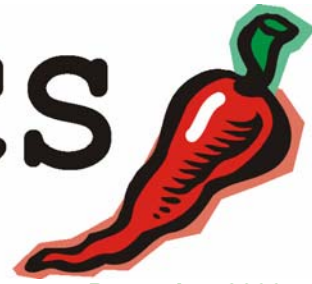


hot TOPICS



IPD Financial Aid News
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The 12-Hour Rule

Early in October, the Institute for Professional Development (IPD) learned that the Department of Education (DOE) was planning to hold public discussions regarding possible modifications to the 12-hour rule regulations. The purpose of these discussions was to explore ideas and issues between the higher education community and the DOE related to federal student financial assistance for students enrolled in programs offered in nontraditional educational formats. This would include the 12-hour rule regulations that define what constitutes a week of instructional time for educational programs not structured in standard terms.

While the DOE had held a number of meetings early in the year regarding the 12-hour rule, it concluded that a change in the regulations should not be made without further discussion of the issues related to the calculation, awarding, and disbursing of federal student financial assistance for students in these programs. Instead of proposing rules in this area, the DOE decided to have additional discussions with the higher education community on these topics. The DOE felt that such discussions could help identify issues and explore possible alternatives to the current approaches.

On October 12, 2000, Kristen Vedder, IPD Regional Director of Accounting/Director of Student Financial Services, and Mary Ann Holtz, IPD Director of Regulatory Services, attended the first of a series of meetings along with about 50 other attendees. Also in attendance were Dr. David Spittal, President, Southern Wesleyan University; Dr. Gary Streit, Vice President of Academic Affairs, Olivet Nazarene University; and Dr. Carol Maxson, Dean, Olivet Nazarene University. A number of higher education organizations were represented, as well as a wide variety of institutions. The Department and the Office of Postsecondary Education (OPE) was represented by Dr. A. Lee Fritschler, Assistant Secretary for Postsecondary Education; Maureen McLaughlin, Deputy Assistant Secretary, OPE; Marianne Phelps, Director of the Distance Learning Demonstration Program; Carney McCullough, staff officer to the Deputy Assistant Secretary, OPE; and Jack Kristy, Deputy General Counsel for postsecondary and legislative affairs.

The 12-Hour Rule, continued

Dr. Fritschler opened the meeting, stating that the purpose of the meeting was to find ways to expand Title IV eligibility to nontraditional programs and yet protect the federal interests. He pointed out that American higher education in general supports the principle that students do better in a classroom in close proximity to a professor and other students and the current 12-hour rule tries to reflect that principle. Maureen McLaughlin emphasized that the purpose of the meeting was to listen, to learn, and to identify issues for further study. She said that focus or work groups would be formed to discuss alternative solutions to the 12-hour rule and other rules that constrain nontraditional programs.

Representatives of the higher education community made the following points:

- ◆ The rule is too complicated and highly misinterpreted by schools.
- ◆ Many schools refuse to engage in nontraditional programs for fear of violating this confusing rule.
- ◆ Many schools that do engage in or attempt to engage in nontraditional forms of education delivery force the programs to mirror what is required in Title IV regulations and thus inhibit creativity.
- ◆ Some schools simply refuse to offer Title IV student aid to students enrolled in their nontraditional programs for fear of audit liability.
- ◆ Some in the audience raised the question of major regulatory reform, and DOE officials quickly pointed out their opinion that Congress was not at all interested in regulatory reform in higher education due to the widespread fraud and abuse of the late 1980s.

Dates for follow-up focus group meetings were then announced. Three meeting dates were established. The first session was held on November 28, centering on issues relating to the “quality” of education in nontraditional programs, including the 12-hour rule as a measure of the amount of instruction being provided, what information institutional accreditation provides as a measure of quality, and other possible measures of quality. Mary Ann Holtz and Dr. Gary Streit were in attendance at this session. The attendees examined the need for a quality measure that could take the place of the 12-hour rule, discussed whether accreditation standards would be sufficient to determine eligibility for financial assistance, and discussed the possible risks of removing the 12-hour rule while still protecting the integrity of student financial aid. A key component to this latter question will be to find a measure that will hold up to the Congressional concerns of protecting the taxpayer’s money from potential fraud and abuse. Furthermore, there was discussion about the fact that there may be a need for a quantity measurement, but that the same measurement, especially one based on the traditional model, may not fit every situation.

