



The Higher Learning Commission

A Commission of the North Central Association


FEDERAL REGULATIONS AND IMPLICATIONS FOR HLC

Karen Solinski

Vice President for Legal & Govt Affairs

4/13/12

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WHERE WE ARE-THE MONEY

✦ TITLE IV EXPENDITURE

\$120—190 BILLION/year

✦ 65%+ of students receive Title IV Financial Aid

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WHERE WE ARE—THE RULES


✦ Higher Education Opportunity Act Adopted August 2008

✦ Regulations & Effective Dates

- ✦ Recognition of Accrediting Agencies 7/2010
- ✦ Program Integrity 7/2011

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TOPICS


- ✧ Credit Hour
- ✧ Default
- ✧ Gainful Employment
- ✧ Mandated Disclosures
 - ✧ HLC'S Complaint Process
- ✧ State Authorization

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CREDIT HOUR REGULATION & HLC RESPONSE

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Federal Regulatory Concern

- ✧ Credit Hour is the Unit for Disbursement of Federal Title IV Aid
- ✧ Money is Paid Upfront
- ✧ New Approaches to Instruction, Seat-Time, Homework, etc. at Institutions
- ✧ A Few High Profile Cases.....
- ✧ TIGHT FEDERAL MONEY!!!!

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REGULATION—Responsibility of Accreditor

- ✧ Vouch for reliability & accuracy of credit hour allocations at institutions
- ✧ Review 1) policy & procedures for awarding credit and 2) implementation
- ✧ FEDERAL CREDIT HOUR DEFINITION
- ✧ Reasonable determination of whether they conform to good practice in higher education (34 CFR §602.24(f))

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Responsibility of Accreditor

- ✧ Can use a SAMPLING approach in reviewing credit hour assignments
- ✧ Must take ENFORCEMENT actions to ensure institutions remedy deficiencies
- ✧ Must report systematic non-compliance to the U.S. Department of Education

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ELEMENTS OF THE DEFINITION

- ✧ CARNEGIE DEFINITION (34 CFR §600.2)
 - ✧ One hour of class/instruction +
 - ✧ Min two hours out of class work+
 - ✧ 15 weeks = 1 CREDIT
- ✧ OR the EQUIVALENT AMOUNT OF WORK over different period of time
- ✧ Intended Learning Outcomes Verified by Student Achievement

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HLC POLICY

- ✧ New Credit Hour Policy
- ✧ Commission Policy 3.8
- ✧ EFFECTIVE JANUARY 1, 2012
- ✧ ALL comprehensive evaluations including initial status, show-cause, probation

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HLC PROCESS

- ✧ Institution completes rev'd Federal Compliance Program w. following:
 - ✧ Credit Hour Worksheet, Policies on Credit
 - ✧ Course Descriptions, schedules
- ✧ Before visit, team reviews the information
- ✧ During the visit, team samples curriculum
- ✧ Team determines whether credit hour allocations appropriate!!

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CREDIT HOUR WORKSHEET

- ✧ PURPOSE—distill credit information from multiple sources for the HLC team
- ✧ APPENDIX A Federal Compliance Guide
- ✧ PART ONE—CALENDAR/TERMS
- ✧ PART TWO—CREDIT HOUR ALLOCATIONS
- ✧ PART THREE—CREDIT HOUR POLICIES
- ✧ PART FOUR—TOTAL CREDIT HOUR GENERATION

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CREDIT HOUR WORKSHEET

✧ PART TWO—Credit Hour Allocations

- ✧ Reports total number of classes provided at each credit hour allocation (1-6+)
- ✧ Separates courses by delivery or course format FTF through Internships
- ✧ Identifies total number of class meetings at each credit hour allocation
- ✧ Identifies length of time of each class or range of typical time

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CREDIT HOUR WORKSHEET

✧ PART TWO—Credit Hour Allocations

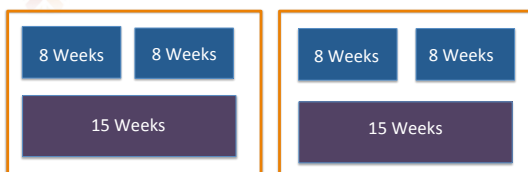
- ✧ Requires separate charts for courses on different calendars
- ✧ Full format v. compressed format
- ✧ Unusual courses (e.g. travel courses)
- ✧ Reasoning behind high credit hour courses six+ credits/term

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Concurrent Terms & Modules

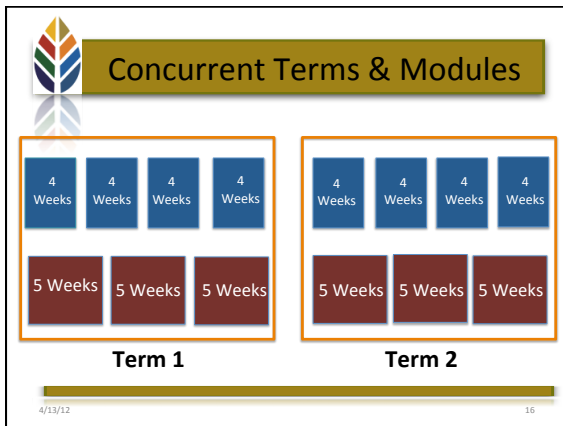


Term 1

Term 2

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FEDERAL FOCUS

- ✧ COMPRESSED FORMAT COURSES
- ✧ ACCELERATED COURSES
- ✧ HIGH CREDIT HOUR COURSES

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CREDIT HOUR WORKSHEET

- ✧ APPENDIX B
- ✧ Clock to Credit Hour Equivalencies
 - ✧ ONLY for institutions with programs in licensed or other fields that require tracking of clock hours AND
 - ✧ Programs reported to USDE for financial aid purposes in clock hours
 - ✧ NOT JUST VO-TECH PROGRAMS BUT NURSING, TEACHER EDUCATION, etc.

