

Dan Klock: My name is Dan Klock. I'm very happy to be with you today to talk to you about R2T4, or Return to Title IV Funds, our new regulations.

Audience: Louder.

Dan Klock: Louder. Can you hear me in the back? All right, I'll try to keep the volume up. Let's see, in the spring of 1999 we were having Neg. Reg. We were doing the original set of return to Title IV funds regulations and that was the time I was lucky enough to get hired on at the Department. It's kind of fun and a little bit amusing to me that here, so many years later; I'm still doing presentations on this.

From the sounds of it this morning at the Town Hall, I might be doing them for many years beyond. So I may see your faces again. I took a few photos with my phone, but don't worry, it's not that good a camera so I couldn't recognize any of you. And it won't be out on YouTube, believe me.

And prior to coming to the Department I spent a little over 24 years doing what you do every day, and that's getting up, going to work, and helping students and families find the economic resources that they need to meet their educational goals. I heard Jim Manning mention in his introduction on the first day about that being a calling.

I'm very much in line and in favor and support that idea. I think it is a calling because what we do not only affects that individual and their families, but it can have a generational effect. So it's very important, and I'm very passionate about it. From the size of the crowd, I know you guys are passionate about it as well. But, it's a big rule book and there are lots of things.

When we look each year at the top ten things that are found in audits, usually, on average, four of the top ten have to do with our favorite topic up here. I'm pleased to see so many of you here so that we can go over these. Hopefully we'll have significant time at the end, or at least some time at the end to allow for questions. With that, I think we'll get started.

As you know, in June of 2010 we published a Notice Proposed Rule Making. And then on October 29th we published the Program Integrity Final Regs. That included Return to Title IV changes that we're going to discuss today. One other reminder (and I'll have these periodically throughout the presentation) if you

printed this presentation prior to coming to this session, we've made some tweaks and changes and who knows, I'll probably catch one or two more things by the time I get home.

It's my way of letting you know that seven to ten days after the conference, we'll post all of these to our IFAP site. If you printed it out today, I'll try to point out any changes that we made so you can make those corrections. Otherwise, just go to IFAP a week or so after you get home and reprint it.

The basic underpinnings of the Return to Title IV Funds Statute are what you see on this slide. The institution is required to make a determination of the earned and unearned portions of Title IV HEA program assistance whenever a student ceases attendance prior to completing the payment period or the period of enrollment for which the recipient was paid.

Under our older guidance, which was in GEN-00-24, we indicated what you see on this slide, however, taken to the extreme, a student could've completed a module lasting only one or just several days and subsequently withdrawn thereby circumventing the purpose of R2T4, the determination of earned and unearned portions of Title IV. That's why we made some changes. But let's look at an example.

This is basically what we told you in GEN-00-24. Now at that time, when we were issuing that guidance, we were only talking about modules within a standard term. Our guidance was: if a student completes a course in the first module and then withdraws after two weeks of attendance in the second module, the student is not considered to have withdrawn." This principle is based on a concept that at a traditional term-based institution where a student takes courses concurrently, if the student completes at least one course but drops all others, the student would not be considered to have withdrawn.

As you know, we replaced that guidance in the October 29th, 2010 Program Integrity Final Regulations. We took this action when courses as short as a week or less were being introduced, and in some cases to circumvent the R2T4 regulations. These are the topics that we're going to cover in today's presentation. Today's session is not a primer in R2T4. We had a "Back to Basics" course that we offered a couple of times earlier this week. But it's primarily designed to illustrate the latest changes in R2T4 as of the October 29th Regs.

Current definitions – I think because – It's interesting that many times we're in conversation with institutions about their return questions and we're trying to define, "Okay, what kind of program is this? Is this a standard term, non-standard term, or non-term?" Quite frankly, there's some confusion. I'm going to take the time upfront to go over those definitions in a lot of detail. So bear with me.

Generally a term is a period in which all classes are scheduled to begin and end within a set timeframe and academic progress is measured in credit hours. However, if these periods overlap within a program, they may not be treated as a term-based program for FSA purposes. Term-based programs can have either standard terms or non-standard terms. Let's focus now and distinguish some of these differences; for standard terms, usually in semesters, trimesters, and quarters.

Semesters and trimesters are terms that are generally 14 to 17 weeks long. An academic calendar that uses semesters traditionally has two terms: Fall and Spring. And a trimester academic calendar traditionally has three terms: Fall, Spring, and Summer. Academic progress is measured in semester credit hours and full-time is at least 12 semester credits. Similarly, quarter terms are approximately 10-12 weeks in length and the academic calendar includes three quarters in the Fall, Winter, and Spring, and often a Summer term. Academic progress is measured in quarter credit hours and full-time is at least 12 credit hours.

Now we'll focus on non-standard terms. Non-standard terms are terms where all the coursework is expected to begin and end within a set period of time, that are not semester, trimester, or quarter terms. In some cases the terms may be of unequal length, though it's also possible for a program with terms of equal length to be considered non-standard. For instance, a school could offer a program with six consecutive five-week modules, with each module counting as a non-standard term.

Unlike standard terms, the length of the term is not necessarily associated with the type of credit hours awarded. Some non-standard terms are of the length of a semester, 14 to 17 weeks, but award quarter credits. Others are the length of a quarter, 10 to 12 weeks, but award semester credits. So they can be all mixed up. That's why they're non-standard.

Non-term characteristics: if a program measures progress and clock hours, it's always considered a non-term program. A

program that measures progress in credit hours is considered to be using a non-term calendar if it has these characteristics: courses that do not begin and end within a set period of time, courses that overlap terms, self-paced and independent study courses that overlap terms, or sequential courses that do not begin and end within a term.

Yes, we are the Agency that brought you the definition of a week of instructional time. The important part about – The reason I have this up here is really the second bullet, and that is a reminder that a week of instructional time does not include homework time, vacation time, orientation, or counseling. And that is important because R2T4, as it's currently constructed, is all about measuring units of time to determine: how long was the student there so that we can again established what is the earned versus the unearned portion?

So here's one of the new changes brought about by these final regulations. That is in [668.22-L6](#): we define "Offered in Modules." A course does not span the entire payment period or period of enrollment. You may recall in GEN-00-24, we only dealt with modules within a standard term. This definition as part of the Program Integrity Regs, is broader than just standard terms and covers all types of modules.

A program is "offered in modules" if a course or courses in the program do not span the entire length. And of course we're going to look at some examples in a minute. If the student ceases attendance before the period for which aid is awarded, it's a withdrawal. The denominator of the return calculation includes the full number of weeks used to determine the aid award absent any institutionally scheduled breaks or five or more consecutive days or days when a student was on an approved leave of absence.

We've been asked by a number of institutions if some portions of a program are "offered in modules" and some are not, is the entire program considered to be "offered in modules" for R2T4 purposes? The determination of whether a program is "offered in modules" is made on a payment period, or a period of enrollment basis, and is student specific. You remember many of our rules related to 668.22 are programmatically specific. Not this one. And, in fact, they will be payment period by payment period or period of enrollment by period of enrollment specific.

Again, I think the examples will help explain that more. Therefore, while some may be "offered in modules," other

payment periods, or periods of enrollments may not. If none of the course in a payment period or period of enrollment span the entire period, the program is always considered to be "offered in modules." That's the basis for some of our new rules.

Let's take a look at this example, a fairly common one. We have Institution A, for Fall and Spring standard terms. Those are never going to be considered to meet the definition of "offered in modules" because they span the entire term. But, they have a Summer program, and their Summer program is comprised of three five-week sessions, combined into a standard term.

And that's longstanding guidance. We've told you take modules and put them together into a standard term for many, many years.

Students can enroll in any of the Summer sessions or all of them. But because all of them don't span the entire term, they meet the definition. So for Summer, that would definitely meet the definition of "offered in modules."

We'll look at the first example: Student #1. Student #1 enrolls in all three Summer sessions and then ceases enrollment on Day Five in the first five-week session. What are the results? Step 1 (Dawgone it, they didn't get it again. Geez.) If you have printed out the slides, this is the first change you need to make. Where it says "Step 1" it should say: State recalculates Pell and campus-based. Of course you would have to do that under the Pell rules.

