

ACADEMIC AFFAIRS COUNCIL

AGENDA ITEM: 5 – K

DATE: April 22, 2020

SUBJECT

SPEC Students and Financial Aid 150% Rule

CONTROLLING STATUTE, RULE, OR POLICY

None

BACKGROUND / DISCUSSION

- Background: In 2013, new – and highly impactful – federal financial aid legislation took effect. In essence, it introduced the 150% rule.
 - *Context*: Federally subsidized student loans
 - *Intention*: To promote/motivate students to maintain focus and successfully advance toward program completion
 - *Effective point*: first-time borrowers as of July 1, 2013
 - *Crux*: Establishment of a maximal eligibility period for student loans: 150% of the published length of a program in years; after a student surpasses the 150% mark, then he/she assumes responsibility for interest accruing on existing loans and becomes ineligible for additional federally subsidized school loans.

- Current situation:
 - Roughly six years later, students are reaching the 150% mark, some in error.
 - *Source of problem*: Non-degree seeking students (in our system vernacular, SPEC students) should be reported in a singular fashion: enrollment information = yes; program information = no. To date, we have reported both. Erroneous reporting began with the Colleague era and carried over into the Banner era.

- Clean-up:
 - *Moving forward*: we have fixed Banner screens to correctly report on SPEC students.
 - *Historical data*: clean-up will be required.
 - *Clean-up procedures*: Sharon Kienow (who was ideally positioned for this research as she is a Financial Aid Director who also submits data to Clearinghouse) reached out to Clearinghouse; a representative outlined appropriate follow-up

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INFORMATIONAL ITEM

methodologies (this situation is not uncommon, so fortunately, answers were readily available).

- Phase 1: current students - this clean-up is underway and already completed by a number of universities. Time is of the essence on this piece.
- Phase 2: former students (impacted students no longer enrolled) - urgency is significantly reduced

IMPACT AND RECOMMENDATION

We have identified, communicated, discussed, and research the issue. Corrective action is currently underway with clean up procedures.

ATTACHMENTS

None