



Federal Update

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Carney McCullough
U.S. Department of Education



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College Ratings

- Principles
 - Focus on access, value, affordability and completion
 - Broad ratings, not specific rankings
 - Compare institutions with similar missions
 - Identify institutions that improve performance
 - Link federal aid to institutions that do the most to help students from disadvantaged backgrounds (requires statutory changes)

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College Ratings

- Available data under consideration
 - Access: Percent of students receiving Pell grants
 - Affordability: Net price, average tuition, scholarships, loan debt
 - Outcomes: Graduation and transfer rates, graduates' employment and earnings, alumni satisfaction, postgraduate education

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America's College Promise Proposal

- Shared Responsibilities
 - Federal Government: Provides states with funds to cover three-quarters of the national average tuition and fee costs of community colleges
 - State: Contributes (or waives) balance to eliminate community college tuition for eligible students

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America's College Promise Proposal

- Shared Responsibilities
 - Community Colleges:
 - Ensure that their programs enable students to:
 - Transfer to a four-year degree, or are
 - Occupational programs for high-demand jobs
 - Demonstrate strong graduation rates and a focused effort to help their students succeed

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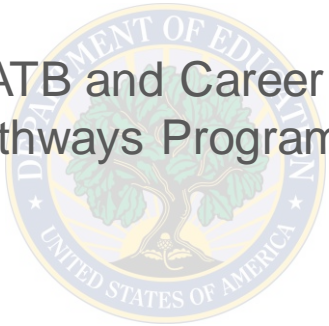
America's College Promise Proposal

- Shared Responsibilities
 - Students:
 - Attend at least half-time;
 - Maintain a 2.5 GPA;
 - Make steady progress towards completing their program

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ATB and Career Pathways Programs



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ATB and Career Pathways Programs

Consolidated and Further Continuing Appropriations Act, 2015

- Establishes Ability-to-Benefit alternatives for students without a high school diploma, or equivalent (or home schooled) who are enrolled in an eligible "Career Pathways" "Program".
- ATB –
 - Pass an ED approved ATB test
 - State Process (none have ever been submitted)
 - Complete six credit hours (or equivalent)
- Beginning July 1, 2015, reduced Pell Grant payment schedule

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ATB and Career Pathways Programs

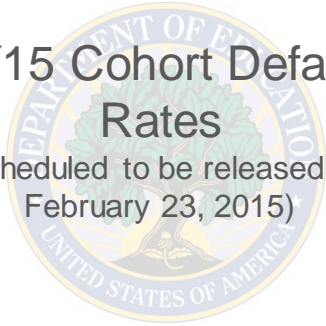
- Career Pathways Program:
 - Concurrently enrolls students in "connected adult education" and an eligible Title IV academic program
 - Provides counseling and supportive services
 - Provides "structured course sequences"
 - Provides opportunities for acceleration
 - Organized to meet the needs of adults
 - Aligned with the education and skill needs of the regional economy
 - Developed in collaboration with business, workforce development, and economic development.

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FY15 Cohort Default Rates

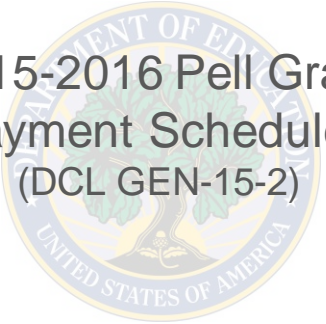
(Scheduled to be released on February 23, 2015)



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2015-2016 Pell Grant Payment Schedules (DCL GEN-15-2)



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2015-2016 Pell Grant Payment Schedules

- Maximum Scheduled Award of \$5,775: Increase of \$45 from the \$5,730 maximum award for the 2014-2015 Award Year.
- Maximum Pell Grant eligible EFC for 2015-2016 will be 5198.
- Minimum award amount is \$588 not \$577 because of mid-points in all cells of the schedules

