GE, Clock, & Conversions

AGENDA

- Gainful Employment Programs
- Clock Hour Programs
  - Definitions
  - Program eligibility
- Clock-to-Credit Hour Conversion
- Consolidated Appropriations Act, 2012
- Open Q & A

Program Evaluation Steps

1. What Programs are GE?
2. Separate Programs into 5 Categories for Title IV aid purposes:
   1. Regular credit hour programs (Associate degrees)
   2. Clock Hour programs
   3. Certificate programs subject to conversion
   4. Certificate programs NOT subject to conversion
   5. Non-TIV eligible programs

Gainful Employment

- Notices of Proposed Rulemaking - 6/18/10 & 7/26/10
- Two sets of Final Rules published on 10/29/10 with effective date of 7/01/11
  - GE Reporting and Disclosures
  - New Programs
- Final Federal Register - June 13, 2011
  - Performance Metrics (effective July 1, 2012)
- For gainful employment information and updates go to: http://ifap.ed.gov/GainfulEmploymentInfo/
  - Training, Q & As, regulations, Dear Colleague Letters, electronic announcements, resources

GE References

- DCLs and Announcements
  - GEN-11-10: Overview of GE Programs
  - GE EA #3: Teacher Certification Programs
  - GE EA #11: GE Program Determination
  - GE EA #12: Certificates offered within Degree Programs
  - GE EA #15: GE Reporting Dates
  - GE EA #16: Updating new GE Programs on EAPP
  - GE EA #18: Procedures to Report Missing GE Data
  - GE EA #19: Preparatory Coursework not GE Programs
  - GE EA #22: Updated NSLDS GE User Guide
  - GE EA #26: NSLDS GE Submittal Template
  - GE EA #30: GE Data Corrections

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Gainful Employment

- GE programs at public or not-for-profit schools include:
  - Nondegree Title IV eligible programs in which students can enroll in as a stand-alone program and earn a certificate or diploma at the end of the program
  - Teacher certification programs leading to a certificate awarded by the institution

Gainful Employment

- Programs at public or not-for-profit schools that are NOT GE programs:
  - Degree Programs - programs leading to a degree
    - MEANS at end of program of study a degree is earned by the student
  - A non-credential transfer program of at least two years that is acceptable for full credit toward a bachelor’s degree and qualifies the student for admission into the third year of a bachelor’s degree program
    - 2 year programs that are specifically designed to be a transfer program and that do not lead to a certificate or other credential awarded by the institution

Gainful Employment

- Programs at public or not-for-profit schools that are NOT GE programs:
  - Certificates imbedded in a degree program that are NOT stand-alone but can only be received by the student if they enroll in the degree program (degree seeking student) – GE EA #12
  - Preparatory coursework necessary for enrollment in an eligible program regardless if certificate awarded
  - Teacher certification programs where school does NOT award a certificate (State does)

Gainful Employment

- Exemptions to the clock-to-credit hour conversion rule does NOT in any way impact, modify or change whether or not a program is a GE program!

To Be or Not To Be a Clock Hour Program?

- Programs that meet ED’s definition of a clock hour program must use clock hours in ALL facets of administering TIV funds
  - Awarding, disbursing, SAP, R2T4, etc.
- Applies to undergraduate programs
- Only applies to GE programs
  - At public institutions this means NONDEGREE programs (certificates, diplomas)
- 34 CFR 668.8(k)(2)

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Clock Hour Program Definition

- Considered a clock hour program for Title IV if:
  - Must be measured in clock hours for Federal/State approval or licensure;
  - Completing clock hours is a requirement for graduates to apply for licensure or authorization to practice occupation;
  - Credit hours awarded don’t meet credit hour definition;
  - The institution does not provide the clock hours that are the basis for credit hours and does not require attendance in those hours in the case of program that might otherwise qualify for conversion to credit hours.

Clock Hour Program Definition

- NOT considered a clock hour program if a limited portion of a program includes a practicum, internship or clinical experience that must include a minimum number of clock hours for Federal or State approval or licensure

Clock Hour Program Transition

- Students attending programs subject to being a clock hour program prior to July 1, 2011, school may:
  - Use current regulations until students complete program; OR
  - Apply new regulations for all students enrolled in payment periods assigned to 2011-2012 and subsequent award years

- For students that enroll or reenroll on or after July 1, 2011, school must use new regulations

Eligible Institution

Types of Institutional Control

<table>
<thead>
<tr>
<th>Institution of Higher Education</th>
<th>Proprietary Institution of Higher Education</th>
<th>Postsecondary Vocational Institution</th>
</tr>
</thead>
<tbody>
<tr>
<td>A public or private nonprofit educational institution located in a state</td>
<td>A private, for-profit educational institution located in a state</td>
<td>A public or private nonprofit educational institution located in a state</td>
</tr>
</tbody>
</table>

