

**PROGRAM  
INTEGRITY RULES  
AND YOU**

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**OBJECTIVES FOR THIS SESSION**

- Integrity Defined
- Why new program integrity rules, why now?
- Overview of new rules
- Application on our campuses - what are we doing, what should we be doing?

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**INTEGRITY DEFINED**

- Webster's Dictionary has the following definitions
  - INCORRUPTIBILITY - firm adherence to a code of especially moral or artistic values
  - SOUNDNESS - an unimpaired condition
  - COMPLETENESS - the quality or state of being complete or undivided

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### INTEGRITY DEFINED FOR KIDS

- The condition of being free from damage or defect
- Total honesty and sincerity
- The quality or state of being complete or undivided

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### INTEGRITY - WORDS

- Synonyms: character, decency, goodness, honesty, morality, rectitude, righteousness, rightness, virtue
- Antonyms: badness, evil, evildoing, immorality, iniquity, sin, villain, wickedness

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### PROGRAM INTEGRITY - OTHER INDUSTRIES

- Risk assessments
- Accountability for results
- Disclosures about conflicts of interest
- No waste
- Stewardship of funds
- Audits
- Quality controls/assurances

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### WHY NEW RULES?

- Financial Aid Programs are under a microscope (PELL has grown considerably) - taxpayer dollars are being spent
- Billions of dollars are provided for students (and to institutions) - we have to be good stewards
- Are the right students getting awarded and remaining eligible?

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### ARE YOU READY?

- Turn to the person on your left and name 2 of the program integrity rules that became effective as of July 1<sup>st</sup>
- Turn to the person on your right and name 2 more program integrity rules that became effective as of July 1<sup>st</sup>

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### PROGRAM INTEGRITY RULES

- State Authorization
- Credit Hour Definition
- Incentive Compensation
- Gainful Employment
- Repeating/Retaking Coursework
- R2T4
- Satisfactory Academic Progress

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### STATE AUTHORIZATION 34 CFR 600.9




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### STATE AUTHORIZATION

- State must have process to review and act on complaints about institutional compliance with applicable state laws
- Institution must meet other state's requirements to offer postsecondary instruction by correspondence or distance education to students in state in which institution is not located
- How is your institution following this requirement?
- What information have you heard about other states, etc.?

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### CREDIT HOUR DEFINITION

- Federal credit hour definition - required for federal program purposes - university can have another definition of credit hour
- Credit hours definition does not dictate particular amounts of classroom time versus out of class student work
- Determine amount of student work for a credit hour that not less than 1 hour of class and 2 hours of out of class student work per week

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### CREDIT HOUR DEFINITION - UTSA

- Students are awarded credit for classes on the basis of "seat time" in class and out-of-class student work. UTSA uses Carnegie units to measure credit awarded to students for course work. A Carnegie semester unit of credit for students is equal to a minimum of 3 hours of work per week for a semester. For example, for lecture classes, a semester credit hour consists of the equivalent of at least 1 hour (a 50 minute period) per week of "seat time" in class and 2 hours per week of out-of-class student work for 16 weeks. For laboratory classes, 1 semester credit hour consists of the equivalent of a minimum of 3 hours of laboratory work per week for 16 weeks. Hence a standard 3 semester credit hour lecture class meets for a total of at least 48 contact hours for a semester, plus at least an average of 6 hours of outside of the classroom activities per week for 16 weeks. Online, hybrid, and individual instruction classes should make adjustments so that the total number of hours of work required by students is equivalent to that of a tradition face-to-face class. For classes offered in a shortened format, the hours are prorated so the classes contain the same total number of hours as if the classes were scheduled for a full 16-week semester.

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### CLOCK-TO-CREDIT HOUR CONVERSION

- Modified existing clock hour to credit hour conversion formulas so a semester or trimester credit hour must include at least 37.5 clock hours of instruction and a quarter hour must include at least 25 clock hours of instruction
- Other issues with clock-to-credit hour conversion? Experts in the room?

