HIGHER EDUCATION ASSISTANCE GROUP, Inc. ~ A Financial Aid and Higher Education Consulting Group

HEAG

NEWSLETTER

FALL 2016 VOLUME 8, ISSUE 4

Inside this Issue

Achieve a Higher Standard... with HEAG!

Message from Milton

Change is in the air. From the cooling weather to upcoming presidential election to early FAFSA and prior-prior year, change is everywhere. In this issue, we focus on some of the new processes and procedures financial aid offices are facing. We are also happy to introduce two new members of our consulting staff. Please let us know if we can assist you with preparing for or implementing changes in your office.

~ Milton Kerstein, President

HEAG ~ GROWING TO SERVE YOU

HEAG is pleased to announce the following additions to our consultant staff...

Joshua Bordis, a member of the HEAG team since 2014, has now been appointed to the position of Senior Financial Aid Consultant/ Systems Analyst with HEAG. He has an expertise in Banner, PowerFAIDs, Excel, Access report writing, Argos reporting software including datablock design, SQL programming language, and all federal financial aid software tools. We are pleased to have Josh on board with us in a full-time capacity.

Joseph Gilchrist is the newest HEAG Financial Aid Consultant, having joined us this past fall. Joe has more than 29 years experience as a Director of Financial Aid and a Vice President of Financial Aid. He graduated from Clemson University in 1980 and then spent four years in the U.S. Air Force. He has worked at several proprietary schools in Georgia and South Carolina, and more recently worked at Hodges University, a private, non-profit university in Naples, Florida for over 20 years. He is skilled in both Title IV compliance and Ellucian's Datatel/Colleague system. We are thrilled to welcome Joe to the HEAG team.

TECH TALK CORNER

2017/2018 Has Begun!

Unfortunately, that isn't a joke. October 1st has past and 2017/2018 FAFSAs are already waiting in your SAIG mailbox! How could you possibly start your new year roll when we aren't even in the new year? Welcome to the post prior-prior year financial aid world! If you've set up your 2017/2018 aid year in Banner already, nice job! If you haven't finished with your New Year Roll (or if you haven't even started), HEAG can help!

Here are a few tips on how to get started:

1) Make sure that your system is completely up to date with all current Ellucian financial aid releases. If your IT department hasn't finished installing all current releases, you should test and install the most recent update before attempting to do any other steps in your new year setup. Talk to your IT department and make sure that your office has the support (both physical and emotional) to begin setting up the new year processes.

2) Meet with your staff to gather feedback about what was successful and what didn't work with your 2016/2017 processes. The New Year Roll is your opportunity to improve your operations to save time and make the experience run more smoothly for your students. If you think you may want to add new loan periods, adjust fund awarding and disbursements rules on RORRULE, or just change the way your students

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GAINFUL EMPLOYMENT DEBT-TO-EARNINGS – AN IN-DEPTH LOOK

The week of October 17th, 2016, the National Student Loan Database (NSLDS) generated and sent a report to the Student Aid Internet Gateway (SAIG) mailbox for schools that were required to report Gainful Employment (GE) data. These recently uploaded files contain the first draft of the "Gainful Employment Debt-to-Earnings rates" for each GE eligible program at your school. We'll take a closer look at what this means for your institution and how to analyze the data.

Regulatory Requirements and Data Collection

A GE program's success is evaluated by computing its loan repayment rate and debt-to-earnings ratios. These are determined annually, based on the federal fiscal year of October 1st through September 30th. A program satisfying the minimum standard for at least one of these measures is considered to be a successful one.

What this does is evaluate the portion of the typical program completer's most recent annual earnings or discretionary income that is eaten up by repayment of educational loans incurred to attend that specific program.

NSLDS STUDENT ACCESS
National Student Loan Data System

A program satisfies these measures if a typical completer's annual loan payment represents no more than 12% of annual earnings or 30% of their discretionary income, using median loan debt and mean or median earnings.

Generally, students included in the debt-to-earnings ratios completed the school's program during the 3rd or 4th fiscal year (FY) prior to the most recently completed FY. This is known as the "2YP". For example, students included in a program's FY12 ratios completed the school's program during FY08 or FY09. If a program has 30 or fewer students who completed the program during the 2YP, the period is extended two years earlier (5th and 6th prior FYs) to include additional students who completed the program during a four-year period or "4YP". For an FY12 rate, the 4YP would include FY06 – FY09. The 2YP and 4YP are adjusted for a medical or dental program with a required residency/internship. If the 2YP and 4YP include 30 or fewer students, the program is deemed to satisfy this measure.

