

FINANCIAL AID COURSE APPLICABILITY

Information and Communications Toolkit

1.3.17

BACKGROUND

Today there is an exhaustive body of regulations that govern financial aid eligibility, administration and operations, but of particular importance is a longstanding requirement that a college not award a student aid for classes that do not count toward a financial aid-eligible degree or certificate. Specifically, the Student Financial Handbook clarifies 34 CFR 668.2 and states, “you cannot award the student aid for classes that do not count toward his degree, certificate, or other recognized credential.”

The financial risks associated with funding courses that are not degree applicable could mean sanctions for any of our colleges, including repayment and possible loss of the college’s ability to administer Title IV aid.

Historically, the work of verifying FA course eligibility has been done manually at our colleges, placing a large burden on college staff and increasing the possibility of error. At the request of colleges – and after a long period of engagement during which the district spoke with faculty, staff and students – the district implemented a system (HighPoint) to automate this process. The result has been that more applicability issues have been identified at the time of enrollment than in past years.

Three Key Talking Points

- *This is not a new law, simply compliance with existing financial aid regulations*
- *Automating the eligibility process reduces the burden on college staffs*
- *The risk of non-compliance to both the students and the college is severe*

FREQUENTLY ASKED QUESTIONS

Q: What does this mean for students?

A: For students, the worst-case scenario would be enrolling in classes under the assumption that they would be eligible, only to find out later that they are not. At that point, other eligible courses may no longer be available and a student may face additional unnecessary hardship.

More accurate and timely information for students can help them stay on track to complete certificates and degrees. Additionally:

- Fewer students will be denied aid due to reaching maximum timeframe (SAP).
- Fewer students should be impacted by Pell Grant limitation.
- Fewer students should lose their loan subsidies.
- Student program completion should improve.

Three Key Talking Points

- *Students will know right away if their courses are eligible so they can adjust and adapt their schedules*
- *This will help students stay on track to complete certificates and degrees*
- *Fewer students will be at risk of losing critical financial aid dollars*

Q: Does enforcement of this law disproportionately impact neediest students?

A: Student Access, Equity and Diversity are among the key values of our organization outlined in the Los Rios 2016-2021 Strategic Plan. While we recognize that the enforcement of *any* financial aid eligibility regulation will impact those that need financial aid, *not* enforcing the law could have equal or greater impact on students in need. More accurate eligibility information at the time of enrollment provides our students with a clearer path to completion and one step closer to attaining their educational goals. The focus on advising students towards completion will benefit those students beyond simply maximizing aid resources.

Additionally, students who qualify and apply for California Community Colleges Board of Governors (BOG) Fee Waivers will still be able to take any courses they choose without paying fees.

Three Key Talking Points

- *Not enforcing this law could have a greater impact on students in need*
- *More accurate and timely eligibility information provides our students with a clearer path to attaining their educational goals*
- *BOG Waiver-eligible students can still take in whatever classes they choose without paying a fee*

Q: Is this a HighPoint/technology issue?

A: No, the software selected to help automate this process and bring us into compliance with financial aid regulations is working exactly as it was designed to.

Q: Won't this negatively impact our enrollment?

A: At a time where growing enrollment is an acute focus at our colleges, there is always a chance that financial aid eligibility is a barrier for students in taking some of the classes they would like to. However, the financial risk to the district and our colleges of a substantial financial aid audit is potentially far worse (the Community College of San Francisco, for example, was recently ordered to pay back \$39 million

when an audit uncovered their failure to comply with funding rules and regulations).

Three Key Talking Points

- *Growing enrollment is a primary focus for our district, so we want to do everything in our power to make that easier*
- *The financial risk of being out of compliance is greater than the possible impact on enrollment*
- *There are tangible recent examples of community colleges paying a huge price for compliance issues*

Q: Why now?

A: The U.S. Department of Education has named hundreds of colleges whose federal aid it has been restricted because of concerns about their finances or compliance with federal requirements. Institutions are being more closely watched than ever to ensure they are using federal student aid in a way that is accountable to both students and taxpayers.

The Los Rios Colleges are committed to ensuring that students can continue to pursue their educational goals with the support provided by federal financial aid, free of any risks that could jeopardize the Colleges' ability to administer future federal grants and loans.

Three Key Talking Points

- *The federal government is watching institutions closely*
- *We must show that we are using federal financial aid in the best interests of students and taxpayers*
- *Taking risks with financial aid resources can put students and our colleges in serious jeopardy*

Q: Is Los Rios being more restrictive than necessary? Are we over-reacting?

A: District implementation efforts to comply with these requirements are a difficult balance, as we want to take every possible step to maximize federal aid to our students while following the rules set by the federal government. We have carefully examined the federal regulations ourselves and even hired outside counsel in Washington, DC to examine our position and ensure that our interpretation was correct. Because of our due diligence with the Department of Education (DOE) to ensure that we are providing as much aid to our students as is legally permissible, we successfully convinced the DOE to allow a broader interpretation of the rules regarding aid to transfer students.

We remain committed to a broad, collaborative discussion on this subject. Our faculty, including classroom instructors and counselors, will remain key partners in developing the best solution for our students and district in both the short and long

term.

Three Key Talking Points

- *We have engaged experts to ensure we find the right balance between maximizing aid for students and compliance with federal law*
- *We have engaged, and will continue to engage, faculty and staff throughout this process*
- *Being prudent in this matter will help protect students' access to educational opportunities*

Q: Where can students or staff go to learn more?

A: Staff at the district office and all four colleges have been working diligently to outreach to students, faculty or staff affected by this change. While the majority of feedback from students has been positive, there is always more work to be done in communicating a change like this. To further support that engagement, each college has identified a point person should there be additional questions or input into this process.

- **American River College** – Christine Thomas, Associate Vice President of Student Services (ThomasC2@arc.losrios.edu)
- **Cosumnes River College** – Chad Funk, Dean of Student Services and Enrollment Management (FunkC@crc.losrios.edu)
- **Folsom Lake College** – Bernard Gibson, Dean of Student Services (GibsonA@flc.losrios.edu)
- **Sacramento City College** – Christine Hernandez, Dean of Financial and Student Services (HernanC@scc.losrios.edu)