

Justin Draeger:

Well, I rode in this morning, it was cold, but it's going to be 80 degrees here. You have a blizzard in Idaho today, David?

David Tolman:

On the other side of the state. We're pretty dry here, but yeah, I was on the other side of the state last week and piles of snow in the parking lot, mountains of snow in the parking lot. It was crazy.

Justin Draeger:

Yeah. Well, I saw trending on Twitter today winter warning, and I thought, "Not in DC, baby. No." 80 degrees. I got on the motorcycle, came right into work and loved every minute of it. I can't wait for my commute home.

Little known fact, motorcycles also ride HOV for free, which is another way of... I feel like I'm beating the system. So, Jill, I hope you get out for a run or a cycle, or whatever you're doing these days.

Jill Desjean:

Yeah, I hope I do too.

David Tolman:

And I'm impressed that you're on BeReal.

Jill Desjean:

I don't even know what BeReal is.

Justin Draeger:

Well, you will as your kids get older, but I'll tell you what... Well, David, you obviously know what BeReal is. You saw it.

David Tolman:

Yeah. My college daughter is on BeReal and every day, she would get a notification. "Okay, take picture of what you're doing right now," and post it.

Justin Draeger:

Yeah. So, you're on it the same reason I am, which is I have two friends who are on it and my kids. I'm on it because of my kids. And Maria, I assume because I don't want to make assumptions, okay, Maria, I don't want to put you in a box, but you're... Our producer and editor this week, Maria, I assume you're on it because there's a certain demographic that are on it. Are you on BeReal?

Maria Carrasco:

Yeah, and all my friends are too.

Justin Draeger:

Right, and all your friends are. Okay. So BeReal is like, at a certain time of day, Jill, the BeReal thing goes off, it's a social media app. But it goes off and everybody takes a picture at that time. So if it's at 11:00 AM, everybody gets the notification and it takes a photo front and back.

So you hold your phone up, it'll show what you're seeing, but then it also takes a picture of you at the same time. Everybody does it at the same time, and it's BeReal because whatever that photo is, that's what it is. And if you retake the photo, everybody knows that you retook the photo. It'll show that you now staged a photo.

Jill Desjean:

It seems too real.

Justin Draeger:

Oh, it's super... No. I mean, when I first started, I was religious about it, but what I will say about it, since it's just my family and then some of my extended family, and then I've got two friends in Utah that I was telling you about last time Truman and I were there hiking. They're the only two friends I have on it.

But I get to see my college-aged daughter who's living away, just like you, David. That's the way I can see what she's doing. Which most of the time, it's her and her computer.

Jill Desjean:

That's good.

Justin Draeger:

But I do get to see a picture of her-

Jill Desjean:

[inaudible 00:02:59].

Justin Draeger:

Yeah, I mean, it is very real.

Jill Desjean:

That's what you're paying for.

Justin Draeger:

Yeah, it's nothing exciting.

David Tolman:

She's taking her freshman year very seriously. So that's good, you've prepared her well.

Justin Draeger:

That's right. Also, here's what I found as a parent, just as an aside, so what year in school is your child?

David Tolman:

Well, mine's a junior in college.

Justin Draeger:

Okay. So did your child give you parent access to her student account, the parent view? Do you want to talk about this? Is this too-

David Tolman:

I don't know.

Justin Draeger:

Well, I'll just tell you. My daughter tried, and I tried to log in with the parent view and whatever, and they can grant access, and it was a total mess. I couldn't figure it out. I'm in higher ed, I can't figure this out. We've tried. I've tried before she went to college, I tried at winter break.

I mean, I don't know. Jill, blink twice if I'm copping to breaking laws here, I just log in as her, and then she just texts me the code that she gets whenever I try to log in to pay her account and see her grades, or do whatever, because I can't get the system to work, ever. Zero times. Zero out of a million times, trying to get the system to work.

Okay. You're not blinking. I mean, I don't know what's going on. I'm probably breaking FERPA laws. I don't know. I'm doing it with her consent, because she's sending me the login. I can't get these systems to work. I don't know how any of this works. So, I just log in as her.

Jill Desjean:

We struggle with the same thing with our elementary school and middle school.

Justin Draeger:

Oh.