As far as recalculation of Pell you'd have to do that consistent with the requirements of 690.80(b) (2) (ii), as it says up there. That's the good part up there. Any time a student does not, is not, or does not begin enrollment in all the courses for which they were paid, you have to recalculate. That's a longstanding rule.

As far as campus-based, we went back the other day through our library and tried to find what was the last handbook that addresses recalculation in the handbook? Sad to say, we had to go back to 1999-2000, but we found it in there and if you're looking for the basis (you get questioned when you go home) that's where you could look back at. The 1999-2000 Handbook does give some information about the process of campus-based recalculation.

The second step in this process, for a student dropping out in a program "offered in modules," is going to be, again, to determine the earned and unearned amounts. The numerator is going to be the number of days in Course 1, or Session 1. We're going to assume no breaks, so that's only going to be five days. And the

denominator will take the start date of Course 1 through the end date of Course 3, less any proved LOA's or scheduled breaks of five or more consecutive days. Well in this example, there are neither approved Leaves of Absence nor schedule breaks, so it would be 5 days over 105 days. The student earned 4.8 percent.

Another question that we've received recently is may an institution wait until a later module because we have this concept now of modules and we have the concept of written statement from the student about their potential for return at a later time. So we're asked: may an institution wait until a later module to see if the student returns before performing R2T4?

And our answer is: no. An institution is required to undo the return to Title IV funds calculation if a student who has withdrawn returns to the institution within the same payment period or period of enrollment for a term-based credit hour program "offered in modules." Or, within 180 days if the program is offered in clock hours or non-term credit hours.

Now that second one you may want to write this reference down. If you think about the definition of a payment period in 668.4, we've had guidance in there since about 2005 regarding this concept. If a student is a clock hour or non-term program, they leave. You do an R2T4 calculation. But if they return within 180 days, what do you do?

Well, as long as you're not charging them anything differently, you reestablish the original aid package that they have and they just continue the program. The picture of it is, they're just continuing on in the same payment period. But that's only applicable to clock hour and non-term programs – that rule. We've cross-referenced it in the applicable place in 668.22 just so that those two tie together.

In general, an institution must always return any unearned Title IV funds it is responsible for paying, as soon as possible but no later than 45 days after the date of determination that the student withdrew. You have to disburse directly to the student any amount of a post-withdrawal disbursement of grant funds as soon as possible, but again, no later than 45 days after the date of determination that the student withdrew and/or offer (since it couldn't be both) any post-withdrawal disbursement of loans within 30 days of the date of determination.

You'll remember that we have a whole set of rules about crediting a student's account. So let's say you have an amount for a post-

withdrawal disbursement and it's a combination of grant funds and – *[ringing sound in background]* It's a stunner going off there. Don't worry.

Those rules about credit balances – There are four things that you can automatically credit the student's account for. That would be – Well, I say four things: tuition, fees, room and board (if they contract with you), and other allowable educational costs. Right? So if the student had \$1,000.00 in a Pell grant post-withdrawal disbursement coming, you could automatically credit their account for that and get those paid.

Or if there was an amount from a Title IV loan, let's say a Direct Loan of \$1,000.00, again, you could automatically – assuming that the student provided you the signed Master Promissory Note and had their entrance interview, and if there was no 30-day delay issue; if they were otherwise eligible to be disbursed, you could automatically credit for those four things.

However, because you have this requirement for notification, if it's a loan, you'll remember that you have to – If that student responds within 14 days and says, "I want to either cancel or reduce the loan," then you have to follow those wishes. You have no choice. Yes that might mean that there's a receivable produced, but you have no choice. The borrower controls there.

One of the things that I encounter regularly is that institutions that have great written procedures will have something like this. They'll say, "Well we do our return to Title IV calculations every (whatever day of the week it is, we'll say) Friday." So they do those once a week. Well if that's your written procedure – And this is all by way of things that I think, "Well, maybe I should write this down so when I go home and we can talk about this one in a staff meeting."

If that's your kind of procedure, then you're supposed to be doing those calculations on every Friday. Every seven days you're going to be doing those calculations. That means you're going to probably credit that student's account, give them the notification. If they decide to cancel or reduce the loan, you're going to have to reverse that. It might behoove you to modify that written procedure with an asterisk to say, "except for students that are eligible for a post-withdrawal disbursement.

We're going to give them 14 days or 21 days." Give yourself some more time and then you can make the notification. If the borrower

writes back they want some kind of change, you'll only have to take one step rather than one step to credit and then another step to reverse it. So those things can be kind of helpful.

We're going on with our example here and what we're looking at is another kind of graphical representation of the same thing. The student withdrew on Day Five and also drops those remaining sessions. Now what's important here is the concept of even though they're not going to take Session 2 and Session 3 in this example, the number of days (as I said earlier) are going to start for the denominator the first day of Session 1 and they're going to go through to the last day of Session 3.

At an institution that's required to take attendance, the withdrawal date's going to be Day Five and the denominator's going to be the full 105 days. Just a reminder (and I guess I have it on the screen there) if you're an institution that's required to take attendance, under our prior guidance in GEN-04-12, we said an institution has to have a procedure established that they must make this determination no later than 14 days after the last date of attendance.

So, again, think about this. Do you have that kind of procedure established if you're an institution that's required to take attendance? And if you're sitting here right now thinking, "Oh, I don't have to worry about that. I'm at an institution that's not required to take attendance." Well, are you? Do you have, or could you have, a cohort of students where attendance taking is required for their entire term, or for some brief period of time? It's good to pay attention to these. You never know when you might be impacted by them.

Then in the later part here of this slide, we're talking about institutions not required to take attendance. The withdrawal date would be consistent with the requirements of 668.22(c), and those would be the withdrawal dates – one of the following: the date the student starts the formal withdrawal process, the date the student otherwise expresses their intent to withdraw. Let's say your formal process is a student has to come into Office X, the withdrawal office, pick up a form, and read it over and then get various signatures from different offices and then bring it back to your office.

Well, the date of determination would be the date they started that formal process. Just as a reminder, that's why it's very important that front office staff be well-trained to make the distinction

between: is the student here just to get information, they have questions, and we're going to provide answers? Or is the student here to start the formal process? Because if they're starting the formal process, that's the date of determination.

The other definitions at an institution not required to take attendance, of course, would be the date of an unofficial withdrawal, when someone leaves in the middle of the night, the old 50 percent rule. Ever have any students that just don't show up? Yeah, I heard that happens. If a student is unable to begin the withdrawal process due to grievous personal loss, illness, accident, any circumstances beyond their control, is yet another one. And that's typical.

Let's say a student is going to school the first week, Thursday of the second week they complete class, and unfortunately they're in an automobile accident. They're unconscious so they're not going to be calling your office or the withdrawal office. But eventually their roommate, a parent, a friend, might be making that contact to your withdrawal office.

Well, the date of determination is when you learn of it, when you receive that call. But what's the withdrawal date? It's the date of the event. What was the date of the accident? That was last Thursday. You didn't get the call until the next Wednesday. So, yeah, the withdrawal date might precede the date of determination, and that's fine.

If the student does not return from an approved Leave of Absence, the date the institution determines that they began the Leave of Absence, or if the student takes a Leave of Absence that doesn't meet the provisions of 668.22(d), the date that the student began the Leave of Absence. We've laid it out for either type of institution there.

Now another example: we talk about Student #2 enrolls again in all three Summer sessions, but we're going to change this one up a little bit so you can see the impact on the denominator. Day Four, Session 1, the student drops the second session, and then subsequently, and unrelated to that drop, on Day Eight, the student withdraws from the first five week session. At that time, the student does not provide written confirmation of return later in the payment period. So what are the results?

Again, you need to correct Step 1 to read: recalculate Pell and campus-based, for the same reasons we previously discussed. Step

2 is going to be pretty much the same. As far as the denominator goes, it'll be eight days now instead of five days because this student didn't withdraw until day Eight. But the denominator is where we're going to see the big change. Because the student dropped the second session, and they did that prior to and unrelated to the withdrawal, we would eliminate that from the denominator.

