



Nontraditional Educational Programs and the Delivery of Student Financial Aid

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Overview

- **Background**
- **Term and Nonterm Academic Programs**
- **Standard Terms**
- **Nonstandard Terms**
- **Nonterm Programs**
- **Student Eligibility**
- **Miscellaneous Loan Issues**
- **Withdrawal Issues**
- **Nontraditional Education Activities**





Background

Roots of Student Aid Programs

- **Most schools:** traditional using standard terms
- **Any nontraditional programs:** continuing education or extension services with no credits awarded
- **Laws and regulations:** minimal, structured around traditional academic calendars
- **Records:** paper with some keypunched data





Background

Higher Education Amendments of 1992 - Fraud and Abuse Concerns

- **Nontraditional education including distance education**
- **Quality**
- **Program length**
- **Accrediting agency recognition**





Background

Patterns of Nontraditional Education

- **Overlapping terms and courses**
- **Self-paced learning:** correspondence, Internet, or independent study
- **Short courses and sequential course enrollment such as modules that may be**
 - ▲ An entire program
 - ▲ Combination with other full-term length courses
- **Multiple start dates**





Background

Patterns of Nontraditional Education

- **Programs combining on-campus and distance**
 - ▲ Especially at 2 plus 2 programs and programs offered jointly by state systems
- **Weekend programs**
- **Home/host school enrollments (consortium and contractual arrangements); particularly in**
 - ▲ 2 plus 2 programs
 - ▲ university centers
 - ▲ distance education





Background

Problems with Campus Computer Systems

- **Structured around standard terms**
- **Are separate systems for “on campus” and continuing education**
- **Are not flexible to accommodate new formats**
- **Are organized to meet school, not student, needs**





Term and Nonterm Academic Calendars





Term and Nonterm

Definition of a Term

- A term is a discrete period of time during which all courses in the term are scheduled to begin and end.
- It is a segment of an academic calendar with the academic calendar divided into separate segments.
- A term may include or consist of a series of mini courses or courses offered sequentially.





Term and Nonterm

When does the academic calendar cease to be term-based?

- **Classes do not start and stop within the same dates.**
- **The coursework overlaps from one defined term into another.**





Term and Nonterm

Standard Term

- A quarter, trimester, or semester
- Academic progress: always measured in semester or quarter credit hours





Term and Nonterm

Standard Term - Semesters and Trimesters

- **Length:** approximately 15 weeks of instructional time
- **Academic progress:** measured in semester hours
- **Full-time:** at least 12 semester hours
- **Academic calendar:** usually 3 terms - fall, spring, and often summer





Term and Nonterm

Standard Term – Quarters

- **Length:** approximately 10-12 weeks of instructional time
- **Academic progress:** measured in quarter hours
- **Full-time:** at least 12 quarter hours
- **Academic calendar:** usually 3 quarters in fall, winter, and spring and often a summer quarter





Term and Nonterm

Nonstandard Term

- Does not meet requirements for a standard term
- May be of unequal lengths
- May the length of a standard term but academic progress not measured with the appropriate credit hours, e.g., a quarter using semester hours





Term and Nonterm

Nonterm Programs

- **Courses do not all begin and end within a discrete period of time and may**
 - ▼ contain self-paced or independent study courses that can span past a term; or
 - ▼ consist of sequential courses that do not have to begin and end within a term.
- **Clock hours are always treated the same as nonterm programs for disbursement purposes.**





Term and Nonterm

Federal Pell Grant Program Formulas

- 1** Standard term, credit hour, fall through spring terms contain at least 30 weeks of instructional time
- 2** Standard term, credit hour, fall through spring terms contain less than 30 weeks of instructional time
- 3** Any term-based credit program including nonstandard term credit hour
- 4** Clock hour and nonterm, credit hour programs
- 5** Correspondence programs





Term and Nonterm

Issues for Standard Terms, Nonstandard Terms, and Nonterms

- Definition of an academic year - days per week of instructional time
- Payment period
- Enrollment status
- Certifying and disbursing loans
- Pell formula
- Progress measured





Standard Terms





Standard Terms

Academic year

- At least 30 weeks of instructional time and 24 semester hours or 36 quarter hours
- Week of instructional time = 7 consecutive days in which at least one day of regularly scheduled instruction, examinations, or preparation for examinations occurs
- Instructional time \neq periods of orientation, counseling, vacation, or other activity not related to class preparation or examination





