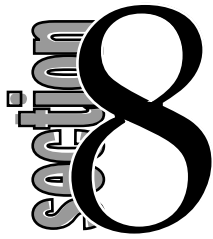


Archived Information



Student Consumer Information

This section provides information on the **basic requirements** for the consumer information that a school must provide students. These requirements stress the importance of providing students with reliable information regarding a school's academic programs, facilities, and financial aid programs.

In addition to the disclosure of information required under the basic consumer information requirements, there are four disclosure requirements with which schools must comply: **campus security**, **student-right-to-know** (data for the general student body and data related to the awarding of athletically related student aid), **equity in athletics**, and **Program Participation Agreement (PPA) requirements for schools awarding athletically related student aid**. Also, schools that participate in the campus-based programs must comply with disclosure requirements for **drug and alcohol abuse prevention**. Although some of these disclosure requirements contain common elements, they are all required separately. (See the chart on the next page.) These disclosure requirements are discussed here.

In recent years, the increased number of defaulted federal student loans has led to renewed interest in providing students with information necessary to choose an appropriate academic program and to understand fully the responsibility of loan repayment. This section briefly addresses required loan counseling, but the loan counseling requirements are covered in detail in Chapters 6, 10, 11, and in Direct Loan entrance and exit counseling guides.

This section also includes a summary of the effects of misrepresentation of institutional information on a school's SFA participation.

SCHOOL DISCLOSURE REQUIREMENTS

Student Right-to-Know and Campus Security Act of 1990

Campus Security Final Regulations published April 29, 1994; effective July 1, 1994; Technical Corrections published June 30, 1995. **REQUIRES:** Disclosure of data on crimes committed on campus and campus safety policies and procedures.

Student Right-to-Know Final Regulations published December 1, 1995; effective July 1, 1996. **REQUIRES:** Disclosure of graduation or completion rates and transfer-out rates for 1) the general population of full-time, first-time degree or certificate-seeking, undergraduate students, and 2) students who receive athletically-related student aid, broken down by race and gender within sports.

Equity in Athletics Disclosure Act of 1994

Final Regulations published November 29, 1995; effective July 1, 1996. **REQUIRES:** Disclosure of data on participation rates and financing of men's and women's sports in intercollegiate athletic programs at coeducational schools.

Requirements of §668.14 (Program Participation Agreement)

Final Regulations published April 29, 1994; effective July 1, 1994. **REQUIRES:** Data on revenues, total expenses, and operating expenses of intercollegiate athletic programs, audited within three years of disclosure.

BASIC CONSUMER INFORMATION REQUIREMENTS

Subpart D of the General Provisions lists basic information about the school and about financial aid that must be available to current and prospective students, usually through printed materials. If necessary, these materials must be prepared by the school. However, much of the required data will already be available in brochures and handouts routinely disseminated by the school, or in federal publications such as *The Student Guide*. The following minimum information must be provided:

Financial aid information

- ◇ what need-based and non-need-based federal financial aid is available to students;
- ◇ what need-based and non-need based state and local aid programs, school aid programs, and other private aid programs are available;
- ◇ how students apply for aid and how eligibility is determined;
- ◇ how the school distributes aid among students;
- ◇ the rights and responsibilities of students receiving aid;
- ◇ how and when financial aid will be disbursed;

- ◇ the terms and conditions of any employment that is part of the financial aid package;
- ◇ the terms of, schedules for, and the necessity of loan repayment and required loan exit counseling;
- ◇ the criteria for measuring satisfactory academic progress, and how a student who has failed to maintain satisfactory progress may reestablish eligibility for federal financial aid;
- ◇ information on preventing drug and alcohol abuse;
- ◇ information regarding the availability of SFA funds for study abroad programs; and
- ◇ that a student may be eligible for SFA funds for attending a study abroad program that is approved for credit by the home school.

The school must provide the following minimum information about itself:

- ◇ the names of associations, agencies, and/or governmental bodies that accredit, approve, or license the school and its programs, and the procedures by which a student may receive a copy for review of the school's accreditation, licensure, or approval;
- ◇ special facilities and services available to disabled students;
- ◇ the costs of attending the school (tuition and fees, books and supplies, room and board and applicable transportation costs, such as commuting) and any additional costs of the program in which the student is enrolled or has expressed an interest;
- ◇ the school's fair and equitable refund policy and the prescribed order of SFA refund distribution;
- ◇ the degree programs, training, and other education offered;
- ◇ the availability of a GED program, if the school admits students who do not have a high school diploma or equivalent;
- ◇ the instructional, laboratory, and other physical plant facilities associated with the academic programs;
- ◇ a list of the faculty and other instructional personnel;

**General
information
about the
school**

- ◇ the satisfactory progress standards that must be maintained; and
- ◇ whom to contact for information on student financial assistance and on general institutional issues.

Availability of financial aid personnel

The school must have someone available during normal operating hours to help persons obtain consumer information. One full-time employee or several persons may be assigned so that someone is always available (with reasonable notice) to assist current or prospective students and their families. Existing personnel may satisfy this requirement. A school may request a waiver of this requirement if it can demonstrate that a waiver is appropriate. A school should contact the Institutional Participation and Oversight Service (IPOS) for more information (see Section 10 for the general IPOS address).

JOB PLACEMENT RATES

Information to substantiate job placement claims

Schools that recruit students by using marketing claims regarding job placement must substantiate such claims. At or before the time of application, the school must provide prospective students with the most recent available data concerning employment statistics, graduation statistics, and other information necessary to substantiate its claims. As discussed in Section 2, if the school advertises job placement rates to attract enrollment, it must inform prospective students of the state licensing requirements for the jobs for which the students seek training.