Now, once again, the recalculation rules kick in don't they? The first thing you're going to do (if you had a scenario like this) – And actually we can look at the next slide. It gives you a graphical representation of it. The first thing you're going to do, before you do the R2T4 calculation is you're going to have to recalc because the student (and we'll presume this student received every type of Title IV aid) got Pell, the student had campus-based. You're going to have to make a determination of what's the revised amount of Pell? And would the revised cost of attendance still support the campus-based awards that you've made?

Remember – Let's say the student – I'm just expanding this slightly larger. Let's say the student had previously dropped not only Session 2, but also Session 3. Now they're less than a half-time student. What do we know about the computation of cost of attendance for a less than half-time student? Some of the elements, like personal miscellaneous expense, drop out of that calculation. So there would be multiple tasks that you would have in order to complete the recalculation to get the revised numbers to do the return to Title IV calculation. It can get kind of interesting.

In this example, Summer sessions include three five week sessions, as well as 15 week sessions. We have Student C who enrolls in two fifteen week courses. Clearly this student is not caught up in the definition of - It's not a program "offered in modules" because the courses span the entire length of the term, right?

But Student D enrolls in one five week module and one fifteen week course – I'm sorry, one five week course and one fifteen week course. This student is considered to be enrolled in a program "offered in modules." If both of these students withdraw on Day Five the denominator, or the return calculation is going to be the same. It's going to be 105 days and their withdrawal date's going to be the same: Day Five.

When is a student considered a withdrawal? In a program measured in credit hours when a student does not complete all the days scheduled to complete the payment period or the enrollment. If the program is measured in clock hours, it's different. There are

two factors: the student does not complete all the clock hours and the weeks of instructional time schedule to complete either the payment period or the period of enrollment. Or, on the same definition, when's the student considered a withdrawal?

Well in a non-term or non-standard term scenario, the student is not scheduled to begin another course within a payment period or period of enrollment for more than 45 days. So we have a student who's in a program that's either non-term or non-standard term. If they're coming back – And you can imagine. We've been using example here where within a term they have three modules. And in that last example where the student dropped Module 2 but they said they're going to come back for Module 3, that's where you're going to have to collect written confirmation.

If it's a non-term or non-standard term scenario, we have a limitation on when they can come back. And if it's beyond that limitation of 45 days from the end of the module where the student ceased enrollment, then it's a withdrawal. You have to do the calculation. But if the student is coming back prior to the end of the payment period, they're going to take their last module, and they provide you written confirmation, you don't have to do the calculation. You can postpone it.

Here are some other examples. In this one, the same general scenario; we have three sessions of five weeks each. However, in this one, there is a week break in between each of the sessions. So Claire begins Module 1 in non-term program, but withdraws on Day Five. She indicates that she wants to return at the beginning of Session 3. Now because she has to resolve in the interim – she has to resolve some health issues. What's her withdrawal date?

Well her withdrawal date's going to be Day Five, right? Now in this one – it's the same example. Even though Claire provides written confirmation of her return in Session 3, it'll be more than 45 days from the end of the module the student ceased attending. Some of the interesting elements of this are throughout R2T4, there are all kinds of timed events and you have to have processes or systems that can figure out those days, the number of days in the 45 day period from the date of determination. You have to have the calculation done and all the funds returned for which the institution has responsibility.

Well now you have a new one, and the new one is, this 45 day period. And it's not from the date of determination. It's not from the withdrawal date (although it could be). It's from the end of the

module when the student withdrew. So in this example (let's see whether I have it), Claire withdrew on Day Five. The 45 day period that she has to begin another module would come at the end of Session 1. That's when it will begin. So the first day of the one week break is Day One of that 45 day period, right?

Audience: [inaudible comment]

Dan Klock: Well, let me get into more detail and see if I can help you with that. The reason it's more than 45 days is that we have a one week break after Session 1, plus the 35 days from Session 2, plus week before the start of Session 3. That equals 49 days. So this student is going to be a withdrawal and you're going to have to do the calculation. Because we set it up as a non-term example and it's beyond 45 days before Session 3 will begin, you have to do an R2T4. Now if Session 3 began in less than 45 days, then you could postpone and you would not have to do R2T4.

Here's another option that Claire would have. I just want to bring this to your attention so you're thinking about it. If your institution has a Leave of Absence policy that meets the conditions in 668.22(d) (and I'll go over those to refresh your memory), then an option would be Claire could apply for a Leave of Absence from Day Six through the day before the beginning of Session 3. If she qualifies for it, and the institution grants it, she's on Leave. Do you have to do a return calculation if a student is on an approved Leave of Absence? No.

But the big question is the vast majority of the institutions represented in this room can't meet the conditions of 668.22(d), a Leave of Absence. We have to take a break here and say: we really have to talk about Leaves of Absence in two different worlds. One is an R2T4 Leave of Absence, which I'll give you, the details on and remind you about. And the other one is very common in the academic side of the house.

I'll bet every one of your institutions – or just about every one of them – has a scenario where students get through the term. They didn't complete all their course work or their projects or their exams, and they need a little extra time. You have a mechanism where the Dean or the Professor can allow that student additional time, where it's not a failure. They're getting an "incomplete" typically and then they have so much time to come back afterwards.

It might be a semester. It might be a month, whatever. And they resolve that incomplete. That has nothing to do with an R2T4 Leave of Absence. Here are the conditions for the R2T4 Leave of Absence: a) the institution has to have a formal process regarding Leaves of Absence, b) the student has to follow the institutions policy in requesting a Leave of Absence, c) the institution determines that there's reasonable expectation that the student will return to school (so there's going to be some kind of e-mail exchange, discussion in your office, talk on the phone), d) the institution approves the student's request in accordance with the institution's policy,

e) the Leave of Absence does not involve additional charges, f) the number of days in the approved Leave of Absence, when add to the number of days in all other Leaves of Absence does not exceed 180 days in the last 12 month period, g) except for clock hour or non-term credit hour program, upon the student's return from the Leave of Absence, the student is permitted to complete the coursework where he or she began prior to the Leave of Absence.

So if this student leaves on Day Five, when they complete their Leave and they start their program again, they're starting at Day Six. Most of your programs aren't taught like that. When a student comes back from an Academic Leave, they start the beginning of a semester again, right? If that's the way your coursework is provided, that's the big stumbling block for most of the institutions out here, but not all of you.

And then finally, if the student has a Title IV Loan, you're required under the Leave of Absence policy to explain the effects of the Leave of Absence on the grace period, which means they're using up part of their grace period. But, I did want to explain that option that Claire might have at an institution that does have an approved Leave of Absence policy.

Written confirmation: for courses "offered in modules" a student is not considered to have withdrawn if, for standard term programs, the institution obtains written confirmation that the student will return to complete a later module within the same pay period, or period of enrollment. I think that should be just limited to payment period because all standard terms, you're only allowed to use the payment period.

For non-term and non-standard terms, the institution obtains the written confirmation that the module begins no later than 45 calendar days after the end of the module. That's the example we

just with through with Claire. Timing for obtaining written confirmation then becomes an issue. The written confirmation must be obtained between the date of withdrawal and prior to when that student comes back (in this case) to Module 3. We've been asked over and over again: "Do you have to get the written confirmation on the day of withdrawal?" No, you don't.

A lot of times, those students will leave in the middle of the night; they're not stopping by to give you a written confirmation are they? Maybe on their iPad they're sending you something. That'd be okay. But, this is an opportunity and a flexibility that you can exercise and incorporate into your processes about contact with that student and making them aware that if they have any intention of coming back and they can provide you with written confirmation, then that takes a little pressure off you with regard to doing the R2T4 calculation and going through all those steps.

Plus, one other thing that's very important. You think about a standard term situation or standard academic year. A student starts in the Fall, they end in the Spring. And at the beginning of each year you either mail out, e-mail out, or for those that don't respond to anything you have written documentation to do what? To collect all the notifications that you need from students prior to them beginning school. These will be all the notifications in 668.165.

Schools are going to say, "Hmm, well can't I just add that to the pile of signatures that I'm going to get? I'll get it in advance when I've got a captive audience." The answer is: no. You can't collect it ahead of time. It can't be collected prior to the withdrawal date. So don't get tripped up by that. I'm afraid a lot of schools that aren't at this session, there are probably going to be a significant percentage of them that won't realize this until their first program review or audit. And then that will be pointed out to them.

