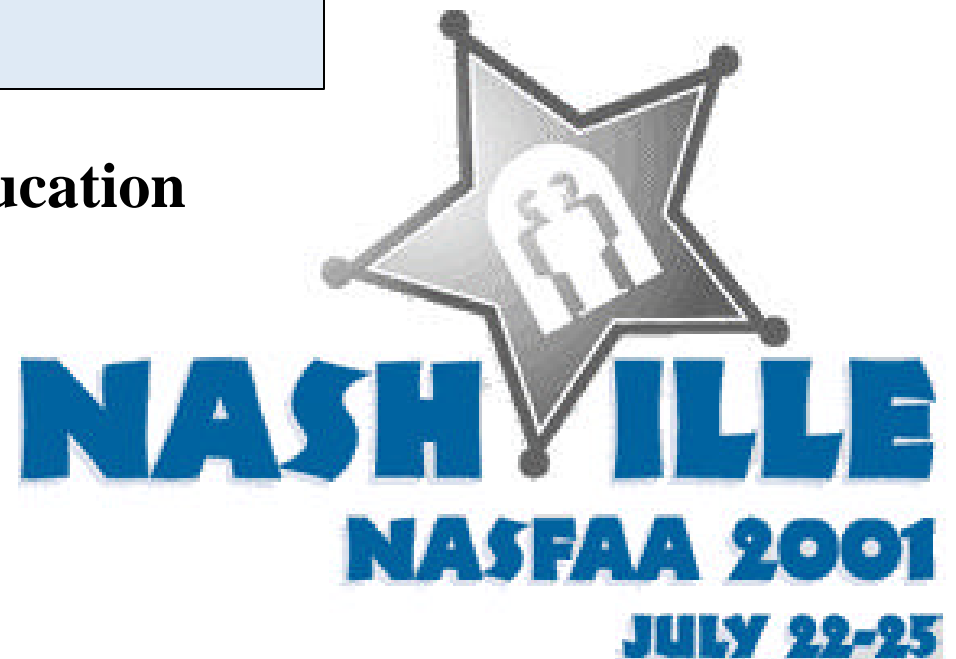


Delivering Student Financial Aid in Non traditional Programs

U.S. Department of Education



Background

Roots of Student Aid Program in the 60's -

- **Aid requirements were structured around traditional concepts.**
- **Most aid was tracked on 3x5 cards or maybe keypunched.**
- **Laws and regulations that governed the Title IV programs were very minimal .**



Background

- **Almost all schools were traditional and based on standard terms.**
- **Any sort of non-traditional programs were housed in the continuing education or extension services departments and most of those programs were not offered for credit.**



Background

1992 HEA Fraud and Abuse Amendments

- **Non-traditional education including distance education**
- **Quality**
- **Program length**
- **Accrediting agency recognition**



Background

Emerging Patterns of Non-Traditional Education

- **Overlapping terms.**
- **Courses that begin in one term and end in another term.**
- **Self-paced learning. These courses are frequently offered via correspondence, Internet, or independent study.**



Background

Emerging Patterns of Non-Traditional Education

- **Short term and sequential course enrollment**

Courses are now often offered in modules (usually 1 - 8 weeks in length.) Programs are designed such that these modules -

- ▲ **Compose an entire program; or**
- ▲ **Are offered in conjunction with other full-term length courses.**



Background

Emerging Patterns of Non-Traditional Education

- **Multiple start dates**

To provide students with maximum flexibility courses are often scheduled to begin as frequently as once a month.

This is particularly prevalent in courses and programs offered via distance education and courses offered at temporary locations.

Background

Emerging Patterns of Non-Traditional Education

- **Programs offered via a combination of on campus and distance education courses.**

These programs are particularly prevalent in 2 plus 2 programs and programs offered jointly by state systems.

- **Weekend degree programs.**



Background

Emerging Patterns of Non-Traditional Education

- **New possibilities for home/host school enrollments (consortium and contractual arrangements.)**

These new possibilities are particularly prevalent in -

- ▲ **2 plus 2 programs;**
- ▲ **university centers; and**
- ▲ **distance education**



Background

Problems with Campus Computer Systems

- **Separate computer systems for “on campus” and continuing education departments.**
- **Computer systems structured around standard terms.**
- **Computer systems are not flexible - and are not easy to customize to accommodate new formats.**
- **Computer systems are organized to meet school not student needs.**

Non-Traditional Education

Term or Non-Term?