Jill Desjean:

It's probably the same system. They're always like, "Just log in and look at their assignments." I'm like-

Justin Draeger:

Yeah. Deanna left town last week. She was like, "Could you log into the system and say Archer was out sick?" She's like, "Could you let them know Archer won't be there?" I tried for 20 minutes and I was like, "Nope." I guess it's unexcused. I cannot report my kid not going to school, I can't figure this out. So, I don't know.

Jill Desjean:

I only know how to do that because we get an email at noon that says your kid didn't show up, and then there's something you can click to report your kid absent. So, I just wait until I get the email, click that, and then that takes me to the place. That's the only way I can get it.

David Tolman:

Same with text messages, we'll get a text message from the school, and that makes it a lot easier. I just hope that if I respond, that my wife responded the same way. Because we're both on there.

Justin Draeger:

Now, here's a moral dilemma for you. Okay? Now, tell me if you did. So in high school this year, the kids have to turn in a note from the parent if they're going to leave school early. All right. So our son, Truman, who's a junior, texted me in October and he was like, "Hey, I want to leave school early."

He's a junior and our policy is in high school, if you have straight As and you want to leave school, I don't care. Whatever, go ahead, leave. I don't care. If you've got straight As, that's all I care about. So I was like, "Yeah, sure, fine." He's like, "They need a note." And I'm like, "I'm not coming to school. I'm not coming to your school." He's like, "Can I write the note?" And I just said, "I'm not coming to your school."

I'm not giving you permission. I'm not telling you to forge a note. I'm just telling you I'm not coming to your school. So hint, hint. Like, "Listen, kid, read between the lines." So he clearly then got the message. He forged a note in my name, so he left school apparently. I don't know where, he's leaving school.

I get a call from the school. They're like, "Mr. Draeger, I'm looking at a note, and it says it's signed by you. I'm just calling because we have a lot of kids who are forging notes and I just want to know, did you sign this note that allowed Truman to leave school?" Now, what would you have said? What would you do in this scenario? What would you do?

David Tolman:

I would say I gave my son permission to sign the note, and I'm telling you now that I approved his absence.

Justin Draeger:

I see. So, you would not lie. You would not lie. You would just say, "Yeah?"

David Tolman:

Yeah. I mean, there's no way around it. I couldn't come over there to sign the note. So, it's ridiculous that that's the way you have to do it when there are alternatives. So, I gave him permission to sign my name. That's what I'd say.

Justin Draeger:

Yeah. So, what would you have done, Jill?

Jill Desjean:

Yeah, because I mean, if you lied and said, "What? I didn't write that," then you're getting your kid in trouble, which seems wrong. You set him up to get in trouble.

Justin Draeger:

Right. Well, I didn't think about it like that.

Jill Desjean:

So I mean, you can't. Yeah, that wouldn't be right.

Justin Draeger:

But I also am not going to sell my integrity and lie either, especially for something so cheap.

Jill Desjean:

It's cheap.

Justin Draeger:

Actually, what I did was like, I just said like, "No, I didn't sign it, but I also don't care that my son left school. So, he checked in with me, I was fine with it." I was like, "Is that not right? We can't do that?" So, I copped to like, "Oh, that's not all right?" Like a Seinfeld episode with George. "Is that frowned upon? It's not okay?"

Jill Desjean:

"It never occurred to me. Thank you."

Justin Draeger:

Yeah, it never occurred to me that I couldn't have my son forge my signature. So, anyway. All right, moving on. Should we jump into this episode? All right. Welcome, everybody, to another edition of "Off The Cuff." I'm Justin Draeger.

Jill Desjean:

I'm Jill Desjean with NASFAA's policy team.

David Tolman:

I'm David Tolman with Training and Regulatory Assistance.

Justin Draeger:

All right, welcome, everybody. Glad to have you here. Maria, a couple weeks ago, we asked people what was the one thing from a financial aid administrator's perspective we would want Congress to know about the federal student aid programs? We got some good responses. What'd we hear from our members?

Maria Carrasco:

One member said, "Just double the Pell Grant. It's targeted assistance to needy students. It will greatly reduce the need to borrow, and it essentially makes community college free for those who need that assistance. It's the simplest answer. No new programs to argue about. I wonder what the max Pell Grant would be if it had been tied to inflation since the beginning."

Justin Draeger:

All right, that's pretty good. Any others?