Educational debt includes FFELP AND Direct Stafford along with Grad PLUS loans borrowed for the program and consolidation loans that include these, as well as private education loans and institutional financing debt which is the balance the student may have left school with that remains unpaid. Median loan debt is derived from information provided by the school and NSLDS data available to ED.

The Social Security Administration provides ED with mean and median earnings of completer cohorts. If ED cannot obtain earnings data for some program completers, computational adjustments are made. In certain limited circumstances, a school may provide alternative earnings data to calculate the ratios. Students with military-related loan deferments during the calendar year used for earnings data, as well as students who died or whose loans are dischargeable for total and permanent disability are excluded. Special rules govern attribution or exclusion of debt for students attending multiple programs or schools.

Definitions

There is a mathematical formula that goes into the data:

Earnings rate = Annual loan payment / Mean or median annual earnings

Discretionary income rate = Annual loan payment / Mean or median discretionary income

This newly released data determines if a GE program does an adequate job of preparing students for gainful employment in a recognized occupation by comparing a program's debt and income levels for those that finished the specific program. Debt-to-Earnings (D/E) evaluates the amount of debt (or tuition, fees, books, equipment, and supplies costs if that total is lower) that students who completed a GE program incurred to attend the GE program in comparison to those same student's discretionary and annual earnings after completing the program. Once the D/E calculation has been completed, schools receive a rate for each GE program with at least 30 students in the cohort.

There are three possible outcomes: Passing, Zone, or Failing. Several rates are calculated and can be viewed on NSLDSFAP (https://www.nsldsfap.ed.gov/nslds_FAP/) – D/E Annual, D/E Discretionary, Transitional D/E Annual, and Transitional D/E Discretionary. All programs with a qualifying number of students receive an "annual rate" and "discretionary rate". The Transitional Draft rates are calculated when the program was Failing, or in the zone. All rates are available for viewing on the NSLDSFAP web site, and are distributed via letter to the school's designated SAIG mailbox.

#	Calc. Year	CIP Code	CIP Program Name	Cred. Level	Debt-to-Earnings Annual	Debt-to-Earnings Discretionary	Transitional Debt-to-Earnings Annual	Transitional Debt-to-Earnings Discretionary
1	2015	110103	Information Technology.	03	1.00	4.00	N/A	N/A
2	2015	110901	Computer Systems Networking and Telecommunications.	02	10.20	18.31	N/A	N/A
3	2015	220301	Legal Administrative Assistant/Secretary.	01	1.00	4.00	N/A	N/A
4	2015	220302	Legal Assistant/Paralegal.	01	5.80	12.42	N/A	N/A
5	2015	220302	Legal Assistant/Paralegal.	02	15.10	41.16	15.60	42.52
6	2015	220302	Legal Assistant/Paralegal.	03	1.00	4.00	N/A	N/A
[illegible]	[illegible]	510808	[illegible] Technician.	01	[illegible]	[illegible]	N/A	N/A
[illegible]	[illegible]	[illegible]	Assistant.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22	2015	510808	Veterinary/Animal Health Technology/Technician and Veterinary Assistant.	03	1.00	4.00	N/A	N/A
23	2015	513501	Massage Therapy/Therapeutic Massage.	01	14.16	612.44	13.58	587.32
24	2015	513501	Massage Therapy/Therapeutic Massage.	02	16.72	96.03	17.40	89.53
25	2015	520201	Business Administration and Management, General.	02	10.81	32.71	10.99	33.27
26	2015	520201	Business Administration and Management, General.	03	10.05	19.90	N/A	N/A
27	2015	520201	Business Administration and Management, General.	05	5.87	8.64	N/A	N/A
28	2015	520301	Accounting.	01	1.00	4.00	N/A	N/A
29	2015	520301	Accounting.	02	10.50	22.07	10.49	22.06
30	2015	520301	Accounting.	03	9.45	15.01	N/A	N/A
31	2015	520401	Administrative Assistant and Secretarial Science, General.	01	1.00	4.00	N/A	N/A
32	2015	521401	Marketing/Marketing Management, General.	02	1.00	4.00	N/A	N/A

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Gainful Employment Debt-to-Earnings – An In-Depth Look

FROM PAGE 2

Challenge Period

Schools will be given 45 days to challenge any of the loan data included in the GE debt measures. The period does not begin until the challenge process is available on the NSLDS Professional Access website. ED expects that the process will be available shortly now that the D/E drafts have been released. It is recommended that schools begin using the time after the drafts were released to analyze the data via the backup file.

There may be evidence that the student was enrolled in another program at the same time, or that the student had a deferment or loan status that might have made the student excludable. These relationships can all be identified by data provided in the file.