Another thing about written confirmation, and that is – let's say in our example (we'll modify it slightly) there were going to be four modules. So Claire dropped out of Module 1. Prior to that she had dropped Module – Let me rephrase. Four modules in the term, Claire first drops Module 2, unrelated to and prior to her withdrawal. Then subsequently she withdraws from Module 1. She says she's coming back to complete Modules 3 and 4, and she gives you written confirmation.

Great, you don't have to do an R2T4 calculation. You just wait and see whether she comes back or not. But again, we said in our

little example here, she was leaving school because she had some medical issues. And she thought she'd have them wrapped up in time to come back to restart on Module 3. But guess what? Things change and she can't come back until Module 4. This slide is just saying, "Well that's okay."

The student can modify their written confirmation. You have that flexibility, as long as the student makes those modifications prior to the start of the module in that payment period and that it's not going to be more than 45 days. You would also have to take a look at that as well. So if Module 4 began more than 45 days from the end of Module 1, that wouldn't work. You have limited flexibility I guess I should say.

Let's look at a slightly different example. Student 3 enrolls in all three Summer sessions, drops Session 2 on Day Four, and ceases enrollment on Day Five in the first five week session, but provides written confirmation of a future return. So we're going to assume this is a standard term with modules and we'll look at the rest of the example, what's going to happen?

Again, change Step 1 to read: recalculation of Pell and campus-based. There'll be no return calculation due to the fact that the student provided that written confirmation and they plan to come back within the 45 day period. Day Four, the student drops Session 2. Day Five they withdraw from Session 1. Either as of Day Five or prior to the start of Session 3 the student provides written confirmation. You don't have any extra work to do. That's a good thing.

But what happens when the student doesn't return for that future module? Well then the withdrawal date is, again, going to depend on what type of institution you are. Are you an institution that's required to take attendance? The withdrawal date is always the last date of attendance. If you're an institution not required to take attendance, well this student doesn't return, they don't contact you; so it's either going to be the midpoint, 50 percent, or the last date of an academically related activity, right? And that's what it would be.

Again, we're going to assume that this is a standard term with modules and enrollment status changes – I can't read my own writing. On Day Four the student withdraws from Session 1, but provides written confirmation of the return to Session 3 and on Day Four they also withdraw to Session 2. Actually, prior to Day Four – I have that crossed out. So they would have had to drop

Session 2 prior to their withdrawal for it to be eliminated from this calculation.

If these were online courses and the student provided written confirmation between the time of the withdrawal but before the start of Session 3 in the payment period, that would be fine. Also if the student enrolls in a future module – So we're talking and we've been using examples about what is written confirmation? Here's another type or a substitute or proxy for written confirmation.

That is: as of the withdrawal date or subsequent to it, if the student were to enroll in another course that's within that same payment period, then that could be the equal of written confirmation, because the student has taken affirmative action, or positive action to show that they're coming back for yet another module. If you don't have that one written down, we do have our GEN-11-14. If you haven't looked at that, that's one you want to write down. It's the series of questions and answers that were published on July 20th, 2011.

I know some of you don't sleep very well after a session like this, so I would recommend you take that one to bed, start reading it; it'll put you right out. *[Laughter]* It's helpful in many aspects, your health, as well as providing you with the right answers.

So what happens if the student does return to a later module within the same payment period or period of enrollment? Well if this is a non-term program, the student reenters the same program, the student is eligible for the same amount of Title IV aid prior to the withdrawal as long as the student returns within the 180 days. Again, this is the tie-in with 668.4(f).

Now we're going to switch gears a little bit and talk about the definition of an institution required to take attendance. This is another major area that changed in this Final Regulation. As it says on the first part of the slide, our prior rule was that when an outside entity such as an accreditor or state has a requirement to take attendance. We're retaining that. There's no change there. But we're adding some additional things.

The other things included in that current rule was if an outside entity has a requirement for attendance taking for a sub-group of students (and I'm going to give you some examples of that) then that sub-group are bound by the institution required to take attendance in 668.22(b). So, again, many institutions – And this is

part of my kick about risk aversion and preventing program review findings or audit findings. Many institutions that think of themselves as an institution that is not required to take attendance forget about the fact that –

Let's say you have a state grant program and the state requires you to take continuous attendance for the first two weeks of class. Guess what? Every one of those students with a state grant that falls under that condition, if they withdraw during that period, then for that program and during that period of time for that subset of students, you meet the definition of an institution required to take attendance for those students.

Audience: For just those students?

Dan Klock: For just those students, right? So if you have an out-of-state student that isn't receiving one of those state grants, that isn't under those conditions for required attendance taking, for a period of two weeks, they still meet the definition of an institution not required to take attendance and you would use those rules in the event they withdrew or ceased attendance. The last bullet there – If an outside entity has a requirement that attendance taking must occur for a limited time. Again, I'll show you some other examples of that in a moment.

The institution has a requirement that attendance be taken – The point here is some people reacted to the Final Regulations and they said, "Why are you making all of us take attendance?" And the first bullet there is just reminding you; those Final Regulations do not have any such requirement. We're not saying everybody has to take attendance. Read it carefully. It's not in there. But some of the other changes are. If an institution requires its faculty to take attendance at the program, department, or institutional level, then (this is part of the new definition) you are, as of July 1, an institution required to take attendance.

If there is no institutional requirement but an individual faculty member chooses to take attendance, those records could, but would not be required to be used. Therefore the institution is considered not required to take attendance. Now, let's step back a minute and try to understand what was going on at Neg Reg. The underlying thought here is: we want schools to use the best data available. Our rule is, if the institution has a requirement that the faculty have to take attendance for a program, a department, or the institution, you now meet the definition of an institution required to take attendance.

I have Student A. They've signed up for five courses. And Student A's Professor in Econ 101 has done some research and determined that his students/her students do better if there's attendance taking. So he tells them right up front, "Hey I'm going to be taking attendance and if you're not here, it's going to count against you. Attendance is 25 percent of your grade." I'm just making this up as an example. Do you meet the definition of an institution required to take attendance?

No. That's one faculty member doing his or her thing. But, again, if you step back and understand why we're doing this and what's of ultimate concern, that is: what's the best data? If this student withdraws and has that Professor, could you/should you use that data? That's the best data. You can use it. You're not required to use it. That's the point.

This is another example of the new provision. An institution or an outside entity has a requirement that can only be met by taking attendance. Let's say the state licensing agency for professionals in a career that this program prepares students to be employed has a requirement that institutions must provide 900 clock hours in training in X, Y, and Z before any student is qualified to sit for the state licensing exam.

For example, a licensing entity such as the Federal Aviation Administration has a requirement that Jet Engine Technicians have X number of contact hours or X number of contact days of instructional time prior to taking their certification or licensing exam. There's no other way you can get there but by taking attendance. That'd be an example of this new part of the rule. So you might be an institution that has 121 different programs. One hundred and twenty of them, there's no attendance taking required by anybody; by an institution, by an outside entity, or anything else.

But that one program is a program where you have to prove the student has had so much contact time before they can take their exam. Then that would be the example of an outside entity that is – The only way you could get there would be to take attendance. So for that cohort of students, for those students in that program, every one of them (if they withdraw) you're going to use the rules for an institution required to take attendance.

This is back to the limited period of time. What we're saying here is that an institution is required to take attendance or it requires

attendance for a limited period of time, then those attendance records must be used. A student in attendance on the last day of a limited period who subsequently withdraws will be treated as a student at an institution not required to take attendance, as long as you can prove that they've attended beyond that limited period. Let me give you an example.

You have a state grant program where the state requires that you take attendance for the first ten days. So everyday your Professors are taking attendance and the student is there for those ten days. After that ten day period, you're not required to take attendance and you don't take attendance. There's no outside entity. You fit the definition of an institution not required to take attendance. Then that student subsequently withdraws after the ten day period. If you can't prove that that student attended after that ten day period, then we have no evidence that the student moved into that period.