CAMPUS SECURITY



The Department of Education is committed to assisting schools in providing students with a safe environment in which to learn and to keep parents and students well-informed about campus security. To this end, “Dear President” letter ANN-96-5, issued jointly by the Department of Education, the Justice Department, and the Department of Health and Human Services in September 1996, provides suggestions to schools for use in developing and implementing a comprehensive policy to combat violence against women on campus. The letter lists the following web sites as possible resources:

- ◇ Department of Justice Violence Against Women Office
www.usdoj.gov/vawo
- ◇ Department of Education World Wide Web site on campus safety
www.ed.gov/offices/ope/ppi/security.html

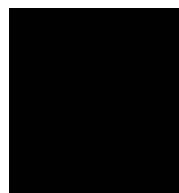
- ◇ Higher Education Center for Alcohol and Other Prevention
World Wide Web site
www.edc.org/hec/

The Department continues to be committed to the enforcement of the Campus Security Act of 1990, which requires a school to compile an annual campus security report.

“Dear Colleague” letter GEN-96-11, published May 1996, provides an overview of the campus security requirements, guidance to schools on how to receive technical assistance in administering the requirements, and the Department’s enforcement policies.

By September 1 of each year, a school must publish and distribute the annual campus security report to all current students and employees directly by publications provided by hand delivery or by mail (through the U.S. Postal Service, campus mail, or computer network). The report should be provided upon request to all prospective students and prospective employees (anyone who has contacted the school for the purpose of requesting information on employment with the school). Prospective students and prospective employees must be informed of the report’s availability, must be given a summary of its contents, and must be given the opportunity to request a copy. A school is not required to submit its annual security report to the Department unless the Department specifically requests the submission.

The requirements regarding the campus security report must be met individually *for each separate campus*. (Any school, additional location, or administrative division that is not reasonably geographically contiguous with the main campus is considered a separate campus.)



Campus—includes (1) any building or property owned or controlled by the school within the same contiguous area and used by the school in direct support of or related to its educational purposes, (2) any building or property owned or controlled by student organizations recognized by the school, or (3) any building or property controlled by the school, but owned by a third party.

In addition to the required annual campus security report, schools are required to provide timely warning to the campus community of any occurrences of the following crimes that are reported to **campus security authorities** or local police agencies and that are considered to represent a continuing threat to students and/or employees:¹

- ◇ murder,
- ◇ forcible and nonforcible sex offenses,

¹Note that a school must also include statistical and policy information related to these same crimes in its campus security report (see page 3-174).



**Campus
security
report**

**Requirements
applicable to
each campus**

**Timely
warning
required**

- ◇ robbery,
- ◇ aggravated assault,
- ◇ burglary,
- ◇ motor vehicle theft, and
- ◇ crimes of murder, forcible rape, and aggravated assault that show evidence of prejudice based on race, religion, sexual orientation, or ethnicity as prescribed by the Hate Crimes Statistics Act (28 U.S.C. 534).

A campus security authority is (1) a campus law enforcement unit, (2) an individual or organization specified in a school's campus security statement as the individual or organization to whom students and employees should report criminal offenses, (3) an official of a school who has significant responsibility for student and campus activities, but does not have significant counseling responsibilities.

CLARIFICATION

Note that campus officials with significant counseling responsibility are not subject to the timely warning requirement. This permits the official to provide confidential assistance to a crime victim without the competing obligation to provide an immediate report of criminal activity to the campus community. This exception does not apply to statistical reporting of crimes that occur on campus. All officials with significant responsibility for campus and student activities are required to provide information for preparation of the annual statistics.

The timely warning information is to be provided in an appropriate manner so as to prevent similar crimes from occurring and to protect the personal safety of students and employees. Schools should work closely with local law enforcement officials in determining the necessary and appropriate distribution of such information to the campus community.

FERPA

The provisions of the Family Educational Rights and Privacy Act (FERPA) do not prohibit a school from complying with the requirements of the campus security regulations. Although information on reported crimes could be included in records that are protected under FERPA, FERPA does not prohibit the disclosure of statistical, non-personally identifiable information. FERPA does not preclude a school's compliance with the timely warning requirement because FERPA recognizes that, in an emergency, information can be released without consent when needed to protect the health and safety of others. In making a timely warning report to the campus community on criminal activity that affects the safety of others, even if the school discloses the identity of an individual, the school has not violated the requirements of FERPA.

Records created and maintained by a campus law enforcement unit are not education records and are not protected from disclosure by FERPA. Records of a school’s disciplinary actions or proceedings against a student are not available to the public without the consent of the student or the student’s parent (if applicable). However, this law does not prevent a school from releasing records of its law enforcement unit to the public without the consent of the student or the student’s parent (if applicable).

Disciplinary action or proceeding

The investigation, adjudication, or imposition of sanctions by an educational agency or institution with respect to an infraction or violation of the internal rules of conduct applicable to students of the agency or institution.

Law enforcement unit

Any individual, office, department, division, or other component of an educational agency or institution, such as a unit of commissioned police officers or noncommissioned security guards, that is officially authorized or designated by that agency or institution to

- enforce any local, state, or federal law, or refer to appropriate authorities a matter for enforcement of any local, state, or federal law against any individual or organization other than the agency or institution itself, or
- maintain the physical security and safety of the agency or institution.

Under the law, a school is permitted to disclose the results of disciplinary proceedings to the alleged victim of a crime of violence (as defined in the United States Code). However, disclosure may not be made to the public without the consent of the student or parent (if applicable).

A school is not relieved of compliance with the reporting requirements of the

campus security regulations when the school refers a matter to a disciplinary committee, rather than to the school’s law enforcement unit or directly to the local authorities.