Standard Terms

Payment Period

- **A term**
- **Quarter, trimester, or semester**





Standard Terms

Determining Enrollment Status

<u>Status</u>	<u>Minimum hours</u>
Full-time	12 credits hours per term
Three-quarter-time	9 credit hours per term
Half-time	6 credit hours per term
Less-than-half-time	Less than half the workload of the minimum full-time requirement

Pell: Recalculate if student does not begin attendance in all classes





Standard Terms

Pell Formula

- **Pell formula 1**: if the academic calendar contains at least 30 weeks of instructional time in fall through spring, and full-time is at least 12 credit hours in all terms in the award year
- **Pell formula 2**: if the academic calendar contains less than 30 weeks of instructional time in fall through spring, and full-time is at least 12 credit hours in all terms in the award year
- **Pell formula 3**: any credit-hour, term-based program





Standard Terms

Certifying and Disbursing Loans

- The minimum period of time a loan can be certified is a term.
- If a loan period is more than one payment period, deliver loan proceeds at least once in each payment period.
- If a loan period is one payment period, at least two deliveries of loan proceeds during that payment period. The school may not make the second delivery until the calendar midpoint between the first and last scheduled days of class of the loan period.





Standard Terms

Measuring Progress

- Progress is measured by the number of credit hours attempted.





Standard Terms

Example – semester program

First term the student is enrolled in 12 credits

- 2 - 3 credit courses that run the duration of the full term
- 2 - 3 credit courses that each run 5 weeks and begin and end during the term.

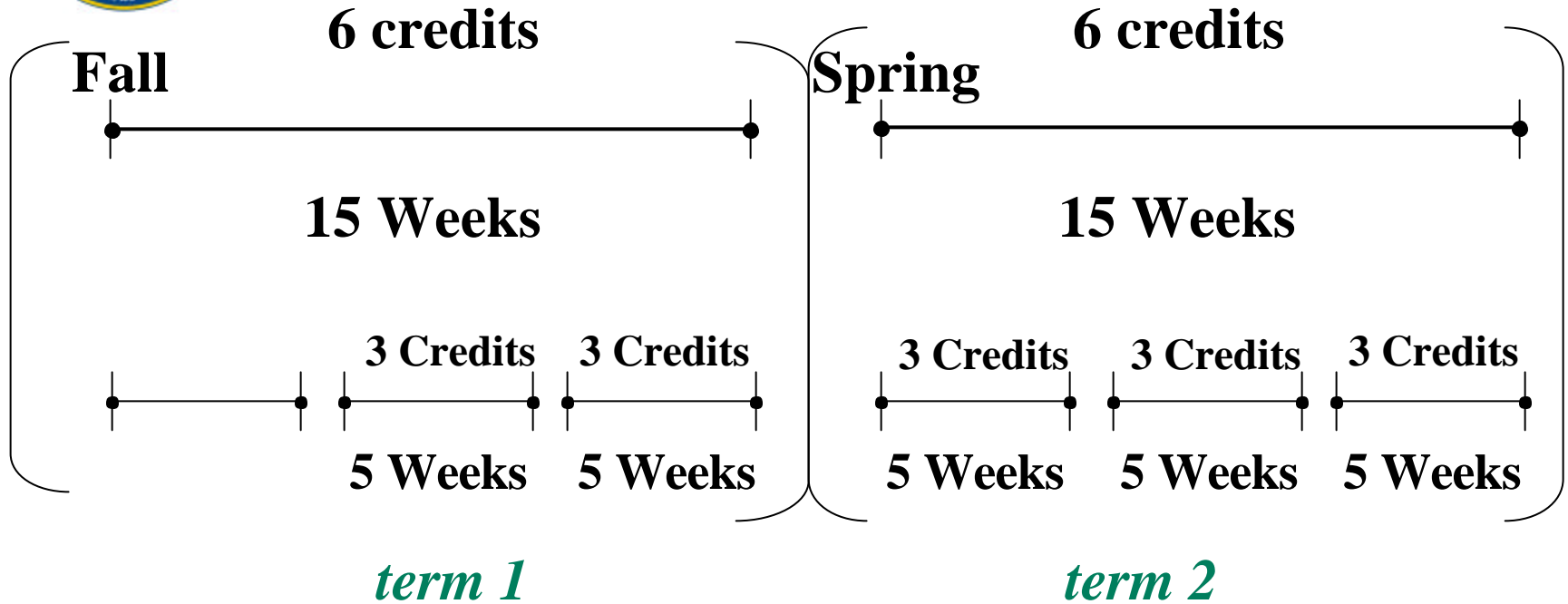
Second term the student is enrolled in 15 credits

- 2 - 3 credit courses that run the duration of the full term
- 3 - 3 credit courses that each run 5 weeks and begin and end during the term.