Maria Carrasco:

Another said, "All of our institutions provide financial support above and beyond what we receive from federal and state governments. The amounts can vary by institution, but institutional grants overall

totaled \$60 billion for undergraduates in 2021-'22, and was almost double what the federal government provided, including VA benefits, Pell Grants, and SEOG. We have lots of skin in the game."

Justin Draeger:

All right, that's a pretty good point. Let's give us one more.

Maria Carrasco:

"Verification tends to just make low income people prove that they are low income. Requirements for verification have been waived two years in a row and things didn't break. Eliminate verification."

Justin Draeger:

Ah, we hear that one over and over again. And while we might not see verification go away entirely, we are hoping on the other side of FAFSA simplification, we will see maybe some streamlined and reductions in verification. Before we jump in, Jill, with you this week, also want to talk about last week's episode with Chairwoman Virginia Foxx.

We saw a lot of member comments come in directly to our "Off The Cuff" mailbox. We also saw some chatter in the "Off The Cuff" community. Couple comments, a lot of people said that they were grateful that they got to learn a little bit more about Chairwoman Foxx and her background, and some of her history and what informs her policymaking. Others asked whether we also would invite Ranking Member Bobby Scott. Just so people know, we did. We always extended invitations to both sides of the aisle.

Mr. Scott has joined us at other NASFAA venues. He spoke at a NASFAA conference several years ago, so we extend these invitations bipartisanly. So, we were glad that she was able to come on and share her perspectives and look forward to working with her in the upcoming session.

All right, Jill, let's bring you into the conversation here. The department has put out a couple notices in the last few weeks. Some of these seem like they're going to have a pretty big impact on institutions. Why don't you catch us up? Where are we here?

Jill Desjean:

Yeah, so just last week, the department put out two notices. The first was some updated guidance about third party servicers, and the other was a notice about some upcoming listening sessions they're planning to hold in early March on the incentive of compensation rules, especially as those relate to the bundled services exemption.

Justin Draeger:

All right. I want to talk about the third party servicers guidance first. I also should mention we've been talking about this nebulously, giving warnings to NASFAA members about this, going all the way back to last year's annual meeting in Austin, Texas. We talked about online program managers and this growing concern among lawmakers and the administration and think tanks just about these third party servicers. So, what's this all about?

Jill Desjean:

Yeah, so the department in the guidance, the body of the guidance itself, referred to the fact that they were looking to expand this guidance to sweep in OPMs, online program managers, into the third party

servicer fold. So basically saying that what they say is that they're clarifying that they've always considered OPMs to be third party servicers, and they're just clarifying that.

The guidance itself though is actually pretty sweeping and makes some pretty significant changes that capture a lot more than just OPMs. So there's definitely worth a read and definitely worth following this because some of the changes are really important. So basically with this new guidance, the department is saying that they've determined that almost everything schools contract with outside entities to do is "intrinsically intertwined," that's what they say in the guidance, with Title IV administration.

So, basically everything a school contracts out is subject to third party service requirements. So it's obviously a lot more than just OPMs. ED isn't entirely wrong. Almost everything that happens on a campus ties back to the school's eligibility to participate in the Title IV programs. So if you're contracting with someone to do something, odds are good there's some connection to Title IV eligibility.

Justin Draeger:

But I feel like there's maybe a but here?

Jill Desjean:

There is a but. That doesn't necessarily mean that everything a contractor might do is necessarily performing a service or function related to Title IV administration. Just because there might be this connection doesn't mean that what the contractor is doing is Title IV administration. So ED framed this guidance as just, "Hey, this is a clarification. OPMs are third party servicers."

But then you read through this table that they included of what is and what isn't considered a third party servicer, there are now a lot more activities that would classify a contracted entity as a third party servicer. So just overall, this feels like an attempt to regulate using guidance. They're creeping into almost redefining what a third party servicer is, and that just feels like something that should be done during negotiated rulemaking and not via guidance.

Justin Draeger:

So just to be clear, this was released as part of a dear colleague letter, this isn't regulation. This is just like, "Oh, we're just clarifying our position, which has always existed, and now all this stuff is considered third party servicing."