The campus security report provides information regarding campus security policies and campus crime statistics. With limited exceptions, the campus security requirements do not prescribe policies and procedures for schools to follow. Rather, schools are required to make disclosures concerning the policies and procedures implemented by the school. At a minimum, the campus security report must include the following:

- ◇ a statement (including a list of the titles of each person or organization to whom students and employees should report the crimes) of the procedures and facilities for reporting crimes and other emergencies occurring on campus, and the policies for the school’s response to such reports, including policies for making timely reports of the following crimes that are reported to campus officials or local police agencies to members of the campus community:

- murder,
- forcible and nonforcible sex offenses,

CLARIFICATION

Campus security report

Policies & procedures for reporting crimes

**Crime
statistics**

- robbery,
 - aggravated assault,
 - burglary,
 - motor vehicle theft, and
 - crimes of murder, forcible rape, and aggravated assault that show evidence of prejudice based on race, religion, sexual orientation, or ethnicity as prescribed by the Hate Crimes Statistics Act (28 U.S.C. 534),
- ◇ statistics on the on-campus occurrence of the crimes listed above,
 - ◇ a statement of the policies concerning the security of, and access to, all campus facilities, including residences, and security considerations used in the maintenance of campus facilities,
 - ◇ a statement of the policies concerning campus law enforcement, including
 - the enforcement authority of campus security personnel, their working relationship with state and local police and other law enforcement agencies, and whether the security personnel have the authority to arrest individuals, and
 - policies that encourage accurate and prompt reporting of crimes to campus police and the appropriate police agencies,
 - ◇ a description of the type and frequency of programs for students and employees on campus security procedures and practices; programs that encourage students and employees to be responsible for their own security and the security of others, and crime prevention programs,
 - ◇ a statement of the policies concerning the monitoring and recording (through local police agencies) of student criminal activity at off-campus locations of student organizations recognized by the school, including student organizations with off-campus housing facilities (see the definition of a “campus” on page 3-171),
 - ◇ statistics concerning the number of arrests for on-campus violations of liquor laws, drug abuse, and weapons possession,

- ◇ the policies concerning the possession, use, and sale of alcoholic beverages—including the enforcement of state underage drinking laws, the policies concerning the possession, use, and sale of illegal drugs, and the enforcement of state and federal drug laws,
- ◇ a description of the drug and alcohol-abuse education programs available to students and employees, as required under section 1213 of the Higher Education Act,
- ◇ a statement of the sexual assault prevention programs available and the procedures to be followed when a sex offense occurs including
 - a description of educational programs to promote the awareness of rape, acquaintance rape, and other forcible and nonforcible sex offenses,
 - procedures a student should follow if a sex offense occurs (whom to contact and how to contact them, the importance of preserving evidence for proof of a criminal offense),
 - options for the notification of local law enforcement officials (including on-campus and local police) and a statement that school personnel will assist the student in notifying these authorities, if requested by the student,
 - availability of on- and off-campus counseling, mental health, or other student services for victims of sex offenses,
 - notice to students that the school will change a victim’s academic and living situations after the alleged sex offense and of the options for changes, if changes are requested by the victim and are reasonably available,
 - procedures for campus disciplinary actions in cases of an alleged sex offense, including a clear statement that both the accuser and the accused
 - △ are entitled to the same opportunities to have others present during a disciplinary proceeding, and
 - △ will be informed of the school’s final determination in any school disciplinary proceeding with respect to the alleged sex offense and any sanction that is imposed against the accused,

- sanctions the school may impose following a final determination of a school disciplinary proceeding regarding rape, acquaintance rape, or other forcible or nonforcible sex offenses.

Reporting period

The annual security report due September 1, 1995, and each subsequent annual report thereafter, must contain the required crime statistics for the three calendar years preceding the year in which the report is disclosed. The security report due September 1, 1997 must include statistics for the 1994, 1995, and 1996 calendar years. Statistics concerning the number of arrests for on-campus violations of liquor laws, drug abuse, and weapons possession must cover the most recently completed calendar year. The security report due September 1, 1997 must include statistics for these arrests for calendar year 1996.

All schools must compile the required crime statistics in accordance with the definitions used in the Federal Bureau of Investigation's Uniform Crime Reporting (UCR) System, which is provided in Appendix E of the final regulation published April 29, 1994. However, schools are not required to participate in the FBI's UCR program.

Complaints against schools

When a complaint is filed against a school alleging noncompliance with the campus security regulations, the Department will assess the complaint and determine the appropriate response. While schools are learning their new responsibilities under these requirements, the Department will provide technical assistance to correct violations. If a school flagrantly or intentionally violates the campus security regulations or fails to take corrective action, the Department will impose appropriate sanctions including, possibly, the assessment of fines, and for severe violations, the limitation, suspension, or termination of the school from SFA participation.

CLARIFICATION

Technical assistance to schools in administering the campus security regulations is available from the Department's Customer Support Branch at 1-800-433-7327.



STUDENT RIGHT TO KNOW

The Student Right-to-Know Act requires schools to disclose information about graduation rates to current and prospective students and the public. A school participating in any SFA Program must disclose completion or graduation rates (both referred to here as completion rates), and transfer-out rates for the **general student body**. The regulations also require schools that participate in an SFA Program and offer **athletically related student aid** to provide information on completion rates, transfer-out rates, and other consumer information to potential student-athletes, their parents, high school coaches, and guidance counselors.

For both general student body rates and rates related to athletically related student aid, schools must disclose information on completion rates and transfer-out rates on certificate- or degree-seeking, full-time undergraduate students who enter the school on or after July 1, 1996.²

To calculate completion and transfer-out rates, a school must identify a group of students each year (a cohort) that the school will monitor over time so that it may determine the percentage of those students who complete their programs or transfer out of the school. The same “snapshot” approach is used to determine rates for both the general student body and those rates related to athletically related student aid. The regulations specify the cohort a school must use based on how the school offers most of its programs.

A school that offers most of its programs based on standard terms (semesters, trimesters, quarters) must use a **fall cohort** of first-time freshmen for these calculations. That is, the school must count all first-time freshmen who are certificate- or degree-seeking, full-time undergraduate students who enter the school during the fall term. For a fall cohort, a student has “entered” the school if he or she enrolled after July 1 and is still enrolled as of October 15, or as of the end of the schools fall drop-add period in the same year.

