



Giving Credit When Credit is Due

The Role of States in the New Title IV Credit Hour Definitions

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How have credit hours traditionally been defined?

- U.S. does not have a common framework for defining student outcomes or required learning for postsecondary education – there is no centralized “ministry.”
- ED is prohibited from regulating academic curriculum by statute.
- Accrediting agencies, and a few recognized state agencies, generally established standards and criteria for credits.
- Lack of a common framework has fostered diversity in programs and institutions; it also created confusion.
- For Title IV purposes, only one federal definition of a credit hour existed before July 1, 2011 and did not apply to most degree programs and fully transferable nondegree programs.





Why did ED believe a Federal definition of a credit hour was necessary?

- Address the need to create a basic unit of student aid eligibility to ensure some standard of value for the Title IV funds;
- Attempt to balance ED’s responsibility to the public while respecting the delegation to accrediting agencies to serve as reliable authorities regarding the quality of education or training offered by an institution.
 - › Over \$150 billion of Federal financial aid is awarded annually based on individual enrollment status – defined in large part by the number of credits;
- Create consistency between clock and credit hour programs; and
- ED believes accreditors and state regulators weren’t doing their jobs.



What ED does *not* want the new definition to effect?

- Core academic decisions made by institutions and their accreditors;
- The creation of “seat time” expectations or the revival of the “12 Hour Rule;” or
- Academic values



Creation of a Federal Credit Hour Definition

- ED announced a series of hearings to discuss topics of federal financial aid program integrity.
- 14 issues identified for Negotiated Rulemaking
- Federal and non-federal negotiators met three days a month from November 2009 through January 2010
- Reached consensus on most, but not all, issues and gave ED the opportunity to propose anything it deemed appropriate.
- Draft rules and final published in the Federal Register in June and October 2010, respectively.
- Occasional and evolving clarifications



Credit Hour Changes

§ 600.2- Definition of a “credit hour” added

§ 602.24 – Additional procedures required of institutional accreditors

§ 603.24 – Additional procedures required of recognized State agencies (NY, PA, PR, OK)

§ 668.8(k) and (l) – Definition of eligible undergraduate credit-, clock-hour program(s) and a revised clock-to-credit conversion calculation





Credit Hour Generally

A “credit hour” is an institutionally established equivalency for the amount of work that reasonably approximates no less than the work done in a Carnegie Unit [one hour of class instruction, supplemented by two hours of homework]. (DCL Gen 11-06)

Unlike the prior regulations, every institution will be subject to one or more of the credit/clock-hour definitions.

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Applicability of Credit Hour Definition in § 600.2 (See 34 CFR § 668.8(k))

1. Applicable to degree programs of at least two academic years, and
2. Non-degree programs that are
 - a. fully-transferable into degree programs at the same institution (each course within the program be acceptable for full credit), and
 - b. the institution can demonstrate that students enroll in, and graduate from, the degree program.

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Credit Hour § 600.2
Degree and Fully Transferable Non-degree Programs

One hour of classroom or direct faculty instruction and a minimum of two hours of out-of-class student work each week for approximately fifteen weeks for one semester or trimester hour of credit, or ten to twelve weeks for one quarter hour of credit, or the equivalent amount of work over a different amount of time;
or
At least an equivalent amount of work as required in paragraph (1) of this definition for other academic activities as established by the institution, including laboratory work, internships, practica, studio work, and other academic work leading to the award of credit hours.

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**Definition of “Fully Transferable”
ED Guidance**

- Not officially defined in regulation or statutes, but transferability to destination programs based on the ED definition of an “institution” (by OPE ID number, not by campus);
- Although at least two students must graduate from the degree program, these students do not need to originate in the lower program;
- Classes must be full *transferable*, not *fully transferred* (not all classes must be accepted, just all eligible to be accepted);
- Can be acceptable in more than one degree program (not all must be accepted in one degree program)



**Applicability of Clock-to-Credit Hour
Conversion in § 668.8(l)**

One-year non-degree, certificate training programs at public or private non-profit institutions as well as non-degree programs at proprietary schools and postsecondary vocational institutions are subject to the conversion formula unless subject to the formula in § 600.2 or must be treated as a clock-hour program (essentially GE programs).