The second focus group, scheduled for December 1, focused on “time” and the use of “time” in the calculation and disbursement of student financial assistance, including possible alternatives to time and the 12-hour rule as a measure of the amount of instruction being provided. This meeting was attended by Robert Collins, Apollo Vice President of Financial Aid.

The third group meeting, scheduled for December 8, focused on the organization principles used in the student financial assistance programs (i.e., standard terms, nonstandard terms, and non-terms) to examine whether they work for nontraditional educational programs or whether new approaches are necessary or desirable, as well as the capacity of institutional and DOE systems to handle nontraditional term structures. Kristen Vedder attended this third meeting.

The DOE recently established a fourth meeting, scheduled for Monday, January 8, 2001. This meeting will provide the focus groups an opportunity to share information and discuss the results of meetings with the larger group and identify and explore possible next steps. Those interested in attending should contact Rose Fletcher at Rose.Fletcher@ed.gov or at (202) 502-7812.



Entrance Interview Teleconference

On October 3, 2000, a teleconference was held to discuss entrance interviews. Rachel Kean from the University of Phoenix (UOP) joined us and shared with us UOP's methodology in conducting entrance interviews. She indicated that entrance interviews at UOP are held at orientation. Students applying for financial aid are asked to bring their financial aid packet and taxes to the orientation. UOP does not conduct 100% verification; however, students are asked to bring their taxes so that they can reference the line numbers as indicated on the FAFSA while the entrance interview presentation is being conducted. During the entrance interview, UOP Financial Aid Staff assist students in the completion of their paperwork. At the end of the orientation, the financial aid forms are collected and reviewed to ensure completion. Note that the taxes are not collected by UOP unless the student is selected for verification. Rachel pointed out that entrance interviews are held several times a week, including weekends, at different times to accommodate all students. Students at UOP are not allowed to start school until they have completed an entrance interview. Conducting entrance interviews via interactive means was also a main topic of discussion. It was indicated that various guarantors offer this option and recommended that IPD Partner Institutions explore this alternative. The UOP PowerPoint presentation was sent via the Financial Aid Global Distribution List as a guide in developing your entrance interview procedures.

Note that institutions are required to comply with federal regulations in conducting entrance interviews in accordance with §685.304.



Return of Title IV

By now, all IPD Partner Institutions should have implemented the new Return of Title IV calculations. The new provision was to be implemented no later than October 7, 2000. The Department of Education has been receiving a lot of inquiries regarding the new Return of Title IV, and it is trying to address those questions as quickly as possible. Meanwhile, IPD Partner Institutions can refer to §668.22 of the federal regulations or the November 1, 1999, Final Rule, Return of Title IV, Federal Register for guidance. In addition, they should have revised their consumer information to reflect the Return of Title IV provisions. The 2000/2001 Student Financial Aid Handbook: Institutional Participation and Eligibility is available at www.ifap.ed.gov.



Campus Security

An announcement was published on October 16, 2000, regarding Campus Crime Report data. The announcement was to inform all institutions of the Campus Crime Report deadline. The following is the content of the announcement:

Dear Partners,

The Department is collecting these data electronically via the world wide web. Any school that has not submitted its data should contact the Campus Security Help Desk (1-800-435-5985 or campussecuritvhelp@westat.com) for its USER ID, PASSWORD and the Department's URL for the data collection. This data collection ends October 24, 2000.



November Teleconference

During the November 15 teleconference, there were several discussions on a wide variety of topics, beginning with the 12-hour rule update.

12-Hour Rule—Kristen Vedder informed everyone that she would be participating in the 12-hour rule focus group review meeting on December 8. She asked for input from interested IPD Partner Institutions so that the information could be discussed with the Department of Education.

Return of Funds—The new provisions on Return of Title IV are creating some confusion, and additional training has been requested. Sandra Gillyard advised that IPD Partner Institutions read the 2000/2001 SFA Handbook, which explains Return of Title IV in greater detail. In addition, she recommended that those who have opted to calculate Return of Title IV manually create an Excel spreadsheet to assist in counting the days within a payment period. As a result of this recommendation, some asked for assistance in creating the spreadsheet. An Excel spreadsheet containing this calculation will be forthcoming.

Leave of Absence (LOA)—Some IPD Partner Institutions have opted to keep their LOA policy to allow only a maximum of 60 days within a 12-month period. Sandra Gillyard advised that they review the LOA part of the 2000/2001 SFA Handbook to ensure that, regardless of how policies are written, they are within the federal guidelines. In addition, the new policies must be disseminated to current students to ensure compliance with consumerism requirements.