Standard Terms



- Pell and Loan disbursements at beginning of each term
- If the student does not begin all of the courses for this term, he or she will no longer be considered full-time.





Nonstandard Terms





Nonstandard Terms

Academic year

- At least 30 weeks of instructional time and 24 semester hours or 36 quarter hours
- Week of instructional time = 7 consecutive days in which at least one day of regularly scheduled instruction, examinations, or preparation for examinations occurs
- Instructional time \neq periods of orientation, counseling, vacation, or other activity not related to class preparation or examination





Nonstandard Terms

Academic year

If the program meets only 8 hours a week, each calendar week would be considered to be a week of instructional time. Therefore, a minimum of 30 calendar weeks could meet the minimum requirement for an academic year.





Nonstandard Terms

Payment Period

- For nonstandard terms, the payment period is the term.

Certifying and Disbursing Loans

- The minimum period of time a loan can be certified is a term.

Pell Formula

- Pell formula 3 is used.





Nonstandard Terms

FFEL and DL

- If a loan period is one payment period, at least two deliveries of loan proceeds. Second delivery after the calendar midpoint between the first and last scheduled days of class of the loan period.
- If a loan period is more than one payment period, a second disbursement after the latter of
 - ▲ The calendar midpoint between the first and last scheduled days of the loan period; or
 - ▲ The date that the student has completed half of the academic coursework in the loan period.





Nonstandard Terms

Measuring Progress

- Progress is measured by the number of credit hours attempted.





Nonstandard Terms

Enrollment Status

Step 1 Full-time (round up to the next whole number)

Credit hours in
the academic year

X

Weeks of instructional
time in the term

Weeks of instructional time in
program's definition of
academic year

Step 2 Determining enrollment status for the term

Credit hours
taken by student
in the term

÷

Credit hours required
for full-time status for the
term (as determined above)





Nonstandard Terms

Example - Certificate Program

- **8 week term - 6 credits**
- **10 week term - 9 credits**
- **9 weeks term - 9 credits (3 -3 credit courses to be taken sequentially)**
- **10 week term - 9 credits**
- **3 week term - 3 credits**