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Sequestration - Grants

- TEACH Grant awards reduced by 7.3% for FY 2015 (first disbursed between October 1, 2014 and September 30, 2015)
- Iraq-Afghanistan Service Grant awards reduced by 7.3% for FY 2015 (first disbursed between October 1, 2014 and September 30, 2015)
- Revised percentages for awards first disbursed on or after October 1, 2015

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Sequestration – Direct Loan Fees

- Subsidized Loans and Unsubsidized Loans –
 - 1.073 percent for loans first disbursed on or after October 1, 2014 and before October 1, 2015
- PLUS Loans (Parent and Grad Student) –
 - 4.292 percent for loans first disbursed on or after October 1, 2014 and before October 1, 2015
- Revised percentages for awards first disbursed on or after October 1, 2015

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Interest Rates

- Annual fixed rates based on 10 Year T-Bill, plus add-on
- Applies to loans first disbursed between July 1 and June 30
- Rate applies for the life of the loan
- Add-ons and caps–
 - Undergraduate Sub and Unsub: 2.05/8.25%
 - Graduate Unsub: 3.60/9.5%
 - PLUS Loans: 4.60/10.5

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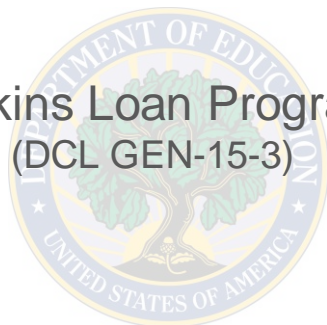
2014-2015 Interest Rates

- Undergraduate Students - Sub and Unsub
 - 4.66% compared to 2013-2014 rate of 3.86%
- Graduate students – Unsubsidized Loans
 - 6.21% compared to 2013-2014 rate of 5.41%
- PLUS Loans (parent and grad/professional)
 - 7.21% compared to 2013-2014 rate of 6.41%
 - 2015-2016 rates determined in May

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Perkins Loan Program (DCL GEN-15-3)



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Perkins Loan Program

- Dear Colleague Letter GEN-15-03
- Absent congressional action the program ends on September 30, 2015
 - Schools may not make Federal Perkins Loans to new borrowers after September 30, 2015
 - If prior to October 1, 2015, a school makes the first disbursement of a Federal Perkins Loan to a student for the 2015-2016 award year, the school may make any remaining disbursements of that 2015-2016 loan after September 30, 2015

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Perkins Loan Program

- Narrow "grandfathering" provision
 - Allows schools to make Perkins Loans to certain students for up to five additional years (through September 30, 2020) to enable students who received loans for award years to continue or complete courses of study
 - Loans can be made only if all of the following conditions are met:

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Perkins Loan Program

- The school made at least one loan disbursement to the student on or before June 30, 2015
- The student is enrolled at the same institution where the last Perkins Loan disbursement was received
- The student is enrolled in the same academic program (same CIP Code) for which the student received his or her last Perkins Loan disbursement
- Loan used to meet unmet need only after student has been awarded all Direct Subsidized Loan for which the student is eligible

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FSA ID – PIN Replacement



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Introducing the FSA ID

The FSA ID will modernize access for students, parents, and borrowers to FSA systems

- FSA is adopting the best practice of using a username and password instead of personal information
- The FSA ID
 - Requires users to enter less information (2 fields instead of 4)
 - Provides more secure access to user's information
 - Links to PIN information during registration
 - Allows users to update personal information such as last name changes without applying for a new FSA ID (Lifetime ID)
- The FSA ID (Username and Password) will replace PIN for students, parents, and borrowers accessing FSA systems starting in late Spring 2015.