A school that does not offer most of its programs based on standard terms must use an **award year cohort** of first-time freshmen for the calculation of completion rates and transfer-out rates for the general student body. That is, the school must count all first-time freshmen who are certificate- or degree-seeking, full-time undergraduate students who enter the school between July 1 and June 30. For an award year cohort, a student has “entered” the school if he or she has attended at least one class. Because an amendment to the Higher Education Act changed the cohort for rates related to athletically related student aid, nonstandard term and non-term schools must use an August 31 to August 30 cohort for determining these rates.²

Schools may not include students who transfer into the school from another school as entering students for purposes of these calculations; however, a school may calculate a completion rate for students who transfer into the school as a separate, supplemental rate.

The definitions of **certificate- or degree-seeking students**, **first-time freshman students**, and **undergraduate students** were adopted (with slight modifications to address the Student Right-to Know statute) from

²At the time this publication went to print, a bill was passed by Congress (but was not signed into law) that would change the period of time that a school must examine to determine completion and transfer-out rates for both the general student body and rates related to athletically related student aid. If signed into law, this bill would change the cohort year from July 1-June 30 to September 1-August 31.

Determining the cohort

Standard term schools

Nonstandard term or non-term schools



Definitions

the National Center for Education Statistics (NCES) Integrated Postsecondary Education Data System (IPEDS) Graduation Rate Survey (GRS).

Certificate- or degree-seeking student—a student enrolled in a course of credit who is recognized by the school as seeking a degree or certificate.

First-time freshman student—an entering freshman who has never attended any institution of higher education. Includes a student enrolled in the fall term who attended a postsecondary institution for the first time in the prior summer term, and a student who entered with advanced standing (college credit earned before graduation from high school).

Undergraduate students—students enrolled in a 4- or 5-year bachelor's degree program, an associates degree program, or a vocational or technical program below the baccalaureate level.

Schools must use the SFA definition of a **full-time student** that is found in the Student Assistance General Provisions regulations (see Chapter 2).

Waivers

The regulations provide for a waiver of completion rate and transfer-out rate calculations for the general student body and for athletic data to any school that is a member of an athletic association or conference that has voluntarily published (or will publish) completion or graduation data that the Department determines is substantially comparable to the data required by the regulations. However, unless otherwise specified, a waiver does not apply to the required disclosure of additional data related to athletically related student aid. In addition, schools are still required to comply with information dissemination requirements.

CLARIFICATION



The NCAA received a waiver for its Division I schools for the July 1, 1997 athletically related student aid reporting submission. NCAA Division I schools will be covered by the data the NCAA submits to the Department. This waiver also applies to the required disclosure of additional data related to athletically related student aid for Division I and Division II schools. Division I and Division II schools are still required to provide the information to prospective student-athletes and their parents, but the obligation of NCAA Division I schools to provide the information individually to coaches and counselors will be covered by the graduate rate book mailed to each high school by the NCAA.



In addition to waivers, the Department will consider the protocols of other agencies as acceptable methodologies if those protocols meet the requirements of the regulations. Currently, the Department has approved the technical manual of the Joint Commission on Accountability Reporting (JCAR), an arm of the Association of State Colleges and Universities, as containing a protocol that will generate information in compliance with the regulations. JCAR schools are still obligated to fulfill all regulatory requirements, including the requirement to calculate and provide

graduation rate and transfer-out rate data on student-athletes. A school will still have to fulfill the dissemination requirements for the both general student body rates and rates related to athletically related student aid.

The Department will continue to work with any interested agencies to help them develop standards that meet these requirements. If in the future the Department determines that another agency's requirements meet the standards of the Student Right-to-Know Act, the Department will inform schools that those rates may be used to satisfy the Student Right-to-Know requirements.

In the future, the National Center for Education Statistics will be putting out a graduation rate survey (GRS). Information generated for NCES for the GRS may be used to fulfill the data requirements discussed here. The Department will notify schools and provide further information when this option is available.

Disclosure for the General Student Body

The requirements for disclosing information on the general student body have been broken down into three steps: determining the cohort, calculating the rates, and disclosing the rates.

Step 1 - Determining the cohort

Schools must determine the cohort as described on page 3-177 to identify students in such a way that it can take a snapshot of those same students at a later time.

Step 2 - Calculating the rates

Once a school has identified a cohort, it must determine how many of those students completed their program and how many transferred out of their program at the point in time that 150 percent of the normal time for completion of each program has elapsed for all of the students in the cohort.

Normal time is the amount of time necessary for a student to complete all requirements for a degree or certificate according to the school's catalog. This is typically

- ◇ four years (eight semesters or trimesters, or 12 quarters, excluding summer terms) for a bachelor's degree in a standard term-based school,
- ◇ two years (four semesters or trimesters, or six quarters, excluding summer terms) for an associate degree in a standard term-based school, and

**General
student body**

**Definition of
"normal
time"**

- ◇ the various scheduled times for certificate programs.

The following formula is used to calculate a completion rate for the general student body:

Completion rate

Number of students in cohort who completed their program within 150% of normal time for completion
Number of students in cohort (minus permitted exclusions)

Definition of a completor

A student is counted as a **completor** if

- ◇ the student completed his or her program within 150 percent of the normal time for completion from their program, or
- ◇ the student has completed a transfer preparatory program within 150 percent of the normal time for completion from that program.

Transfer preparatory program—At least a two-year program that is acceptable for full credit toward a bachelor's degree and qualifies a student for admission into the third year of a bachelor's degree program.

Excluded from cohort

A school may exclude from the cohort students who

- ◇ have left school to serve in the armed forces,
- ◇ have left school to serve on official church missions,
- ◇ have left school to serve with a foreign aid service of the federal government, such as the Peace Corps, or
- ◇ are deceased, or have become totally and permanently disabled.

