

Regulatory and Legislative Update

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Regulatory and Legislative Update

- ▶ You can't have one without the other so I have combined them 😊
- ▶ Legislative process drives the laws which drive our regulations
 - ▶ Everything is linked together and related
- ▶ Be involved at the legislative level to influence what we do each day and how things impact our students.

Regulatory Update

- ▶ No HEA in sight.... But that doesn't mean things aren't changing!
 - ▶ Omnibuses, budgets, appropriations, executive action, stand alone legislation etc...
- ▶ Let's start with GE
 - ▶ Gainful employment is gone as we know it
 - ▶ Review history of GE and program approvals
 - ▶ Still must have programs approved and on ECAR
 - ▶ Must keep documentation of decision on file
 - ▶ I recommend with your institution's PPA and ECAR
 - ▶ I also recommend presidential signature and committee/meeting notes that document your decision
 - ▶ **HOWEVER** there is a new onus in the recently published NPRM

NPRM's What are they?

- ▶ Notice of Proposed Rule Making = NPRM
 - ▶ The one we are talking about <https://www.govinfo.gov/content/pkg/FR-2019-06-12/pdf/2019-12371.pdf>
- ▶ ED's way of saying "check out what we're gonna change"
 - ▶ We can all make public comment and suggestions
 - ▶ ED can consider them or ignore them
 - ▶ Then it becomes regulation
- ▶ Sometimes they come after the negotiated rulemaking process and sometimes they do not
- ▶ We can expect at least two more by November 1st this year

Regulatory Update

- ▶ GE programs will no longer be approved if they exceed 150% of the required timeframe
 - ▶ So, if you have a state regulation that requires so many hours for a certain credential and you have a GE program for that particular thing, you will want to make sure that you are not exceeding 150% of that required time.
 - ▶ Electives
 - ▶ Internships
 - ▶ All program components will count
 - ▶ Should go into effect July 1, 2020

Regulatory Update

- ▶ New NPRM on accreditation and innovation
 - ▶ Changes the minimum credit hour
 - ▶ Semester or Trimester hour will soon be 30 hours
 - ▶ Quarter hour will be 20
 - ▶ These are just minimums so our current credits as defined are okay
 - ▶ Subscription based learning is codified in this NPRM
 - ▶ Direct Assessment programs will require ED approval AND accreditation approval
 - ▶ A general heightened awareness and responsibility for accreditors in general and overall

Regulatory Update

- ▶ New R2T4/withdrawal implications for modular course delivery (and programs)
 - ▶ Completing 50% or more of the number of days in the payment period = NO WITHDRAWAL
 - ▶ Completing coursework equal to the institutional definition of part time = NO WITHDRAWAL
 - ▶ Interesting for our summer terms (standard term schools)

Regulatory Update

- ▶ Changes to the order and programs for which returns are made
 - ▶ Removed ACG and Smart and Perkins from verbiage
 - ▶ Added Iraq and Afghanistan Service Grants
 - ▶ Mostly just a technical correction here
- ▶ Numerous new disclosures
 - ▶ States that don't recognize your credential vs. states that do
 - ▶ Institutions you WON'T accept credits from
 - ▶ Criteria for accepting military service
 - ▶ Teach out plans
 - ▶ Several others...

Regulatory Update

- ▶ We've been promised at least two more NPRM's
 - ▶ One should cover TEACH
 - ▶ So many beneficial changes to the TEACH grant!
 - ▶ It should be much easier to maintain grant status
 - ▶ More schools will qualify
 - ▶ The other... that will depend on what the TEACH NPRM includes
 - ▶ Religious school participation
 - ▶ Distance education
 - ▶ Will they even deliver them as promised?....

Regulatory Update

▶ Borrower Defense

- ▶ This NPRM was issued after a negotiated rulemaking but then was held up in court
- ▶ Went into effect in early 2019
- ▶ What is borrower defense?
- ▶ ED wants schools to be responsible for the expense and not the taxpayer
- ▶ Entire rule is found here: <https://www.govinfo.gov/content/pkg/FR-2016-11-01/pdf/2016-25448.pdf>

Regulatory Update

- ▶ The Secretary has long been charged with ensuring that institutions are financial responsible enough to administer the aid programs
- ▶ This new BD rule introduces several new “triggers” that will require the institution to issue a letter of credit (LOC) to the Secretary.
 - ▶ If an LOC is not issued, an offset can be used
 - ▶ The LOC must be at least half of the T4 funds used in the most recently completed award year
 - ▶ If an offset is used it will be withheld from your current T4 funds within the first nine months of determining that the offset will be used.
- ▶ Important to note that the “old” financial responsibility factors still apply and if you fail one of those measures, an LOC will be required too

Regulatory Update

- ▶ New reporting requirements
 - ▶ Lawsuits - all of them, no exception
 - ▶ This was even reiterated in a Q&A
<https://ifap.ed.gov/eannouncements/attachments/060319Comp2016BD2RypmtRegsQandAAttach.pdf>
- ▶ Debts arising from lawsuits
- ▶ Required teach out plans
 - ▶ Only if the plan is for an institution, branch campus, or additional location
- ▶ Withdrawal of owner's equity (if composite score is less than 1.5)
- ▶ SEC actions, warnings, extensions (for-profits only)
- ▶ Not meeting State or Agency licensure requirements
- ▶ Accreditation actions of show cause or probation status
- ▶ Violation of loan agreement provisions in certain cases

Regulatory Update

- ▶ For all of the new required reporting elements, we will have 10 days from the discovery of the event or action to report to ED.
 - ▶ Only violations of the 90/10 rule will have 45 days from the end of the year they are calculated for.
- ▶ We report using this link: FSAFRN@ed.gov
 - ▶ In email format
- ▶ Make sure to identify ourselves with our OPEID
- ▶ We can provide some supplemental information if the issue we are reporting is already resolved or can be mitigated with insurance or if the issue is cancelled or otherwise revoked.

