

Academic Calendars and Title IV

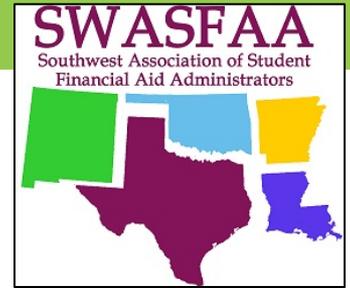
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United States Department of Education



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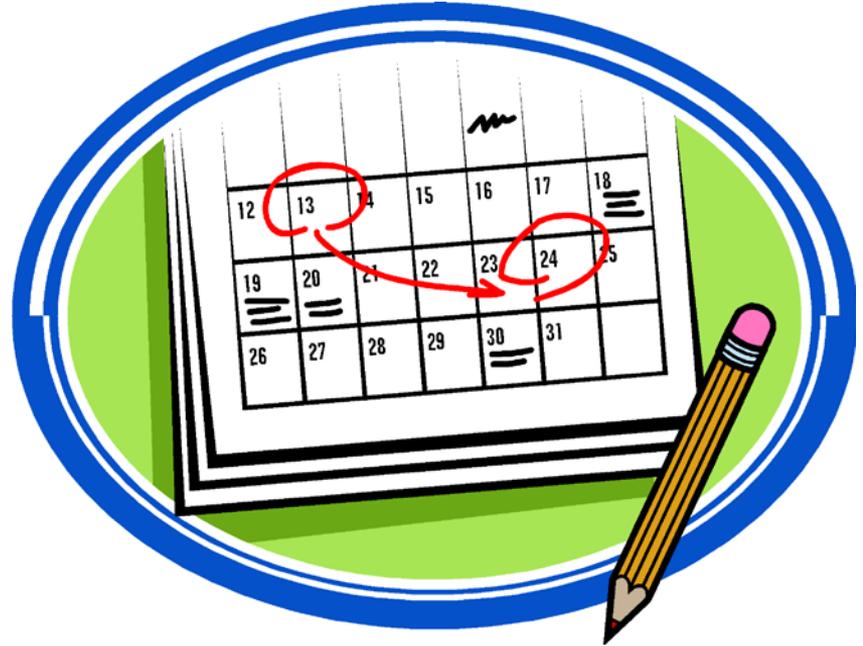
Why this Topic?

- Academic calendar impacts how Title IV aid is administered in a program of study
- Modules can in some cases significantly impact a program's academic calendar, which in turn affects Title IV
- Academic programs continue to innovate around course scheduling and delivery, and Financial Aid Administrators need to know (and be able to communicate) how this impacts student aid



3 Main Academic Calendars

- Standard term
- Nonstandard term
- Nonterm
 - Clock-hour
 - Credit-hour



Regs for Standard Terms and Nonstandard Terms

- Regulations are written from the standpoint that the school has set up a program to operate on a standard term calendar, a nonstandard term calendar, or a nonterm calendar
- Regulations are not set up, nor has extensive guidance been developed, for a program that drifts from one calendar to the next during the program
 - Generally, a program is offered using ONE calendar, not a combination
 - ED has issued guidance that says one nonstandard term in a program makes the program nonstandard, with some exceptions that will be discussed later in this session

Term – Standard or Nonstandard

- Definition: a discrete period of time during which all associated courses are scheduled to begin and end
 - Course start and end dates must generally reflect the boundaries imposed by terms
 - Courses with start and end dates that overlap terms call into question a program's term-based status
- Within a term: full-length courses, compressed courses or modules, courses offered sequentially
 - Although start and end dates are defined, flexibilities exist regarding how coursework is delivered within the term

Standard Term

- Semesters
 - 15-17 weeks
- Trimesters
 - 15-17 weeks
- Quarters
 - 10-12 weeks
- Full-time enrollment is at least 12 credit hours (for undergraduates)
- Terms are the payment period for all Title IV programs

Standard Term Flexibilities

- May be offered traditionally—example:
 - All courses begin and end on the first and last day of the term respectively
- May be offered nontraditionally—examples:
 - Courses offered consecutively/sequentially within the term
 - Compressed coursework (modules, mini-terms, etc.)
 - Modules can overlap each other within the term

Standard Terms and Title IV

Payment period?	The term
Pell formula used?	Typically Formula 1 <ul style="list-style-type: none">• Small number use Formula 2• All term-based programs may use Formula 3
Academic year used for Direct Loans?	SAY, BBAY1, or may alternate
Can use a 1-term loan period?	Yes



SAY = Scheduled Academic Year

BBAY1 = Borrower-Based Academic Year 1

Modules

What is a module?