The specific fields in the backup data that can be challenged are located in the "GE Debt Measures Backup Data Program Loan record". Fields in that record (and their starting and ending positions) that should be reviewed carefully are:

- D-irect Loans - The Award ID is the unique identifier for the loan in the Common Origination and Disbursement (COD) System and in NSLDS.
- Federally-serviced FFEL Loans are identified by current GA/ED Servicer field being between "500" and "583" (position 274-276). The Award ID is the unique identifier for the loan on NSLDS.
- Commercially-serviced FFEL Loans are identified by current GA/ED Servicer field being between "700" and "951" (position 274-276). Unique loans are identified by the combination of all of the Loan Identifiers fields.

Conclusion

There is a lot of new information to digest, especially if your school has multiple, eligible GE programs. Included below are many of the sources for which this article was put together to help assist with understanding terminology and the processes that go into analyzing the data that was released. Please click on any of the links provided for even more detailed information related to the new and often complex data.

HEAG is always here to help you understand new and complex federal procedures to decipher results that are relevant to you and your programs. Please contact Executive Director, Colleen King, at cking@heag.us or via phone at 617-928-1975 for more information on how we can assist you.

Sources:

https://ifap.ed.gov/GainfulEmploymentOperationsManual/attachments/05ExplanationOfDebtMeasures.pdf

https://ifap.ed.gov/eannouncements/101316GEEA92UpcomingDraftDERatesDistribution.html

https://ifap.ed.gov/nsldsmaterials/attachments/NSLDSGainfulEmploymentUserGuide.pdf

https://www.tgslc.org/pdf/GE-Debt-to-Earnings-Ratios.pdf

https://ifap.ed.gov/GainfulEmploymentInfo/attachments/DocumentationChallengesDraftDERates.pdf

HEAG ~ RECENT AND UPCOMING EVENTS

NYSFAA - Exhibited at the New York State Financial Aid Administrators Association Annual Conference | Verona, NY | October 18-20, 2016

CASFAA - Exhibiting at the California Association of Student Financial Aid Administrators Annual Conference | Anaheim, CA | November 6-8, 2016

MASFAA - Attending the Massachusetts Association of Student Financial Aid Administrators Annual Conference | Southbridge, MA | November 17-18, 2016

CAPFAA - Attending the Connecticut Association of Professional Financial Aid Administrators Winter Conference | Danbury, CT | December 12-13, 2016

NJASFAA - Exhibiting at the New Jersey Association of Student Financial Aid Administrators Spring Conference | Atlantic City, NJ | March 15-16, 2017

TECH TALK CORNER

2017/2018 Has Begun! FROM PAGE 1

interact with Self-Service, this is the time to make those changes!

3) Ask your Banner colleagues for tips and tricks on using Banner more efficiently. Somebody that you know probably has a secret that they are keeping from you about one specific process that is taking way too much of your office's time and energy. Call them up and shake them down! You can also contact HEAG for expert guidance.

4) Download the New Year Roll guide from Ellucian's Support Center. Each year, Ellucian publishes a guide to help set up your new aid year screens and Banner financial aid options. Without this checklist, setting up 2017/2018 will be like throwing darts in the dark. One mistake could have far reaching consequences long into the future once you begin processing aid for the next year. Always double check your work on the new year set up before packaging students for the next year.

Don't wait for the last minute to set up your new aid year in Banner! Rushing the new year set up will lead you to put off much needed improvements that will cause the same mistakes year after year. If you don't have the resources in your office to begin your New Year Roll and manage your current day to day student flow, call HEAG. Our Banner experts are available to help ensure your processes are running smoothly so that you can begin loading your 2017/2018 FAFSAs earlier than any year you've ever loaded them before!

UPCOMING CHANGES TO 2017-18 VERIFICATION PROCESS

The time has come and gone, with the new 2017-18 already launched on October 1st, 2016 and students completing a FAFSA that won't go into effect for another nine months. So it's time to start strategizing for the upcoming verification season. These are new times for the financial aid industry with Prior-Prior Year (PPY) tax data being used for the first time and there are some significant process changes in the upcoming award year as opposed to the 2016-17 year, which is likely still in full swing for your office.

While the official IFAP Verification Guide is not yet out for 2017-18, there were some fairly significant changes announced for the newly opened FAFSA year. There are three main categories of family funds which have all been eliminated as verifiable items:

- "other untaxed income";
- Supplemental Nutrition Assistance Program (SNAP) benefits; and
- child support paid.