Term or Non-Term?

Some questions to help you determine -

- **Do classes start and stop on the same dates?**
- **Is the coursework taken concurrently or sequentially?**
- **Does the coursework overlap from one traditionally defined term into another?**



Term or Non-Term?

Term Characteristics

- **A term is segment of an academic calendar. In a term-based program an academic calendar is divided into at least 2 segments .**
- **A term is a discrete period of time during which all courses are scheduled to begin and end.**
- **A series of mini courses or courses offered sequentially can be combined into a term.**

Term or Non-Term?

Standard Term Characteristics

- A standard term is a quarter, trimester, or semester.
- Progress is always measured in semester or quarter credit hours.



Term or Non-Term?

Standard Term Characteristics

Semester and Trimester Terms

- **Approximately 15 weeks long.**
- **Full-time is at least 12 semester-credit hours.**
- **Academic calendar is 3 terms - fall, spring and often summer.**
- **Progress is measured in semester-credit hours.**

Term or Non-Term?

Standard Term Characteristics

Quarter terms

- **Approximately 10 -12 weeks long.**
- **Full-time is at least 12 quarter-credit hours.**
- **Academic calendar is 3 quarters in fall, winter and spring and often a summer quarter.**
- **Progress is measured in quarter-credit hours.**

Term or Non-Term?

Non-Standard Term Characteristics

- While all coursework is expected to begin and end within a discrete period of time, that period of time may not be a semester, trimester, or quarter.
- Terms may be of unequal lengths.



Term or Non-Term?

Non-Standard Term Characteristics

- **Terms that are the length of a quarter but where progress is measured in semester-credit hours or the terms are the length of a semester but where progress is measured in quarter-credit hours.**

Term or Non-Term?

Non-Term Characteristics

- **Courses may not all begin and end within a discrete period of time.**
- **Courses may overlap from one term to another.**
- **Clock hours are always treated as non-term programs for disbursement purposes.**



Term or Non-Term?

Non-Term Characteristics

- Programs that contain self-paced or independent study courses that can span past a term.
- Programs that consist of courses that are offered sequentially - when a group of these courses do not have to begin and end within a term.



Term or Non-Term?

Pell Grant Formulas

- 1 Standard term, credit hour, fall through spring terms contain at least 30 weeks of instructional time.
- 2 Standard term, credit hour, fall through spring terms contain less than 30 weeks of instructional time.
- 3 Non-standard term credit hour.
- 4 Non-term, credit hour and clock hour.
- 5 Correspondence programs.



Term or Non-Term?

Issues for Standard, Non-Standard and Non-Terms

- **Definition of a 30 Week Academic Year - how many days per week of instructional time is required**
- **Payment Period**
- **Determining Enrollment Status**
- **Certifying and Disbursing Loans**
- **Which Pell Formula to use**
- **How is Progress Measured**



Non-Traditional Education

Standard Terms



Standard Terms

Academic year

- **30 weeks of instructional time.**
- **Week = 7 consecutive days.**
- **A week of instructional time is a week in which at least one day of regularly scheduled instruction, examinations, or preparation for examinations occurs. Instructional time does not include periods of orientation, counseling, vacation, or other activity not related to class preparation or examination.**



Standard Terms

Payment Period

- The payment period is the quarter, trimester, or semester as applicable.



Standard Terms

Determining Enrollment Status

To be considered

Full-time -

A student must take at least

12 credits hours per term

Three-quarter time -

9 credit hours per term

Half-time -

6 credit hours per term

Less than half-time -

**Less than half the
workload of the
minimum full-time
requirement**



Standard Terms

Determining Enrollment Status

Keep in mind - If a student doesn't begin attendance in all of his or her classes and this results in a change in the student's enrollment status then the Pell Grant award must be recalculated.

Pell Formula

- Pell formula 1 is used if the academic calendar contains at least 30 weeks of instructional time.**
- Pell formula 2 is used if the academic calendar contains less than 30 weeks of instructional time.**

Standard Terms

Certifying and Disbursing Loans

- The minimum period of time a loan can be certified is a term.
- If a loan period is more than one payment period, the school shall deliver loan proceeds at least once in each payment period; and



Standard Terms

Unless the school has a cohort or weighted default rate of less than 10 percent for each of the three most recent fiscal years for which data are available, if a loan period is one payment period, the school shall make at least two deliveries of loan proceeds during that payment period. The school may not make the second delivery until the calendar midpoint between the first and last scheduled days of class of the loan period.



