

Financial Aid

Association of Chief Business Officials

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Roy Beckhorn, Director of Financial Aid Systems

Los Rios Community College District

Agenda

- FAFSA
- CA College Promise Grant (Fee Waiver)
- Pell Grant
- Loan Default and Participation Rate Index
- Top Ten Audit Findings
- Top Ten Program Review Findings

Financial Aid Programs

- Most financial aid offices have 15-20 different financial aid programs and each of them have different eligibility criteria.
- Only Pell Grant and the CA College Promise Grant impact Student Centered Funding Formula
- Students who complete the FAFSA can qualify for both the Pell Grant and the CA College Promise Grant.

Free Application for Federal Student Aid (FAFSA)

- 107 questions
- Determines students expected family contribution and Pell eligibility (EFC-5486)
- Database matches with SSA and DHS, Sel Serv, NSLDS, DOJ (Drugs), Veterans
- Turn around time 72 Hours
- Output document is the Individual Student Information Record (ISIR) sent to the college.

Student Centered Funding Formula Question

A majority of students who complete the FAFSA will be eligible for a CA College Promise Grant (BOG Waiver)

How many students at your college have not completed the FAFSA?

How many potential students completed the FAFSA but never enrolled at your college?

CA College Promise Grant

- 9 Types of CA Promise Program
- 3 methods to apply
 - Complete a paper application at the college
 - Apply through the CCC Apply
 - Complete the FAFSA
- Eligibility:
 - financial need except for special categories
 - CA residency or AB540 exempt
 - Academic Progress

CA College Promise Grant Types

- Type A - SSI, TANF, GA (Requires Supporting Doc)
- Type B - Income to family size ratio (150% Poverty)
- Type C - Unmet Financial need (1104) (FAFSA or Cal ISIR)
- Type D - Homeless Youth (Requires supporting Doc)

Slide 7

BR1 Beckhorn, Roy, 3/11/2019

BR2 Beckhorn, Roy, 3/11/2019

CA College Promise Grant Types

- F1-Dependents of California National Guard members
- F2 - Dependents of veterans
- F3 - Congressional Medal of Honor recipients and their dependents
- F4 - Surviving dependents of the September 11, 2001 attacks
- F5 - Dependents of law enforcement or fire suppression personnel

Student Centered Funding Formula Question

Does your college have pending fee waivers? Do these students qualify under a different type?

College Review Process for Federal Aid

- Federal Verification Items
 - Income and family Size
- C Codes
 - Defaulted Loan, signatures, Pell LEU,
- Institutional verification Items
 - Education Program, HS diploma, Academic Progress, Course Applicability

Student Centered Funding Formula Question

How many students do not complete the college review process? Why?

Example: How many students never submit an appeal for academic progress?

Pell Grant

Eligibility:

- Complete the FAFSA
- Be a U.S. citizen or eligible non citizen
- Have financial need
- Not be in default on a student loan or owe the federal government a repayment
- If male register with the selective service
- Be enrolled in an eligible academic program
- Be enrolled in courses applicable to program
- Meeting Satisfactory Academic Progress

Loan Default and Sanctions

(34 CFR 668.206)

Three most recent years Official CDR of **30%** or greater or current CDR of **40%** or greater.

Except in the event of a successful adjustment or appeal, such a school will lose Direct Loan and Federal Pell Grant program eligibility.

<https://ifap.ed.gov/DefaultManagement/CDRGuideMaster.html>

Participation Rate Index Appeal

“The Department will withdraw a notice of loss of eligibility for a school that submits a successful participation rate index appeal”

“A participation rate index appeal alleges that a school should not be subject to loss of loan eligibility because the school has a participation rate index that meets one of the following thresholds: “

<https://ifap.ed.gov/DefaultManagement/guide/CDRGuidePart4.html>

- Subject to sanction based on three consecutive cohort default rates of **30.0** percent or greater—participation rate index of **0.0625** or less
- Subject to sanction based on most recent cohort default rate over **40.0** percent or greater—participation rate index of **0.0832** or less

