

Enrollment and Student Services (ESS)  
Informational Summit 7  
State and Federal Regulatory Updates  
July 23, 2015

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**I. Welcome**

**II. State of Florida**

- Florida Resident Access GRANT (FRAG)  
The FRAG amount for the 2015-2016 academic year will remain the same, at \$3,000.
- Florida Student Assistance Grant (FSAG)  
The 2015-2016 FSAG will increase from \$1,500 to \$2,000.

**III. Federal Updates**

a. State Authorization

- Whether via distance education, practical experience, or face-to-face, states expect institutions to obtain approval before enrolling students, advertising, marketing, or performing other regulated activities in their state.
- Undersecretary Ted Mitchell confirmed that the United States Department of Education (ED) plans to issue a revised state authorization rule for online education sometime this year.
- ED may still issue a Notice of Proposed Rulemaking (NPR) this summer which gives time to publish a new rule by October 2015, to possibly go into effect in the Summer or Fall 2016.
- It is possible that the online rule that was vacated by the U.S. District Court of Appeals for the District of Columbia in July 2011 and upheld by the U.S. Court of Appeals in June 2012 might be restored.
- The old rule stated that institutions need to be authorized by states and comply with any applicable state law requirements in order to offer online education services to students residing in each of the states. Schools would be required to document compliance to the ED upon request.

- Institutions unable to document compliance risk Title IV ineligibility.
- NSU's status
  - Ground-based rule: NSU is licensed in each state that the university offers ground-based courses (federal mandate since 2010).
- NSU's Licensure Department continues to seek certification in the other states, with priority given to states where we have the most students.

#### a.1 Indiana (IN) Refund Policy

- Statement of Authorization
  - A statement that is required in all catalogs, brochures, and other related promotional materials.
- Institution's Online Refund Policy
  - IN's online policy is based on a student's progression/completion of academic assignments.
  - Currently, ESS does not have access to a student's academic assignments.
- The Registrar's Office continues to generate weekly reports to identify and adjust the records of student's residing in states with refund policies that differ from NSU's refund policies.

#### a.2 State Authorization Reciprocity Agreement (SARA)

- Establishes comparable national standards for interstate offering of postsecondary distance education courses and programs.
- Intended to make it easier for students to take online courses in a state other than the one where they reside. Greatly simplifies compliance for both states and institutions.
- 27 states have joined SARA as of July 15, 2015. Only institutions located within a member state are eligible to join SARA. Florida has not joined SARA.
- Joining SARA would make it easier for NSU to adhere to various state refund policies.

b. Wind-down of the Federal Perkins Loan Program

- Schools have limited authority to continue to make loans to certain students beyond September 30, 2015.
  - Under section 461(b)(1) of the Higher Education Act (HEA), the authority for schools to make Federal Perkins Loans ended on September 30, 2014.
  - There was an automatic one-year extension pursuant to section 422(a) of the General Education Provisions Act (GEPA).
- 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 disbursement of that 2015-2016 loan after September 30, 2015.
- Section 461(b)(2) of the HEA includes a narrow "grandfathering" provision that allows schools to make Federal Perkins Loans to certain students for up to five additional years (through September 30, 2020), to enable students who received loans for award years that end prior to October 1, 2015, to continue or complete their course of study.

c. 2015-2016 Federal Pell Grant Maximum

- The maximum award is \$5,775, an increase of \$45 from the \$5,730 maximum Pell award in 2014-2015.

d. 150% Direct Subsidized Loan Limit Rule

- The provision limits a first-time borrower's Federal Direct Subsidized Loan eligibility to 150% of the length (required credit hours) of the borrower's degree program.
- A first-time borrower has no outstanding balance on a Federal Family Education Loan (FFEL) or Direct Loan (DL) when receiving a DL on or after July 1, 2013.
- Institutions report attempted and actual degree credit hours to the Common Origination and Disbursement (COD) for enrolled students at all levels.
  - This requirement may open the door to future graduate and first professional student loan limit regulations.

- 2013-2014 and beyond, reporting requirements included loan periods, academic year dates, and enrollment statuses (full time, half time, etc.)
- Reporting requirements increased in 2014-2015 and beyond to include the classification of instructional program (CIP), credential and program length, academic year length, flags for preparatory coursework and teacher certification, and enrollment statuses (now including three-quarter time).

f. Gainful Employment

- Effective July 1, 2015
- Reporting information on Gainful Employment must be completed by July 31, 2015 (e.g., tuition & fees, books & supplies, federal and private loan amounts, academic program, program length).
- Requirements apply to and impact certificate programs offered at community colleges, state, and not-for-profit institutions that have at least 30 students who complete the program during the applicable timeframe.
- Designed to measure a student's debt-to-earnings (D/E) ratio after graduating from career-focused certificate (non-degree) programs. Determined in two ways:
  - First, compares loan debt of all respective program graduates to the individual student's annual earnings
  - Second, compares loan debt of all respective program graduates to the individual student's discretionary income
- Currently, approximately 1,400 programs that enroll 840,000 students would fail to meet gainful employment standards.

g. Parent Loan for Undergraduate Students (PLUS) and Graduate PLUS

- Effective March 29, 2015, debt threshold criteria used to determine adverse credit history is indexed to inflation.
- Allows more families to borrow under the PLUS program.
- Updated the definition of adverse credit history.
  - If the combined adverse credit debt is \$2,085 or less, the potential borrower will not be considered to have an adverse credit history.
- Threshold would be adjusted over time for inflation.