Standard Terms

Measuring Progress

- Progress is measured by the number of credit hours or clock hours attempted.



Standard Terms

Example - semester-credit program

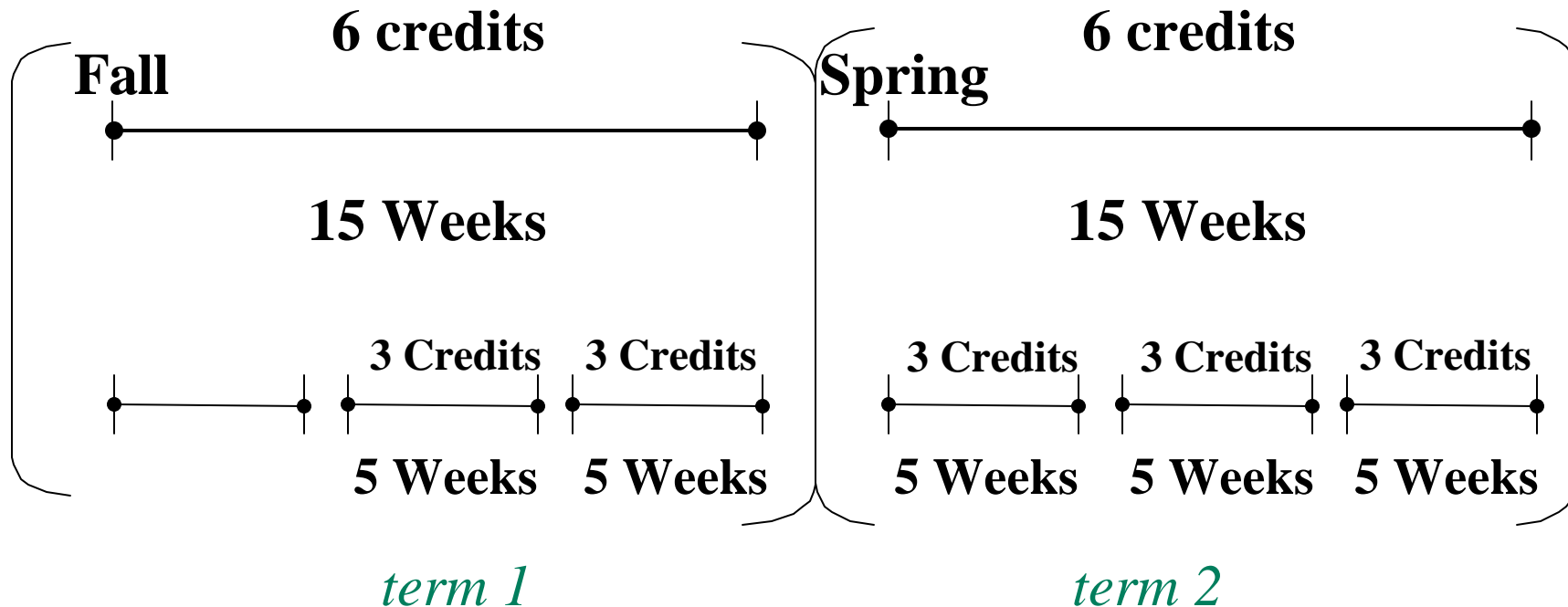
First term the student is enrolled in 12 credits -

- **2 - 3 credit courses that run the duration of the full term &**
- **2 - 3 credit courses that each run 5 weeks and begin and end during the term.**

Second term the student is enrolled in 15 credits -

- **2 - 3 credit courses that run the duration of the full term &**
- **3 - 3 credit courses that each run 5 weeks and begin and end during the term.**

Standard Terms



- Pell and Loan disbursements at beginning of each term.
- Keep in mind- that in the first term this student is enrolled in 12 credits and thus a full-time student. If the student does not begin all of the courses for this term, he or she will no longer be considered full-time.