40 week program/ 36 credit hours





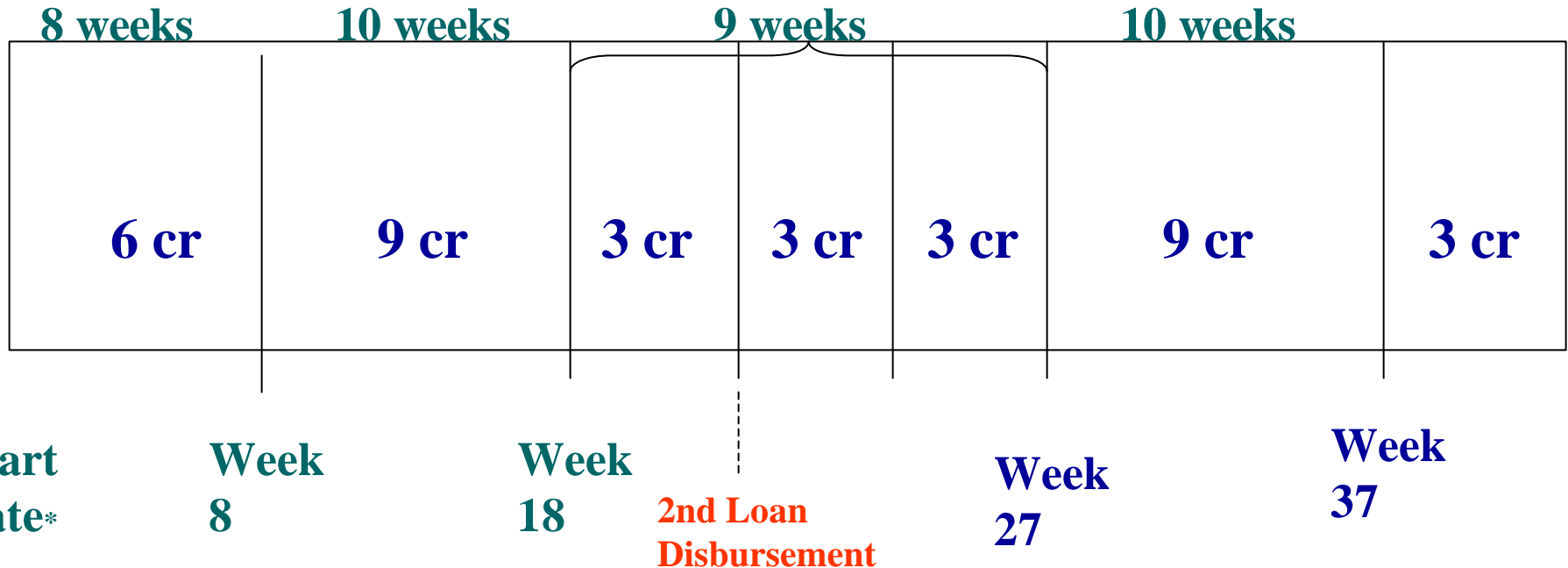
Nonstandard Terms

- **Calculating enrollment status for each payment period (5 terms):**
 - ▲ 8 week term - 6 credits
 - ▲ 10 week term - 9 credits
 - ▲ 9 week term - 9 credits
 - ▲ 10 week term - 9 credits
 - ▲ 3 week term - 3 credits
- **The loan is certified for 37 weeks long with 33 semester credit hours.**
- **The remainder of the program is 3 weeks long containing 3 semester credit hours.**





Nonstandard Terms



The academic year for this program is defined as 24 semester credits and 30 weeks of instructional time. Loan is certified for 37 weeks containing 33 semester hours.

Pell disbursements are for each nonstandard term. Second loan disbursement cannot be made until week 21 when half the time & work have been completed.



Nonstandard Terms

Calculating Enrollment Status for Each Payment Period

Number of credit
hours in the
academic year

x

Weeks of instructional time in the
payment period

Weeks of instructional time in the academic
year

$$24 \times \frac{8}{30} = 6.4 \text{ cr}$$

Round up to 7 semester credits required
for full-time

$$24 \times \frac{10}{30} = 8 \text{ cr}$$

$$24 \times \frac{9}{30} = 7.2 \text{ cr}$$

Round up to 8 semester credits required
for full-time



Nonstandard Terms

$$24 \times \frac{10}{30} = 8 \text{ cr}$$

$$24 \times \frac{3}{30} = 2.4 \text{ cr}$$

Round up to 3 semester credits required for full-time





Nonstandard Terms

Example - Pell Calculations

$$\text{Annual Award} \times \frac{\text{Weeks of instructional time in the payment period}}{\text{Weeks of instructional time in the academic year (as defined by the school)}} = \text{Payment for the payment period}$$

$$\$3,000 \times \frac{\underline{8}}{30} = \$800$$

$$\$4,000 \times \frac{\underline{10}}{30} = \$1,333$$





Nonstandard Terms

$$\$4,000 \quad \mathbf{X} \quad \frac{\underline{9}}{30} \quad = \quad \$1,200$$

$$\$4,000 \quad \mathbf{X} \quad \frac{\underline{10}}{30} \quad = \quad \$1,333$$

$$\$4,000 \quad \mathbf{X} \quad \frac{\underline{3}}{30} \quad = \quad \$400$$





Nonterm Programs





Nonterm

Academic year

- At least 30 weeks of instructional time and 24 semester hours, 36 quarter hours, or 900 clock hours
- Week of instructional time = 7 consecutive days in which at least one day of regularly scheduled instruction, examinations, or preparation for examinations occurs
- Instructional time \neq periods of orientation, counseling, vacation, or other activity not related to class preparation or examination





Nonterm

Final Regulations published November 1, 2002

- Require for nonterm credit hour programs that prior to a second Pell Grant disbursement both half of the work and half of the time must be completed.