The following formula is used to calculate a transfer-out rate for the general student body:

Transfer-out rate

Number of students in cohort who transferred out of their program within 150% of normal time for completion
Number of students in cohort (minus permitted exclusions)

Definition of a transfer-out student

A student is counted as a **transfer-out student** if, within 150 percent of the normal time for completion of their program, the student has transferred out of the program and enrolled in any program of another eligible institution for which the prior program provides substantial preparation. A school is required to report only on those students that the school knows have transferred to another school.

In addition, to be counted as a transfer-out student, a school must document that the student actually transferred. Acceptable documentation is

- ◇ a certification letter or electronic certification from the school to which the student transferred stating that the student is enrolled in that school,
- ◇ confirmation of enrollment data from a legally authorized statewide or regional tracking system (or shared information from those systems) confirming that the student has enrolled in another school,
- ◇ institutional data exchange information confirming that a student has enrolled in another school, or
- ◇ an equivalent level of documentation.

As in the calculation of its completion rate, a school may exclude from the cohort students who

- ◇ have left school to serve in the armed forces,
- ◇ have left school to serve on official church missions,
- ◇ have left school to serve with a foreign aid service of the federal government, such as the Peace Corps, or
- ◇ are deceased, or have become totally and permanently disabled.

Step 3 - Disclosing the rates

This information must be disclosed by the January 1 immediately following the expiration of 150% of normal time for the group of students on which the school bases its completion rate calculation. However, for some programs measured in months, 150% of normal time may expire after June 30 but prior to January 1. If this occurs, the disclosure date is the *second* January 1 after that date. For example, if 150% of normal time expires on July 1, 1997, disclosure is required by January 1, 1999. Note that for all traditional term-based schools, the last term comprising 150% of normal time is always considered to end no later than June 30.

Schools must disseminate the information on completion and transfer-out rates to all enrolled students, and to prospective students upon request, through appropriate publications and mailings (for example, school catalogs or admissions literature). Schools are strongly encouraged to provide this information to other interested parties, such as guidance counselors, upon request.

**Documentation
of a transfer**

**Excluded
from cohort**

EXAMPLE-Determination of Completion and Transfer-out Rates for the General Student Body

Step 1 - Determining the Cohort

Tower of London College (TLC) has both two-year and four-year degree programs. It operates on a semester basis, so it used a fall cohort.

From July 1996 to October 15, 1996, TLC had enrolled 1,000 full-time first year freshmen in degree programs. It tagged those students as its 1996 cohort.

Step 2 - Calculating the rates

One hundred and fifty percent of normal time for completion of the two-year program elapsed on June 30, 1999. In July of 2002 (after the 150% of normal time for completion of the four-year program elapsed), TLC searched its records to see how many of the 1000 students in the cohort had completed a two-year degree as of June 30, 1999. It found that 250 students had completed such a degree. It noted both the number and identity of those students. TLC noted the identity of the students so that it would be able to determine if any of the 250 students also obtained a four-year degree and must be treated as duplicates (see below).

It also found that 35 students received two-year degrees between July 1, 1999 and June 30, 2002. TLC was unable to count these students as completors for Student Right-to-Know purposes, as they had completed the program after the elapse of 150% of normal time for completion; however, TLC chose to use this data as supplemental information.

At this point, TLC also determined the number of transfer-out students in the two-year program by ascertaining the number of students for which it had documents showing that the student had transferred to, and begun classes at, another school. It found that it had documentation on 50 such students.

One hundred and fifty percent of normal time for completion of the four-year program elapsed on June 30, 2002. In July of 2002, TLC determined how many of the 1000 students had received a four-year degree as of June 30, 2002. It found that 450 students had done so.

Because TLC had identified the completors of the two-year program, it was able to determine that 10 of the students it had counted as 2-year completors had also received four-year degrees. TLC is not permitted to count these students as completors twice, so it deducted the number from the number of two-year degree program completors (it could also have

deducted them from the number of four-year completors had it so chosen).

TLC surveyed its records to determine the number of students in the four-year program that it could document as having transferred as of June 30, 2002. It found 65 students had done so.

To determine if any of the students could be excluded from the cohort, TLC searched its records for documentation that showed that a total of 15 students in the original cohort had left the institution for the express purpose of joining a church mission, the armed forces, or a foreign aid program sponsored by the federal government, or had died or become totally and permanently disabled.

TLC calculated its completion rate and transfer-out rate as follows:

$$\frac{450 \text{ four-year program completors} + (250 \text{ two-year program completors} - 10 \text{ duplicates})}{1,000 \text{ students in cohort} - 15 \text{ permitted exclusions}}$$

Completion rate = 70%

$$\frac{65 \text{ four-year program transfers} + 50 \text{ two-year transfers}}{1,000 \text{ students in cohort} - 15 \text{ permitted exclusions}}$$

Transfer-out rate = 11.6%

Step 3 - Disclosing the rates

On January 1, 2003, (the January 1 following the expiration of 150 % of normal time for the entire cohort), TLC published its completion rate and its transfer-out rate for the students who entered in the fall of 1996.

TLC decided to provide separate, supplemental information regarding the completion and retention rates of its part-time students because it has a large part-time student population. It also provided separate, supplemental information on the number of students who completed the two-year program after four years and after five years. It could have also provided separate, supplemental information on students who transferred into the school from another school had it so wished.

***Athletically
related
student aid***

Athletically Related Student Aid Disclosure Requirements

Schools that participate in an SFA Program and offer athletically related student aid must provide information on completion rates, transfer-out rates, and other statistics for students who receive athletically related student aid to potential student athletes, and to their parents,³ high school coaches, and guidance counselors.



Athletically related student aid—any scholarship, grant, or other form of financial assistance offered by the school, the terms of which require the recipient to participate in a program of intercollegiate athletics at the school in order to be eligible to receive such assistance.