- Any period of enrollment that is shorter than a school's regularly scheduled academic periods that either falls within but does not span an entire term, and/or falls between a school's regularly scheduled academic periods, that is not treated as a stand-alone term
 - Sometimes schools have other names for modules:
 - Mini-session
 - J-term
 - Intersession
 - Segment
- Regardless of what the school calls these sessions, ED considers them to be modules

What do Modules Look Like?

TERM

Module A

Module B

What do Modules Look Like?

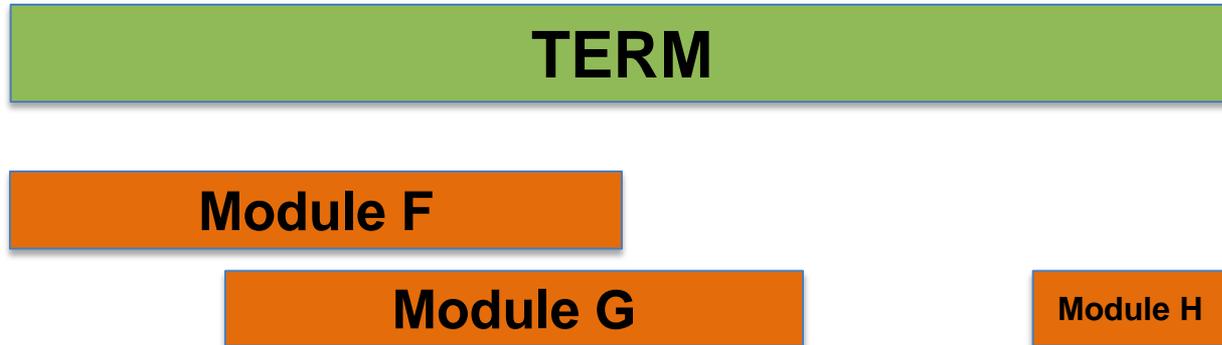
TERM

Module C

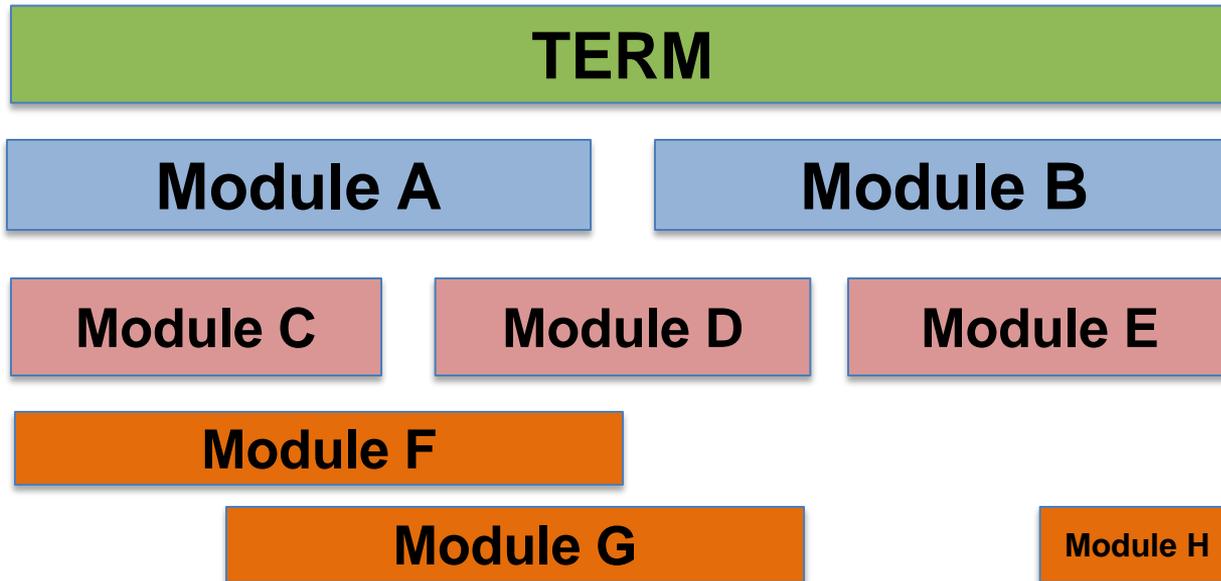
Module D

Module E

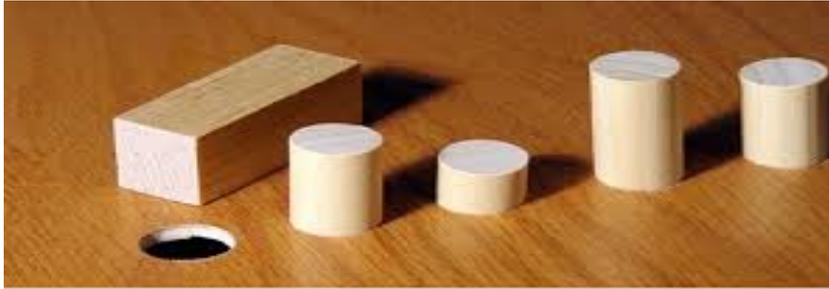
What do Modules Look Like?



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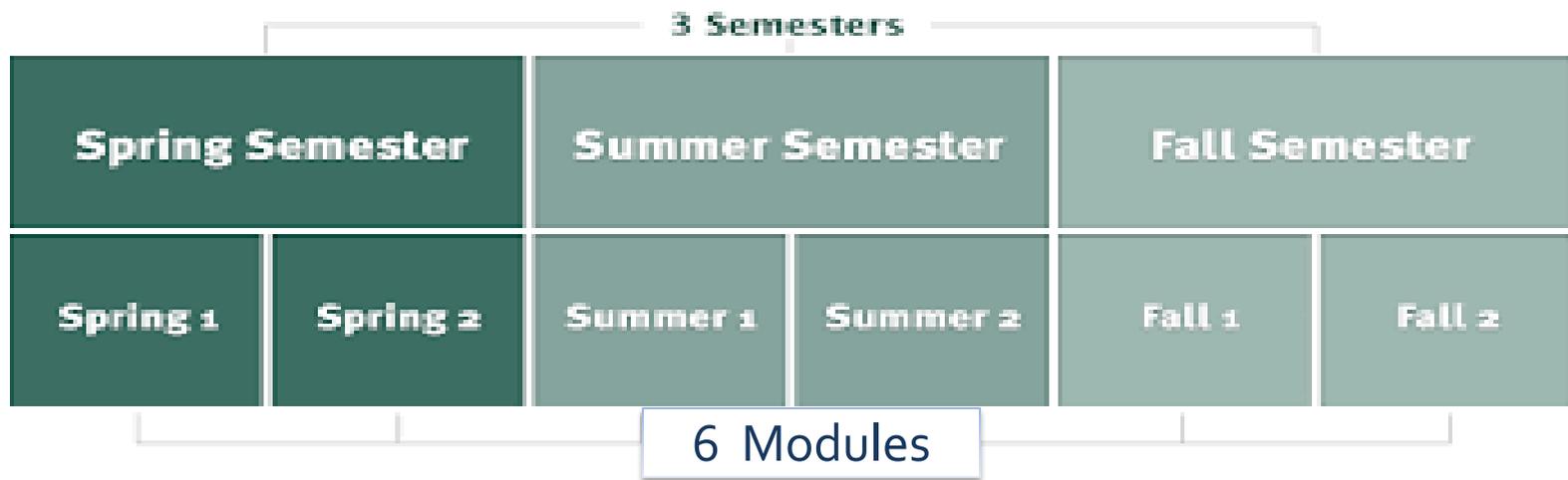


How Do We Deal With Modules?