Jill Desjean:

Right. It really feels like there's a definition in the regulations of what a third party servicer is. A lot of the things that they're expanding to say are third party servicer functions don't seem to fall under that definition. So, it really does feel like a new definition. So it feels like they're dipping their toes into regulatory territory, not guidance territory.

Justin Draeger:

So what kind of activities would contractors do for schools that would classify them as third party servicers that the department is "clarifying" for us?

Jill Desjean:

So they added these whole sections on activities related to student retention, student recruitment, providing instructional content, and they even made some really pretty significant language changes in

other areas that they had already addressed in the guidance, but sort of tweaks to language that make it mean something different, like providing computer services to schools and providing consulting and auditing services to schools.

Justin Draeger:

So, I would think schools have some pretty big concerns here. What are the biggest concerns that schools should be looking at?

Jill Desjean:

Yeah, I mean, there are quite a few, I'll try to not mention every single one here, but I think the student retention piece is a pretty big deal. The updated guidance says if a school hires a third party to conduct activities to keep an individual student enrolled, they're subject to the third party service requirements.

So just what's really troubling on this front is that the department doesn't provide any examples of exceptions as far as what would not be considered a third party servicer. So they've got this table, and they had this in the 2017 guidance, too. They said, "These activities are considered third party servicing. These activities are not." For student retention, they have a handful of examples of what they said would constitute a third party servicer, but nothing that wouldn't. So think of everything that a school does that could be considered retention related.

You might have a financial literacy program. You might offer some mental health supports to students, your emergency student aid program. If you're contracting with someone outside the institution to provide those services, that probably your own institution has said the goal of this offering, this servicer program is student retention, the guidance seems to indicate that they would be third party servicers.

Justin Draeger:

Just to be clear, if they are now subsumed by these third party servicer requirements, they themselves then have to meet all of these requirements to be considered and meet requirements by the Department of Education to be qualified third party servicers, thereby increasing their costs and then increasing the costs to the institution, is that all correct?

Jill Desjean:

That's right. Yeah. So, the contracts might have to be rewritten. The third party servicer would be subject to an annual compliance audit. They would be subject to data security requirements, a lot of new rules would apply to them. They'd also be jointly liable for any fines that were incurred having to do with Title IV non-compliance.

Justin Draeger:

Okay. What about recruitment activities?

Jill Desjean:

Yeah, with recruitment activities, I see the same issues as with retention. The guidance is just so broad and offers very few exceptions. I just think the department needs to be a lot more clear about exactly which activities fall under the third party service or umbrella and which ones don't.

They just say, "Hey, if it's recruitment, it counts." But in other places, they're pretty clear about these specific activities count, these specific activities don't, and they left it pretty broad. And that may have



been intentional, but I don't think they considered the unintended consequences of who they might be grouping in by trying to just group in OPMs, which is what they said.

Justin Draeger:

Anything else we're concerned about here?

Jill Desjean:

As far as entities providing computer services, ED made some changes to wording about when those would be considered a third party servicer, and it adds a lot of confusion where ED's intention that this guidance was to offer clarity, and it's a lot to get into here, but basically, the previous guidance was pretty clear that computer service providers were exempt from consideration as a third party servicer if they didn't have view or update access to student level data, and weren't performing Title IV activity on the institution's behalf.

The new language says that computer service providers can't have access or control over the system versus over the data. And I can't think of a computer services provider that wouldn't have control over the system that they developed and that they're providing support for. So I'm focused mainly here on financial aid management systems because that's what we know about.

So, you know, if you're using PeopleSoft or PowerFAIDS or something, they have control over the system, they should. They made it and they have to issue updates and things like that. It used to be about the student data that they would access, and obviously if they were accessing student data, that made sense that they were a third party servicer.

But we just need some clarity there about what ED means by having control over the system and whether that would truly qualify you as a third party servicer.

Justin Draeger:

So Jill, are entities that might be in an agreement with a school, I'm thinking about community health partners that might not even have any revenue at all, they just might be in a partnership with an institution to provide community health services or other support systems to students on campus, no revenue sharing, no revenue whatsoever, would they still be in a third party servicer agreement with a school?

Jill Desjean:

It seems that way. Yeah, if you could tie that back to retention, say, that's probably where I would see the link if you said that that was a retention activity. And what's interesting is that, and this is longstanding guidance from 2017 as well, this piece that even if you don't pay the other entity, they can still be classified as the third party servicer.