Financial Aid Commission—Kristen Vedder asked if IPD Partner Institutions were interested in establishing a Financial Aid Commission. She is currently looking for volunteers who would be interested in establishing such a commission and participants who will assist in formulating a statement of purpose.

Newsletter Contributions—The newsletter has been drafted and will be distributed via the Financial Aid Global Distribution List. The next deadline for newsletter article submission is February 9, 2001.

IPD Financial Aid Training—The next IPD Financial Aid Training is tentatively scheduled to be held in Phoenix, Arizona, on February 5–6, 2001. Participants should plan to arrive in Phoenix on Sunday, February 4, and stay until 5:00 p.m. Tuesday, February 6, 2001. Please email Kristen Vedder by January 5 if you would like to send a representative from your office.

Other discussions covered the following topics:

- ◆ Changes in Calendars
- ◆ Breaks in Attendance
- ◆ SAP Policy
- ◆ Consumer Information
- ◆ Return of Funds Software
- ◆ Pell Overpayments

February Teleconference

Don't miss the opportunity to discuss current issues with your peers. If you have not been able to join a previous teleconference, instructions are included below for your convenience.

Next Teleconference Date: Wednesday, February 21, 2001
Time: 7:30–9:00 AM, Phoenix Time
Bridge Number and Code: (480) 929-7482/Code #1999



Please carefully follow the recorded instructions at each prompt when dialing into the Teleconference Bridge.

- ◆ There is a 10-minute window prior to beginning the teleconference when callers can enter with the assigned code number. If you call before the 10-minute window, you may not be connected to the teleconference.
- ◆ If you experience any difficulty connecting with the teleconference phone number/code you have been assigned, please dial the Corporate Operator's phone number, (480) 966-5394, and ask to be transferred to the Teleconference Bridge, extension 1025.
- ◆ If you need to step away from the teleconference for a moment, please do not place your phone on hold. Instead, place your phone on mute or simply hang up and dial in again.

Goings On

IPD is pleased to announce Financial Aid Training for Directors and Adult Program Processors. This offer is extended to new and existing IPD Partner Institutions with employees new to financial aid positions. IPD will provide basic financial aid training for nontraditional programs. Topics to be discussed include the following:

- ◆ Completing a Student's File
- ◆ Satisfactory Academic Progress
- ◆ Scheduling
- ◆ Cash Management
- ◆ Loan Processing
- ◆ Return of Funds
- ◆ Pell Processing
- ◆ Regulatory Update
- ◆ Verification

The training is tentatively scheduled to be held in Phoenix, Arizona, on February 5–6, 2001. Participants should plan to arrive in Phoenix on Sunday, February 4, and stay until 5:00 p.m. Tuesday, February 6, 2001.

Please email Kristen Vedder by January 5 if you would like to send a representative from your office.



This Page Is For You

Do you have information about new personnel, job openings, or upcoming events at your institution that you'd like to share with the other IPD Partner Institutions? Just email the information (including the name of the person, event, or job opening; any relevant dates; and a name, telephone number, or email address of a contact person) by February 9, 2001, to Sandra Gillyard at sandra.gillyard@apollogrp.edu so that your information will be included in the next newsletter.

Averett College Name Change

On November 10, 2000, the Board of Trustees of Averett College unanimously voted to adopt the name of Averett University. This will become effective July 1, 2001. In adopting the name Averett University, the Board of Trustees affirms the institution's position as an innovative, small, private university that gives students the individual attention traditionally associated with small liberal arts colleges along with the advantages found at comprehensive universities. Averett College will continue to be a student-centered institution that places great value on the students' and faculty's joint participation in the teaching and learning process.

New Staff at Olivet Nazarene University

Olivet Nazarene University has hired an additional staff member for the Financial Aid Office for the School of Graduate and Adult Studies. Her name is Rebecca Schnurr, and she will assume a Counselor's position.



Editorial Staff

Kristen Vedder, Regional Director of Accounting/Director of Student Financial Services

Sandra Gillyard, Editor

Norman Larson, Assistant Editor

Gina Rosamilia, Creative Direction

Mary Ann Holtz, Contributor

The *Hot Topics* Financial Aid Newsletter is produced and distributed by the Institute for Professional Development (IPD), a higher education development and management corporation that assists private colleges and universities in developing unique adult-oriented degree programs. IPD is a member of the Consortium for the Advancement of Adult Higher Education (CAAHE).