Eligible Programs

Institution of Higher Education

- Associate, bachelor’s, graduate or professional degree, or
- At least a 2-year program acceptable for full credit toward a bachelor’s degree, or
- At least a 1-year training program that leads to a degree or certificate (or other educational credential) and prepares students for gainful employment in a recognized occupation

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**Eligible Programs**

Proprietary Institution of Higher Education and Postsecondary Vocational Institution

- Programs must provide training that prepares students for gainful employment in a recognized occupation and contain a minimum of:
  - 15 weeks instruction; 600 clock hours, 16 semester, 24 quarter hours
  - 10 weeks of instruction; 300 clock hours, 8 semester, 12 quarter hours
    - Graduate or professional program or admit only students with equivalent of an associate degree
  - 10 weeks instruction; 300-599 clock hours,
  - 70% completion/placement rate; in existence for one year (eligible for Direct Loans only)

**What Hours Count?**

- A clock hour is based on an actual hour of attendance
  - Each hour may include a 10-minute break
- Outside work does not count in the number of clock hours

**Clock Hour Definitions**

- A clock hour is based on an actual hour of attendance, though each hour may include a 10-minute break.

**Academic Year Minimums**

<table>
<thead>
<tr>
<th>Academic Progress Measured By</th>
<th>Minimum Completion Requirement*</th>
<th>Minimum Instructional Time Requirement**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Semester hours</td>
<td>24 semester hours</td>
<td>30 weeks</td>
</tr>
<tr>
<td>Trimester hours</td>
<td>24 trimester hours</td>
<td>30 weeks</td>
</tr>
<tr>
<td>Quarter hours</td>
<td>36 quarter hours</td>
<td>30 weeks</td>
</tr>
<tr>
<td>Clock hours</td>
<td>500 clock hours</td>
<td>26 weeks</td>
</tr>
</tbody>
</table>

*Number of hours that a student enrolled full time is expected to complete in a full academic year.

**Academic Year**

- Programs may be longer than, or shorter than, the definition of the AY
- The AY determines the period of time over which Title IV aid is calculated and disbursed
- Does not always correspond to a school’s scheduled academic calendar

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Payment Periods

Two important points:
1. In a clock hour program, THERE ARE NO TERMS for Title IV
2. In a clock hour program, THERE ARE NO TERMS for Title IV

Payment Periods

• There can be terms for other purposes
  – Grading
  – Charging
• Requires educating Title IV students on the difference
• The payment period depends on when the student begins and ends the payment period

Payment Periods

• Payment period - smaller periods (measurement of time) used to determine award amounts and timing of disbursements during an academic year
• 2 areas impact payment periods –
  – Academic year definition
  – Length of program (clock hours)

Please note: Calendar time, award year or number of hours a student earns or is expected to earn in a period of time will NOT alter/change payment periods

Payment Periods

• For clock-hour programs, the payment period is defined not only in clock hours but also in weeks of instructional time.
• A student must successfully complete the clock hours AND weeks of instructional time in a payment period to progress to the next payment period

Payment Periods

• The next payment period can’t start until the previous one is completed
• Sometimes different students complete the payment period before others (if allowed – sometimes prescribed pace)
• If work is not prescribed -
  – Students will have a different start date for their next payment period
• Payment periods are student-driven, not term driven

Payment Periods

• Program of one AY or less
  – The academic year or program is divided into two payment periods
    • CANNOT have more than 2 PP in an academic year
  – First payment period is the period of time in which a student successfully completes half the clock hours, AND half the weeks of instructional time in the program
  – Second payment period is the period of time in which a student successfully completes the remainder of the program

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**Payment Period**

- **Examples:**
  - 840 clock hour program with 28 weeks of instructional time (AY definition is 900/30)
    - First payment period = 420 clock hrs & 14 wks
    - Second payment period = 420 clock hrs & 14 wks
  - 900 clock hour program with 26 weeks of instructional time (AY definition is 900/26)
    - First payment period = 450 clock hrs & 13 wks
    - Second payment period = 450 clock hrs & 13 wks

**Payment Period**

- **Program greater than one AY**
  - For the remainder of a program that is more than \( \frac{3}{4} \) of an AY but less than a full AY
    - Third payment period is \( \frac{1}{2} \) of the clock hours and \( \frac{1}{2} \) of the weeks of instructional time in that remaining period
    - Fourth payment period is the time necessary to complete the remainder of the program