We only have evidence that they were there through the first ten days. So you need to be thinking about that. You need to be having discussions on your campus about that. And it is one of the examples. I think it's Question 17 in the Q&A. So if you want to look at this in some more detail, that will assist you. But you want to be thinking about those scenarios if you have a situation like that where you have to take attendance for a very brief period of time, and what you're going to do – Hang on a minute.

This is just, again, another graphical representation where daily attendance is being taken for the first two weeks. If anybody withdraws during the first two weeks, you're going to use the last date of attendance as the withdraw date. If someone withdraws after the first two weeks, as long as you have some way to document that they actually attended beyond the first two weeks –

Let's say they submitted a quiz, took a test, submitted a project, you have a (what's otherwise known as) last date of an academically related activity, so you can prove that they moved beyond the two week period of attendance taking, then you would be fine. They didn't contact you? You could use a 50 percent point or the LDA. Now, I want to contrast that. Something – as far as an institution required to take attendance.

We've had longstanding guidance since about 2000 saying that when we describe that definition we talked about, in Dear Colleague letters, census dates, and that having a census date does not make you an institution that's required to take attendance.

Well, the good news about that is we've codified that sub-regulatory guidance into this set of Regs. So if you have a snapshot, the end of the first two weeks you have some requirement where everybody takes attendance. It's a onetime event. Your institution needs to know for FTE purpose, let's say, a head count on that day.

That does not throw you into the institution required to take attendance definition. More flexibility; let's say we're back to our earlier example where you have three modules within a term. You could have a snapshot, as long as it's one snapshot for each module or one snapshot for one or more modules. That's okay. That still meets the definition of a census date, therefore you are not falling under the definition of an institution required to take attendance.

Switching topics again, total number of days in a payment period or period of enrollment. It includes all the calendar days within the period that the student was scheduled to complete, except the number of institutionally scheduled breaks of five or more consecutive days are not included in the total calendar days using the denominator of the return calculation, or the days in which a student was on an approved Leave of Absence.

Those were our prior rules. That was what the rule was prior to July 1. How does that affect programs offered in modules? The same thing applies. If you have a student that's in a program that's offered in modules and they're absent either because they're on an approved Leave of Absence or you have institutionally scheduled breaks of five or more consecutive days; both of those would come out of both the numerator and the denominator. They're not in the calculation. So we stayed consistent there.

Let's look at this example. A student enrolls for three modules within a term. Each is 35 days in length, with a weekend in between Modules 1 and 2, and a weekend between Modules 2 and 3. Cheryl begins and completes Module 1 and doesn't return for Modules 2 and 3, and doesn't contact the institution. So for an institution required to take attendance, what's the withdrawal date? It's always the same thing. It's the last date of attendance. And in this case it would be the last date she took the final exam.

What's the denominator? Well, it's going to be three modules of 35 days, plus the two weekends in between Modules 1 and 2, and 2 and 3. So it's going to be 109 days. For an institution not required to take attendance. What's the withdrawal date? It's either going to be the midpoint or the last date of an academically related

activity, and the denominator, of course, would be the same. Here's a variation of a similar program, but look at the effect of the use of an institutionally scheduled break.

In this one, the student enrolls in the same kind of three modules, 35 days each, but, there is an institutionally schedule break of a week between the modules. So Anthony begins and completes Module 1, doesn't return for Modules 2 and 3, doesn't contact the institution. It's real similar to the last one. For an institution required to take attendance, the withdrawal date's always the same thing: last date of attendance. In this case, the last date he took the final exam.

The denominator is going to be 105 days, 35 times 3. What about the breaks? We have 14 more days. Remember, those are institutionally scheduled breaks of five or more consecutive days, so they're excluded from both the numerator and the denominator. If we compare these, the prior slide when there were only two days in between, in that situation the student left after 35 days, divided by 109 days. So the student earned 32.1 percent. In this case because of the exclusion of the institutionally scheduled break, the student earned slightly more money. They were there for 35 days again but over what? The basis has changed to 105 days. So they've earned $33 \frac{1}{3}$ percent.

Now we're talking about the change in the definition of an academically related activity. The concept of an academically related activity has been part of the return calculation rules since November 1, 1999. In all the ones you have on this screen as well as those on this screen, they're basically the same. But, effective with these final rules, we took some things out and we made some further clarifications. That's what you see on this screen.

We never said that living – You couldn't consider living in institutional housing as an academically related activity, although there's some interesting kind of learning probably going on there, *[Laughter]* or participating in the institution's meal plan. I don't care if you're a Home Economics major. That's not part of your – Just participating in the food plan is not an academically related activity. And we have given more – In the preamble we have given more information with regard to online classes. We've stepped that up a notch.

We've found there are too many cases where just signing on is not a level of activity that really shows that there is an academic endeavor being pursued. So the rules now state that there has to be

active participation. Active participation would be: you're submitting something, you're participating in a live chat, you've contacted your Professor, and you're asking questions, or maybe making comment back and forth. Those would all be examples of active participation. Absent those, it probably wouldn't rise to the level of an academically related activity.

And the last one, again, the way the system works is we develop regulations, we put them out there, and after a period of time we learn things from you, especially, and from program reviews and audits. And then we make modifications. This last bullet here is an example of that. We've removed participating in academic counseling or advisement. Why did we do that? There were just too many cases where a student – maybe they ceased their enrollment after the first 40 hours or 20 days of attendance.

They were gone for some period of time. You finally get ahold of them at a significantly later date. The student is invited to come back in and they go down and do some academic advising. The Academic Advisor says, "Yep, Jerry was here." He brings it back. You throw it in your files and it just so happens that occurs at the 62nd percent point, and guess what? They've earned 100 percent. So we've eliminated that one.

Remember – Now this is not a change. This is not change, but it is very important, again, to avoid program review and audit situations. The events that you are going to use to document an academically related activity must be documented by someone associated with the institution. It could be the Financial Aid Office. In most cases, it's a Professor that you're contacting. But it can't be from a student. You couldn't write to the student and the student say, "Oh yeah, I remember I was in this class on September 23rd because we had a big project. It was a group project and I submitted my portion.

That's your date. You're going to use that date. An auditor will come and find that and say, "No, this won't work." Now, would that be valuable information? Heck yeah, because if the student says, "It was that Econ 101 class." You might, because you've established a factual basis here, you might go back to that one Professor rather than all five that the student had and say, "Do you have an example, or do you have a record of this student submitting this project and you gave him or her a grade?"

If the Professor writes back, "Yes," and provides you additional details about what it was. You could then use what the Professor

provided because that's someone from the institution providing that documentation. Just a reminder; I know this is already past the date. But these rules were effective for payment periods or periods of enrollments that begin on or after July 1. So if you have a student who began their payment period or period of enrollment before July 1 and then they withdrew on or after July 1, these rules have no impact on you. Okay?

I'm sure you're aware of that. And, by golly, we do have time for questions. We have one, two microphones. If you have questions I want to ask you that get very close to the microphone because I have a little trouble hearing. Because we have sufficient time, let's take a few minutes to let those who want to leave, leave. And then we'll start with our Q&A. I hope this was helpful to you. Thank you very much for participating in this. *[Applause]*

Audience: *[inaudible comment]*

Dan Klock: Until they fail to return. I think I'm getting what you're saying. Is it that you're trying to contrast the guidance given in GEN-14-12 that talks about: the institution must have a process in place for institutions required to take attendance. This is the scenario where a student goes to school the first week and they go through Wednesday of the second week, and then you don't see them anymore.

We had scenarios where schools were going out to some length before they were making a determination that that student was no longer there. Generally we would say – when we started that conversation – And I'm going to expand this a little bit to include discussion of excused absences. We've said, "How many excused absences do you have?" Well the last proprietary school I worked at, you could miss three days in the six month term. If you missed more than three you were out. Start over.

At other institutions, that might be expansive. They could miss a ton of days. Well, so two things are happening there. What's your unexcused absence policy? And how long do you have before you make a determination? Well GEN-04-12 put the brakes on and gave you a limit. You go from the first day that that student is absent and you have no more than 14 calendar days thereafter to make a determination. Now it could be sooner than that.