New FSA ID login



Old PIN login on Studentloans.gov



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Regulatory Update

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Recent Regulatory Efforts

- Gainful Employment
- Violence Against Women Act Implementation
- Program Integrity and Improvement
 - PLUS Adverse Credit
- Teacher Preparation
- Pay As You Earn

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Violence Against Women Act

- Requires institutions to:
 - Maintain statistics on dating violence, domestic violence, sexual assault, and stalking
 - Provide, and describe in annual security reports, prevention and awareness campaigns
 - Provide a prompt, fair, and impartial disciplinary proceeding, and provides for requirements governing that proceeding
 - Provide information and support services to victims

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Program Integrity and Improvement

- Issues Negotiated:
 - Cash management
 - State authorization of distance education programs
 - State authorization of foreign locations of domestic institutions
 - Repeat coursework
 - Clock-to-credit hour conversion
 - Definition of PLUS adverse credit history

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Program Integrity and Improvement

- Four negotiations: Feb. 19 - 21, March 26 - 28, April 23 - 25, May 19 - 20, 2014
- Final regulations on PLUS adverse credit published
- Continuing to work on remaining issues

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PLUS Loan Adverse Credit

- Definition of PLUS Loan adverse credit history
 - NPRM published on August 8, 2014
 - Final rule published October 23, 2014
 - Applies to both Parent PLUS and Grad PLUS
 - Early implementation on March 29, 2015
 - See IFAP for March 17 Webinar

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PLUS Loan Adverse Credit

- No adverse credit if total outstanding balance is not greater than \$2,085 for debts that are:
 - 90 or more days delinquent;
 - Placed in collections;
 - Charged off (written off)
- Borrowers who are eligible because of extenuating circumstances or endorser must complete Department provided counseling before loan can be disbursed.
- Other PLUS Loan borrowers may take counseling

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Teacher Preparation

- Teacher Preparation Negotiated Rulemaking Committee
 - Negotiations held in 2012
 - Consensus not reached
 - Posting of NPRM was announced on November 25th
 - NPRM published in the Federal Register on December 3.
 - 60 days for public comment
 - Final to come

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Pay As You Earn Expansion

- Federal Register Notice published Sept. 3, 2014
- We propose to develop regulations that:
 - Allow more students the opportunity to cap their monthly student loan payments at 10%.
 - Target the new PAYE option to borrowers who would otherwise struggle to repay their student loans.

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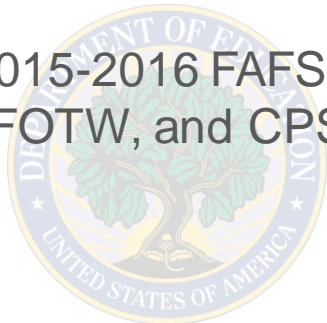
Pay As You Earn Expansion

- Planned Negotiated Rulemaking on Expansion of PAYE Repayment plan
 - Two public hearings held earlier this year in Washington, DC and Anaheim, CA
- Federal Register Notice inviting negotiator nominations expected in December 2015
- Negotiating sessions will begin Feb. 2015:
 - Three sessions
 - Approximately 3 days each
 - At roughly monthly intervals

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2015-2016 FAFSA, FOTW, and CPS



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List of Colleges Receiving FAFSA Data

- Adding text to tell applicant that all schools selected will receive the list of selected schools
- Adding text to tell applicant students that for federal purposes it does not matter in what order schools are listed but it may be important for state purposes

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Enrollment Reporting



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Enrollment Reporting

- New Enrollment Reporting File Layouts
 - Draft – November 25, 2013
 - Final – February 27, 2014
- Dear Colleague Letter (DCL) GEN-14-07: April 14, 2014
- News letter 45: April 24, 2014 Enhancements to NSLDS
- New Enrollment Reporting Guide: April 25, 2014
- Dear Colleague Letter (DCL) GEN-14-17: August 29, 2014

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Enrollment Reporting Transition

- July 2014 - Schools are able to report Program-Level data to NSLDS in batch and/or online on the Enrollment Maintenance page.
- October 1, 2014 - Final deadline for reporting under the new reporting requirements.
 - Reporting of Program-Level enrollment information must be retroactive to the enrollment status as of July 1, 2014.
- Required to provide enrollment information every 60 days. Schools are required to respond to roster within 15 days.

