I'm from Austen. I see all of these issues. My question to students when they want to take a loan is why? Why do you need a loan? If they can't answer that question I get into conversation with them, but I imagine most community colleges, if they qualify for the full Pell grant they have money left over. I tell them that's already money you didn't have. So that should help you; you shouldn't have to take the loans.

I don't work for government entities, but I feel I can tell them don't take that loan. I know that people that work at community colleges a lot of the times, or any university, have a little bit more restriction. You can tell students I work for a non-profit. I can say that. That's what I tell them, and I tell them I'm here. I tell them – I make it very simple to them because we do work with very low-income families. I've found that making it simple with satisfactory academic progress, GPA, all of this stuff, kind of clicks if it's done earlier rather than later.

So I explain to them, four classes. You fail one, you drop one, you already don't qualify for financial aid next semester. So just that simple. Like she said, don't try to explain things in a very complicated way. What we try to read sometimes and don't understand for them, it's –

Joan Sanders: The K.I.S.S. method.

Audience: It's not gonna make sense. I do run into a lot of the families that are trying to take advantage of the financial aid students that – and a lot of times the parents don't even know what the students are doing and come to find out, the student took out all these loans and now isn't even going to class any more and all of a sudden has brand new shoes, \$300.00 purse and all this stuff that the parents – they don't even know where the money's coming from.

Joan Sanders: And they don't have to know.

Audience: Exactly. And the students know how not to tell the parents.

Joan Sanders: I would like to ask a question. How many of you think you are seeing an increase in the numbers of FAFSA's that are being filed with all zeroes? And I don't think it's the economy.

Christie Millard: Can I respond to what you're saying about all zeroes? One of the things at my school, I have a very anal staff who reviews FAFSA's. When I quit collecting W2 forms they all had heart attacks and keeled over. So they're very anal. If somebody comes across with all zeroes, they select them for verification because you can't live on zero in come. So we have found that when we do that we make a lot of corrections, but we are correcting it to what the student actually has access to.

Yes, sometimes there are students – if they're on pre-reduced lunch or food stamps, we normally don't select them because we feel if they truly did get that, and we're trusting that they did, that they've already gone through that hoop of qualifying so we're not going to make them do it again with us. But if they have none of that and they have all zero income, then we will select them for verification.

And when you do that, it's amazing the number of them who don't ever complete the verification, but there's others who just didn't understand how to fill out the FAFSA. They were doing it at home. They whipped through the questions. They didn't answer them correctly. They had \$12,000.00 income, but they didn't file taxes so they weren't sure how to fill it out. So one of the things we can do, yes it's burdensome, yes it creates more work for our office, but if we're truly trying to get the money to the right students then that's what we need to do.

Joan Sanders:

I was told by somebody at the Department that they were instructed by Congress not to make poor people prove they were poor. I don't think any of us wants to do that. That's not our goal. But when something appears to be so obviously incorrect, I really don't understand why a higher percentage of those students are not selected for verification by the Department.

Many of our school administrators don't want us selecting anybody that's not selected by the department because of staffing issues. So you're torn between what really makes sense to do and what you're being told to do. Comments?

Audience:

I don't work for a community college, but I work closely with them. I'm a financial literacy specialist and I've been in higher education for 25 years working as director of student accounts. Basically I wanted to comment on two things. Number one, on the article that you read, I do not refute any of the statistics that are being written about community college students' completion rate being low. I admit it's probably very true.

However, I really feel that there is something out there from some of these other schools and organizations that are out after the community colleges in order to discredit what the community colleges do. I wholeheartedly believe that a community college atmosphere is very affordable for most families and students, and many students either academically or just realistically don't know what they're going to do and they need those 60 credit hours – those 60 required credit hours – in order to go for their four-year degree.

