

Federal Update



Federal Update

Mississippi Community College Board
September 15, 2015

Federal Student Aid
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U.S. Department of Education



2016-2017 Verification

GEN-15-11
Federal Register Notice – June 26, 2015
Suggested Text – Coming soon!

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2016-17 Verification

Verification Tracking Group changes:

- Verification Tracking Group V3 (Child Support Paid) has been removed
 - applicants placed in V1, V4, V5, and V6 must still verify child support paid if on ISIR
- Applicants may be moved from previously assigned 16/17 Verification Tracking Groups V1/V4/V6 to V5
 - if Title IV aid had been disbursed prior to receiving an ISIR with the new V5, and the applicant does not complete verification, the applicant is liable for the full amount of TIV aid disbursed for 2016-2017

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Verification Policy Updates

- Tax filers and Nontax filers—if a copy of the *tax return was not retained and cannot be located by the IRS* must submit:
 - Copy of all relevant W-2s
 - Signed statement that individual did not retain a copy of his or her tax account information, and
 - Documentation from the IRS that indicates that the individual's tax account information cannot be located
- *Child support paid*
 - Removed a separation agreement or divorce decree from acceptable documentation

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Verification Policy Updates

High School Completion Status

- For V4 and V5, if institution successfully verified and documented applicant's high school completion status for a prior award year, verification of high school completion status is not required for subsequent years
- An institution may not accept as alternative documentation an applicant's self-certification, nor a DD Form 214 Certificate

Identity/Statement of Educational Purpose

- The valid government-issued photo identification used to verify an applicant's identity must not have expired

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Verification Policy Updates

Victims of IRS tax-related identity theft must submit:

- Statement signed and dated by tax filer indicating they were victims of IRS tax-related identity theft and the IRS has been made aware of the tax-related identity theft; and
- A Tax Return DataBase View (TRDBV) transcript obtained from the IRS
 - Tax filers who cannot obtain a TRDBV transcript may instead submit another official IRS transcript or equivalent document provided by the IRS if it includes all of the income and tax information required to be verified

Guidance applies to 15/16 and subsequent years
 • Posted in 6/26/15 Federal Register Notice

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Verification Policy Updates

Individuals who filed an amended tax return must submit the following documents to the institution:

- an IRS Tax Return Transcript, or any other IRS tax transcript(s) that include all of the income and tax information required to be verified; and
- a signed copy of the IRS Form 1040X that was filed with the IRS

Guidance effective 8/13/15 for 15/16 and subsequent years
• Posted on Program Integrity Q & A website



Gainful Employment



GE Programs

- At public institutions and not-for-profit institutions, all NONDEGREE programs are GE Programs except for –
- Programs of at least two years in length designed to be fully transferable to a bachelor's degree program where the institution does not confer a credential upon completion of the coursework
- Approved Comprehensive Transition and Postsecondary Programs for students with intellectual disabilities
- Preparatory coursework necessary for enrollment in an eligible program; and
- Teacher certification programs where the institution does not award a credential



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Gainful Employment Measure

- Debt-to-earnings (D/E) rates
- Annual Earnings D/E rate
- Discretionary Income D/E rate
- Passing: Annual D/E \leq 8% or Discretionary D/E \leq 20%
- Failing: Annual D/E $>$ 12% or Discretionary $>$ 30%
- Zone: Annual D/E $>$ 8% and \leq 12% or Discretionary D/E $>$ 20% and \leq 30%

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Gainful Employment Results

- Program's loses Title IV eligibility if:
 - D/E measures – Fails in two out of three years

OR

 - D/E measures - Fails or in the zone for four consecutive years

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GE Reporting

- Report all Title IV students by July 31, 2015
 - Report 2008-09 through 2013-14 award years
 - Programs with Medical and Dental Residencies report 2007-08 through 2013-14 award years
- Report future award years by October after end of the award year
 - Report 2014 – 2015 Award Year by October 1, 2015