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Failure to Report

- Failure to begin reporting under the new enrollment reporting requirements by October 1, 2014 will likely result in:
- Enrollment records being rejected by NSLDS
- School being out of compliance
- Potential sanctions
- Potential overaward of Subsidized loans
- Loss of interest subsidy
- Improper loan servicing

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Gainful Employment



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Gainful Employment Law and Regulations

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The HEA provides that to be Title IV eligible an educational program must be offered by:

- A public or non-profit postsecondary educational institution and leads to a degree; or
- Any institution and “to prepare students for *gainful employment* in a recognized occupation”.

➤ Generally, all non-degree programs must lead to *gainful employment*

➤ Generally, all programs must lead to *gainful employment*

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Which Programs are GE Programs

- At public institutions and not-for-profit institutions, all programs are GE Programs except for –
 - Programs that lead to a degree
 - Programs of at least two years in length that are designed to be fully transferable to a bachelor’s degree program
 - Preparatory coursework necessary for enrollment in an eligible program (loan only)

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Which Programs are GE Programs

- At proprietary institutions, all programs are GE Programs except for –
 - Preparatory coursework necessary for enrollment in an eligible program
 - Bachelor's degree programs in liberal arts offered since January 2009 that are offered by a proprietary institution that has been regionally accredited since October 2007

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Gainful Employment

- Renegotiated in 2013. Three negotiations:
 - Sept. 9-11, Nov. 18-20, and Dec. 13
- Consensus not reached
- NPRM published on March 25, 2014
- Final rule published October 31, 2014
- Effective July 1, 2015

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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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Gainful Employment Reporting (See IFAP for GE Reporting Webinars)

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GE Reporting

- GE reporting will began in February
- Report all Title IV Students by July 31, 2015
 - Report 2008 – 2009 through 2013 – 2014 award years.
 - Programs with Medical and Dental Residencies report 2007 – 2008 through 2013 – 2014 award years.
- Report following award years by October after end of the award year.
- Data submitted in 2011 will not be available to reuse

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GE Data - Students to Include

- All Title IV students enrolled in the GE Program
- A student enrolled in more than one GE Program must be reported separately for each program
- A student who 'stopped out' and re-entered the same GE Program during the same award year must be reported separately for each enrollment
- A student who was enrolled in the same GE Program during multiple award years must be reported separately for each award year

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GE Data to Report

- Institutional Data
- Program Data
- Student Enrollment Data
- Student Financial Data

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GE Data to Report cont.

- Institution Data
 - Institution Code (OPEID)
 - Institution Name

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GE Data to Report cont.

- GE Program Information
 - Program Name
 - Award Year
 - CIP Code
 - Credential Level
 - Medical or Dental Internship or Residency
 - Length of GE Program
 - Length of GE Program Measurement

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GE Data to Report cont.

- Student Data
 - Student Social Security Number
 - Student First Name
 - Student Middle Name or Initial
 - Student Last Name
 - Student Date of Birth

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GE Data to Report cont.

- Student Data continued
 - Student's Enrollment Status as of the 1st Day of Enrollment in Program (Full-Time, Three-Quarter Time, Half-Time, and Less Than Half-Time)
 - Program Attendance Begin Date
 - Program Attendance Begin Date for this Award Year
 - Program Attendance Status During Award Year (Graduated, Withdrew, Enrolled)
 - Program Attendance Status Date

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GE Data to Report cont.

- Financial Data for Students
 - Private Loans Amount
 - Institutional Debt
 - Tuition and Fees Amount
 - Allowance for Books, Supplies, and Equipment (COA)

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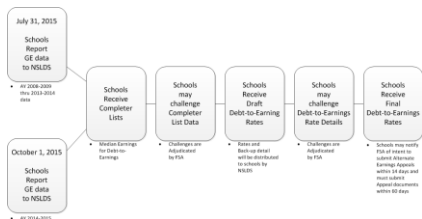


Gainful Employment Timeline

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Debt- to-Earnings Rate Calculation Process



Note: FSA Calculates & Validates each step before sending to schools

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Gainful Employment Certifications

