



Consumer Information Disclosure Requirements

Renée Gullotto

U. S. Department of Education

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

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**2013
CASFAA
Conference**



Agenda

- Framework
- Select Disclosure Topics
 - Net Price Calculator
 - Textbook Information
 - Gainful Employment (GE)
- Frequently Missing Disclosures
- Resources



Framework

- HEA requires institutions to disclose certain information as part of Title IV participation
- Wide range of disclosures
- Disclosures often require information from offices across the institution, not just the financial aid office



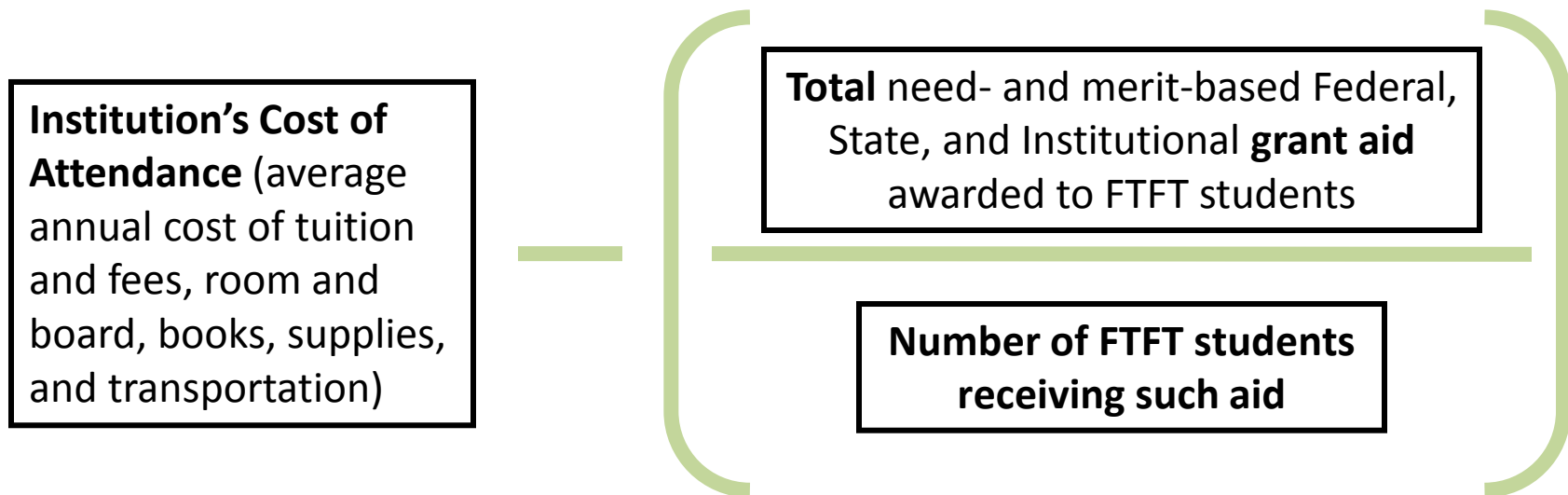
Net Price Calculator

- Section 132(h) of the HEOA states:

“Each institution of higher education that receives Federal funds under Title IV shall make publicly available on the institution’s website a net price calculator to help current and prospective students, families, and other consumers estimate a student’s individual **net price** at such Institution of Higher Education.”

Net Price Calculator

- What is **net price**?
 - The average yearly price actually charged to first-time, full-time undergraduate students receiving student aid at the institution





Net Price Calculator

- What is required?
 - ED was required to develop a net price calculator (NPC) template
 - Institutions had two years from the date that the template was released to post a NPC to their websites
 - Required by 10/20/2011
 - May use ED's template **OR** an IHE-developed NPC. An IHE-developed NPC must contain same minimum data elements as the ED template
 - Must include disclaimers

Net Price Calculator

- Minimum required data elements

<u>Input Elements (To approximate the student's EFC)</u>	<u>Output Elements</u>
Student's income	Estimated total price of attendance
Number of people the household	Estimated tuition and fees
Dependency status (or factors that estimate dependency status)	Estimated room and board
	Estimated books and supplies
	Estimated miscellaneous expenses (personal, transportation, etc.)
	Estimated total grant aid
	Estimated net price
	Percent of the cohort (FTFT) that received grant aid



Net Price Calculator

- Required disclaimers in NPC
 - State that the estimate is not final or binding on the Secretary, the institution, or the State
 - State that the student must complete the FAFSA to be eligible for and receive Federal grant, loan, or work-study assistance under Title IV
 - Include a link to the FAFSA website so that students can access that application
- The ED template has these disclaimers built in