It depends upon many variables...





Modules and Standard Term Calendars

Standard Term Example #1

- Standard term, semester-based program
 - Academic year is 32 weeks, consisting of two 16 week semesters
- Semester contains two 8 week modules
- Classes may last the entire term or occur within modules
 - Students may enroll in any combination of classes
- Full-time enrollment is 12 semester hours



What Do We Have to Think About In Our Example?



Disbursement Considerations

- Payment period is the entire standard term (semester)
 - Regardless of student's enrollment in classes over the entire semester, modules, or both
- Payment of Title IV (except FWS) is calculated on a payment period basis, not by individual module
 - However, it is allowable to break up the payment for the payment period into multiple disbursements
- Earliest disbursement date is 10 days before the first day of **classes** for a payment period
 - This is centered around when the **student's** classes begin

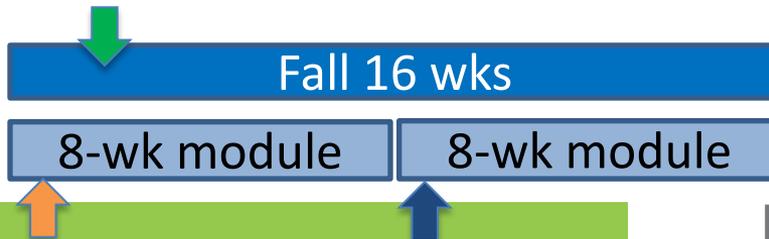
Pell Recalculation Considerations

- School uses Example 1 calendar and has a single Pell recalculation date of September 21, which falls before the start of Module 2
- As of the Pell recalculation date, John is enrolled for 9 credits
- On September 23, 2 days after the Pell recalculation date, John adds 3 credits from Module 2; Pell enrollment status must not be changed to add the additional credits due to school's Pell recalculation policy



Pell Recalculation Considerations

- A different school uses Example 1 calendar and uses multiple Pell recalculation dates and must recalculate Pell up to the Pell recalculation date for the last class in which the student enrolls
 - September 7 for Module 1 (Orange arrow)
 - September 21 for the full semester (Green arrow)
 - November 1 for Module 2 (Blue arrow)
- As of September 21 Pell recalculation date, Paul enrolled for, and began 12 credits from full semester
- On October 3, he drops 6 credits
- On October 20, he adds 3 credits from module 2
- As of the November 1 Pell recalculation date for Module 2, Paul is enrolled for 9 credits; final Pell enrollment status is $\frac{3}{4}$ time



Pell Grant Considerations

- Student must begin every class used to determine enrollment status
 - At school using Example 1 calendar with a single Pell recalculation date, George enrolls for 6 credits in Module 1 and 6 credits in Module 2
 - As of the September 21 Pell recalculation date, he is still enrolled for all 12 credits (enrollment status = full time) with a disbursement made based on that enrollment status
 - However, on September 25, George drops the 6 credits in Module 2
 - Although the Pell recalculation date is past, his enrollment status must be adjusted to ½ time and his award recalculated because he never attended any class(es) in Module 2
 - This is a mandatory Pell Recalculation