Legislative Update

- ▶ Nothing will ever get passed at the Federal level. Nothing. Ever. Not ever
- ▶ Hate to be so patronizing but seriously!
- ▶ Higher Education Act of 1965
 - ▶ Signed into law by Lyndon B. Johnson
 - ▶ Financial assistance is covered in Title IV of HEA
 - ▶ Last reauthorized in 2008
 - ▶ Should have been reauthorized in 2013
 - ▶ 6 YEARS OVERDUE! And 10 years since a new HEA

Legislative Update

- ▶ The problem is any bill must be agreed upon.
 - ▶ Not just by committee majority, but also in each house, and then the same version must be agreed upon by both houses and THEN finally the president must sign it into law
 - ▶ This seems to be a major problem currently
- ▶ Most folks think there will not be an HEA this year.... Stranger things have happened

Federal Legislative Update

- ▶ Classroom to Careers Act of 2019
 - ▶ Allow students to work full time with FWS
 - ▶ Must comply with the workforce innovation and opportunity act
 - ▶ Align with skills needed in state or regional industries
 - ▶ Prepare the student to be successful in secondary or postsecondary education options
 - ▶ Include counseling to support the student's career or educational goals
 - ▶ Include, if appropriate, education offered concurrently and in the same context as the workforce training
 - ▶ Organize education and training that allows each individual to accelerate their educational and career advancement as allowable
 - ▶ Enable the student to obtain at least one postsecondary credential
 - ▶ Help the student advance within a specific occupational area

Federal Legislative Update

- ▶ Understanding the True Cost of College Act
 - ▶ Mandate standardized award notices
 - ▶ Including strict format and rules
- ▶ Empowering Students Through Enhanced Financial Counseling Act
 - ▶ Create an annual counseling requirement rather than one time
 - ▶ Include Pell counseling
- ▶ College Equity Act
 - ▶ New grant to address inequities
 - ▶ Institutions conduct inequity audits
 - ▶ Accreditation mandate to assess institutional inequities

Federal Legislative Update

- ▶ FAFSA Fairness Act
 - ▶ Students who can't supply parental information would have an easier path to independent status
 - ▶ Screening question would make them provisional DO
 - ▶ Institutions still determine and document the DO status
- ▶ American Dream and Promise Act
 - ▶ Allow “Dreamers” to be eligible for T4
- ▶ PSLF Technical Corrections Act
 - ▶ People in the wrong payment plan can qualify

Federal Legislative Update

- ▶ Affordable Loans for Any Student Act
 - ▶ Eliminate origination fees and capitalization
 - ▶ Create only 2 repayment plans
 - ▶ Add simplification to all processes
- ▶ REAL Act and Pell Flexibility Act
 - ▶ Allow incarcerated student to be eligible
 - ▶ Allow Pell for short-term, skill based, programs

Federal Legislative Update

- ▶ Stop Student Debt Relief Scams
 - ▶ End the misuse of borrower information
- ▶ Protect Student Borrowers Act
 - ▶ Institutional risk sharing
 - ▶ Require payments from institutions based on their CDR
 - ▶ Between 5% and 20% of the total amount of dollars in default

State Legislative Update

- ▶ Act 121 or HB2124 is here
 - ▶ First notices of debt need to be issued by July 1, 2020
 - ▶ PASFAA has had a few webinars on implementation
 - ▶ Best practice information provided by PASFAA
- ▶ Act 16 or HB1615
 - ▶ Budget passed (lots of funding issued)
 - ▶ Institutions must now have online reporting for sexual violence as well as a written policy that informs victims of their rights
 - ▶ 3.25 GPA required for RTSS
 - ▶ Tuition and fee waiver for Chafee eligible students
 - ▶ After all other aid is applied - beginning fall 2020

State Legislative Update

- ▶ Act 32 or HB1324
 - ▶ Provides an additional five years of tuition benefits when a national guardsmen commits to an additional six years of service
 - ▶ Can transfer to a spouse
 - ▶ Can transfer to a child BUT the child must be college aged - interesting wording in the bill
 - ▶ Therefore, probably see it used more with spouses
- ▶ Introduced but no action - PA Dream Act SB 35
 - ▶ Would provide PHEAA grants to “Dreamers”
 - ▶ Allow them to receive in state tuition rates

State Legislative Update

- ▶ Currently no momentum:
 - ▶ Pennsylvania Promise
 - ▶ Free college concept at system or system related schools
 - ▶ Financial Literacy Education Requirements
 - ▶ Mandatory high school curriculum
 - ▶ Required for graduation
 - ▶ PA tax credit for student loan interest paid
 - ▶ Conceptualized at \$2,500 maximum credit for individuals making \$75,000 or less

General Updates

- ▶ FAFSA Mobile App will be easier to use
 - ▶ Clearly defines who is logged in at the top of the screen
 - ▶ Should help to prevent parents reporting their income in the student section
 - ▶ Major issue this past cycle
 - ▶ Drove a ton of 400 and 401 codes
 - ▶ IRS changes their forms... major impact to FAFSA questions
 - ▶ No more 1040A or EZ form
 - ▶ These were used for simplified needs and auto zero... so now what?
 - ▶ Ask the question, did you file a schedule 1?
 - ▶ This will be the new requirement for simplified needs and auto zero (along with income guidelines)

In Conclusion

- ▶ There is a TON of things happening in and around our landscape of higher education
- ▶ Even as the HEA is still stalled at the fundamental level
- ▶ NPRM's and stand alone concepts
- ▶ State movement on important issues
- ▶ What is next?.... Get involved!

Questions?