Net Price Calculator

- NPC guidance
 - Who must have a NPC?
 - Institutions with any first-time, full-time students
 - Foreign schools are exempt
 - Approximating the student's EFC
 - Institutions may use either Federal Methodology or Institutional Methodology



Net Price Calculator

- NPC guidance
 - Where must the NPC be located?
 - Varies by institution
 - Make it easy to find – see NPEC guidance at <http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2010831rev>
 - May I rename the NPC?
 - Best bet for full compliance is to call it a “net price calculator”



Net Price Calculator

- NPC guidance
 - May I include loans in our NPC?
 - Net price definition takes into account scholarships and grants
 - Calculation must not take loans into account



Net Price Calculator

- NPC guidance
 - When and how often must I update our NPC?
 - Update on an annual basis, when new data become available to do so
 - COA and grant aid data are from the same year and represent actual, not projected data
 - ED will release updated versions of the template annually in January



Net Price Calculator

- NPC guidance
 - How should we account for VA and DOD benefits?
 - VA and DOD benefits are not need-based or merit-based grant or scholarship aid
 - Do not subtract these benefits from the total cost of attendance in calculating net price
 - Institutions may collect information that will provide more accurate cost estimates, but--
 - Provide this as additional information AFTER providing HEA-required NPC.
 - Clearly identify whether and how these benefits were considered



Net Price Calculator

- NPC guidance
 - May we use a 3rd party's (e.g., State, college system, private servicer) NPC?
 - Must access the NPC via the institution's ".edu" URL
 - Calculator must have all minimum elements
 - Institution-specific data
 - NOTE: cannot direct users to ED's website

Net Price Calculator

- Does ED use the NPC URLs reported to IPEDS?
 - YES. Please make sure they work and are correct!
 - Net Price Calculator Center
<http://collegecost.ed.gov/netpricecenter.aspx>
 - College Scorecard
<http://collegecost.ed.gov/scorecard/index.aspx>
 - College Navigator
<http://nces.ed.gov/collegenavigator/>
 - Zip file (available on NPC Information page)

Net Price Calculator

- NPC Resources
 - NPC Information Center
 - http://nces.ed.gov/ipeds/resource/net_price_calculator.asp
 - FAQs
 - Quick start guides
 - Bulk upload tools
 - EFC tables
 - Template source Code
 - Help Desk – npc@inovas.net or (877)-299-3593
 - GEN-13-07
 - <http://ifap.ed.gov/dpcletters/GEN1307.html>

Textbook Information

- Section 133 of the HEA requires institutions to disclose textbook information to students and to college bookstores
 - Applies to each Institution receiving Federal financial assistance





Textbook Information

- Information for students
 - Disclose on the web-based schedule of courses used for pre-registration and registration purposes
 - Format is left to institutions
 - Must include ISBN and retail price information of required and recommended textbooks and supplemental materials for each course

Textbook Information

- Information for students
 - A: Must include ISBN and retail price information of required and recommended textbooks and supplemental materials for each course
 - If not A, then B: If the ISBN number is not available, then the institution must include instead the author, title, publisher, and copyright date
 - If not B, then C: If the institution determines that the disclosure is not practicable for a textbook or materials, then the institution must put “To Be Determined” instead of the information



Textbook Information

- Information for students
 - In addition to pricing information, institutions must include a notice on the institution's paper-based written course schedule
 - Let students know that information is available on the web-based course schedule
 - Specify the URL for the web-based course schedule



Textbook Information

- Information for college bookstores
 - A college bookstore is “operated by, or in a contractual relationship or otherwise affiliated with” the institution
 - Schools must provide certain information to a college bookstore (see next slide)



Textbook Information

- Information for college bookstores
 - The institution's course schedule for the subsequent academic period
 - For each course/class in the following academic period:
 - The ISBN and retail price (or alternatives B or C, as needed) for each college textbook/supplemental materials required or recommended for the class
 - The number of students enrolled
 - The maximum student enrollment



Textbook Information

- Additional information
 - HEA encourages institutions to disseminate information to students about:
 - Programs for renting or purchasing used textbooks
 - Guaranteed buy-back programs
 - Alternative content delivery programs
 - Other cost-saving strategies



Textbook Information

- Textbooks resources
 - GEN-10-09
<http://ifap.ed.gov/dpcletters/GEN1009FinalTextbookGuidance.html>
 - GAO report (just released June 6, 2013)
 - <http://www.gao.gov/products/GAO-13-368>

Gainful Employment

- The HEA provides that, to be Title IV eligible, an educational program must be offered by:

- A public or non-profit postsecondary educational institution and lead to a degree; or
- Any institution and “prepare students for *gainful employment* in a recognized occupation”



Generally, all certificate programs must lead to *gainful employment*



Generally, most programs at for-profit institutions must lead to *gainful employment*



Gainful Employment

- The Department regulated “gainful employment” (GE) between fall of 2009 and summer of 2011
 - Disclosures
 - New programs
 - Debt measures
- On 6/30/2012, the Court upheld the Department’s authority to regulate, but vacated most of the GE regulations
 - The disclosure requirements were upheld



Gainful Employment

- For each GE program, an institution must disclose:
 - Occupations
 - Normal time to complete the program
 - On-time graduation rate for completers
 - Tuition and fees, books and supplies, room and board
 - Placement rate for completers (as determined by State or Accreditor methodology)
 - Median loan debt
 - Any other information the Secretary provided to the institution about that program

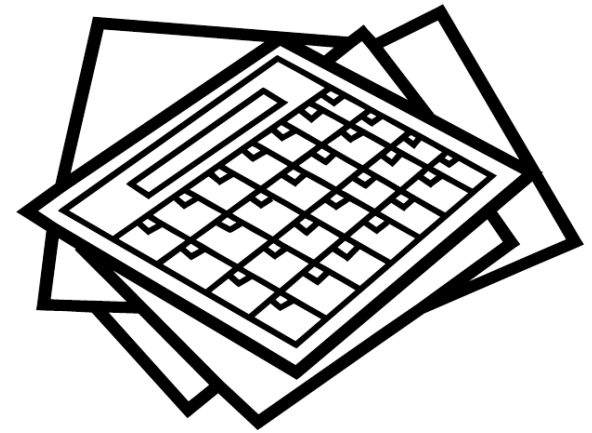


Gainful Employment

- Occupations
 - Must list occupations by name and SOC codes that the GE program prepares students to enter
 - Must link to occupational profiles on O*NET (<http://online.onetcenter.org/crosswalk/>)
 - Use a representative sample of > 10 possible occupations
 - See GE Electronic Announcement #25

Gainful Employment

- Normal Time
 - Must specify how long it takes to complete the program
 - Disclose in weeks, months, or years
 - Not 150% of normal time





Gainful Employment

- On-Time Graduation Rate for Completers
 - Step 1: Determine the number of students who completed the program in the most recently completed award year
 - Step 2: Determine the number of the students in Box 1 that completed within normal time
 - Step 3: Divide the number in Step 2 by the number of Step 1 and multiply by 100

Gainful Employment

Example:

$$\frac{150}{200}$$

Number of students who completed within normal time

Total number of students who completed in the 2010-2011 AY

$$150 \div 200 = 0.75$$

$$0.75 \times 100 = 75\%$$



Gainful Employment

- Educational Costs
 - Tuition and fees charged for completing the program within normal time
 - Typical costs for books and supplies
 - Unless included in tuition and fees
 - Room and board, if applicable
 - Other expenses (such as living expenses or transportation) are optional
 - But must link to/provide access to program cost information general consumer information disclosures



Gainful Employment

- Placement Rates
 - For students who complete the program
 - To be determined using NCES methodology, once available. Until then:
 - Disclose/use accrediting agency and/or state rates or methodologies OR
 - If not required by an accrediting agency or state, then placement rate disclosure is not required until NCES methodology is available



Gainful Employment

- Median Loan Debt
 - Median (not mean) incurred by students who completed the program
 - Must separate median loan debt
 - Title IV, HEA program loans
 - Private education loans
 - Institutional financing plans

Gainful Employment

- Median Loan Debt Categories:
 - Title IV Debt – FFEL and Direct Loans; do not include Perkins or Parent PLUS
 - Private Loan Debt – Loans made expressly for educational expenses by (for example):
 - Financial institutions or credit unions
 - Institutions of higher education or their affiliates
 - States and localities
 - Institutional Debt – the amount owed as of the day the student completed or withdrew from the GE program



Gainful Employment

- Any other information the Secretary provided to the institution about the program
 - TBD



Gainful Employment

- Disclosure Availability
 - Must be in promotional materials made available to prospective students
 - Includes paper or electronic materials that refer to a specific GE program or programs
 - Includes course catalogs and Social Media
 - May display the URL or provide a live link to the webpage where the required information is located, with a clear explanation of the information that is available at that webpage



Gainful Employment

- Disclosure Availability

- Must be posted on institution's website

- Prominent on GE program home page
- Accessible via a direct, prominent link from other institutional webpages about the program
- Prepared in an open format that can be easily searched by common web search applications