This definition of “athletically related student aid” is the same definition that is used for the EADA disclosure requirements, and the PPA requirements for schools that award athletically related student aid (see pages 3-187 and 3-190). The definitions of “certificate- or degree-seeking students,” “first-time freshman students,” “undergraduate students,” and “normal time” are the same as those used for the calculation of completion and transfer-out rates for a school’s general student body (discussed above).

Step 1 - Determining the cohort

A school must determine the cohort as described on page 3-177.

Step 2 - Calculating the rates

Schools that provide athletically related student aid must report three completion rates and three transfer-out rates:

- ◇ a completion rate and transfer-out rate for the general student body (see page 3-179),
- ◇ a completion rate and transfer-out rate for the members of the cohort who received athletically related student aid (this rate is calculated in the same manner as the rates for the general student body, but must be broken down by race and gender within each sport), and
- ◇ the average completion rate and average transfer-out rate for the four most recent completing classes of the cohort categorized by race and gender for the general student population, and for race and gender within each sport. (Until

³In cases of separation or divorce, when it may be difficult to locate both parents, the provision of the required information to the parent who acts as guardian of the student is acceptable.

the year 2000, a school may not have four years of data. In this case, the school must report an average completion rate for all the years for which it has data.)

Information that is required to be reported by sport must be broken down into the following categories:

- ◇ Basketball,
- ◇ Football,
- ◇ Baseball,
- ◇ Cross-country and track combined, and
- ◇ All other sports combined.

In addition to the completion rates and transfer-out rates, schools must report

- ◇ the number of students, categorized by race and gender, who attended the school during the year prior to the submission of the report, and
- ◇ the number of those attendees who received athletically related student aid, categorized by race and gender.

As in the calculation of completion rates and transfer-out rates for the general student body, a school may exclude from the cohort students who

- ◇ have left school to serve in the Armed Forces,
- ◇ have left school to serve on official church missions,
- ◇ have left school to serve with a foreign aid service of the federal government, such as the Peace Corps, or
- ◇ are deceased, or totally and permanently disabled.

Step 3 - Disclosing the rates

The report must be completed by July 1, beginning July 1, 1997. The report must be submitted to the Department every July 1 (beginning July 1, 1997) and must be provided to each prospective student athlete and his or her parents, coaches, and counselors when an offer of athletically related student aid is made to the prospective student. Data must be disclosed beginning on the July 1 immediately following the expiration of 150 % of

***Required
disclosure of
additional
data***

normal time for the cohort entering on or after July 1, 1996. Therefore, schools will not be required to disclose this information for approximately one year after the expiration of the 150% period.

For the first year, schools are not required to provide completion rate information for students who enter before July 1, 1996. Therefore, completion rate data must be disclosed beginning on the July 1 immediately following the expiration of 150% of normal time for the cohort entering on or after July 1, 1996. However, if a school has data on students entering prior to July 1, 1996 (as the result of NCAA requirements, for example), the school should report these data in the four year averages.

CLARIFICATION

Schools that are not yet reporting completion rate or transfer-out rates because they do not have the necessary data must still disclose the additional data regarding the number of students who attended the previous year, categorized by race and gender, and the number who attended the previous year and who received athletically related student aid, categorized by race and gender within each sport.

De minimus exception

There is a de minimus exception to the disclosure requirements for the completion or graduation rates of student athletes that allows schools not to disclose those rates for categories that include five or fewer students.

Schools may also provide to the Department and to students supplemental information containing the completion rate of students who transferred into the school and the number of students who transferred out of the school.

Supplemental Information

Placing rates in context

Schools are strongly encouraged to provide additional information to place their completion or transfer-out rates for both the general student body and those related to athletically related student aid in context. For example, a small school's completion rate may vary greatly from year to year because the school's calculations use a very small cohort. The school may wish to provide prior years' data and an explanation of factors affecting their completion rate.

Also, if a school's completion rate is lowered because a large percentage of students serve on church missions, the school may wish to provide supplemental information with the required calculation to provide the completion rate of those students when an extended time frame is applied.

Although schools must calculate and disclose the transfer-out rate separately from their completion rate, a school may wish to provide additional information that combines the completion rate with its transfer-out rate if the school believes this provides a more accurate picture of the school.

EQUITY IN ATHLETICS

Regulations published November 29, 1995 implemented the provision of the Improving America's Schools Act of 1994 titled the "Equity in Athletics Disclosure Act" (EADA). The EADA is designed to make prospective students aware of the commitments of a school to providing equitable athletic opportunities for its male and female students. Certain coeducational schools are required to prepare an annual report on participation rates, financial support, and other information on men's and women's intercollegiate athletic programs.

The EADA requires schools to make this report available upon request to students, potential students, and the public.

Any coeducational institution of higher education that participates in an SFA Program and has an intercollegiate athletic program must prepare an EADA report.

A school must first designate its reporting year. A reporting year may be any consecutive 12-month period of time. For its designated reporting year, a school must report

- ◇ the number of male and female full-time undergraduate students that attended the school (undergraduate students are those who are consistently designated as such by the school),
- ◇ the total amount of money spent on athletically related student aid (including the value of waivers of educational expenses) for 1) men's teams and 2) women's teams,
- ◇ the ratio of athletically related student aid awarded to male athletes to athletically related student aid awarded to female athletes (see the definition of athletically related student aid on page 3-184),
- ◇ the total amount of **recruiting expenses** for 1) all men's teams and 2) all women's teams,
- ◇ the total annual revenues for 1) all men's teams and 2) all women's teams (a school may also report these revenues by individual teams),

Who must prepare a report?

How is the report prepared?