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### INCENTIVE COMPENSATION- BACKGROUND

- 1992 Higher Education Act (HEA)
  - Prohibited incentive payments specifically to people involved in recruitment & admissions
- 2002 - set of 12 safe harbors added - specified certain payments and compensations that could be paid to these individuals
- Negotiated rulemaking for Higher Education Opportunity Act (HEOA) of 2008 - complaints about high pressure sales tactics of some postsecondary institutions

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## INCENTIVE COMPENSATION

- New rules
  - Removed all the safe harbors for incentive compensation
  - Expanded the type of institutional positions covered by the incentive compensation regulations
  - Expanded the enrollment activities covered

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## INCENTIVE COMPENSATION

- Institutions will not provide any commission, bonus, or other incentive payment based in any part, directly or indirectly, upon success in securing enrollments or the awarding of financial aid, to any person or entity who is engaged in any student recruitment or admissions activity.

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## INCENTIVE COMPENSATION - IMPACT TO INSTITUTIONS

- Any employee who recruits or admits students or makes decisions about financial aid
  - Admissions staff
  - Financial aid staff
  - Athletics staff
- Beyond typical enrollment activities
  - Improvement in retention rates
  - Completion rates
  - Graduation rates
  - Diversity
  - Job placement rates
  - Awarding of financial aid

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**INCENTIVE COMPENSATION  
WHAT'S HAPPENING AT YOUR CAMPUS?**

- Discuss with someone not on your campus the impact this might have in your office?
- Are you doing anything differently?
- Share with the group

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**GAINFUL EMPLOYMENT**

- Applies to degree and non-degree programs at for-profit institutions
- Applies to non-degree programs at other institutions
- Programs must lead to gainful employment
- Loan repayment rates and debt-to-income ratios of a program's former students
- New reporting requirements

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**GAINFUL EMPLOYMENT**

- Certificate programs on campuses
- Teacher certification - depending on your institution and state, may not be subject to rules (Texas provides certification, not the institutions)

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### GAINFUL EMPLOYMENT

- Program needs to meet 1 of the following measures to pass:
  - Repayment Rate - at least 35% of former students are repaying their Federal Direct and FFELP loans
  - Debt-to-discretionary income ratio - annual loan payment does not exceed 30% of typical graduates' discretionary income
  - Debt-to-total earnings ratio - annual loan payment does not exceed 12% of typical graduates' total earnings

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### GAINFUL EMPLOYMENT

- Alternatives and Exceptions available
- Consequences of Failure
  - Program that fails all 3 of the tests in a year will be subject to sanctions that increase in severity until, if the program fails 3 times within 4 years, it loses eligibility to participate in Title IV
- New rules will take effect on 7/1/12, but will be phased in so that 2015 will be the 1<sup>st</sup> year that any program could lose eligibility

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### REPEATED COURSEWORK

- You may include any repetition of a course in student's enrollment status for a term as long as the student has never passed the course.
- If the student passes the course, you may include 1 repetition after passing the course.
- Any 2<sup>nd</sup> or subsequent repetition of the passed course may not be included in the student's enrollment status for purposes of the title IV, HEA programs

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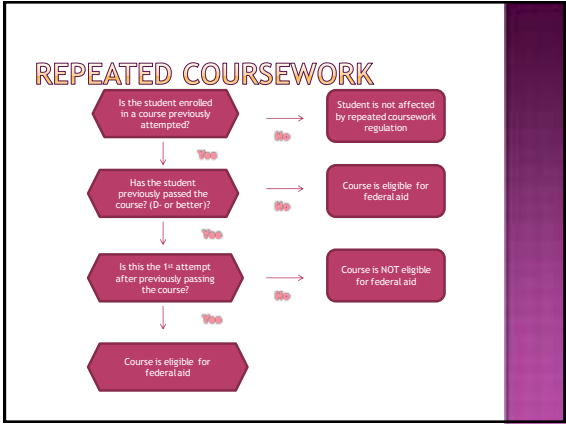
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- ### REPEATED COURSEWORK OTHER CONSIDERATIONS
- Courses that are designed to repeat are not subject to this legislation - example
    - Music student takes choir each semester for 4 years - same course number - passes each time - it's part of their requirement in their degree program
    - Graduate student must complete a dissertation writing course each term of enrollment or register for a specified number of semesters to complete dissertation
  - What about the cost of attendance? - this only applies to federal aid - not necessarily required to reduce the COA when not counting the course in the enrollment - debate