ED relented after statistics showed that there was little to no change regarding Expected Family Contribution (EFC) figures based on these three items. The financial aid community is definitely happy about this, given the added burden of collecting further documentation to fully verify a file.

Also, an entire verification group has been eliminated. Gone is the "household resources group" or V6, whereby students and families were required to potentially submit signed statements indicating how they supported themselves in 2015. Once again, ED has stated that there was no known statistical difference in EFC's to warrant the increased administrative burden this group had added to the financial aid process.

New for 2017-18, selected applicants who are tax non-filers or who have filed tax extensions will be required to submit confirmation of non-filing from the IRS or other relevant taxing authority, in addition to the signed statement and W-2s. Keep in mind that with the implementation of prior-prior year, there will be far fewer selected applicants with outstanding tax extensions at the time of verification.

And finally, there is a new ISIR comment code 399 related to conflicting information. This new comment code came about because of the move to prior-prior year income. With students utilizing 2015 tax information for both award years, there is no reason beyond a potential professional judgment that the years shouldn't match. Here is the exact language from a Dear Colleague letter that was released in August 2016.

> When resolving possible conflicting information between a 2016-2017 and 2017-2018 ISIR, based on the special new Comment Code of 399 included on a student's ISIR, the institution must comply with the following:

- The institution must compare all of the 2015 income and tax related FAFSA/ISIR items from both years' ISIRs to determine which income or tax item or items are in conflict.
- If, for either year, the institution had verified the conflicting information item(s), or the student or parent had transferred information into the FAFSA using the IRS DRT and had not changed any of the transferred information (ISIR Fields #177- student and #178 parent with a value of '02'), the institution can assume that the verified or IRS DRT transferred values are correct and must, therefore, submit corrections to the other ISIRs year's values.

Institutions must still resolve conflicting information if the student's ISIR was flagged with Comment Code 399, but the ISIR was not selected for verification because the resolution of conflicting information is a separate process from verification. A CPS review will not be performed if the student is not expected to be Pell eligible based on the 2017-18 FAFSA, if professional judgment was performed in either 2016-17 or 2017-18, if there was a change in the student's dependency status, or if there was a change in the students' or parents' marital status.

HEAG will keep the financial aid community updated on any further changes to the verification process and disseminate information related to the IFAP 2017-18 Application & Verification Guide upon release.

Sources:

https://www.nasfaa.org/news-item/8175/ED_Announces_Burden_Reduction_Changes_to_Verification_for_the_2017-18_Year

https://ifap.ed.gov/dpcletters/GEN1614.html

https://www.nasfaa.org/news-item/9281/2017-18_Verification_and_Conflicting_Information

What's your favorite Halloween candy?

COMMUNITY COLLEGE WATCH

The recent announcement by the Council of Regional Accrediting Commissions to further review institutions with extremely low graduation rates puts many community colleges in the spotlight. According to Insider Higher Ed, "Tougher Scrutiny for Colleges with Low Graduation Rates," 279 two-year institutions have graduation rates at or below 15% over four years. Accreditation is like horror movies on Halloween, it sends real shivers down your spine. The loss of accreditation means schools lose their ability to administer federal financial aid programs.

Here are some trending news stories regarding accreditation:

- Center for American Progress's (CAP) alternative to accreditation report was recently released. Here's an overview by Jolanta Juszkiewicz from the American Association of Community Colleges.
- Tougher Scrutiny for Colleges With Low Graduation Rates, Inside Higher Ed, by Andrew Kreighbaum
- What College Accreditation Changes Mean for Students, ED HomeRoom Blog
- Group releases draft quality standards for competency-based education, Inside Higher Ed, by Paul Fain

Don't let accreditation scare you.

HEAG's financial aid and compliance experts are here to help keep the ghosts away.

Karyn Wright-Moore, HEAG's Vice President of Compliance and Quality Assurance has more than 25 years of experience in compliant delivery of Federal Student Aid Programs. She has helped schools through the accreditation process from both senior management positions within schools and as a consultant.

Dr. Erica Holmes has successfully led colleges through accreditation reaffirmations and compliance audits. She has more than 20 years of experience working in financial aid.

Jennifer Tonneson Sherman's broad background in management and process improvement allows her to help departments and institutions operate more effectively and efficiently. She has more than 20 years of experience working in higher education.

Recent HEAG blog posts:

- Top 10 Compliance Findings Affecting Higher Ed Business Offices
- Compliance – Keep Calm and Let Your Stars Shine

What's your favorite Halloween candy?

IS YOUR INSTITUTION READY TO PACKAGE 2017-2018 AWARDS?