- Institutions must use template, now available
Electronic Announcement 2013-11-22 or GE
website under Resources:

<http://www2.ed.gov/policy/highered/reg/hearulemaking/2009/negreg-summerfall.html>



Gainful Employment

- GE Guidance
 - Who should institutions include in calculations?
 - Students who completed the program in the most recently completed Award year
 - Regular students
 - If a high school student is a “regular student,” then you should include that student
 - If no SSN, then do not include that student in disclosure calculations



Gainful Employment

- GE Guidance
 - If my program has less than 10 students, do I still need to do disclosures?
 - No matter how many students, you must disclose occupations; normal time; tuition/fees; and placement rates (if doing so aligns with the requirements of the accreditor/state on “small numbers”)
 - If the program has less than 10 students, do not disclose median debt amounts or an on-time completion rate



Gainful Employment

- GE Guidance
 - If I have two GE programs with the same CIP Code and Credential Level, must I provide the disclosures together?
 - First, check that you have the correct CIP code (see the listing of codes at <http://nces.ed.gov/ipeds/cip2010>)
 - Second, consider:
 - The length of the programs
 - The tuition and fees
 - Whether the programs are offered in different states



Gainful Employment

- GE resources
 - GE Information Page on IFAP
<http://ifap.ed.gov/GainfulEmploymentInfo/index.html>
 - Regulations
 - DCLs and electronic announcements
 - FAQs
 - Training
 - Resources
 - GE-Questions@ed.gov mailbox



Frequently Missing Disclosures

- Drug and Alcohol Abuse Prevention (Part 86)
- FERPA Notification
- Voter Registration
- Satisfactory Academic Progress (SAP) policies



Frequently Missing Disclosures

- Drug and Alcohol Abuse Prevention
 - Institutions must certify that they have adopted/implemented a program to prevent drug and alcohol abuse
 - As part of the program, institutions must distribute certain information to students and employees annually (34 CFR §86.100)
 - Institutions must do a biennial review of the program to determine effectiveness, needed changes, and whether disciplinary sanctions are consistently enforced
 - Institutions must provide review results upon request



Frequently Missing Disclosures

- Information to include:
 - Standards of conduct that clearly prohibit the unlawful possession, use, or distribution of drugs and alcohol
 - Description of sanctions under state, local, and Federal law
 - Description of available drug or alcohol counseling, treatment, or rehabilitation programs
 - Description of health risks associated with the use of illicit drugs and alcohol
 - Clear statement that institution will impose sanctions on students and employees for violations of the standards of conduct and a description of sanctions



Frequently Missing Disclosures

- Annual FERPA notification
 - Must inform students of their rights under FERPA to:
 - Inspect and review education records
 - Seek to amend education records
 - Consent to disclosure of PII from his/her education records, except as specified by law
 - File a complaint with the Department if institution doesn't comply
 - Must specify procedures for exercising rights
 - Must specify criteria for determining who constitutes a school official and what constitutes a legitimate educational interest



Frequently Missing Disclosures

- Voter Registration
 - Institutions in nearly every State and DC must:
 - Make a good faith effort to distribute a mail voter registration form to each student enrolled in a degree/certificate program and physically in attendance
 - Make the voter registration form widely available to students at the institution
 - Request forms from the state 120 days prior to the voting registration deadline
 - May distribute the form electronically
 - *Institutions in ID, MN, NH, ND, WI, WY, and the territories are exempt



Frequently Missing Disclosures

- SAP Policies
 - Make sure you have updated your SAP policies to conform with the regulatory changes that were effective July 1, 2011 and
 - That your consumer disclosures for SAP accurately reflect those policies

Resources

- FSA Assessments on consumer information
<http://ifap.ed.gov/qahome/qaassessments/consumerinformation.html>
- NPEC report and supplement
 - <http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2010831rev> (part 1)
 - <http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=NPEC2012831> (supplement)
- FSA Handbook – Volume 2, Chapters 6 – 8
- Regulations – 34 CFR § 668, Subpart D
www.ecfr.gov

Resources

- GEN-08-12 (especially pages 95-102)
<http://ifap.ed.gov/dpcletters/GEN0812FP0810.html>
- Email FERPA@ed.gov with FERPA questions
- Model FERPA notification
<http://www2.ed.gov/policy/gen/guid/fpco/ferpa/ps-officials.html>
- SAP
 - Final program integrity regulations published 10/29/2011
<http://ifap.ed.gov/fregisters/FR102910Final.html>



Thank You!

Renée Gullotto

San Francisco/Seattle School Participation Division

U.S. Department of Education

Renee.gullotto@ed.gov

415-486-5367