- ◇ the average annual **institutional salary** of the head coaches for all offered sports of 1) men's teams and 2) women's teams,⁴
- ◇ the average annual **institutional salary** of the assistant coaches for all offered sports of 1) men's teams and 2) women's teams, and
- ◇ a listing of the **varsity teams** that competed in intercollegiate athletic competition and for each team, the following data:
 - total number of **participants** as of the day of the first scheduled contest of the reporting year for the team,
 - total operating expenses (expenditures on lodging and meals, transportation, officials, uniforms, and equipment) attributable to the team,⁵
 - gender of the head coach (including any graduate assistant or volunteer who served as head coach) and whether he or she was assigned on a full-time or part-time basis,
 - number of male assistant coaches (including any graduate assistants or volunteers who served as assistant coaches) and whether each was assigned on a full-time or part-time basis, and
 - number of female assistant coaches (including any graduate assistants or volunteers who served as assistant coaches) and whether each was assigned on a full-time or part-time basis.

Definitions

Recruiting expenses are all expenses schools incur for recruiting activities including, but not limited to, expenditures for transportation, lodging, and meals for both recruits and institutional personnel engaged in recruiting, all expenditures for on-site visits, and all other expenses related to recruiting.

Institutional salary is all wages and bonuses a school pays a coach as compensation attributable to coaching.

⁴If a head coach had responsibility for more than one team and your school does not allocate that coach's salary by team, you must divide the salary by the number of teams for which the coach had responsibility and allocate the salary among the teams on a basis consistent with the coach's responsibilities for the different teams.

⁵A school also may report those expenses on a per capita basis for each team and may report combined expenditures attributable to closely related teams, such as track and field or swimming and diving. Those combinations must be reported separately for men's and women's teams.

In addition to teams that are designated as “varsity” by the school or an athletic association, **varsity teams** include any team that primarily competes against other teams that are designated as varsity.

Participants on varsity teams include not only those athletes who take part in a scheduled contest, but also any student who practices with the team and receives coaching as of the day of the first scheduled intercollegiate contest of the designated reporting year. This includes junior varsity team and freshmen team players if they are part of the overall varsity program. Schools should also include all students who receive athletically related student aid, including redshirts, injured student athletes, and fifth-year team members who have already received bachelor’s degrees.

A school must make the report available to students, prospective students, and the public in easily accessible places. For example, a school may make copies of the report available in intercollegiate athletic offices, admissions offices, libraries, or by providing a copy to every student in his or her electronic mailbox. **In addition, a school must provide the report promptly to anyone who requests the information.** For example, a school may not refuse to provide a copy of the report to the news media, and the school may not require an individual requesting the information to come to the school to view the report.

A school must inform all students and prospective students of their right to request the information. For example, the school may publish a notice at least once a year in a school publication, the school catalog, registration materials, or relevant intercollegiate athletic department publication distributed to all students.

A school may not charge a fee to students, potential students, parents or coaches who ask for the information; however, schools are not prohibited from charging the general public a fee to cover copying expenses only.

Schools were required to compile and make available their first reports by October 1, 1996. Each subsequent report must be compiled and made available by October 15 each year thereafter. A school does not have to submit this report to the Department unless specifically requested by the Department. The Department may request that a school provide a copy of the report (for example, as part of a program review or compliance audit) in order to verify its compliance with these requirements.

The Department has developed an optional form for reporting the EADA data (see page 3-195). Schools are not required to use this form. Different reporting formats are acceptable, as long as they provide all the required information.

**Availability
of report**

**Reporting
deadlines**

**Optional
form**

PPA REQUIREMENTS FOR SCHOOLS AWARDING ATHLETICALLY RELATED FINANCIAL AID

The Higher Education Amendments of 1992 added language to the Program Participation Agreement (PPA) concerning additional administrative requirements for institutions offering athletically related student aid (see the definition of athletically related student aid on page 3-184).

Participating schools must compile an annual report, within six months of the end of each fiscal year, that provides the following figures:

- ◇ total school revenues earned from intercollegiate athletics;
- ◇ revenues earned from each of the following sports: football, men's basketball, women's basketball, other men's sports combined, and other women's sports combined;
- ◇ total expenses of intercollegiate athletics;
- ◇ expenses for each of the following sports: football, men's basketball, women's basketball, other men's sports combined, and other women's sports combined; and
- ◇ total revenues and total operating expenses of the school.

Revenue—Includes, but is not limited to, gate receipts, broadcast revenues and other conference distributions, appearance guarantees and options, concessions, and advertising (student activity fees, alumni contributions, and investment income not allocable to a sport may be counted in total revenues only).

Expenses—Includes grants-in-aid, salary and payroll, travel costs, equipment and supply purchases (general and administrative overhead costs may be counted in total expenses only).

The school's reports must be independently audited every three years. The reports and, where allowable by state law, the audits must be made available to the Department and the public. At this time, schools are not required to submit this information to the Department.

Note that the definition of "expenses" found here is different from the definition of "expenses" that is used for purposes of the EADA requirements. Also, the PPA provisions described here specify the teams for which data must be provided while the EADA provisions require schools to provide certain data *for all varsity teams*.

LOAN COUNSELING

Before a Federal Perkins, FFEL, or Federal Direct Loan borrower takes out a loan, the school must counsel that borrower, individually or in a group with other borrowers. The school must give the borrower general information on the average anticipated monthly repayments on the loan, available repayment options, and advice on debt management planning, to facilitate repayment and deferment/cancellation provisions, if applicable, and other terms and conditions. This loan counseling must also be provided before the borrower completes his or her study, or otherwise leaves the school. For a complete discussion of loan counseling requirements, please see Chapter 6 (Perkins Loans), Chapter 10 (FFEL), and Chapter 11 and Direct Loan entrance and exit counseling guides (Direct Loans).