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Certifications

- December 31, 2015 – Transitional Certifications Due
 - Signed by CEO
- Certify that each currently eligible GE Program is:
 - Approved by accrediting agency and State
 - Graduates qualify to meet educational prerequisites of the licensing or certification exam required to work in the state, if any
- Certifications renewed when institution recertifies Program Participation Agreement (PPA)

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Gainful Employment Disclosures

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Gainful Employment Disclosures

– In addition to program information, includes:

- pCDR
- D/E rates
- Loan repayment rates
- Completion rates
- Withdrawal rates
- Placement rates
- Median loan debt
- Percent borrowing

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Verification – Policy

- For the 2012-13 award year retained the long-standing five items and added SNAP and child support paid, if reported on the ISIR
- For the 2013-14 award year introduced the concept of verification groups
- Added high school completion and identity/statement of educational purpose as verification items

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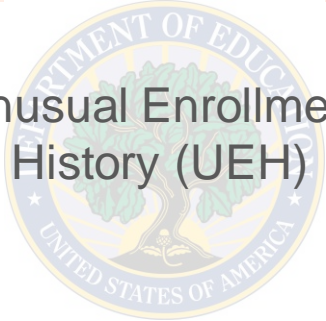
Verification – Policy

- For the 2014-15 award year
- Eliminated SNAP (V2) as a separate verification group
- Added household resources group (V6)
- Added other untaxed income and benefits as a verification item
- For the 2015-16 award year
 - No changes

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Unusual Enrollment History (UEH)



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UEH

- Unusual Enrollment History Flag

NSLDS Unusual Enrollment History Flag	Description	SAR C Flag?	SAR Comment
1	For Federal Student Aid Use Only	N/A	N/A
2	Unusual Enrollment History 2 (Possible enrollment pattern problem, school may need to resolve)	Yes	359
3	Unusual Enrollment History 3 (Questionable enrollment pattern, school must resolve)	Yes	360
N	Enrollment pattern not unusual (No school action required)	No	N/A
Blank	Record not sent for match	No	N/A

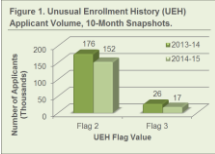
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UEH – Overview Data

Table 1. Unusual Enrollment History (UEH) Applicant Volume, 2013-14 Cycle.

UEH Value	2013-14 Cycle 18-Month Total	
	Number	Percentage
Flag 2	185,413	0.9%
Flag 3	27,986	0.1%
No Flag	20,880,354	99.0%
Total	21,193,753	100.0%



- During the 2013-14 application cycle, 1.0% of applications were flagged for having an Unusual Enrollment History (UEH)
- To date for the 2014-15 cycle, that figure sits at 0.9%
- Among other factors, this could be due to a reduction in application rates from those that applied and were flagged in 2013-14

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UEH – 2015-2016 Changes

- Will include Direct Loans in addition to Pell Grants
 - No significant increase in numbers expected to be selected
- Will look back four years –
 - 2011-2012, 2012-2013, 2013-2014, and 2014-2015
 - Addresses one-year drop-outs
 - No significant increase in numbers expected to be selected

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Experimental Sites

- Current Experiments – 167 schools
 - Pell Grant – Eligibility of students with bachelor's degrees and eligibility of short-term programs
 - Study Abroad - Early and single disbursement
 - Unequal disbursements of Direct Loans
 - Reduced Unsubsidized loan amounts
 - Two experiments for students with intellectual disabilities
- Still opportunity to participate
 - See DCLs GEN-13-03 and GEN-13-08

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Experimental Sites

- Next Experiments – 90 schools to participate
 - Federal student aid to students enrolled in competency-based education programs
 - Modified Direct Assessment Programs
 - Allowing Federal student aid to be used to pay for assessments of prior learning to evaluate students' knowledge
 - Waives FWS matching requirement for "near-peer" counselling

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QUESTIONS?



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Contact Information

Carney McCullough
Director, Policy Development Group
Policy, Planning and Innovation
Office of Postsecondary Education
U.S. Department of Education
Carney.mccullough@ed.gov
202-502-7639