Nationwide, institutions are gearing up for the upcoming 2017-2018 awarding season, all thanks to Early FAFSA and Prior Prior Year ED Initiatives. As enrollment pressures mount, so does the pressure that Financial Aid Offices are under to provide comprehensive financial aid packages to both current and prospective students. Since financial aid administrators are also simultaneously counseling students and their families, conducting file review, and following up on missing information, they can very easily struggle to keep up with the competing demands.

HEAG offers a number of services to assist institutions during this peak period:

- Assistance with file review, verification, awarding, and loan processing.
- Automation of your school-based software in a number of key areas including:
  - Auto-packaging and Tracking
  - Self-service implementation and evaluation
  - Pell and Direct Loan management
  - Satisfactory Academic Progress (SAP).

Our consultants have experience with all student information and financial aid management systems including Banner, Colleague, PowerFAIDS, and Department of Education software, to name a few. Likewise, they are equipped to support your office onsite or remotely.

Contact HEAG today at **617.928.1975** or at **cking@heag.us** to learn more about our services and schedule our availability.

FOLLOW HEAG ON LinkedIn

Don't let financial aid news catch you by surprise. Follow HEAG on LinkedIn to stay up to date on industry news.

Follow us at:
https://www.linkedin.com/company/higher-education-assistance-group-inc

Higher Education Assistance Group, INC Not surprisingly, new statistics are out on student loan debt levels and they have increased 4% since last year.

Student loan debt tops $30,000 per borrower

money.cnn.com The average student loan debt topped $30,000 per borrower in the Class of 2015. About 68% of graduates had student loans.

Higher Education Assistance Group, INC Take a look in your SAIG mailbox this week if you are anticipating Gainful Employment data.

Upcoming Distribution of Draft GE Debt-to-Earnings Rates

ifap.ed.gov · The Information for Financial Aid Professionals (IFAP) web site connects you to guidance, resources and systems needed to conduct the business of Federal Student Aid.

Higher Education Assistance Group, INC https://lnkd.in/dRG6TPW

HEAG is excited to be exhibiting at the Turning Stone Resort and Casino in Verona, NY for the 2016

myemail.constantcontact.com · HEAG is a financial aid and higher education consulting group. We provide Title IV Compliance Support, VERIFY- Remote Verification Support , Interim Staffing, File Review & Processing Services, Office Evaluations, Procedures & Training and...

Higher Education Assistance Group, INC Attention college financial aid offices! There is a deadline at the end of this week for reporting important verification info at FAA Access to CPS Online. Be sure to brush up on the electronic announcement below to ensure your school is in compliance.

Report Verification Results for Verification Groups V4 and V5

ifap.ed.gov · The Information for Financial Aid Professionals (IFAP) web site connects you to guidance, resources and systems needed to conduct the business of Federal Student Aid.

Higher Education Assistance Group, INC The Pell grant is once again going up for 2017-18, click on the link to find out how much it will be at the highest level. We will release the final Pell grant charts as soon as they come out in the upcoming days.

9-30: 2017-2018 Award Year Maximum Pell Grant Announced

nasfaa.org · Posted Date: September 30, 2016 Subject: 2017-2018 Award Year Maximum Pell Grant Announced Yesterday, September 29, 2016, the White House announced that the maximum Pell Grant for the 2017-2018 award year will be $5,920. We plan to post the Pell...

Higher Education Assistance Group, INC Schools will have 18 months to find a new accrediting body...

BREAKING: Major accreditor denied recognition by DOE

attn.com · The U.S. Department of Education stripped the ACICS of its accrediting power.

Higher Education Assistance Group, INC https://lnkd.in/dWtrbAB

Prior-Prior Year and Early FAFSA for 2017-18 - Your All-In-One Guide - The Higher Education Assistance Group, Inc.

heag.us · A guide for schools as well as students on the upcoming 2017-18 early FAFSA changes arriving in October and utilizing prior years taxes.

About The Higher Education Assistance Group

The Higher Education Assistance Group, Inc. is a comprehensive higher education consulting and financial aid consulting group located in Wellesley, Massachusetts. In operation since 1989 initially as a financial aid consulting firm, we have since grown and expanded to represent all areas of student services management. We continue to advance and evolve to meet the needs of our school clients. The Group provides exceptional administrative and professional management services to all student service fields, including Admissions, Financial Aid, Continuing Education, Bursar and Registrar offices at two and four year institutions, both public and proprietary. The Group's highly qualified team of consultants has spent decades in the field providing administrators with the tools, knowledge and support necessary to complete institutional objectives. We pride ourselves on assisting post secondary institutions to meet challenges such as program regulatory compliance, organizational structure, staffing needs, and technological support.

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