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GE Data to Report

- Institutional, Program, Student Enrollment, and Student Financial Data
 - **ONLY** submit data on students enrolled in a GE program
 - **ONLY** submit data on Title IV aid recipients
 - **ONLY** submit data for programs that **exist as of 7/1/12**
 - Schools must report data for GE programs that were discontinued on or after July 1, 2012 and before July 1, 2015 for any of the award years 2008-2009 through 2013-2014, in which students received Title IV aid for enrollment in the programs
 - 8/10/15 Electronic Announcement

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GE Program Tracking

- Gainful Employment Program Tracking Web page (NSLDS)
 - Listed under the ORG Tab
 - Provides a listing of the GE programs ED records show the institution offers
 - Shows whether the institution has reported to NSLDS the GE information for any required programs
- Resources
 - NSLDS Gainful Employment User Guide, Chapter 4
 - “GE Program Detail Response Status Report” - provides GE data institution has reported to NSLDS

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Debt- to-Earnings Rate Calculation Process

July 31, 2015
Schools Report GE data to NSLDS

AY 2008-2009 thru 2013-2014 data

October 1, 2015
Schools Report GE data to NSLDS

AY 2014-2015

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Certifications


GE electronic announcement #54 – June 11, 2015

- TIV schools that won't execute a PPA between July 1, 2015 and December 31, 2015 must provide a Transitional Certification signed by CEO/President to GECertification@ed.gov
 - Certifying that each GE program meets all TIV eligibility criteria
- New PPAs executed on or after July 1, 2015 will have the new certifications incorporated into the PPA language
- After transitional certification provided, adding/revising GE program data on E-App that does not result in a new PPA, will need to provide a new certification each time E-App is updated
- Certification processing instructions and sample certification language are attached to the GE EA #54
- Questions/concerns, please email - GECertification@ed.gov


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Disclosures Under New Final Rules


- Through **December 31, 2016**, *current disclosure* requirements remain in effect
 - Occupations; Normal time to complete program; On-time graduation rate for completers; Tuition & fees, books & supplies, room & board; Placement rate for completers (as determined by State or Accreditor methodology); and Median loan debt
- Institutions must comply with *new disclosure* requirements (October 31, 2014 Final Rules) beginning **January 1, 2017**
 - ED to conduct consumer testing and hold focus groups to determine new disclosure requirements and prepare new disclosure template


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GE Resources

- GE Information Page on IFAP
 - Federal Register Notices; DCLs; Electronic Announcements; FAQs; Webinars; Presentations; Resources
 - <http://www.ifap.ed.gov/GainfulEmploymentInfo/indexV2.html>
- Final Federal Register - October 31, 2014
 - Effective date - July 1, 2015
- NSLDS Gainful Employment User Guide
- GEN-15-12 – GE Regulatory Overview
- ANN-15-01 - Recorded Webinar – GE Reporting

send questions to GE-Questions@ed.gov


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Regulatory Activity



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Experimental Site Initiative

- Federal Register Notice – 8/3/15
 - Provide Pell Grant funding to otherwise eligible students who are incarcerated in Federal or State penal institutions
 - Partner with Federal/State correctional facilities to offer TIV eligible programs to incarcerated students
 - Prisoners must be eligible for release and priority given to prisoners who likely to be released within five years of enrollment in the educational program
 - Must apply to participate by October 2, 2015 to receive priority consideration

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Program Integrity “Proposed” Rules

- Notice of Proposed Rule-Making (NPRM) published on May 18, 2015
- Comments must be received by July 2, 2015
- Main Topics:
 - Cash Management
 - Repeat Coursework
 - Clock-to-Credit Conversion (“clock hour program definition”)



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Program Integrity “Proposed” Rules

- Cash Management
 - Establish two different types of arrangements between institutions and financial account providers (Tier 1 and 2) and publically disclose these contracts and costs
 - Cannot require student/parent to open a certain type of account in order to receive TIV credit balance funds
 - Provide a list of account options in a neutral manner with the student’s preexisting bank account listed first
 - Obtain student/parent consent prior to sharing PII data or sending access devices from account providers
 - Mitigate fees incurred by student aid recipients

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Program Integrity “Proposed” Rules