The problem I see is the articulation between the four-year colleges and the community college where they're not picking up the student from where they left off to make sure that they're going to be a success after the four years they receive their degree. That's where the problem is. So all the buzz that's going around about the completion rate is bad and community colleges are bad, college counselors are basically telling students you don't want to go to a community college. You need to apply for such-and-such college and financially a lot of these kids are not prepared, nor are they academically prepared to sit in a classroom. Many of them do not have classroom experience.

I was just in a meeting about a month ago and there was a consortium with the University of Chicago, which is helping Chicago Public Schools figure out electives for completion or graduation going into college. Basically they're coming up with

all these things and I raised my hand and said what about a college readiness course? A lot of these courses are being done once a student gets to college. What happened was they said really? That's really interesting. Why don't we do that? They're looking at all these statistics, but students are coming out of high school and really, they're not prepared to go into college at all.

The other comment I wanted to make and then I'll end what I'm saying, is when I was working for universities and students would come in and plead with me, "I need my money. I need my check. Where's my refund check?" I had to explain to them – and this sounds a little nastier than it really came out, because I'm trying to be nice, but basically I would say we're trying to help you get an education and get you through to get your degree. We're not a social service agency. Basically that's what a lot of people feel, unfortunately.

Joan Sanders: It does feel like that at times.

Audience: I've got a question for everyone that's here. I work at a small community college in Michigan and we're looking at the default diversion and all of that. There's some companies that have contacted our office and want us to use their service. Has anyone used any of these services and would you recommend sticking with the plan in your own office and working with that or maybe using them as a consulting group for the office for the default conversion plans?

Joan Sanders: Would you mind giving your name and college, and if anyone is working with one of these services you can contact her?

Audience: That would be great. My name is Cindy Masters and I'm the assistant director of the financial aid office at Kellogg Community College in Battle Creek. It's just like the cereal – Kellogg Community College in Battle Creek, the cereal capital of the world. If anyone can get ahold of me and let me know what their likes, dislikes are with any of these services, that would be greatly appreciated because we're really looking strongly into that.

Joan Sanders: Thank you. I'm gonna give the gentleman in the back a chance to ask a question because he hasn't asked one yet, and then I'll come back to you.

Audience: I'm James Huebner with the Dallas County Community College District. We have 80,000 students, about 34 to 50 percent are on financial aid and we do have a very large staff, but we also operate

a call center, so that kind of puts that into perspective. What I would say – or my concerns are very similar to those concerns of the panel with the students on the zero incomes not really understanding how to fill out the FAFSA. That's the way we look at it. They don't understand the question.

There's that question about cash or other things paid on your behalf that they don't really understand how to fill that out because a lot of these people are living with someone else and they're actually paying all the bills. You understand the situation. But we're having a conversation on our campus about the concept of what a program of study is versus your program of study or the student's program of study.

The reason I'm bringing this up is because we have a lot of students who were coming back to us who have their bachelors degrees and masters degrees who are now pursuing other opportunities, who don't really understand that they're hitting up against their maximum timeframe, because a lot of the courses that they've taken are already in the core. So maybe a lot of other campuses are having this issue because it's really more of a discussion with our academics and our financial accounting services and those people.

Joan Sanders:

We have five minutes left.

Audience:

I just had a comment on the zero income reported. I'm happy to hear that I am not the only one that feels that that's conflicting information and it needs to be resolved. And I do. We have these students bring in a low-income statement, something that they need to do to demonstrate that you do not live off zero income. Another issue for our loan population, we require students to submit a request form. We do not front-load our loans. It makes a big difference.

The other comment I'll make, we have certain rules in place that we snag things like a student that's under age 24, that only reports a dependent student, which makes them independent, we do request documentation that you're providing the 50 percent support for that student. We got a civil rights complaint this fall for that because we were discriminating against him because he was male. Unfortunately, we ask the females the same question.

Joan Sanders:

Thank you. I think we need to wrap up. Is there any last comment? Question?