So, you mentioned this community health center that might not turn a profit from offering services, but even if they offered a service for free, they could be classified as a third party servicer if you tied those activities back to say, student retention.

Justin Draeger:

Right. So I'm offering something for free or I'm a non-profit, and all of a sudden, I'm subject to all these other expenses, I might just say, "We can't afford to do any of this."

Jill Desjean:

Right, right. There's too much involved for us to continue to do this when there's nothing in it for us.

Justin Draeger:

We covered some of this already, the expense to both the entity and perhaps the school. But can you just run us through, what's the list of things that schools have to do with third party entities or servicers?

Jill Desjean:

So schools first and foremost, they have to report their third party servicer agreements to the Department of Education. They have to comply with certain contractual requirements. The department actually says what their contracts have to look like, what they have to cover.

So in cases where someone might not have been classified as the third party servicer and now would be considered, the school likely would have to rewrite those contracts. The third party servicer has to submit to an annual compliance audit. They're subject to information security requirements, and they're jointly and separately liable with the schools they contract with for Title IV violations.

Justin Draeger:

So a pretty good deal falls on both the school and the contractor. When's this all effective?

Jill Desjean:

Yeah. So the department is offering a 30-day comment period on this, but this is guidance. It's not a proposed rule. So it's not like when something goes through NegReg and you've got these periods for comment, and it doesn't become effective until the next July. This was effective upon release. So last February 16th was when this guidance became effective and institutions have until May 1 to report any third party servicer arrangements that they hadn't previously reported to the department.

So they either need to submit for the first time this third party servicer data form, if they had never reported third party servicers and now are reporting some, or they have to update that form if they had reported some third party servicers and then now need to add some into their list.

Justin Draeger:

It just strikes me as this is really far-reaching, and seems like there will be a lot of consequences to this, and it seems like that May 1 date is almost laughably unattainable, given just how far-reaching this might be.

Jill Desjean:

Yeah, I would think so.

Justin Draeger:

Where I thought this might be going when we had been talking about everything leading up to this "guidance clarification," again in quotes, was really about incentive compensation.

Because when we've been talking about online program managers, one of the biggest complaints we've seen from lawmakers and some think tanks and advocacy organizations is that these online OPMs have been recruiting students and then being compensated by schools for the number of students they've

recruited. And that starts running into incentive compensation rules. So, I thought where we would be heading is incentive compensation. Anything on that?

Jill Desjean:

Yeah. So, this was that second piece, that second notice that the department came out with last week, where they announced that they're going to be holding listening sessions in early March to address this practice of incentive compensation and specifically, the exception to the incentive compensation rules for entities that provide a set of services that includes things like recruitment, which are commonly referred to as bundled services.

And these are typically the entities that offer these bundled services that are exempt from the incentive compensation rules, are these online program managers, OPMs.

Justin Draeger:

Jill, I assume we're working on comments on all of this. We'll be submitting comments to the department?

Jill Desjean:

That's right. Yeah, so we're working on our comments now, and I hope our listeners will also comment and share their thoughts with NASFAA, because there are a lot of angles on these issues, and I can't imagine that I've even scratched the surface on every place that this could impact institutions. So, I'd love to hear from our members to see where their concerns lie, so that we can make sure we address them in our comments.

Justin Draeger:

Yeah. I really hope that the financial aid offices that are listening to this will also notify, if they haven't been notified already, all of the other offices on campus. This is a good example of where the hooks on this are the financial aid Title IV rules, but really, the tentacles of this go far beyond the financial aid office.

This really touches almost every other office on campus, procurement and technology and the business office, the president's office, your legal counsel, your recruitment and retention offices, student services. This is probably far outside just financial aid.

So, thanks very much, Jill, and we'll look forward to hearing our members' comments. All right, David, let's bring you into this. We've been talking about FAFSA simplification now for several months. I don't know what part we're on anymore, but are we still talking about it?

David Tolman:

Well, for now on this, we are shifting to another subject until we get more information, which I'm sure we will, about FAFSA simplification. And just want to remind people, that Dear Colleague, GEN-22-15, that's a good source of information on the FAFSA simplification.

But today, we're going to shift to a topic that's becoming more common, which is a variety of issues that arise when a student is enrolled in multiple programs at the same institution.