DRUG AND ALCOHOL ABUSE PREVENTION INFORMATION

Schools that participate in the campus-based programs must provide information under the Drug-Free Workplace Act of 1988 (Public Law 101-690), including a notice to its employees of unlawful activities and the actions the school will take against an employee who violates these prohibitions. In addition, the Drug-Free Schools and Communities Act (Public Law 101-226) requires schools that participate in *any* SFA Program to provide information to its students, faculty, and employees to prevent drug and alcohol abuse. A school must provide the following in its materials:

- ◇ standards of conduct that clearly prohibit, at a minimum, the unlawful possession, use, or distribution of drugs and alcohol by students and employees on the school's property, or as a part of the school's activities;
- ◇ a description of the applicable legal sanctions under local, state, and federal law for unlawful possession, use, or distribution of illicit drugs and alcohol;
- ◇ a description of any drug and alcohol counseling, treatment, or rehabilitation programs available to students and employees;
- ◇ a description of the health risks associated with the use of illicit drugs and alcohol; and
- ◇ a clear statement that the school will impose sanctions on students and employees (consistent with local, state, and federal law) and a description of these sanctions, up to and including expulsion or termination of employment, and referral for prosecution of the standards of conduct.

***Distribution
of materials
to all
students &
employees***

The appendices and Comments and Responses sections of the August 16, 1990 regulations provide additional guidance and information for schools to use in developing these materials.

Information to be included in drug prevention materials

The school may include this information in publications such as student or employee handbooks, provided that these publications are distributed to each student and employee. Merely making drug prevention materials available to those who wish to take them is not sufficient. The school must use a method that will reach every student and employee, such as the method used to distribute grade reports or paychecks. The school must distribute these materials annually. If new students enroll or new employees are hired after the initial distribution for the year, the school must make sure that they also receive the materials. (For more information on anti-drug abuse requirements, see Section 2.)

MISREPRESENTATION

Definition of misrepresentation

The General Provisions regulations permit the Department to fine a school, or limit, suspend, or terminate the participation of any school that substantially misrepresents the nature of its educational program, its financial charges, or the employability of its graduates.

Misrepresentation—Any false, erroneous or misleading statement made to a student or prospective student,⁶ to the family of an enrolled or prospective student, or to the Department. This includes disseminating testimonials and endorsements given under duress.

Substantial Misrepresentation— Any misrepresentation on which the person to whom it was made could reasonably be expected to rely, or has reasonably relied, to that person's detriment.

Accreditation, facilities, etc.

Misrepresentation of the educational program includes false or misleading statements about the school's accreditation, the school's size, location, facilities, or equipment. Misrepresentation of financial charges includes false or misleading statements about scholarships provided for the purpose of paying school charges. To be considered a scholarship, it must actually be used to reduce tuition charges made known to the student before the scholarship was offered to the student. (The tuition charges must be charges that are applied to all students *not receiving a scholarship*.)

Misrepresentation of scholarships

It is also considered misrepresentation if the school gives false or misleading information as to whether a particular charge is a customary charge for that course at the school.

⁶The regulations define prospective students as individuals who have contacted the school to inquire about enrolling at the school or who have been contacted directly by the school or indirectly through general advertising about enrolling at the school.

Misrepresentation of the employability of the school's graduates includes any false or misleading statements

- ◇ that the school is connected with any organization or is an employment agency or other agency providing authorized training leading directly to employment,
- ◇ that the school maintains a placement service for graduates or will otherwise secure or assist graduates in securing a job, unless it provides the student with a clear and accurate description of the extent and nature of the service or assistance, or
- ◇ concerning government job market statistics in relation to the potential placement of its graduates.

The regulatory provisions concerning misrepresentation are given in detail on the next page.

***Misrepresentation
of
employability
of graduates***

Nature of educational program

§668.72 Misrepresentation by an institution of the nature of its educational program includes, but is not limited to, false, erroneous or misleading statements concerning

- ◆ The particular type(s), specific source(s), nature and extent of its accreditation;
- ◆ Whether a student may transfer course credits earned at the institution to any other institution;
- ◆ Whether successful completion of a course of instruction qualifies a student for: acceptance into a labor union or similar organization; or receipt of a local, state, or federal license or a nongovernment certification required as a precondition for employment or to perform certain functions;
- ◆ Whether its courses are recommended by vocational counselors, high schools or employment agencies, or by governmental officials for government employment;
- ◆ Its size, location, facilities or equipment;
- ◆ The availability, frequency and appropriateness of its courses and programs to the employment objectives that it states its programs are designed to meet;
- ◆ The nature, age and availability of its training devices or equipment and their appropriateness to the employment objectives that it states its programs and courses are designed to meet;
- ◆ The number, availability, and qualifications, including the training and experience, of its faculty and other personnel;
- ◆ The availability of part-time employment or other forms of financial assistance;
- ◆ The nature and availability of any tutorial or specialized instruction, guidance and counseling, or other supplementary assistance it will provide its students before, during, or after the completion of a course;

- ◆ The nature and extent of any prerequisites established for enrollment in any course; or
- ◆ Any matters required to be disclosed to prospective students under Section 668.44 (institutional information) and 668.47 (campus security information) of this part.

Nature of financial charges

§668.73 Misrepresentation by an institution of the nature of its financial charges includes, but is not limited to, false, erroneous, or misleading statements concerning

- ◆ Offers of scholarships to pay all or part of a course charge, unless a scholarship is actually used to reduce tuition charges that are applied to all students not receiving a scholarship and are made known to the student in advance; or
- ◆ Whether a particular charge is the customary charge at the institution for a course.

Employability of graduates

§668.74 Misrepresentation by an institution regarding the employability of its graduates includes, but is not limited to, false, erroneous, or misleading statements

- ◆ That the institution is connected with any organization or is an employment agency or other agency providing authorized training leading directly to employment,
- ◆ That the institution maintains a placement service for graduates or will otherwise secure or assist its graduates to obtain employment, unless it provides the student with a clear and accurate description of the extent and nature of this service or assistance, or
- ◆ Concerning government job market statistics in relation to the potential placement of its graduates.