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- ### REPEATED COURSEWORK - EXAMPLES
- Examples - See Handout
  - Work on examples with 2 other partners
  - Share with the group

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## R2T4 - MODULES

- Prior to July 1<sup>st</sup> - if a student was enrolled in a set of modules that were part of 1 term, you could use the entire term in determining if a student withdrew
  - Summer 1 - enrolled in 3 hours
  - Summer 2 - enrolled in 3 hours
  - Both terms count as 1 summer term
  - Student drops at the beginning of summer 2, was not considered a withdrawal

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## R2T4 - MODULES

- July 1<sup>st</sup> - same student would be considered withdrawn and may need to have a R2T4 calculation done
- Let's review the R2T4 handout from
  - Federal Register, 10/29/10, pp. 66895 to 66898
  - R2T4 Webinar 03/23/2011
- Written confirmation - Student ceases attendance in 1<sup>st</sup> module, still enrolled in 2<sup>nd</sup> module - must receive written confirmation from student that they will attend 2<sup>nd</sup> module

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## SATISFACTORY ACADEMIC PROGRESS

- Components haven't change for SAP
- Primary goal - limit how long students who are not meeting the SAP standards can continue to receive Title IV aid
- Implement a more structured, comprehensive, and consistent approach to the development and implementation of institutional SAP policies.

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### SAP

- Still have the qualitative and quantitative requirements to review
- Required to count transfer credit hours that are accepted by the institution toward the student's educational program as both attempted and completed hours.
- An institution is allowed to craft the SAP policy that allows appeals or not, and to specify when and how appeals will be accepted, and how many times a student may appeal

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### SAP - APPEALS

- Questions the student must answer:
  - Indicate information regarding why they failed to meet the SAP standards
  - AND, what has changed that will allow them to be successful in the future
- How are you capturing that information - template? Letter?

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### SAP - APPEALS

- Appeals should only be approved if the school:
  - Has determined that the student will be able to meet the SAP standards after the subsequent payment period, or
  - Develops an academic plan with the student to ensure that the student is able to meet SAP standards by a specific point in time

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### SAP - NEW DEFINITIONS

- Financial Aid Warning
  - School must choose to evaluate SAP at the end of each payment period
  - School chooses to allow students who do not meet the SAP requirements to continue to receive aid during the warning period
  - Receive aid for 1 payment period on warning
  - Warning can be assigned without an appeal or other action by the student

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### SAP - NEW DEFINITIONS

- Financial Aid Probation
  - Can be used by the school - granted only after the student has filed an appeal that has been approved
  - School may require students on probation to fulfill specific terms and conditions
  - Students may receive Title IV aid for 1 payment period after the appeal is approved
  - Students must meet SAP standards at the end of probation period

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### SAP - NEW DEFINITIONS

- Financial Aid Probation (cont)
  - Schools that will evaluate annually may use the financial aid probation option for 1 period if the student submits the appeal and is approved
- Summer counts as a payment period (either for warning or probation)

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### SAP - ACADEMIC PLANS

- If a student submits an appeal and it is approved but cannot meet the SAP requirements by the end of the next payment period (probation period), you can create an academic plan for that student
- Regulations do not specify what must be included in an academic plan
- Plan needs to ensure that the student is able to meet the SAP standards by a specific point in time

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### SAP ACADEMIC PLANS BRAINSTORM

- What are you doing on your campus to develop academic plans?
- How long is a specified period of time?
- Is academics involved?
- What forms or online processes are you using?

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### PROGRAM INTEGRITY BRAINSTORM

- Have you been able to collaborate with other departments, divisions to help implement changes?
- What kind of effect have the changes made on your office?
- Additional questions, comments or ideas?

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