Christie Millard: I was just going to respond to what she said about the civil rights issue. We have that happen a lot. You'll be surprised to know that people practice polygamy in Utah. We have polygamist families who apply for financial aid. The children will claim another child so they can be independent. So we require verification of that as well, because to me \$3,000.00 doesn't support you and another person who's 15. So they make it as civil rights, but so far we do the same thing. Anybody who is a very low age and they're claiming a sibling, we check their income and say okay, yes or no, this doesn't work. So you're not alone.

Joan Sanders: I actually had someone from a proprietary school tell me that if a student knew they weren't gonna get any Pell grant and they knew if they put down all zeroes they had a 70 percent chance that they weren't gonna be selected for verification, why wouldn't they do it? What is that telling us? I think the numbers are gonna grow and continue to grow until we start doing something about it. I think the department needs to be the one who starts that. I don't think it can all be dependent upon the colleges.

I want to close with one of the statements that was in the final world from the report I started with earlier. You have a question back there first?

Audience: I have a comment. The zero incomes and many of the things that you are discussing and crying about. These things are put on you directly by our own U.S. Department of Education, primarily. Such as you better be careful and denying a student a loan who is otherwise eligible. Such as there are several pages in the SFA handbooks dealing with what constitutes income. It specifically says that if someone is living with a friend and so on and so on, or using a car of a friend or a home, if that is not in this individual's name, it's not to be reported as income.

Lastly I'll say this. Up until a year and a half ago, historically for years, any time I saw somebody with a zero income I verified it. Then I had the U.S. Department of Education come in and explain to me you can't do that. Be careful with it. You need to be talking to the U.S. Congress and the Department of Education that they can give you some authority to do some denying that you do not presently have.

[Applause]

Joan Sanders: Thank you for your comment. I was asked to repeat the name of the report that I was using. It's called "Reclaiming the American

Dream.” It was just released by the American Association of Community Colleges.

Audience:

I’ve been trying to sit on my hands and not bring this up, because we have been recently challenged – recently, within a month – about denying loans just as you had mentioned, except we are not being supported by the department. It’s really grating when you can sit in front of your student body and you can tell they’re lying to you and they’ll even have a parent who will say the student here doesn’t know how to fill out the application or the interest counseling and I had to do it for them. You talk to me.

Then the Department sits there and tells me – and the students complain because we denied the loan. The department tells me I can’t do that because we cannot deny this student a loan. Because a lot of times they have to have help filling out their MP and/or their online entrance counseling. I do not feel like we’re being supported by the Department. I feel like I’m told – as I share with you an extremely high default rate. I feel like I’m being told keep your default rate down, but you have to give them every penny that come in your office and tell you they want no matter what. But keep your default rate down. Do not ask them any questions, but make sure you’re verifying everything that they tell you.

[Applause]

Joan Sanders:

This has been an argument within me for some time now is whether or not we should be asking for W2’s. The verification process says you shouldn’t be asking for W2’s. You don’t need W2’s. We heard that in a verification session here. You look at administrative capability and it says you can’t really say to anyone if you think the information you’re provided is incorrect. So which policy trumps? I mean we know that if we’ve got earnings, that can in no way add up to what’s on the tax return, it impacts the EFC tremendously – by as much as \$1,000.00.

The student could be getting \$1,000.00 more, \$1,000.00 less in Pell grants than they might be eligible to receive if those earnings figures were correct. So we’re told not to verify that, but by the way don’t offer aid if you aren’t sure the information is correct. I really want to know which policy trumps? Is it the administrative capability or is it the verification process, because they don’t work together well.

One final comment. This is in the report again. It says, “The development of human potential is what community colleges are

all about. This is an issue that community college leaders and their partners must take up and must make their own. For it is in grappling with the complexity of global issues that Americans can learn again the simplicity of human aspiration. It is in wrestling with uncertainty about the economic future of the nation that educators can reimagine the role of community colleges in reclaiming the American dream. And it is in nurturing the struggling dream of America that community colleges contribute mightily to the futures of their students, their communities and the nation.” Thank you for what you do.

[Applause]

[End of Audio]