- Repeat Coursework
 - Allow institution offering term-based programs to count, for enrollment, courses a student is retaking that they previously passed, up to one repetition per course, **including when student is retaking a previously passed course due to the student failing other coursework**
- Clock-to-Credit Hour Conversion
 - Streamline conversion by removing provisions where a State/Federal approval or licensure action cause a program to be measured in clock hours

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Additional DCLs & Announcements



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Dear Colleague Letters

- **GEN-15-18 – Protecting Student Information**
 - Reminds institutions of higher education and their third-party servicers of continuing obligations to protect data used in all aspects of administering Title IV FSA programs
 - Ensure that all FSA applicant information is protected from access by or disclosure to unauthorized personnel according to several state and federal laws.
 - Provides list of Industry standards and best practices
 - Gramm-Leach-Bliley Act requires schools to ensure the security and confidentiality of customer records and information
 - Institution remains liable for any action by its third-party servicers

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Horizontal lines for notes

Dear Colleague Letters

- **GEN-15-16 – Unaccompanied Homeless Youth Determinations**
 - Reviews basic definitions, the application process, FAA protocols and possible documentation
 - *Remind institutions that they should limit any inquiry to whether the applicant has been determined to be an unaccompanied youth who is homeless, or at risk of being homeless, rather than the reasons for the applicant's homelessness (why)*
 - If student unable to answer "yes" to the homeless youth dependency questions, is determined to be an unaccompanied youth who is homeless or at risk of being homeless by the FAA, then the FAA must submit a FAFSA "correction" using the "Homeless Youth Determination" flag

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Dear Colleague Letters

- **GEN-15-15 – Annual Security Report Changes**
 - Provides a summary of significant changes
 - Ensure 2015 ASR properly updated
 - To ease the burden on institutions and to help ensure accuracy, the Department will NOT collect data on incidents of dating violence, domestic violence, sexual assault, and stalking for the 2013 calendar year
 - Required to report contact information of their lead Title IX coordinator in 2015 Campus Safety and Security Survey
 - Nothing in the Clery Act, as amended by VAWA, alters or changes an institution's obligations or duties under Title IX

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Dear Colleague Letters

- **GEN-15-10 – State Authorization**
- Final regulations were effective July 1, 2011
- ED provided for delays of implementation date (34 CFR 600.9(a) and (b)) so long as the State was establishing an acceptable authorization process effective by July 1, 2015
 - The stay of these regulations ended June 30, 2015
- *These regulations do not apply to distance programs, only to physical locations of an institution of higher education*
- If state officials have concerns - contact Sophia McArdle - (202) 219-7078; stateauthorization@ed.gov
- If school officials have concerns - contact your school participation division (Atlanta Office)

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Dear Colleague Letters

GEN-15-05 – 2015-16 Unusual Enrollment History Flag

2015-2016 UEH Flag has expanded to consider–

- An applicant’s prior receipt of, in addition to a Federal Pell Grant, a *Federal Direct Loan* (not including Direct Consolidation Loans or parent PLUS Loans)
- The prior *four*, instead of three, award years
 - For 2015-2016, UEH Flag evaluation includes the 2011-2012, 2012-2013, 2013-2014, and 2014-2015 award years

A school may self-select a student for UEH (not selected by ED) if suspect enrollment problems

- Self-selected students treated as if have UEH 3 flag

GEN-13-09 provides full institutional resolution guidance

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Dear Colleague Letters

GEN-15-03 – Federal Perkins Program

- Barring any Congressional action, the authority to make Perkins loans to new borrowers will end September 30, 2015
- If prior to October 1, 2015, school makes *the first disbursement* of a Federal Perkins Loan to a student for the 2015-2016 award year, school may make any remaining disbursements of that 2015-2016 loan after September 30, 2015

Series of Perkins wind-down Q & As available under the “Hot Topics” area of IFAP.ed.gov (upper right-hand corner)