**Payment Period**

- **Example (AY = 900 hrs/26 wks)**
  - Program is 1390 hrs and 40 weeks
    - First AY
      - First payment period is 450 hrs and 13 wks
      - Second payment period is 450 hrs and 13 wks
    - Second AY
      - First payment period is 245 hrs and 7 wks
      - Second payment period is 245 hrs and 7 wks

**Payment Period**

- **Program greater than one AY**
  - For the remainder of a program that is equal to or less than \( \frac{1}{2} \) of the AY
    - The payment period is the remainder of the program

**Payment Period**

- **Example (AY = 900 hrs/26 weeks)**
  - Program is 1200 hrs and 34 weeks
    - First AY
      - First payment period is 450 hrs and 13 wks
      - Second payment period is 450 hrs and 13 wks
    - Second AY
      - Single payment period of 300 hrs and 8 wks

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Clock-to-Credit Conversion

Clock-to-Credit Hour Conversion

- Is an exception to the credit-hour definition that applies for purposes of the title IV, HEA programs (34 CFR 600.2)
- Modifies the standards for clock-to-credit-hour conversions
- Modifies when an institution must use clock hours for undergraduate programs
  - Previous discussion
  
  § 668.81(k) and (l), p. 66949-66950 (preamble: pp. 66854-66857)

Clock-to-Credit Hour Conversion Exemptions:

- Undergraduate credit hour programs must use clock-to-credit conversion unless:
  
  1.) At least 2 academic years long and leads to a degree (Degree programs)
     - Does NOT matter if it is a new degree program or not

Clock-to-Credit Hour Conversion Exemptions:

- Undergraduate credit hour programs must use clock-to-credit conversion unless:

  2.) Each course in a certificate/diploma program is fully acceptable towards any degree programs of at least 2 academic years in length at that institution
     - Institution must demonstrate that students enroll in and graduate from the degree programs
     - If a NEW degree program used for exception, must use conversion formula for the certificate program until students graduate from the degree program

Conversion Required

- A GE program not meeting exemptions #1 or #2 must use either—
  - The conversion formula (Default Option or Full Formula), or
  - Clock hours
- A program may always use clock hours
- If using the conversion formula—
  - The program must be eligible to use it, and
  - The conversion must be properly implemented

New Conversion Ratios

- For those programs subject to the clock to credit hour conversion, the new conversion formula provided in regulation is:
  - One semester or trimester credit hour is equal to at least 37.5 clock hours
  - One quarter credit hour is equal to at least 25 clock hours

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New Conversion Ratios – (cont.)

- **Default Option**
  - Using NEW ratios based only on clock hours in class is always acceptable
  - Generally must apply by individual class or program activity

New Conversion Ratios - exception

- **Full Formula Option** - schools that can demonstrate credit hours meet new definition and no accrediting or State deficiencies related to school’s policies for assigning credit hours to programs/courses
  - May combine work outside of the class with the clock hours of instruction to meet ratio requirements but must be at least 30 clock hours of instruction to one semester hour and at least 20 clock hours of instruction to one quarter hour
  - Must base evaluation on individual coursework components of a program, e.g., classroom study versus practica or labs with little outside study

Conversion Case Study

(to semester hours)

Case Study

- A program with 720 clock hours consists of—
  - Five classroom courses with 120 clock hours each, and
  - A 120 clock hour externship with no out-of-class student work
- The institution determines that for—
  - The first three classroom courses, a student generally is required to perform 40 hours of out-of-class work for each course, and
  - The last two classroom courses have eight hours of out-of-class work for each course

Case Study: Two Options

- **Default option**: convert only based on in-class clock hours and ignore any out-of-class work
- **Full formula option**: convert based on both in-class clock hours AND out-of-class work to determine the maximum allowable credit hours

Case Study: Two Options (cont.)

- Several possible outcomes depending on institutional policy for option and rounding
  - If rounding, always round down course-by-course
  - If award fractions of credits (3.14, 2.8 etc.) to students (can earn credit fractions), then may use partial credit in program determination

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Case Study: Default Option

- Use the default 37.5 clock hours per semester hour, ignoring the out-of-class work

1st course:
\[
\frac{120}{37.5} = 3.2 \text{ semester hours per course}
\] (or 3, if rounding)

- Always calculate on a course-by-course basis
- If rounding, round down any fraction course-by-course