Justin Draeger:

Are we talking about double majors or dual graduate/undergrad programs here?

David Tolman:

Both and everything in between. When I was at an institution, when I arrived there, I didn't realize this, but it was a four-year institution and it had doctoral programs, but it also fulfilled the community college role in that area at the time. And they had 15-week certificate programs.

So, there's everything from truck driving school to PhD programs, and sometimes, students were smart. They would go through and be certified in say, refrigeration technology or truck driving, and then they would get a decent paying job to work their way through school.

So, while they're working on their degree program, they were also working on a certificate program. So some of the issues that come up when that happens is how do you determine a student's enrollment status when you make Title IV disbursements? And monitoring satisfactory academic progress, and also reporting CIP codes.

Justin Draeger:

So, this gets pretty complicated. What guidance to schools have on how they work through this?

David Tolman:

Well, let's start with enrollment status, and everyone could look up in the FSA Handbook, Volume One, Chapter One that says, "If courses don't count towards a student's degree or a certificate, those courses cannot count towards enrollment status."

You can't award for Title IV aid for classes that don't count towards that fulfillment. There are some exceptions that we won't get into here, but you can look up if they apply. Remedial coursework or retaking coursework, there are some exceptions for those when they would otherwise offer zero credits, as well as an exception for students with intellectual disabilities enrolled in a comprehensive transition and post-secondary program.

Not a lot of those programs are around, but just wanted to mention that for schools that do have those programs. So, among other ramifications of what's there in the handbook, a student who completes the academic requirements for a program cannot receive Title IV assistance for that program even if the student hasn't yet received the degree or the certificate for that program.

So with that in mind, now let's look at when the student is enrolled in two programs at an institution at the same level, such as undergraduate degree seeking only, or certificate only, or graduate only. If that's the case, the student can receive Title IV aid from each program, and the enrollment status can be combined.

But for undergraduate students at the baccalaureate level, if they're enrolled in two programs at the baccalaureate level, and they complete the requirements for one program but not the other, because they fulfilled the requirements of that Bachelor's degree program, the student is no longer eligible for Pell, for example, or other Title IV grant funds.

Justin Draeger:

And that's regardless of whether they've graduated or not, so it's not so much based on if they have or haven't graduated. It's if the student has completed the requirements for even just that one program?

David Tolman:

Yeah. And that's probably more common. Many students will only want to go through the graduation ceremony once, or there might be other reasons, but they want to do that at the time when the

requirements for both programs are completed. So, they're waiting, even though they've completed the requirements for one, they're not going to receive their degree and go through the ceremony until they've completed both.

But by completing the requirements for one, the student's no longer eligible for Pell and FSEOG. And enrollment status for direct loans is based only on courses the student is taking for the incomplete program, the program they haven't completed.

Justin Draeger:

Yeah. So, I get the graduation scenario. Let's talk about SAP for a second. So if they've exceeded the maximum timeframe for one program, are they then ineligible for the other program that they're enrolled in?

David Tolman:

Well, the short answer is there's a lot of flexibility with satisfactory academic progress, or SAP. The school has the option to define its policies for instances when a student is enrolled in two programs. So let's say a student is pursuing a double major and each major results in the same degree, such as a Bachelor of Science, they're majoring in chemistry and they're majoring in biology, the school can combine credits, all the credits, for SAP purposes.

And by violating maximum time for one, they've violated maximum time for all the others. But if they're in two distinct programs, such as an Associate of Arts and an Associate of Science, or the Bachelor of Science and a one-year certificate in refrigeration technology, the school can monitor SAP separately for each program.

And if the student is meeting SAP standards in one program but not the other, the student can still receive Title IV aid based on the credits the student is enrolled where they are meeting SAP. So for example, if the student succeeded maximum timeframe in the refrigeration technology program, but not in the Bachelor of Science program, the student would be eligible for Title IV aid in the Bachelor of Science program, but only credits taken in that program would count towards the student's eligibility, because they violated SAP in the other program.

Justin Draeger:

Before we move on from this, maybe we pause for a second. This is a good place to talk about zip code reporting. How's that done with enrollment in more than one program?

David Tolman:

So, the answer is going to be depending on which system you're reporting through. For Common Origination and Disbursement, or COD, it's one program of study per student per loan, and that's going to be the longest eligible program in which the student is enrolled. But for NSLDS, that CIP code is reported for all programs of study.