I say that because I'm going to tie it back into the earlier discussion of unexcused absences. If you – It's kind of tucked away and it can be a difficult one to find, but in 668.4(e) is where we have our

rules about excused absences. And what it says is: if you're in a non-term situation, clock hour program, and excused absences may be counted as time attended. But there are limitations on the maximum amount of that time. And it is the lesser of – Well, the first rule is you have to have a written policy. And if you do so, it would be the lesser of the following.

It would be the lesser of what is established as the maximum by your accreditor, or by your state, or ten percent of the payment period. So if we had a payment period that was 100 days long, that student can't have more than ten unexcused absences. So there are some limits around that. But I think what you were trying to do with that as background is contrast the difference between the last date of attendance, which under the 04-12 rules would be the 14th day. The student went eight days a week through Wednesday and you start counting the 14 days after that.

Would it be there? Or when the student doesn't return would it be the last date of attendance, which would be the last date of Module 1? That's a real good question because we haven't looked at those two in contrast. So send me that one in an e-mail and we're probably going to try at some point to put some more Q&A's together just like we did with the July stuff. That would be a good one. My inclination is that we will end up saying: in those kinds of scenarios for programs offered in modules, it would be the last date of attendance for Module 1.

And the reason is there's a clear demarcation there. In the second one, which is what GEN-04-12 is dealing with, you don't necessarily know what that student status is. You have hard core attendance in the first one, but you could make a case against that argument as well. We'll go over here now.

Audience: I thought I understood and now I'm confused.

Dan Klock: Could you get a little closer to the mike because I'm not hearing.

Audience: Yes, I said I thought I understood but now I'm confused.

Dan Klock: I have a tendency to cause that. *[Laughter]*

Audience: Particularly Slide 16 versus Slide 44. You gave an example of a student having three modules with 35 days in each session. And they had attended Session 1 for Day Four, dropped Session 2, and didn't come back for Session 3. And you said the denominator's 70 days versus, on Slide 44, you gave an example of a student that

begins Module 1 and doesn't return for 2 or 3 and the denominator is 105 days. Why?

Dan Klock:

That's a great question because it clarifies the stuff that I obviously didn't communicate well enough. Thank you for giving me another opportunity. So let's make it Student A and Student B for this purpose. They're both programs "offered in modules." Get that out front. We'll say that both of them are – Well it doesn't matter what kind of terms they are. So we have these modules and in the first one, both Student A and Student B are enrolled in – There are three modules within the term.

Student A withdraws after the first five days. At the time they withdraw, they drop the other two classes. Was that? Yeah, they dropped the other two classes.

Audience:

[inaudible comment]

Dan Klock:

Two sessions, yeah, two modules, whatever. Each module was 35 days long. There were no breaks in between, so three times 35 is 109. We said up front that when a student withdraws from a program offered in modules, you're going to use as the denominator the total period of time for which the award was based. If we go back in time, before the student even got there probably, when you awarded them they had registered for these three modules.

You looked at their total number of hours, their cost of attendance, and you gave them an award. And that award was for how long? 109 days, three modules, three sessions. So when they withdraw (and at the time they withdraw they cancel those other two modules) the denominator is going to be 109 days. That's the first example.

The second example, Student B. Student B takes some action prior to withdrawing. So prior to and unrelated to a withdrawal (I think it was on Day Four) the student drops Session or Module 2. Then subsequent to that, Day Eight, the student withdraws. Well when you have that clear demarcation that the student has taken action that has changed their enrollment status, that causes some changes to their award. Let's say they never withdrew. At that point, you would have to recalculate that student's Pell grant and their campus-based to see whether –

They wouldn't be eligible for the same amount of campus-based, because once they drop that second module – You awarded them

for three modules and 690.80(b)(2)(ii) says you have to recalculate when that student is not going to begin all the classes for which they were paid or awarded. You recalculate first. But in our little example here with Student B, he or she withdraws also eight days later.

The first thing you're going to do is recalculate. That is going to set a different set of numbers, presumably a lower Pell and possible lower amount of campus-based, and those revised, recalculated awards are going to be used in the R2T4 calculation. It's just contrasting those very significant differences. Does that make better sense? Or are you still just as confused.

Audience: Okay, so, if I can explain it in my own words, if I have Module A and Module B. Student who is enrolled in Module A decides to withdraw from Module B while still attending A and then withdraws from A, I would just use as the denominator, Module A's dates?

Dan Klock: Correct.

Audience: But, if the Student is attending Module A and Module B, the Student attends Module A, completes it, goes into Module B, never attends Module B, and makes no effort to withdraw, then I have to use A and B as the denominator.

Dan Klock: *[inaudible comment – mike is not active]* If the institution were closed for five or more consecutive days due to a natural disaster beyond their control, that's how it would be handled in the calculation. Okay?

Audience: Okay, but I guess my question to follow up with that would be: is there –

Dan Klock: Are we going for an earthquake?

Audience: The functionality of the R2T4 on the web, it doesn't give you that option to actually include it. The only thing you can do is indicated notes. And then when I called FSA Policy, I was instructed to perform the calculation by hand, and I hadn't done that in almost 15 years. *[Laughter]*

Dan Klock: Well then that was good exercise. *[Laughter]* Dawgone.

Audience: I guess so.

Dan Klock: Folks? Anybody wants to help with a hand calculation, see this lady right after the program. Follow her down. Hold her hostage in the hallway and get those hand calculations solved. Actually the software will handle that for you. When you're doing a calculation and you have an opportunity – Now, you'd have to set up a whole new term, a new analysis with a new name, but you could call it "snowzilla" or something like that. When you're indicating the dates of an institutionally scheduled break, you put Monday through Sunday in there and it'll extract them from the calculation. But it's got to be five or more consecutive days.

If it's less than that, there are edits built into there that say, "Eh," that won't work. So it will work.

Audience: Okay, thank you.

Dan Klock: You're welcome. Over here, sir?

Audience: *[inaudible comment]*

Dan Klock: A little closer to the mike please.

Audience: *[inaudible comment – mike is not on]*

Dan Klock: Great question and I'll broaden it to both an institution not required to take attendance, which I think you said yours was.

Audience: *[mike is on now]* Not required.

Dan Klock: Right. And we'll also cover an institution that is required to take attendance. For an institution not required to take attendance, because you didn't indicate that the student – While the student gave you written confirmation that they were going to return, you didn't indicate that the – The student just didn't show and that would mean that there was no indication. They didn't go through the formal process. They didn't otherwise express their intent not to return, so they left without giving you any notification.

Audience: Right.

Dan Klock: So in that case you would either use the midpoint or you would use the last date of an academically related activity. It's your option and it's student by student.

Audience: But if the student actually does a formal withdrawal and I have a piece of paper saying, "I'm withdrawing on that fifth day," then I would use that fifth day and not the midpoint, correct?

Dan Klock: If they started the formal process, yeah.

Audience: Yes, the student had said, "I'm out of here." And we have a written _____; we would use that fifth day.

Dan Klock: Yep.

Audience: Thank you very much.

Dan Klock: And then for an institution it's going to be the same answer but for a different reason. If it's an institution required to take attendance, you'll always have to use that LDA, the last date of attendance. Over here.

Audience: Dan, I'm Tom Dalton from Excelsior College. We're an online distance learning school. My question has to do with academic related activity. My learning management system, built in, keeps track of academic activity. So am I self-imposing by doing that, requiring myself to take attendance? I don't think I am.

Dan Klock: I'll give you our official answer to that one, and then I'll give you my unofficial one just because there's no extra charge. *[Laughter]*. Okay, Question 16. You might want to write that one down so you can go back and look at this another time.

Audience: All right.

Dan Klock: If an institution monitors whether its online students log in to classes, is this an institution required to take attendance? No. The monitoring of whether online students log in to classes does not by itself result in an institution being an institution that is required to take attendance for Title IV HEA program purposes.

But (here comes one of my favorite words) if, however, the monitoring of the student activity is tracking academic engagement, then the institution would be an institution that's required to take attendance. This is a newer area. And this is a gray area. So the best we can do right now is you really have to take a good look at your monitoring system and is that monitoring system monitoring attendance?

