

Program Integrity Issues – Final Regulations – October 29, 2010

These regulations will take effect on July 1, 2011.

<p><u>Credit Hour</u></p> <p>What it does</p> <ul style="list-style-type: none"> – For the first time, it provides a federal definition of “credit hour.” – It tells accreditors to enforce the definition. <p>What you need to know</p> <ul style="list-style-type: none"> – The definition “should” work for some schools, but won’t for all. – We hate the <i>idea</i> of a federal definition. <p>What you need to do</p> <ul style="list-style-type: none"> – Figure out if it works for your school. – Find out when you’re up for an accreditation review. 	<p><u>State Authorization</u></p> <p>What it does.</p> <ul style="list-style-type: none"> – It provides confusing new rules for showing that a college is properly authorized by a State, including recognition “by name”. – States must have a process to review and act on complaints about schools. <p>What you need to know</p> <ul style="list-style-type: none"> – The HEA has always required colleges to be authorized for post-sec education by their states. – No one knows what is actually required under the new rules. – There is fear of over-anxious state bureaucrats. <p>What you need to do</p> <ul style="list-style-type: none"> – Contact your State Executive. – Find out your state’s situation. <p>Find out your institution’s situation.</p>
<p><u>Incentive Compensation</u></p> <p>What it does/What you need to know</p> <ul style="list-style-type: none"> – The regulations remove all the safe harbors. <p>What you need to do</p> <ul style="list-style-type: none"> – If your school used a safe harbor in the past, determine if you are in are now in compliance. – Check to see if you use a third party recruiter. – Watch for ED’s Dear Colleague Letter on third party servicers. 	<p><u>States and Distance Education</u></p> <p>What it does</p> <ul style="list-style-type: none"> – Attempts to clarify that the new regulations do not pre-empt existing state laws regarding distance education. <p>What you need to know</p> <ul style="list-style-type: none"> – NOT all 50 states have rules. – No one knows who does have rules. <p>What you need to do</p> <ul style="list-style-type: none"> – Figure out how many out-of-state distance ed students you have and where they live. <p>Find out if your school officials are alert to this requirement.</p>

Misrepresentation

What it does

- Strengthens existing misrepresentation regulations in order to take action against institutions engaging in deceptive advertising, marketing, and sales practices.

What you need to know

- The regulations expand the types of misleading statements for which you may be liable and adds persons to whom they might be made.

What you need to do

- Make sure your admissions, recruitment, legal counsel, and financial aid offices are aware of the new rules and review materials and procedures to ensure compliance.

High School Verification

What it does

- Requires institutions to develop and follow a process by which they can determine the validity of secondary school credentials whose legitimacy is called into question by the institution or the Secretary.

What you need to know

- Ensure, if a question arises, that the student aid recipient went to a legitimate high school (unless the student is home-schooled, or eligible through a GED or ATB).

What you need to do

- Make sure your admissions or FAO offices have a verification procedure in place.

Gainful Employment

What it does

- Requires all institutions to report information on their “gainful employment” programs (those are 1-year or more programs to train students for “gainful employment in a recognized occupation.”) This information is part of what the Department will consider in assessing whether a program meets the gainful employment standards that will be issued in further detail in early 2011.

Gainful Employment (continued)

What you need to know

- It applies to your certificate programs.
- Reporting regulations are effective 7/1/11.
- Penalty regulations to be issued soon.
- Goal is to identify schools whose students are not making payments to their student loan principal, but don’t show up as defaulters.

What you need to do

- Identify your Title IV-eligible certificate programs.
- Prepare to provide required information.