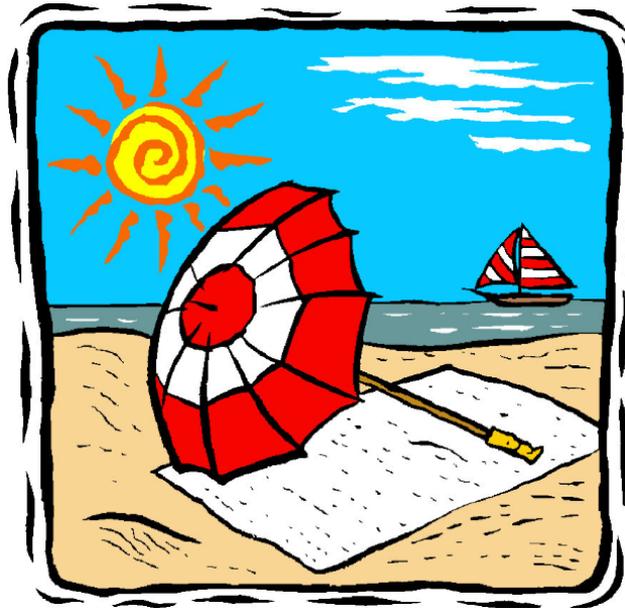
Direct Loan Considerations

Loan period

- Shortest period for which a loan may be originated is the term, not a module
- Student enrolls for Spring semester only, taking 6 credits all from Module 1; loan period is the entire semester, not Module 1
- Loan eligibility for a term-only loan is a one-term COA – corresponding EFC (for subsidized loans) – EFA up to the applicable annual loan limit, *not one half or some other portion of the annual loan limit*

Direct Loan Considerations

- Enrollment status
 - Pell Recalculation Date, or PRD is not applicable to Direct Loan (only Pell/TEACH Grant/Iraq-Afghanistan Service Grant)
 - Enrollment status is checked at the time of disbursement
 - Recalculations are not required
 - Janis enrolls for 6 credits (3 in Module 1 and 3 in Module 2); student begins attendance in Module 1; loan is disbursed (enrollment status ½ time); she never begins attendance in Module 2
 - Loan disbursement is correct; no adjustment or recovery of loan funds
 - Must adjust Pell if it was included in her award package
 - Possible R2T4 issues associated with student not taking all modules she was scheduled to take



What Do We Do With Summer?

Summer Terms

- Many Summer terms contain multiple or mini-sessions (e.g., Summer 1, Summer 2, and Summer 3)
 - These are considered modules
- School has options
 - Combine modules into a single term
 - Numerous advantages
 - Treat modules as stand-alone terms
- Awards of Title IV aid **must** be made for Summer
 - There is no option to simply not award Title IV aid for a module or term

Summer Terms: Pell

- If term-based program offers a series of modules that occur in the Summer, they may be combined and treated as if it was one term and that term will be the payment period (which will have modules)
- If program qualifies for Formula 1 or 3, use the same formula to calculate Pell for Summer
 - If program does not define full-time for Summer as 12 credit-hours, Formula 3 must be used for **all** Pell calculations in the entire program
 - Enrollment status will be determined by a special calculation found in Pell Formula 3
 - Full-time definition for Summer must be applied across all programs
- When modules are combined into a single term:
 - Weeks of instructional time in the combined term are weeks from beginning of the first module to date the last module ends
 - Student's enrollment status for the payment period is based on the total number of credits for all modules

Summer Terms: Pell

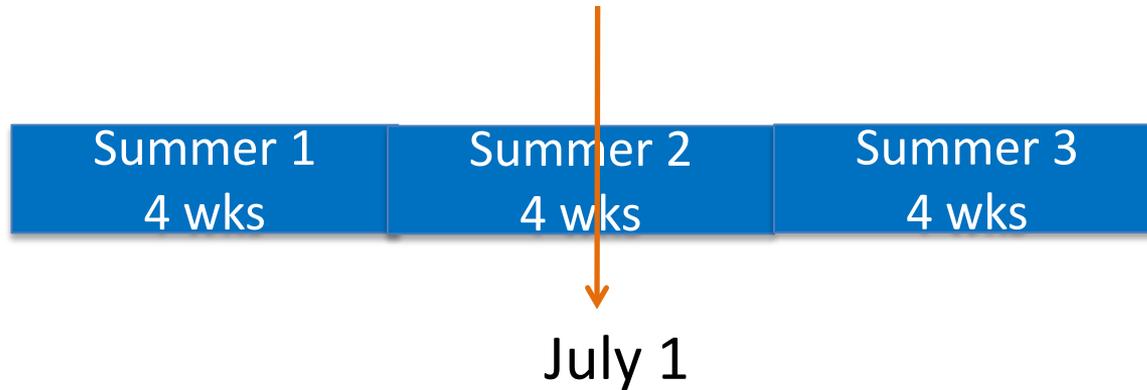
- If a combined summer term crosses over the award year, the combined term is treated as a crossover payment period, regardless of which modules the student attends
- If mini-sessions are **not** combined into a single term:
 - Each mini-session is generally treated as a separate nonstandard term
 - Pell Formula 3 generally must be used for the entire program of study
 - Exception for terms that are in the Summer and FT is 12 hours or more
 - May use Pell Formula 1