Non-Traditional Education

Non-Standard Terms



Non-Standard Terms

Academic year

- **30 weeks of instructional time.**
- **Week= 7 consecutive days.**
- **A week of instructional time is a week in which at least 12 hours of regularly scheduled instruction, examinations, or preparation for examinations occurs. Instructional time does not include periods of orientation, counseling, vacation, or other activity not related to class preparation or examination.**

Non-Standard Terms

Payment Period

- **For non-standard terms the payment period is the non-standard term.**

Certifying and Disbursing Loans

- **The minimum period of time a loan can be certified is a term.**

Pell Formula

- **Pell formula 3 is used.**



Non-Standard Terms

- **Unless the school has a cohort or weighted default rate of less than 10 percent for each of the three most recent fiscal years for which data are available, if a loan period is one payment period, the school shall make at least two deliveries of loan proceeds during that payment period.**



Non-Standard Terms

If a loan period is more than one payment period, the school may not deliver a second disbursement until the latter of -

**The calendar midpoint between the first and last scheduled days of the loan period;
or**

The date that the student has completed half of the academic coursework in the loan period.



Non-Standard Terms

Measuring Progress

- Progress is measured by the number of credit hours or clock hours successfully attempted.



Non-Standard Terms

Enrollment Status

Step1 Full-time (round up to the next whole number)

**Credit hours in
the academic
year**

X

**Weeks of instructional time
in the term**

**Weeks of instructional time
in program's definition of
academic year**

Step 2 Determining enrollment status for the term

**Credit hours
taken by student
in the term**

÷

**Credit hours required
for full-time status for the
term (as determined above)**

Non-Standard Terms

Example

Certificate Program

- 8 weeks - 6 credits
- 10 weeks - 9 credits
- 9 weeks - 9 credits (3 -3 credit courses to be taken sequentially)
- 10 weeks - 9 credits
- 3 weeks - 3 credits

40 week program/ 36 credit hours



Non-Standard Terms

Calculating Enrollment Status for each Payment Period

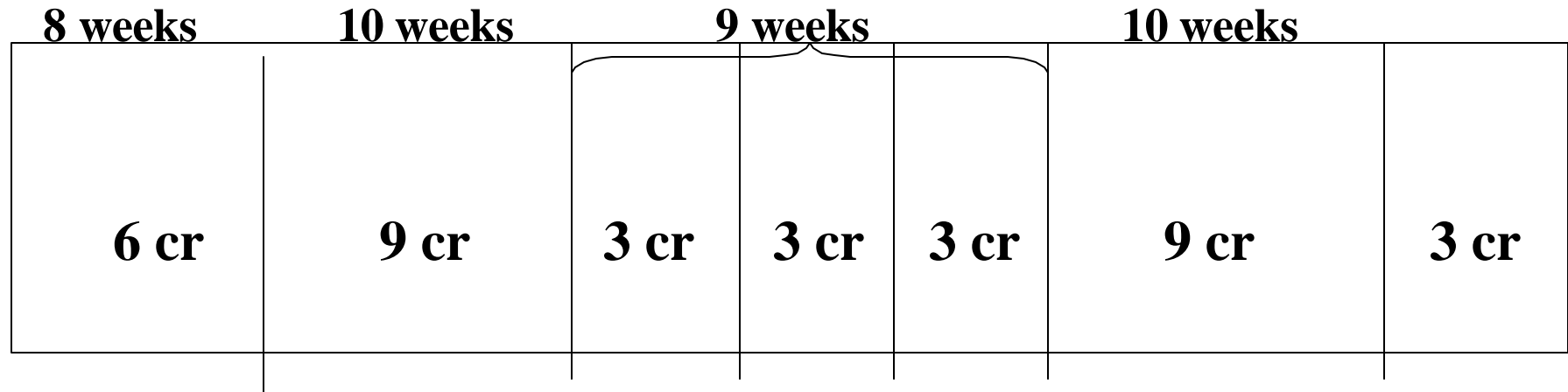
In this example we have organized this into 5 terms

- 8 week term - 6 credits**
- 10 week term - 9 credits**
- 9 week term - 9 credits**
- 10 week term - 9 credits**
- 3 week term - 3 credits**

The loan is certified for 37 weeks long with 33 semester credit hours.

The remainder of the program is 3 weeks long containing 3 semester credit hours.

Non-Standard Terms



Start date*	Week 8	Week 18 2nd Loan Disbursement	Week 27	Week 37
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The academic year for this program is defined as 24 semester credits and 30 weeks of instructional time. Loan is certified for 37 weeks containing 33 semester hours..

Pell disbursements each non-standard term. Second loan disbursement cannot be made until week 21 when half the time & work have been completed.