Participation Rate Index Large College

<https://ifap.ed.gov/DefaultPreventionResourceInfo/index.html>

| | FY2015 | FY2014 | FY2013 |
|-------------------------------|--------|--------|--------|
| Default Rate | 18.2 | 23.1 | 24.8 |
| No. in Default | 243 | 361 | 489 |
| No. in Repay | 1,330 | 1,558 | 1,964 |
| Enrollment figures | 43,334 | 45,539 | 47,974 |
| Percentage Calculation | 3 | 3.4 | 4 |

Participation Rate Index Small College

<https://ifap.ed.gov/DefaultPreventionResourceInfo/index.htmlCollege>

| | FY2015 | FY2014 | FY2013 |
|-------------------------------|--------|--------|--------|
| Default Rate | 15 | 21.6 | 21.3 |
| No. in Default | 14 | 35 | 52 |
| No. in Repay | 93 | 162 | 244 |
| Enrollment figures | 9,769 | 10,478 | 10,412 |
| Percentage Calculation | 0.9 | 1.5 | 2.3 |

How To Calculate a PRI

$$\frac{\text{Total borrowers in 12-month period}}{\text{Total regular students in 12-month period}}$$

A regular student is a student who enrolled or was accepted for enrollment at a school for the purpose of obtaining a degree, certificate, or other recognized educational credential offered by that school. To be included in the participation rate index calculation, the borrower must be a student who was enrolled at least half-time and enrolled at least one day during the selected 12-month period.

12 month Period for PRI

The school may base the participation rate index appeal on any 12-month period that ended during the six months immediately preceding the start of the cohort fiscal year for which the school is submitting the participation rate index appeal.

Date Ranges for Acceptable 12-Month Periods

| Cohort Fiscal Year | Cohort FY Start Date | Acceptable 12-Month Period Begins Between | Acceptable 12-Month Period Ends Between |
|---------------------------|-----------------------------|--|--|
| 2011 | 10/01/2010 | 04/02/2009-10/01/2009 | 04/01/2010-09/30/2010 |
| 2012 | 10/01/2011 | 04/02/2010-10/01/2010 | 04/01/2011-09/30/2011 |
| 2013 | 10/01/2012 | 04/02/2011-10/01/2011 | 04/01/2012-09/30/2012 |
| 2014 | 10/01/2013 | 04/02/2012-10/01/2012 | 04/01/2013-09/30/2013 |
| 2015 | 10/01/2014 | 04/02/2013-10/01/2013 | 04/01/2014-09/30/2014 |
| 2016 | 10/01/2015 | 04/02/2014-10/01/2014 | 04/01/2015-09/30/2015 |
| 2017 | 10/01/2016 | 04/02/2015-10/01/2015 | 04/01/2016-09/30/2016 |

Top Ten Compliance Audit Findings

- Repeat Finding – Failure to Take Corrective Action
- NSLDS Roster Reporting – Inaccurate/Untimely Reporting
- Return to Title IV (R2T4) Calculation Errors
- Return to Title IV (R2T4) Funds Made Late
- Verification Violations
- Pell Grants – Overpayment/Underpayment
- Qualified Auditor’s Opinion Cited in Audit
- Entrance/Exit Counseling Deficiencies
- Student Credit Balance Deficiencies
- Improper Origination of Direct Loans

Top Ten Program Review Audit Finding

1. NSLDS Roster Reporting – Inaccurate/Untimely Reporting
2. Crime Awareness Requirements Not Met
3. Return of Title IV (R2T4) Calculation Errors
4. Verification Violations
5. Drug Abuse Prevention Requirements Not Met (34 CFR Part 84)
6. Entrance/Exit Counseling Deficiencies
7. Consumer Information Requirements Not Met
8. Student Credit Balance Deficiencies
9. Inaccurate Recordkeeping
10. Satisfactory Academic Progress Policy Not Adequately Developed/Monitored

Questions?

beckhol@losrios.edu