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CREDIT HOUR WORKSHEET

✧ APPENDIX B

✧ Clock to Credit Hour Equivalencies

- ✧ LIST ALL PROGRAMS
- ✧ 1 SEMESTER = 37.5 CLOCK HOURS
- ✧ VARIATION POSSIBLE to minimum
- ✧ 1 SEMESTER = 30 CLOCK HOURS
- ✧ IF NO OTHER CREDIT HOUR ISSUES

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OTHER REGULATORY AREAS

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DEFAULT—Federal Concern

- ✧ Students potentially defaulting on debts to U.S. government
- ✧ Escalating tuition
- ✧ Declining job placement for recent college graduates
- ✧ High student debt
- ✧ TIGHT FEDERAL MONEY!!!!

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DEFAULT RATES

- ✧ COHORT DEFAULT RATE WINDOW EXPANDED FROM 2 to 3 years by HEAO
- ✧ Reporting to begin in 2012 with borrowers entering repayment in 2009
- ✧ Goal is three years of three year default rates in 2014

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DEFAULT RATES

- ✧ Longitudinal information better tracks repayment
- ✧ Increases in defaults projected for all sectors:
 - ✧ Public 53%; Private 57%; Proprietary 94%
- ✧ Consequences including loss of eligibility!

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RESPONSIBILITY OF ACCREDITORS

- ✧ STANDARDS must address student default rate data
- ✧ Federal Compliance Requirement 4.6--
Requires institutions to demonstrate efforts to minimize student debt and appropriately manage student loan programs

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RESPONSIBILITY OF ACCREDITORS

- ❖ QUESTION ON DATA UPDATE THIS YEAR
- ❖ REVISED FEDERAL COMPLIANCE DOCUMENT

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GAINFUL EMPLOYMENT— Federal Concern

- ❖ Increasing numbers of programs to train students for employment
 - ❖ Higher tuition; higher net price
 - ❖ Low retention/graduation rates
 - ❖ High student debt
 - ❖ Value proposition marketing
- ❖ TIGHT FEDERAL MONEY

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REGULATORY BACKGROUND

- EXTENSION OF FINANCIAL AID TO CERTAIN POSTSECONDARY PROGRAMS AND INSTITUTIONS THAT OFFER THEM
- “lead to gainful employment in a recognized occupation”
- Gainful employment NOT defined in statute or regulation

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AFFECTED PROGRAMS

- ALL programs at for-profit institutions including Bachelor's, Master's and Doctoral Programs (not those designated with Liberal Arts programs approved by the accreditor)
- ALL Certificate programs offered by two-year and four-year not-for-profit institutions including Teacher Certification programs
- Department estimates <1000 out 6000 eligible institutions have NO GE programs

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GOALS OF GAINFUL EMPLOYMENT

- ✧ Increase Public Information
 - ✧ Institutional and Student Level
- ✧ Outcomes Focused
 - ✧ Students getting jobs
 - ✧ Students repaying loans
- ✧ Protect Students
 - ✧ Allows for comparison of programs
 - ✧ Removes worst-performing programs

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GAINFUL EMPLOYMENT

- ✧ Mandated Disclosures
 - ✧ USDE—student SSN, financing, graduation
 - ✧ Public—placement rate, median loan debt, occupational data link to Department of Labor
- ✧ New Programs
 - ✧ Required notice to USDE for new GE programs
- ✧ Debt Measures
 - ✧ 35%+ of students repaying loans
 - ✧ Debt to earnings component

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RESPONSIBILITY OF ACCREDITORS

- ✧ NO DIRECT RESPONSIBILITIES!!
- ✧ No Required Placement Rate Calculations or Formulae at HLC
- ✧ HLC requires honest and accurate disclosures to students
- ✧ Need to notify the Commission if programs are closed down

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INSTITUTIONAL INFORMATION

- ✧ HOW STUDENTS & PROSPECTIVE STUDENTS MIGHT FILE A COMPLAINT WITH ACCREDITOR (34 CFR §668.43)
- ✧ Contact Information for filing complaints with the Accreditor

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COMPLAINT INFORMATION

- ✧ WHAT COMPLAINT PROCESS IS NOT
 - ✧ --not an appellate process
 - ✧ --not an ombudsman
 - ✧ --not an investigative process
- ✧ Complaint process is focused on determining whether a specific incident provide any information about ongoing compliance with Criteria, Assumed Practices, Obligations of Affiliation, etc.

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**STATE AUTHORIZATION—
Federal Concern**

- ✧ Strengthen Triad of
- ✧ STATE-USDE-ACCREDITOR
- ✧ Ensuring state oversight


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**STATE AUTHORIZATION—
Federal Concern**

- ✧ Strengthen Triad of
- ✧ STATE-USDE-ACCREDITOR
- ✧ Ensuring state oversight


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RESPONSIBILITY OF ACCREDITORS

- ✧ No ENFORCEMENT responsibility
- ✧ Expectation that you remain in compliance with state law
- ✧ Checked at Eligibility, Substantive Change.....

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MORE TO COME!

✦ NEXT REAUTHORIZATION DUE

SEPTEMBER 2014

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