Non-Standard Terms

Calculating Enrollment Status for each Payment Period

Number of credit hours in the academic year	x	<u>Weeks of instructional time in the payment period</u>	Weeks of instructional time in the academic year
24	x	<u>8</u>	6.4
30	=		cr
			Round up to 7 semester credits required for full-time
24	x	<u>10</u>	8 cr
30	=		
24	x	<u>9</u>	7.2
30	=		cr
			Round up to 8 semester credits required for full-time

Non-Standard Terms

$$24 \times \frac{10}{30} = 8 \text{ cr}$$

$$24 \times \frac{3}{30} = 2.4 \text{ cr}$$

Round up to 3 semester credits required for full-time



Non-Standard Terms

Example - Pell Calculations

$$\begin{array}{l} \text{Annual Award} \\ \text{X} \end{array} \frac{\text{Weeks of instructional time in the payment period}}{\text{Weeks of instructional time in the academic year (as defined by the school)}} = \text{Payment for the payment period}$$

$$2,813 \quad \text{X} \quad \frac{8}{30} = \$750.13$$

$$\$3,750 \quad \text{X} \quad \frac{10}{30} = \$1,250$$



Non-Standard Terms

$$\$3,750 \quad \mathbf{X} \quad \frac{\underline{9}}{30} \quad = \quad \$1,125$$

$$\$3,750 \quad \mathbf{X} \quad \frac{\underline{10}}{30} \quad = \quad \$1,125$$

$$\$3,750 \quad \mathbf{X} \quad \frac{\underline{3}}{30} \quad = \quad \$375$$



Non-Traditional Education

Non-Terms



Non--Terms

Academic year

- **30 weeks of instructional time.**
- **Week= 7 consecutive days.**
- **For a non-term program using credit hours, a week of instructional time is a week in which at least 12 hours of regularly scheduled instruction, examinations, or preparation for examinations occurs.**



Non--Terms

Academic year

- **For a clock-hour program a week of instructional time is any week in which at least one day of regularly scheduled instruction, examinations, or preparation for examinations occurs.**

(Instructional time does not include periods of orientation, counseling, vacation, or other activity not related to class preparation or examination.)



Non--Terms

Payment Periods for Non-Term Programs

- 1. When the student is enrolled in a program that is one academic year or less in length -**

First payment period - Period of time in which the student successfully completes the first half of the program.

Second payment period - Period of time in which the student successfully completes the second half of the program.

Non--Terms

2. When the student is enrolled in a program that is more than one academic year -

For the first academic year and any subsequent full academic year -

First payment period - Period of time in which the student successfully completes the first half of the coursework for the academic year.

Second payment period - Period of time in which the student successfully completes the second half of the coursework for the academic year.

Non--Terms

For the remainder of a program that is more than one-half an academic year but less than a complete academic year -

First payment period - Period of time in which the student successfully completes the first half of the remaining coursework.

Second payment period - Period of time in which the student successfully completes the second half of the remaining coursework.



Non--Terms

For the remainder of a program that is not more than half an academic year -

The payment period is the remainder of that program.



Non--Terms

Calculation of Enrollment Status

- **Enrollment is always considered to be full-time for Pell calculations. For the loan and campus-based programs the student's actual enrollment status would be used.**

Certifying and Disbursing Loans

- **For a clock-hour program or a credit-hour program that does not use terms, the minimum period for which a loan may be certified is the lesser of -**
 - **the academic year,**
 - **the length of the program , or**
 - **the remaining portion of the student's program.**



Non--Terms

- **Unless the school has a cohort or weighted default rate of less than 10 percent for each of the three most recent fiscal years for which data are available, a school is required to deliver loan proceeds in more than one installment if the students loan period is more than 4 months.**



Non--Terms

- **The school may not deliver a second loan disbursement until the latter of -**
 - The calendar midpoint between the first and last scheduled days of the loan period; or**
 - The date that the student has completed half of the academic coursework or clock hours in the loan period.**



Non--Terms

Pell Formula

Pell formula 4 is used.

Measuring Progress

Progress is measured by the number of credit hours or clock hours successfully completed.



Non--Terms

Non-term Bachelor's Degree Completion Program - Self Paced

Example 1 - Student completes 12 semester credits in 15 weeks of a 40-week academic year.

Week 1	Week 15	Midpoint	Week 40
I	I	I	I
Disburse 1/2 of Pell and Loan	Disburse 2nd 1/2 of Pell	Disburse 2nd 1/2 of loan	



Non--Terms

Example 2 – Same programs but student does not complete 12 semester credits until week 22.

