

Consortium Agreements



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What does Consortium Mean?

Modified from Merriam-Webster Online Dictionary

Consortium

Pronunciation: kən-'sor-sh(ē-)əm, - sôr-tē-əm

Inflected Form(s): plural **con-sor-tia**; also **-sortiums**

1: an agreement, combination, or group (as of companies) formed to undertake an enterprise beyond the resources of any one member

2: association, society

3: the legal right of one spouse to the company, affection, and assistance of and to sexual relations with the other

Definitions

- Regular student – enrolled at the home institution for the purpose of earning a degree or certificate
- Home institution – the college that will grant the student's degree or certificate
- Host institution – the 'other' college, where the student is taking part of his/her program requirements

What is a Consortium Agreement?

- A consortium agreement is a written agreement between **Title IV eligible** institutions allowing a **regular student** to be considered "enrolled" at his or her **home** institution and eligible to receive financial aid while completing part of his or her **educational program** course work at another (**host**) institution in the U.S. or abroad.

Quiz Time

- Take the Quiz and see how you do!



Other Written Agreements

- Contractual Agreement
 - Written agreement between a Title IV *eligible* institution and an *ineligible* institution
- Limits on Contractual Agreements
 - Not permitted if host school has had FSA eligibility terminated by Dept. of Ed. or if it voluntarily withdrew from FSA programs due to an investigation
 - Home school is only eligible school and must disburse & keep records
 - If both home and host (*ineligible*) school are owned or controlled by the same person, corporation, or partnership, then 25% or *less* of the ed. program can be provided by the ineligible school

Other Written Agreements

- More Limits on Contractual Agreements
 - If the schools are separately owned or controlled, then:
 - Ineligible school can provide up to 50% of educational program
 - If 26% to 50% is provided by ed. program, home school's accrediting or state agency must confirm in writing that the agreement meets its standards
- Articulation Agreement
 - Agreement that applies to course work taken by regular student at one institution that will be accepted when student *later* becomes a regular student at another participating institution (consortium/contractual unnecessary)

A Consortium Agreement States

- Coursework taken at host school is acceptable for credit at home school
- Student will continue to be considered ***enrolled as a regular student*** at home school while taking classes at host school
- If consortium agreement in place, any otherwise eligible student must be considered for Title IV funds

Elements of a Consortium Agreement



- Agreement is **written**
- Which school will grant the degree or certificate
- Student's tuition, fees, room & board at each school
- Student's enrollment status at each school
- Which school will disburse aid and monitor student eligibility
- Procedures for calculating awards, disbursing aid, applying & monitoring SAP, NSLDS enrollment reporting, keeping records, etc.

All required by Dept. of Ed

Elements of a Consortium Agreement

- Courses **must be** accepted by home school toward student's program of study*
(student could take 6 cr. that transfer into program of study and 6 cr. that do not – only the first 6 cr. are applicable for the Consortium)
- Home school's Dean, Advisor, or other academic official should approve acceptance
- Starting and ending dates of enrollment period
- Info about any differences in terms *(non-standard terms, etc.)*

* required by Dept. of Ed

How can Consortiums be Used?

- All student's coursework at host institution-- student is **not taking** classes at home school
- Simultaneous enrollment at **both** home and host school
- Study abroad *(more detail on next slides)*
- Entire category or class of students
- All students at the institution, as in Cross-Registration
- Several host institutions under a single agreement

Study Abroad



- Student takes courses in another country
- Study abroad courses **must be** accepted by home school toward student's program of study
- Student must be eligible regular student at home school
- It does not matter if study abroad program is **not** a required part of student's program

Study Abroad Common Scenarios

- Home school enters agreement directly with foreign school – **may need Contractual Agreement**
- Home school enters agreement with another domestic school or organization that represents one or more foreign schools – **Consortium if other school is Title IV Eligible**
- No agreement needed when home school provides courses – taught by home faculty

Consortium Advantages



- Student-friendly – can save them \$\$
- Increased academic/cultural offerings
- Can allow students to graduate on time
- Increased cooperation between schools
- Can be completed in hindsight – OK for prior payment period **if** in same award year
- Dept. of Ed is liberal on how you develop them

Consortium Disadvantages



- Difficulties tracking & reporting student info
- Communication problem between schools
- Can be too much responsibility for student
- Student may need to pay other college in advance
- Student taking courses elsewhere doesn't bring in \$\$ for *your college*
- Official transcripts may not come directly to you
- Watch out for academically dismissed students
- May not want to advertise!

Consortiums are Unnecessary If...

- Either home or host school *chooses* not to enter into an agreement – **it's your choice**
- Student is a regular student at both schools
- Student doesn't want or need financial aid
- Student has *previous* courses to transfer
- Home institution sends faculty and students to another location or site, including abroad
- Student is enrolled full-time at home school and COA doesn't need adjusted upward

Consortiums are **Optional**

- Neither home nor host school is required to participate in Consortium/Contractual Agreements
- School *choice* depends on mission and goals of academic program
 - Is study abroad important?
 - Will courses taken at host school complement student's academic program at the home school?
 - Does home school want to encourage students taking courses elsewhere?

Regular Student at Two Colleges

- More than one school can award Title IV aid, except for Federal Pell Grant
 - Makes reporting much more difficult
- **Without** a Consortium Agreement, Title IV aid can only be based on enrollment status at each school – *it can't be combined*

Suggestions

- Each school should have one person or office that 'handles' and approves Consortiums
- Regularly monitor Consortiums whether you are at the host **or** home school
- Meet & discuss with potential Consortium students
- Maintain good communication with student – they may need reminders
- Include info. regarding what grades are accepted
- Limit # of Consortium semesters and make first-semester freshmen ineligible??