Nonterm

Academic year

If the program meets only 8 hours a week, each calendar week would be considered to be a week of instructional time. Therefore, a minimum of 30 calendar weeks could meet the minimum requirement for an academic year.





Nonterm

Payment Periods for Nonterm Programs

- 1. When the student is enrolled in a program that is one academic year or less in length**

First payment period - Period of time in which the student successfully completes the first half of the program.

Second payment period - Period of time in which the student successfully completes the second half of the program.





Nonterm

2. When the student is enrolled in a program that is more than one academic year

For the first academic year and any subsequent full academic year

First payment period - Period of time in which the student successfully completes the first half of the coursework for the academic year.

Second payment period - Period of time in which the student successfully completes the second half of the coursework for the academic year.





Nonterm

For the remainder of a program that is more than one-half an academic year but less than a complete academic year

First payment period - Period of time in which the student successfully completes the first half of the remaining coursework.

Second payment period - Period of time in which the student successfully completes the second half of the remaining coursework.





Nonterm

For the remainder of a program that is not more than half an academic year

The payment period is the remainder of that program





Nonterm

Calculation of Enrollment Status

- Enrollment is always considered to be full-time for Pell calculations (except COA). For the loan and campus-based programs the student's actual enrollment status would be used.

Certifying and Disbursing Loans

- For a clock-hour program or a credit-hour program that does not use terms, the minimum period for which a loan may be certified is the lesser of
 - ▲ the academic year,
 - ▲ the length of the program, or
 - ▲ the remaining portion of the student's program.





Nonterm

- **The school may not deliver a second loan disbursement until the latter of**
 - ▲ **The calendar midpoint between the first and last scheduled days of the loan period; or**
 - ▲ **The date that the student has completed half of the academic coursework or clock hours in the loan period.**





Nonterm

Pell Formula

Pell formula 4 is used.

Measuring Progress

Progress is measured by the number of credit hours or clock hours successfully completed.

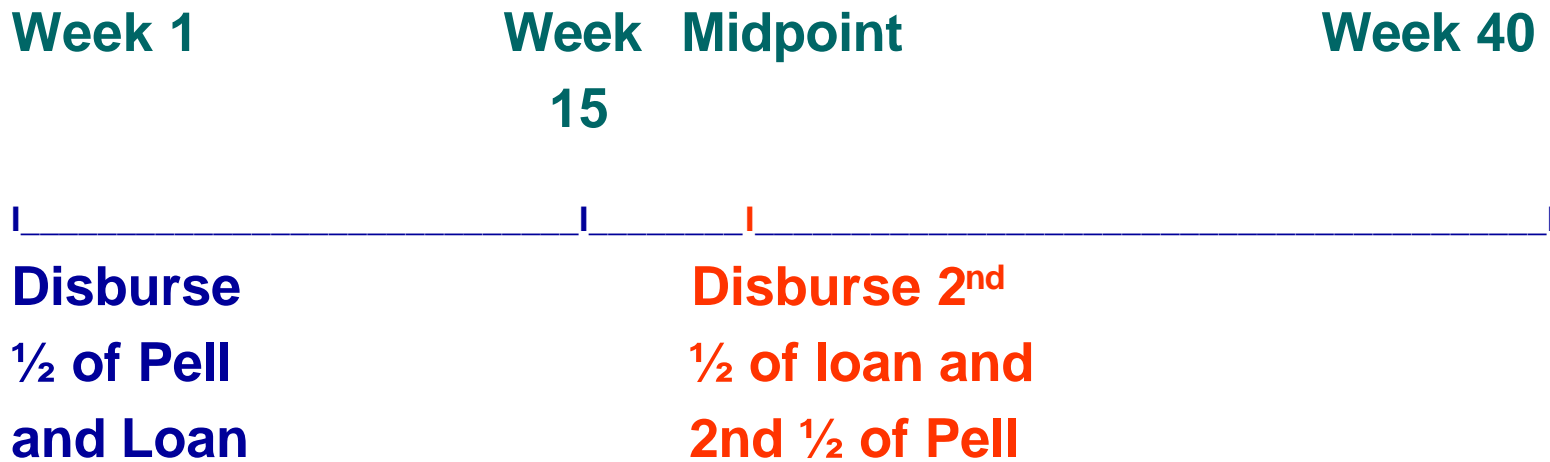




Nonterm

Nonterm Bachelor's Degree Completion Program – Self Paced

Example 1 – Student completes 12 semester credits in 15 weeks of a 40-week academic year.