If I were in your shoes, I would be cautious about this one quite honestly, because you don't want to get into a discussion or something other than that, an argument, about: is this attendance taking or not? Because ultimately we're going to make the determination on that, or the auditor is. So I would encourage you, if there are more details that describe how your system operates and you want to send us some examples as something that you heard about at another school [*Laughter*], we'll be happy to consider those scenarios and give you our reaction.

Audience: Okay.

Dan Klock: Does that help?

Audience: Well it doesn't answer the question, but I'll send you an e-mail.

Dan Klock: Let me hear the question again then.

Audience: Well basically the learning management system just tracks when a student turns in an assignment, takes a quiz, takes an exam, participates in a discussion board. So the management system is just tracking when those things are done.

Dan Klock: Is it tracking – I guess my point is, is it tracking more than that? I don't know enough about your system –

Audience: Well it dates –

Dan Klock: Is it tracking attendance?

Audience: No, it just date-stamps those activities weekly on a student. We can tell that on a Thursday, December 1st, that this student turned an assignment in or took a quiz.

Dan Klock: Right. Well that would be useful – Let's see – But are you at an institution required to take attendance or not?

Audience: No, that's what I'm asking. By doing that, is my institution self-imposing taking attendance?

Dan Klock: It doesn't sound like it. I would need to know more details, but if it's just date-stamping the submission of quizzes, tests, projects, and stuff like that – What that would be very useful for, at an institution not required to attendance of course, is establishing the last date of an academically related activity, which is your follow up question probably.

Audience: Yes.

Dan Klock: Yeah.

Audience: Okay.

Dan Klock: Okay.

Audience: Thank you.

Dan Klock: You're welcome. But thank you for the opportunity for me to give the other answer too. *[Laughter]* I've got to cover all the bases. Yes?

Audience: I have a question. We're not considered a "module" school by terms. We don't have module programs. We're a semester school; however we have a pocket of students that, within the semester, can sign up for classes that can begin later in the semester, which appears to be kind of like module. But it's not on purpose, per se. My question is:

[Laughter]

Dan Klock: Hang on a minute. Before we even get to the question, I can't let that go by. Do your semesters or non-standard terms – Do your terms or non-standard terms begin at one day and they all end at another date? And these are standard dates? They're not moving around? It's not self-paced?

Audience: No, it's not. We're not a clock hour school either. We usually start in August and end in December.

Dan Klock: Okay, go ahead with your question.

Audience: So you could sign up for a weekend course. That's primary. You might have a couple of weekend courses, or you could have one weekend course and you could have another course that spans the whole semester. My question is: in the July materials that were sent out, they gave some examples and some scenarios. From how I understood what I read was, if they were taking at least one class that spanned the whole semester, and the other class didn't, they wouldn't be considered module.

Dan Klock: No, it's just the opposite. If a student – Take Student C who has five classes; they all start at the beginning of the Fall term and the

end at the end of the Fall term. That's a traditional, standard term, and that student's program is not offered in modules. Student D has four classes that are like that and has one class that starts on the eighth week and ends on the sixteenth week. It doesn't span the entire term, so that program or that student would meet the definition of a program "offered in modules" and those rules would apply.

Audience: Okay, that's not –

Dan Klock: So go back and take a look at the July 20th Dear Colleague Letter.

Audience: Okay.

Dan Klock: That's where the example is. Now if you see something different or you're reading it and say, "Boy that's not the way this reads to me." Then send me an e-mail. I'll take a look at it. But be patient. I've got about 4,000 of them after this that I have to look at.

Audience: Okay, but I have another question then. I mean, you're adding the four and the fifth class, but I'm talking about – Say you have a student and they have just two classes. So they're just half-time, because this is primarily the problem. They attend – Let's say your first module – Which, we don't have modules. I hate this word. Then they decide they're not going to start the second week in class that began later. They complete the first class, they just don't come to the second class. Would you have to do a return of Title IV for that student?

Dan Klock: Are both –

Audience: If they completed the first class.

Dan Klock: And how long is the first class? Is it a full term, 15 or 16 weeks?

Audience: The dates say that, but it's just a weekend class. There're two weekends and then it's over.

Dan Klock: Oh, it's just two weekends?

Audience: Right.

Dan Klock: And the other class, how long is the second class?

Audience: It's a weekend class. So there might be two or three weekends and the class is over.

Dan Klock: So the whole term is 16 weeks long, but they're only going to attend four days, and two days?

Audience: Right, because we're a semester school.

Dan Klock: Yeah.

Audience: So if we did R2T4 and they withdrew, we're going to use whatever date they withdrew, assuming they started attendance of one class.

Dan Klock: Okay, so what we said was: think about the example up there where we had pretty much a traditional standard term institution where they have a 14 or 15 week – we'll say a 15 week – Fall term, and a 15 week Spring term, and then they have a 15 week Summer term but it's comprised of these three five week modules. But in your scenario – And we said, for Fall and for Spring, those are never programs offered in modules. But for Summer, they are offered in modules. Why?

Because the courses in the Summer never span the entire term. And isn't that exactly what you described in your weekend program? Those weekend classes don't begin at the start of the Fall term and end at the end of the Fall term. They're just a short period of time in there. So that's a program "offered in modules." Not what you wanted to hear, obviously.

Audience: Well, no, I mean I get the whole Summer thing. That's just confusing anyway for us, anytime we have Summer. But for the Fall/Spring, I guess I can't wrap my mind around how it's module and how we would do that. I'm not going to take up any more time. I guess we'll figure it out some way. Thank you.

Dan Klock: Okay, well send us an e-mail if you have other questions. Yes, over here.

Audience: My question has to do with something that I thought I heard you say. I wanted to make sure of what I thought I heard you say.

Dan Klock: That happens. Sometimes I think I hear me say it.

Audience: We have a standard term that has two sessions, or two modules. We have a student who enrolls in A and enrolls in B, the first Session and second Session, withdraws from Session A, doesn't have a written confirmation: "I intend to return in Session B," but

has enrollment in Session B. Is that enrollment in Session B considered written confirmation?

Dan Klock: No.

Audience: Okay, that's what I thought I had heard earlier.

Dan Klock: However, if we had another student who only enrolled in Session A and withdrew, let's say after a short period of time, and at or after the time they withdrew, they too provided you written confirmation – Well, actually they couldn't because they – That wouldn't work because they never enrolled for B.

Audience: Right, they had already withdrawn.

Dan Klock: But subsequent to their withdrawal, and prior to the start of with Session B was going to occur, they enrolled in Session B, that's what's equal to a written confirmation.

Audience: Written confirmation. So the student's who's already enrolled in B – it's not considered written confirmation or intent to return.

Dan Klock: The reason that isn't considered – If they're already enrolled in B prior to the start of the term, that isn't considered written confirmation because it happened in advance of the withdrawal. And written confirmation occurs at the time of withdrawal, or after, but prior to when they return. It's a different time frame. If you drew it out on a timeline and you say, "Here's the start of Fall. Here's the end of Fall."

Audience: Yeah, I understand.

Dan Klock: You with me?

Audience: Yeah, but – it doesn't seem fair to the student who enrolled – who stayed – who's been enrolled in B.

Dan Klock: Okay.

Audience: I have a very simple question. Is your 60 percent –?

Dan Klock: Could you get closer to the mike please?

Audience: Is your 60 percent rule still holds good?

Dan Klock: I'm sorry, I couldn't understand you.

Audience: Is your 60 percent attendance, still holds good?

Dan Klock: Uh-huh.

Audience: It does.

Dan Klock: No, no, no, what's the question. If –

Audience: [inaudible comment]

Dan Klock: Oh, okay –

Audience: There is no refund if the student –

Dan Klock: Technically, no. It has to be in excess of 60 percent. When you do the calculation, if it's a 100 day term, the student withdrew on day 60, did they earn 100 percent? No. If the student was there 61 days, yes. When you do the math, if it's .600001, that's 100 percent, but if there's no "1" out there, it's just 60, then that's all they've earned. They have to earn in excess of 60 percent to have earned 100 percent of their Title IV funds for the payment period or the period of enrollment.

Audience: Okay, thank you.

Dan Klock: Thank you for being persistent. Yes, over here.

Audience: I'm back. I have a question. The students who are on Leaves of Absence who - We're a standard, traditional, semester based school. And we're also a law school. So when students leave on a request for a Leave of Absence, the 180 day rule, based on our academic curriculum, sometimes is not permissible for students to return within that 180 day payment period. So they will actually be returning within a new payment period.