Awarding Title IV Aid

- Any school that signs Consortium can award Title IV aid without being considered a third-party servicer
- If more than 1 school awards aid:
 - Communicate & coordinate **well**
 - Use the same EFC & COA for campus-based, FFEL, and direct loan programs to avoid double-counting

Awarding Aid in a Consortium

- A school **cannot** reduce or deny **Title IV** funding to an eligible student attending under a Consortium *(except to prevent overaward)*
- Aid is awarded based on combined enrollment
- Changes in enrollment status may need to be adjusted as if the student was at home school
- Federal Pell grant may need recalculated
- A school **can** limit its **own nonfederal institutional** funds to students studying at its own institution

Monitoring Enrollment Status

- Can be a challenge, since student may not **appear** to be enrolled at home school
- Signed, completed Consortium can be acceptable enrollment documentation – decision is made by school
- Home school can document audit trail, such as scheduling students for ‘dummy courses’

Communication Between Schools Needed



- If student does not begin or stops attending
- Any changes in schedule and/or withdrawal
- Official transcript after courses are completed
- It's **your** responsibility if you sign Consortium

Satisfactory Academic Progress

- Home school can set own policy to decline any grade *(D grades had to be accepted before March '97)*
- As with transferred courses, don't need to factor grades into GPA
- Must review courses for SAP and include credits attempted in 150% rule



National Student Clearinghouse

- Is a third-party servicer that reports enrollment data for many schools
- Doesn't combine enrollment data received from two or more schools
- If different enrollment statuses reported, will take the highest status
- If same enrollment status is reported, will take the most recently reported

Cost of Attendance (COA)



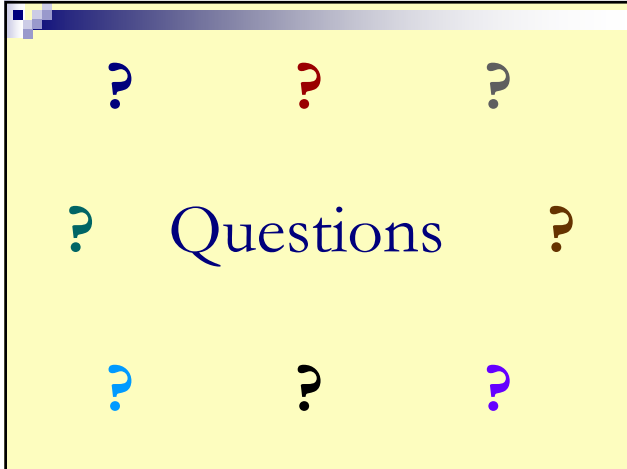
- Include written info. about COA
- Same COA needs to be used if student is receiving aid from more than one school
- COA may be higher or lower than usual
- For distance learning courses – reduce travel cost
- For study abroad, include air travel

Consortium Agreement Basics

- You have flexibility in constructing them
- Dept. of Ed does require certain elements
- Optional to use
- Can benefit students
- Much more responsibility on FAA
- Inform and keep in communication with student(s)
- Not easy to track (school info, loan guarantor, etc.)

References

- NASFAA, Nat. Association of Student Financial Aid Administrators, June '03 Presentation
- 2008-09 Federal Student Aid Handbook, Vol. 2, Ch. 7: Written Agreements Between Schools
- 34 CFR 668.5: Written Agreements to Provide Educational Programs
- National Student Clearinghouse
- Merriam-Webster Online Dictionary



Disbursing Title IV Aid (optional)

- Any eligible school (**home or host**) on Consortium can disburse Title IV aid
- Does not matter which school bills student
- Only one school can disburse Pell (*home is best*)
- State on Consortium: Which school will disburse aid and procedures for disbursements and monitoring eligibility
- School that disburses must maintain all records, including award calculations, returns of Title IV funds, refunds, etc.

Federal Work-Study (*optional*)

- Consortia are an exception to campus-based awarding rules: You **do not have to** award FWS to students attending host institutions
- Even if you want to award FWS, employment may be very limited or not allowed, especially abroad
- School may choose to replace FWS with other campus-based, loan or institutional funds

Pell Grant COA For a Consortium Program

- A student receiving a Pell Grant for attendance at two schools through a consortium agreement may have costs from both schools at the same time. The student's cost of attendance is calculated in the same way as for a student taking classes at only one school. The student's charges for tuition and fees and books and supplies at the consortium schools have to be combined into a single charge for a full academic year for purposes of the Pell calculation. The school paying the student can choose to use actual charges for the student, which would simply be the sum of the actual charges at both schools. Of course, if the student isn't attending full-time, your school will have to prorate these tuition and fees and books and supplies charges so that they are the correct amounts for a full-time, full-year student.
- If the disbursing school is using average charges, then the average full-time charges at each of the schools must be prorated and combined. If the student is taking a full-time load at each school, the full-time tuition and fees charges for an academic year at each school can be averaged to determine the tuition and fee cost. However, if the student is taking an unequal course load, the disbursing school must prorate the charges based on the number of hours the student is taking at each school.

■ Pg 3-25 of <http://www.ifap.ed.gov/sfahandbooks/attachments/0708IndexedHBook.pdf>