Case Study: Full Formula Option

<table>
<thead>
<tr>
<th>Course #1 (40 hours of actual out-of-class student work)</th>
<th>40 clock hours</th>
<th>40 hours of out-of-class student work</th>
<th>40 total clock hours</th>
<th>40 hours and prep hours</th>
<th>40 semester hours</th>
<th>40 hours and prep hours (rounded)</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Course #2 (40 hours of actual out-of-class student work)</td>
<td>40 clock hours</td>
<td>40 hours of out-of-class student work</td>
<td>40 total clock hours</td>
<td>40 hours and prep hours</td>
<td>40 semester hours</td>
<td>40 hours and prep hours (rounded)</td>
<td>Notes</td>
</tr>
<tr>
<td>Course #3 (40 hours of actual out-of-class student work)</td>
<td>40 clock hours</td>
<td>40 hours of out-of-class student work</td>
<td>40 total clock hours</td>
<td>40 hours and prep hours</td>
<td>40 semester hours</td>
<td>40 hours and prep hours (rounded)</td>
<td>Notes</td>
</tr>
<tr>
<td>Course #4 (8 hours of actual out-of-class student work)</td>
<td>8 clock hours</td>
<td>8 hours of out-of-class student work</td>
<td>8 total clock hours</td>
<td>8 hours and prep hours</td>
<td>8 semester hours</td>
<td>8 hours and prep hours (rounded)</td>
<td>Notes</td>
</tr>
<tr>
<td>Course #5 (8 hours of actual out-of-class student work)</td>
<td>8 clock hours</td>
<td>8 hours of out-of-class student work</td>
<td>8 total clock hours</td>
<td>8 hours and prep hours</td>
<td>8 semester hours</td>
<td>8 hours and prep hours (rounded)</td>
<td>Notes</td>
</tr>
<tr>
<td>Externship (no out-of-class student work)</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Case Study: Default Option (cont.)

- Converted program with six 120-clock courses

Without rounding:
- 3.2 hours per course * 6 = 19.2 sem. hrs

With rounding:
- 3 hours per course * 6 = 18 sem. hrs

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Case Study: Full Formula Option

- Total clock hours and allowable prep hours is not relevant; must look at each course

- Calculate semester hours based on total clock hours and allowable prep hours per course

- Program length in semester hours without rounding

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Case Study: Full Formula Option

- Program length in semester hours with rounding down
- Always round down any fraction, even if greater than .5

Case Study: Full Formula Option

- Program length in semester hours with an alternative rounding down

Clock-to-Credit Hour Conversion

Transition Time Frame

- For students enrolled in programs subject to the conversion as of July 1, 2011, school may choose:
  - To use current regulations until students complete program; OR
  - Apply new regulations for all students enrolled in payment periods or assigned to 2011-2012 and subsequent award years

- For students that enroll or reenroll on or after July 1, 2011, school must use new regulations

Additional Resources and Information

- IFAP.ed.gov (ED resource library)
- Access Q & As at either—
  - Under IFAP Hot Topics: Program Integrity Information – Questions and Answers
- Dear Colleague Letters
  - GEN-11-06

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Information?

- FSA Handbook
  - Volume 2 – clock-to-credit hour conversion; program eligibility
  - Volume 3, Chapter 1 (Academic Years and payment periods), Chapter 3 (Pell Formulas and case studies) and Chapter 6 (DL)
  - Volume 5, Chapter 2 (R2T4)
- 10/29/10 – Final Federal Register – Program Integrity Issues

Things to Consider

- System Capabilities
  - Work-arounds; manual processes
- Program continuation in Title IV
- Policy and Procedures Manual
- Student consumer information
- Communication with other offices
  - Business, registrar, admissions, etc.

Consolidated Appropriations Act 2012

- Income threshold for an automatic zero expected family contribution (EFC) set at $23,000 for the 2012-2013 award year
- Beginning with the 2012-2013 award year, students will not receive a Federal Pell Grant if they are not eligible for at least ten percent of the maximum award for the academic year
  - Max EFC to be Pell eligible is 4995 in 2012-2013

GEN-12-01

- Students who do NOT have a high school diploma or a recognized equivalent (e.g., GED), or do not meet the home school requirements, and who first enroll in a program of study on or after July 1, 2012, will not be eligible to receive Title IV student aid.
  - Students can qualify for Title IV student aid under one of the ability-to-benefit (ATB) alternatives if the student was enrolled in a Title IV eligible program prior to July 1, 2012.
  - Includes the student passing an independently administered, approved ATB test or successfully completing at least six credit hours or 225 clock hours of postsecondary education

GEN-12-01

- Lifetime duration of a student’s eligibility to receive a Federal Pell Grant changes from 18 semesters (900%) to 12 semesters (600%).
  - Effective with the 2012-13 award year
  - Include all years of the student’s receipt of Federal Pell Grant funding and is NOT limited only to students who received their first Federal Pell Grant on/after 2008-2009
- Temporarily eliminate interest subsidy on Direct Subsidized Loans during the six month grace period
  - Effective for new Direct Stafford Loans where the first disbursement is made on/after 7/1/12, and before 7/1/14

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Contacts

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Thank You!

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