- If an applicant with adverse credit history becomes a qualified borrower by obtaining an endorser, the applicant must complete PLUS loan counseling offered by the ED in order to receive the loan.
- The ED estimated that 370,000 of the 1.1 million loan applicants who were denied a PLUS loan in 2012-2013 would have been approved under the new criteria, increasing the number of annual PLUS loans approved by about a third to 1.5 million.

i. 2015-2016 New Verification Requirements

- Students or parents of dependent students who report child support paid on the Free Application for Federal Student Aid (FAFSA) must also give the age of the child on the verification worksheet.
- Victims of identity theft must provide a signed statement along with their IRS transcript stating that they were victims of identity theft, and it has been reported to the IRS.
- Students/parents submitting an amended tax return must also provide an IRS Return Transcript or a signed original tax form along with an IRS Account Transcript.

j. Reauthorization of the Higher Education Act (HEA)

- Although Reauthorization of the HEA was expected to be completed in 2015, it appears very unlikely that this will happen.
- Congress is in the final stages of reauthorizing the Elementary and Secondary Education Act, which has been their focus.
- The HEA, which expired at the end of 2013, is a sweeping piece of federal legislation that includes the entire student loan system, the Pell Grant program for low- and middle-income students, teacher-preparation provisions, and various programs that help disadvantaged students access higher education.
- The National Association of Student Financial Aid Administrators (NASFAA) Task Force has approved 59 recommendations that were presented to the House of Representatives on August 2, 2013. The following are a few key recommendations expected to be included in the reauthorization.
  - Prior Prior Year (PPY) Data – implement the use of income data from the second prior year, commonly referred to as prior prior

year, as the basis for the expected family contribution (EFC) calculations, across the board.

- Eliminate the loan fee that is currently charged to students (Direct Subsidized and Unsubsidized Loans – 1.073%; Parent PLUS and Graduate PLUS – 4.292%)

k. 5 Things Colleges Can Expect From Congress in 2015

- Gridlock will continue.
  - New 114th Congress is not expected to accomplish more than the 113th Congress, which was the second least productive in terms of bills passed (112th Congress was the least productive).
  - Although Republicans hold 54 seats in the Senate, they don't have filibuster-proof majority (60 votes needed), so the Democrats will be able to block bills from advancing.
  - President Obama will still have veto power over measures that pass both chambers.
- Funding will remain tight.
  - The last round of sequestration (automatic across-the-board spending cuts that were approved under the Budget Control Act and signed by President Obama in 2011) is expected.
  - The most colleges and universities can hope for is modest increases for student aid and research.
- Colleges will have to compete for attention.
  - Focus will be on the new health-care system and the Elementary and Secondary Education Act, which is the Higher Education Act for Elementary and Secondary Education. This act is long overdue for reauthorization.
- Proposed Bipartisan Financial Aid Simplification and Transparency (FAST) Act - introduced by Senators Lamar Alexander (TN) and Michael Bennett (CO).
  - Eliminates the FAFSA as we currently know it.
  - Reduces the application from 10 pages down to the size of a postcard and would contain two questions: Household size and household income two years ago (prior-prior year income).

- Colleges and universities have expressed concerns that cutting too many questions would make it harder to determine which students are actually in need of financial aid.
- Receipt of funds would be limited to a one loan, one grant, and one work study program.
- Discourages over-borrowing and simplifies repayment options.
- President Obama proposed removal of 27 FAFSA questions.
- For-profit institutions will breathe a little easier.
  - Senator Harkins' retirement in December 2014 means that for-profit institutions probably won't face any major investigations from the coming Congress.
  - There are still two Congressional critics, prominent Democratic Senators Elizabeth Warren (MA) and Richard Durbin (IL), who are committed to keeping a close watch on for-profit institutions.

I. America's College Promise (Free Community and Technical College)

- January 2015, President Obama announced the America's College Promise, a proposal to provide two years of free tuition at approved community colleges to students who maintain a minimum of a 2.5 GPA. If enacted the proposal could impact up to 9 million students each year.
- The states have been considering similar plans. Tennessee and Oregon have passed legislature to pay for in-state recent high school graduates that enroll in community college full-time.
- America's College Promise:
  - Open to traditional and nontraditional (adult) students
  - Cover students' tuition for full-time or part-time enrollment
  - Includes certificate programs (Community Colleges awarded 436,000 certificates in the 2011-2012 academic year).
- Some speculate that this proposal will most benefit middle income students, because the Federal Pell Grant program covers the community college tuition for students with the highest financial need.
- Many questions remain, particularly regarding the programs funding (\$60 billion annually). Currently, the proposal allocates 25% of the cost to states.
- The bill was introduced in congress this month, July 2015.

m. Competency-Based Education (CBE)

- Main differences between CBE and traditional postsecondary education:
  - Learning and academic progress are measured through demonstration of competencies rather than through measures of seat time, grade point averages, and attendance patterns.
  - Different assessment techniques include, but are not limited to, direct assessment, prior learning assessment, adaptive learning and captured lectures.
  - Faculty members are coaches/mentors and evaluators of competencies rather than lecturers.
  - Programs operate on a continuous calendar rather than a term-based academic calendar, allowing students to progress through a program at their own pace.
  - Programs largely serve adult learners who typically have some college and extensive knowledge, but no college credential.
- Some of the facets of CBE's approach to education either do not meet or face many challenges to meet the regulatory guidelines required for a program to be eligible to participate in Title IV programs (financial aid).
- In 2015, the ED approved approximately 40 institutions to become "experimental sites." These experimental sites have been granted waivers from certain rules that govern federal financial aid. Some of the experimental sites are Antioch U, Capella U, Northern Arizona U, Southern New Hampshire U, and the U of Maryland College.
- Goal of the experimental project is to give schools leeway to develop emerging forms of higher education.