Justin Draeger:

So talk us through, David, for a second, a little bit more about undergraduate and graduate degree programs, so when you're doing both undergrad and grad.

David Tolman:

Yeah, so these are typically programs of five years or longer, in which a student is pursuing both the Bachelor and the Master's degree. These programs are combined, they're designed by the school, and then both degrees are conferred at the end of the program. So in Volume One, Chapter Five of the FSA Handbook, and people can go there for more information on this, but students must be classified as undergraduate in these combined programs for at least the first three years of the program.

And then the school's policy is going to determine at what point of that program students become graduates after that third year. So undergraduate SAP standards would apply while the student's enrolled in the undergraduate portion of the program. Once the student reaches the graduate portion of the program, then graduate SAP standards apply. But for enrollment status determinations, it's important to note that only undergraduate coursework counts towards the student's eligibility, if the student is still being classified as an undergraduate.

So what does this mean? We've had some schools who classified students as undergraduates for the whole length of the program, and their intent in doing this was to extend Pell Grant eligibility for as long as possible for Pell eligible students in that program.

But the problem with that approach, however, came at the point where the students were taking coursework that applied only toward the graduate portion of the program. The student's undergraduate enrollment status was zero, and as a result of that, the student could not receive a Pell Grant or any other aid because of that.

Justin Draeger:

Yeah, so it goes back to what you originally said, only coursework that fulfills requirements for the program the student is enrolled in actually counts.

David Tolman:

Yeah, and that's an important thing to note, and understanding that will solve about 80% of the questions that come in about enrollment in multiple programs.

Justin Draeger:

All right. Thanks very much, David. Appreciate all the help. You always help me feel smarter at the end of our conversations. Jill, David, thanks for being on the podcast.

David Tolman:

All right, thank you.

Justin Draeger:

All right, let's get into some of the news updates that have been happening this last week. Maria, catch us up.

Maria Carrasco:

A new report from the National Association of College and University Business Officers found that in fiscal year 2022, endowments generated an average return of negative 8% overall, down from last year's rate of 30.6%. NACUBO notes that the dramatic reversal is partly due to rising inflation. Members can read more about the report in our show notes.

Justin Draeger:

Okay. Our friends over at NACUBO. What else we have going on?

Maria Carrasco:

As the Supreme Court prepares to hear two student loan forgiveness cases on Tuesday, February 28th, advocates are planning to camp overnight outside the Supreme Court and protest in support of the forgiveness. We'll have an article linked in the show notes with more information of what advocates are planning to do on Tuesday, and we'll also be covering the hearing as well. So, stay tuned to Today's News.

Justin Draeger:

That sounds good. Now, just so folks recognize what will be happening, those oral arguments as I understand, Maria, those will be broadcast live on the 28th, right?

Maria Carrasco:

Yes, the audio will be live. There are no cameras during the oral arguments. Yeah.

Justin Draeger:

But the audio will be live, and oral arguments are usually... I think they usually start at 10:00 AM, and they do two cases, I think. So, it's usually one hour each. So I don't know if it's at 10:00 or 11:00. Do you know?

Maria Carrasco:

I don't, but we'll have more information linked in our show notes.

Justin Draeger:

Okay. Now, are you going to go out at Tuesday morning at 10:00 or 11:00 and see what's going on in front of the SCOTUS?

Maria Carrasco:

I actually live really close to the Supreme Court, so I might actually, we'll see.

Justin Draeger:

Yeah, well, bring your recording device. Let's see what's going on. I'm sort of curious. We'll see what's happening over there. It's been a couple years, but it used to be... and I have no idea since COVID, if you can even, it used to be that they would cycle people through.

You could go get in line and actually go through and hear a court case as part of the public, but you couldn't stay very long. They would cycle you through. You weren't allowed to bring your phones in. You'd have to check all of that stuff in, and they would let you actually go in and sit for a little bit. As you would sit, the Supreme Court has its own security detail, and they would actually walk through the audience, watching the audience to make sure all you were doing was sitting and watching the case being argued.

So, thanks very much, Maria. Thank you to David and Jill. Thank you to all of you for listening. Remember to send us your comments, check out the show notes for all of today's notes, and remember

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