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Dear Colleague Letters

GEN-15-03 – Federal Perkins Program


- Narrow “grandfathering” provision allows schools to make Perkins Loans to certain students through 9/30/2020, if:
 - Student received at least one Perkins Loan disbursement on or before 6/30/15 (2014-2015 award year or earlier)
 - Student enrolled at same institution where the last Perkins Loan disbursement was received
 - Student enrolled in same academic program for which student received his or her last Perkins Loan disbursement
 - first four digits of the program’s CIP code are identical
 - *Applies to undeclared once specific academic program chosen*
- Perkins Loan can be made only after student awarded all Direct Subsidized Loan aid for which student is eligible


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Dear Colleague Letters

GEN-14-23 – Title IV aid and competency-based education (CBE) with current statutory/regulatory rules


- Distinction between competency-based education in eligible direct assessment programs and regular credit-hour programs
- ED established e-mail address for competency-based education questions: **CBE@ed.gov**
- Currently have 3 experiments related to competency-based education and direct assessment programs
 - For more information contact - experimentalsites@ed.gov
- Schools interested in developing a direct assessment program should also review DCL GEN-13-10


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Dear Colleague Letters

GEN-14-23 – Title IV aid and CBE

- 16 Q & As to help address school questions about -
 - Distinction between credit hour CBE and direct assessment;
 - Requirements for establishing credit hour equivalencies in direct assessment programs;
 - Requirements for regular and substantive interaction between students and faculty;
 - Prohibitions on paying Title IV aid for credit earned through prior learning assessments;
 - Satisfactory academic progress;
 - Return of Title IV Funds provisions; and
 - Accrediting agencies’ roles in reviewing CBE programs


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Dear Colleague Letters

GEN-14-22 –Title IV aid and apprenticeship programs


- Apprenticeship is a training system that combines job-related instruction with structured on-the-job learning experiences
- If apprenticeship is part of academic program that participates in Title IV programs, school may provide aid to an eligible student, including the apprenticeship portion of the program
- An institution may use its Federal Work-Study (FWS) Program funds to pay the training wages for otherwise eligible FWS students employed as apprentices, even when apprenticeship is not part of the student’s eligible academic program
- Under FWS JLD program, an institution, or group of institutions, may use a portion of FWS Federal allocation to locate and develop off-campus apprenticeship opportunities for students


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Dear Colleague Letters

GEN-14-22 –Title IV aid and apprenticeship programs

- Unless restricted by accreditation or state, there are no limits on the percentage of the program that may consist of on-the-job training, *as long as the training is provided by the institution*
- Report to ED locations at which 50% or more of an academic program is provided, including on-the-job training component
- If entity other than institution provides the on-the-job training, that component must be 25 percent of the program or less, or, with specific permission of the institution’s accrediting agency, over 25 percent but less than 50 percent of the program
 - In such "contracting-out" situations, the institution must enter into a written arrangement with the entity providing the on-the-job training (contractual agreements)


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Electronic Announcements

7/1/15 – Blue Book

- ED will no longer be publishing The Blue Book (manual of Title IV administrative guidance to fiscal officers)
- All essential guidance from The Blue Book will be placed in the FSA Handbook

6/29/15 – G-845 Form

- A new G-845 Form with an expiration date of 5/31/18 must now be used to request verification from DHS-USCIS of an applicant’s eligible non-citizenship status
- The new G-845 Form and application instructions have been updated in the 15/16 FSA HDBK Vol. 1, Chapter 2


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Training



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Training


- 2015 FSA Training Conference
- Tuesday, December 1 – Friday, December 4, 2015
- Mandalay Bay, Las Vegas, Nevada
- fsaconferences.ed.gov (right-hand side of IFAP website)
- Conference and lodging registration is open!



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Contacts

- Atlanta School Participation Team
- Main Number: 404-974-9303
- Cassandra Weems (IIS) 404-974-9305
- Atlanta Training Officers
- David Bartnicki – 404-974-9312
- Email – firstname.lastname@ed.gov



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Training Feedback

To ensure quality training we ask all participants to please fill out an online session evaluation

- Go to <http://s.zoomerang.com/s/DavidBartnicki>
- Evaluation form is specific to David Bartnicki
- This feedback tool will provide a means to educate and inform areas for improvement and support an effective process for "listening" to our customers
- Additional feedback about training can be directed to joann.borel@ed.gov

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Questions?

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