In that type of situation, would you just recommend not even treating them as an LOA, but I have been presented, since I am a law school, please be mindful of the regulation with the student. They feel that they're entitled – It's a sense of entitlement. They're entitled to those 180 days, prior to being considered an official withdrawal. What would be your recommendation for that kind of situation?

Dan Klock: So are you at an institution that's not required to take attendance? I would assume, right?

Audience: We are required to take attendance.

Dan Klock: Oh, you are required to take attendance?

Audience: Yes.

Dan Klock: Oh wow, well that's cool.

Audience: And as a law school, the students are only permitted five days before the administrative leave is withdrawn. So beyond that fifth day, the sixth day they're automatically administratively withdrawn.

Dan Klock: Let's say, just to make the math easy at this late hour, the term is 100 days long, and the student comes in on Day 21 and talks to you about the institutions formal policy about Leave of Absence for R2T4 purposes. And you go through all that stuff and counsel them and everything is looking good. I'm just curious, as a background question, and you are going to allow the student – You and student agree they need to be coming back in 100 days, which is not going to be at the start of the next semester. It's just 100 days down the pike; they'll get whatever they need to take care of in their personal life completed.

So they come back in 100 days and the last day they were in attendance was Day 21. When they come back in, are they going to pick up the lesson plan at Day 22? Or are they going to start at the beginning of a term?

Audience: They're going to actually start at a new academic age year because it will be beyond June 30th.

Dan Klock: Then you do not have a Leave of Absence policy that meets the requirements of 668.22(d). And therefore you cannot be providing Leaves of Absences under R2T4 to those students. Now, if you did have a Leave of Absence policy that met (d), you still cannot, for whatever reason, allow a student a Leave of Absence in excess of 120 days within a 12 month period. Knowing that, that always means what? They're a withdrawal.

Audience: Okay.

Dan Klock: If you have other questions about that one, you want to e-mail me, talk to me about some school that you "heard about" and I'll tell you what I think that school should probably be doing.

Audience: Okay and then my one last question: according to the FSA Handbook, if a student earned a grade during that payment period as a withdrawal, then an R2T4 is not required. Is that correct?

Dan Klock: It was prior to July 1.

Audience: Prior to July 1.

Dan Klock: Those rules changed. Yeah, that was – And you could go back and look at GEN-00-24. That's where we said: prior to July 1 if a student was enrolled (let's say) in five classes and it was that one bar graph where there were different lengths, where they completed a one short course and then they dropped out two weeks in the next longer course. One course was going to go for a month. The next course was going to go for two months, and the next course was going to go for three months.

So they started all their courses and they complete the first month, but then they drop out after six weeks. Prior to July 1, we said, "That student is not a withdrawal." But that all changed as of July 1. Now they are a withdrawal, unless they meet the other conditions with written confirmation.

Audience: Thank you.

Dan Klock: Sure. Let's see what time we got. I think I've got about enough neck and voice capacity for two or three more questions and I'm going to be burned out. We'll try over here.

Audience: I'll be really quick. I just wanted to confirm in a non-term environment, where the payment period end dates fluctuate based on a student by student because it really is self-paced, that this modular concept –

Dan Klock: Hold up. Start over and go a little slower. I'm losing it.

Audience: I was trying to go fast. Non-term environment, and the payment period end dates fluctuate because this is really self-paced.

Dan Klock: Okay, I'm with you.

Audience: I wanted to verify that the modular concept really doesn't apply to these types of courses because a course can be offered in an overlap situation or there could be weeks off, and it's an individual schedule for each student.

Dan Klock: However, though, let's say – Even in those scenarios if a student is signing up for more than one course, let's say, in a module – or I mean, yeah, in a term. I don't know if yours are like that, or are they sequential?

Audience: Well, it's a payment – We do it on a payment period. It's non-term. A student will sign up for at least 12 credits, because that's our payment period definition.

Dan Klock: But are they being offered sequentially or concurrently?

Audience: Either. They can do whatever they want. I mean, sequentially, concurrently, over-lapped, a couple of weeks off between courses. That's why that payment period end date is never the same for each student. I could have ten students start on the same day, but their payment period end date is different

Dan Klock: Those are still going to meet the definition of programs "offered in modules." I think, because – So those rules are going to apply. But I don't know whether that's really your question.

Audience: Well, that would make us – We're a Formula 4 school, so we never do enrollment status changes or anything like that, for Pell purposes. It's a true non-term, and if somebody doesn't pass a course, we have to schedule another course before they could potentially complete the payment period. So in your scenario, it looks like you have really three modules in a term, but in my world if somebody drops a course, I'm not going to have to have a fourth module and a fifth module in order for them to complete a full payment period.

Dan Klock: Correct, absolutely correct, because they have to complete not only the credits but the weeks.

Audience: And the weeks.

Dan Klock: And they'd have the weeks because they're extended, but they wouldn't have the credits.

Audience: But I never ever had to do a Pell enrollment status because Pell is always paid at a full-time status for non-term.

Dan Klock: That would – You know if you have an example or two, that's probably a good one to send in to us so we could go talk to Fred Sellers before he retires and see where we go.

Audience: Okay, be glad too. Thank you.

Dan Klock: Thanks. Yes.

Audience: Student E now, enrolls in three modules in a semester. We're a standard, semester-based. He takes first module, second module, and withdraws from the third module, and confirms that they're going to be starting attendance January 4th in the Spring term. Is that something that we would need a Leave of Absence policy since it's not within the same Fall payment period?

Dan Klock: Right, because it's not within – You said this is standard term, right?

Audience: Yes, Fall, Spring, Summer.

Dan Klock: Yeah, because it's standard term, if they're not coming back for another module that's beyond that payment period, then it's a withdrawal.

Audience: And if we do not have a Leave of Absence policy, we would have to do R2T4?

Dan Klock: Correct. You got it right, if you don't have a Leave of Absence policy that meets the requirements of 668.22(d). Yes, ma'am.

Audience: I just want to clarify, we're not required to take attendance, and the student is enrolled in Class A, and it spans the full term. And they're enrolled also in B which is a modular term. They withdraw from A; they're still enrolled in B. I realize that's not the written confirmation, but we don't receive written confirmation. Do you pay that student later in the semester? How do you determine whether or not they attended B?

Dan Klock: Well, that's your job. *[Laughter]*

Audience: Well, true, but when do you pay them?

Dan Klock: Well, are they starting A and B at the same time, or is B later?

Audience: They start A and B at the same time. They were enrolled in both at the same time.

Dan Klock: Okay, so the first thing is, the student hasn't withdrawn because they're in fact still enrolled right? They're still in attendance in their second class?

Audience: Their second class starts later in the semester so they're still showing to be enrolled but they haven't started.

Dan Klock: This is where we have to get down to, I guess, more of the factual basis here. If the student's withdrawal occurs prior to them starting the second class, then you would want to get written confirmation that they're going to return. If you receive that then –

Audience: We're good.

Dan Klock: Then you're good. You don't have to do the return calculation. If you didn't receive that, you would have to do the return calculation.

Audience: And if they drop A and remain enrolled in B?

Dan Klock: Did they start A?

Audience: They started A, attended just a few days –

Dan Klock: And then they dropped it?

Audience: Yes.

Dan Klock: It'd be the same scenario. You'd either get written confirmation that they intend to continue in B and because you're at a standard term and B is going to occur in that same payment period, so you wouldn't have to do the calculation, and then hopefully the student would come back. If the student didn't come back, you would do the return calculation and you'd take it back to based on whatever their withdrawal date was.

Audience: Okay, thank you.

Dan Klock: Because it might be – The withdrawal date, of course, because you're at an institution not required to take attendance, is going to be those six or seven that we talked about.

Audience: All right, thank you.

Dan Klock: Thank you. I hope this was helpful. There's a lot of detail to this stuff so I really appreciate you guys hanging in there and doing

such a great job on your campuses, helping to explain this to student and families. It's not easy. Send me more e-mail. Eventually I'll get to all whatever thousand, and thank you.
[*Applause*]