Nonterm

Example 2 – Same program but student does not complete 12 semester credits until week 22.

Week 1

**Mid-
point**

Week 22

Week 40

**Disburse
1/2 of Pell
and Loan**

**Disburse 2nd
1/2 of Pell
and loan**





Student Eligibility





Student Eligibility

- **To be eligible for Title IV aid a student must be enrolled or accepted for enrollment in an eligible program.**
 - ▲ A student is considered to be meeting this standard if when accepted for enrollment he or she is required to take a specified number of courses and maintain a certain grade point average in order to continue that enrollment.
 - ▲ A student is not considered to be meeting this standard if, when originally beginning to take coursework, his or her eventual enrollment is based on some subsequent activity (i.e., test scores and/or transcripts being received, etc.)





Student Eligibility

- While awards can be based on documented projected plans, they may need to be recalculated when the student's enrollment is finalized.
- Federal Pell Grants: if a student does not begin attendance in all of his or her classes and this results in a change of enrollment status, the Federal Pell Grant award must be recalculated.
- FFEL and Direct Loans: each time a disbursement is received, school must confirm that the student is eligible (including at least half-time enrollment).





Miscellaneous Loan Issues





Miscellaneous Loan Issues

Type of Academic Year

- **Scheduled Academic Year:** term-based credit-hour programs may use.
- **Borrower-based Academic Year:** nonterm credit-hour programs and clock-hour must use. Term-based programs may use.





Miscellaneous Loan Issues

Frequency of Annual Loan Limits

In general, once a student has reached the annual loan limit, he or she cannot receive another loan until he or she begins a new academic year.





Miscellaneous Loan Issues

Loan Proration

While loans for graduate students are not prorated, if the academic year contains less than 30 weeks of instructional time, a student is not eligible to receive another loan until the student has completed 30 weeks of instructional time.





Withdrawal Issues





Withdrawal Issues

- **If a recipient of Title IV aid withdraws during a payment period (or a period of enrollment), the school must calculate the amount of Title IV aid the student earned. Unearned Title IV funds must be returned to the Title IV programs.**
- **If minisessions or minicourses are combined into one term, the return of Title IV funds must be applied when the student does not complete any coursework.**





Withdrawal Issues

- **If minisessions are not combined into a term, the return of Title IV formula must be applied when the student withdraws from or drops out of all classes in the individual session.**
- **If a student who is taking courses sequentially, completes a course and does not enroll in the subsequent course, he or she is considered to have withdrawn.**





Nontraditional Education Activities





Nontraditional Education Activities

Distance Education Demonstration Program

- **Clear trend toward distance education**
- **Continued concern about possibilities for fraud and abuse**
- **Requires strict monitoring**
- **Administrative capability criterion**





Nontraditional Education Activities

Statutory Purposes of Program

- **Test quality and viability**
- **Increase access**
- **Help determine**
 - ▲ **Most effective means of delivering Distance Education**
 - ▲ **Statutory and regulatory changes needed**
 - ▲ **Appropriate level of student assistance**





Nontraditional Education Activities

Some Ideas Participants are Testing

- 2 plus 2 programs
- Course sharing
- Increasing capacity to meet student needs
- New methods of enrollment tracking
- Excluding living expenses from the calculation of cost of attendance
- Multiple disbursements - just in time delivery
- Methods of default management





Nontraditional Education Activities

Lessons We Are Learning

- **Adapting student aid requirements to distance contexts is extremely difficult.**
- **Statutory and regulatory provisions present obstacles to administering aid to distance education students.**
- **Systems designs present obstacles to new models of providing aid.**





Nontraditional Education Activities

Lessons We are Learning

Many of these programs allow students significant flexibility in terms of

- When they begin their work and how long it takes them to complete a given unit of work.
- How many units of work they might wish to undertake in a given period of time.
- When they wish to take vacations or breaks.





Nontraditional Education Activities

Lessons We are Learning

There is no common understanding of the meaning of the terms we use to distinguish among various kinds of education

- **Distance Education**
- **Independent Study**
- **Technologically delivered instruction**
- **Correspondence**
- **Blurred boundaries**





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