Summer Terms: Direct Loan

- SAY and modules
 - May be grouped together into either a header or trailer to the SAY
- BBAY and modules
 - **Must** be grouped together as a single term in order to use BBAY
 - BBAY containing Summer term (regardless of whether comprised of modules) does not have to be 30 weeks in length—applies to BBAY 1 only
- Loan period
 - Shortest period of time a loan may be originated for is the term
 - Even if the student is attending fewer modules than comprise the term
- COA for Summer loans cannot include costs for modules the student is not expected to be enrolled

Summer Example 1

- Summer modules 1, 2, and 3 are combined to make one Summer payment period (term)
- Full-time enrollment is defined as 12 semester hours



Summer Example 1a

- James is taking 6 credits all in Summer 1, is awarded a Summer-only loan and a Federal Pell Grant as a header to the upcoming award year
 - Enrollment status is ½ time
 - Loan period comprises the entire Summer term or payment period
 - If school is required to make multiple disbursements, second disbursement will not be made until the calendar midpoint--after the student has completed classes
 - Summer 1 does not have to crossover for James to receive a Pell Grant disbursement from the upcoming award year because the combined Summer term is a crossover payment period

Summer Example 1b

- Benjamin is taking 9 credits: 3 credits in Summer 1, 3 credits in Summer 2, and 3 credits in Summer 3
- Enrollment status is $\frac{3}{4}$ time
- Loan period comprises Fall/Spring/Summer
- School's policy for crossover payment periods is that it determines Pell eligibility for a crossover payment period on a student-by-student basis and pays from the award year most advantageous to the student

Summer Example 1b

- Benjamin was full time in the previous Fall and Spring payment periods and received 100% of his Pell Grant
- He is paid a $\frac{3}{4}$ time Pell for Summer from the next award year and the disbursement is made at the start of Summer 1
- He is disbursed DL Funds for Summer payment period (the Loan Period is Fall/Spring/Summer)

Summer Example 1b

- He received a $\frac{3}{4}$ time Pell for Summer and a DL disbursement for Summer based on expected enrollment 3 hours in each Summer module
- Benjamin actually completes Summer 1 and 2, but does not return for Summer 3
 - Pell Grant is subject to a mandatory Pell Recalculation
 - Does not matter what School Pell Recalculation Policy says; student did not begin attendance in summer 3
 - No adjustment to Direct Loan disbursement
 - Student was $\frac{1}{2}$ time or more at the time of DL disbursement
 - Possible R2T4 implications
 - Student MAY be beyond the 60% point of the payment period or may have dropped Summer 3 classes before the end of Summer 2 or may be a withdrawal

Interessions

- Short session between standard terms school treats as separate payment period
 - intersession = nonstandard term due to its brevity
 - entire program of study treated as nonstandard
- School must fund intersession

Fall Semester

Interession

Spring Semester

Interessions

- Standard terms can remain standard with interessions if attach interession to standard term
 - Does not make standard term nonstandard



Resources

- FSA Handbook
 - Volume 3: Chapter 1 (Academic Calendars), Chapter 3 (Pell), Chapter 5 (DL)
 - Volume 5 (R2T4)
- Program Integrity Q & A website
 - <http://www2.ed.gov/policy/highered/reg/hearulemaking/2009/integrity-qa.html>
- Dear Colleague Letter GEN-11-14 (July, 2011)
- FSA E-Training Website
 - R2T4 Course
 - <http://fsatraining.info>



Contacts and Feedback



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