Week 1	Mid- point	Week 22	Week 40
I	I	I	I
Disburse 1/2 of Pell and Loan		Disburse 2nd 1/2 of Pell and loan	



Non-Traditional Education

Student Eligibility



Student Eligibility

- **To be eligible for Title IV aid a student must be enrolled or accepted for enrollment in an eligible program.**

A student is considered to be meeting this standard if when accepted for enrollment he or she is required to take a specified number of courses and maintain a certain grade point average in order to continue that enrollment.



Student Eligibility

A student is not considered to be meeting this standard if when originally beginning to take coursework his or her eventual enrollment is based on some subsequent activity (i.e. test scores and/or transcripts being received, etc..)

- **While awards can be based on documented projected plans, they may need to be recalculated when the student's enrollment is finalized.**



Student Eligibility

- **For Federal Pell Grant awards, if a student does not begin attendance in all of his or her classes and this results in a change of enrollment status, the Federal Pell Grant award must be recalculated.**
- **For FFEL and Direct Loans, each time a disbursement is received, school must confirm that the student is eligible (including at least half-time enrollment).**



Non-Traditional Education

Miscellaneous Loan Issues



Miscellaneous Loan Issues

Type of Academic Year

- Scheduled Academic Year - Term based credit hour programs may use.
- Borrower-based Academic Year - Clock-hour and non-term credit-hour programs must use. Term-based programs may use.



Miscellaneous Loan Issues

Frequency of Annual Loan Limits

In general, once a student has reached the annual loan limit, he or she cannot receive another loan until he or she begins a new academic year.



Miscellaneous Loan Issues

Loan Proration

While loans for graduate students are not prorated, if the academic year contains less than 30 weeks of instructional time, a student is not eligible to receive another loan until the student has completed 30 weeks of instructional time.



Non-Traditional Education

Withdrawal Issues



Withdrawal Issues

- **If a recipient of Title IV aid withdraws during a payment period (or a period of enrollment), the school must calculate the amount of Title IV aid the student earned. Unearned Title IV funds must be returned to the Title IV programs.**
- **If mini-sessions combined in a term, the return of Title IV funds must be applied when the student does not complete any coursework.**



Withdrawal Issues

- **If mini-sessions are not combined into a term, the return of Title IV formula must be applied when the student withdraws from or drops out of all classes in the individual session.**
- **If a student who is taking courses sequentially, completes a course and does not enroll in the subsequent course, he or she is considered to have withdrawn.**



Non-Traditional Education

Non-Traditional Education Activities



Non-Traditional Education Activities

Distance Education Demonstration Program

- **Clear trend toward distance education**
- **Continued concern about possibilities for fraud and abuse**
- **Requires strict monitoring**
- **Administrative capability criterion**

Non-Traditional Education Activities

Statutory Purposes of Program

- **Test quality and viability**
- **Increase access**
- **Help determine**
 - ▲ **Most effective means of delivering Distance Education**
 - ▲ **Statutory and regulatory changes needed**
 - ▲ **Appropriate level of student assistance**

Non-Traditional Education Activities

Some Ideas Participants are Testing -

- **2 plus 2 programs**
- **Course sharing**
- **Increasing capacity to meet student needs**
- **New methods of enrollment tracking**
- **Excluding living expenses from the calculation of cost of attendance**
- **Multiple disbursements - just in time delivery**
- **Methods of default management**

Non-Traditional Education Activities

Lessons We Are Learning -

- **Adapting student aid requirements to distance contexts is extremely difficult.**
- **Statutory and regulatory provisions present obstacles to administering aid to distance education students.**
- **Systems designs present obstacles to new models of providing aid.**

Non-Traditional Education Activities

More Lessons We are Learning

Many of these programs allow students significant flexibility in terms of -

- When they begin their work and how long it takes them to complete a given unit of work.
- How many units of work they might wish to undertake in a given period of time.
- When they wish to take vacations or breaks.



Non-Traditional Education Activities

More Lessons We are Learning

There is no common understanding of the meaning of the terms we use to distinguish among various kinds of education -

- **Distance Education**
- **Independent Study**
- **Technologically delivered instruction**
- **Correspondence**
- **Blurred boundaries**

Non-Traditional Education

Contact Information

Non-Traditional Education

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