**Credit Hour Definition- Programs
Subject to § 668.8(l)**

- (i) A semester hour must include at least 37.5 clock hours of instruction;
- (ii) A trimester hour must include at least 37.5 clock hours of instruction; or
- (iii) A quarter hour must include at least 25 clock hours of instruction.

Or...



§ 668.8(l)(2) Exception

§ 668.8(l)(2) Institutions may continue to use the existing 30:1 and 20:1 clock-to-credit conversion if the institution's designated accrediting agency or State agency (for public postsecondary vocational institutions) has **not** identified any deficiencies with the institution's policies and programs or their implementation for determining credit hours and the institution can show that student work outside of class, combined with the in-class instruction, would meet the 37.5:1 and 25:1 conversion rates. However, at a minimum, a semester credit hour must have 30 hours of instruction and a quarter credit hour must have 20 hours of instruction.

Notes Regarding Outside Preparation

- The assessment of outside preparation is on a course-by-course basis, not using cumulative amounts;
- Accreditors are allowed to include outside preparation for all types of courses, including externships;
- Detailed case study provided by Fred Sellers at ED annual conference in Las Vegas

Clock-Hour Programs - § 668.8(k)(2)

A program is considered to be a clock-hour program for purposes of the title IV, HEA programs regardless of whether or not approved in credits by state and/or accreditor if—

(i) a program is required to measure student progress in clock hours when—

- (A) Receiving Federal or State approval or licensure to offer the program; or
- (B) Completing clock hours is a requirement for graduates to apply for licensure or the authorization to practice the occupation that the student is intending to pursue;

Clock-Hour Programs - § 668.8(k)(2) (con't.)

- (ii) The credit hours awarded for the program are not in compliance with the definition of a credit hour in 34 CFR 600.2; or
- (iii) The institution does not provide the clock hours that are the basis for the credit hours awarded for the program or each course in the program and, except as provided in § 668.4(e), requires attendance in the clock hours that are the basis for the credit hours awarded

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Exception to the Clock-Hour Rule (§ 668.8(k)(3))

- (3) **The requirements of paragraph (k)(2)(i) of this section do not apply to a program if there is a State or Federal approval or licensure requirement that a limited component of the program must include a practicum, internship, or clinical experience component of the program that must include a minimum number of clock hours.**

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Interesting Comments from ED

Sellers Presentation at 2011 ED FSA Conference (November/December 2011)

- › **“Substantive use” of clock hour information by state = clock hour treatment (specifically mentioned TWC and DL Dept. of Cosmetology)**
- › If you add outside preparation to program length, but do not change number of credits, reporting of change unnecessary (also no notice of intent for GE purposes required if program changes due to new rules)*
- › Keep pre- and post- July 1, 2011 programs on ECAR if grandfathering students

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Applicability to 2011-12 Award Year (and beyond)

- Schools can choose to apply the existing rules to in § 668.8(k) and (l) to students enrolled in program as of July 1 until they complete the program, or choose the new rules as of that date. For students or enroll or reenroll after that date, the new rules apply.
- If accreditor (or recognized state agency) is not compliant with § 602.24(f), cannot use 30:1 or 20:1, as applicable for programs subject to § 668.8(l).

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How will accreditors determine if the institution is properly applying the Title IV definition of “credit hours?”

- Accreditors bear primary burden of assessing compliance.
- This rule does not change the application of an accreditor’s definition of credit hours, but instead deemphasizes importance if different from Federal definition. If the accreditor or state approves fewer credits using agency definitions, lower amount controls per SFA Handbook.

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ED’s Checklist for Review of Accreditors

- Written policy and procedures that address the review and evaluation of the institution’s assignment of credit hours as defined for Federal program purposes.
- Procedures that include criteria for assessing an institution’s assignment of credit hours, adequacy of the institutionally-identified policies and procedures, and evidence of an accurate, reliable application provided by the institution.
- Review processes that encompass a varied sample of the institution’s degree and non-degree programs in terms of academic discipline, level, delivery modes, and types of academic activities. An agency’s review does not need to look at all courses.

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ED's Checklist for Review of Accreditors

(cont)

- May use sampling to determine credit hour assignments if the agency provides guidance to site review teams on selecting a sample that adequately encompasses a variety of disciplines, degree levels, teaching/learning formats, and delivery modes.
- Determinations of whether an institution's processes and procedures result in the establishment of reasonable equivalencies for the amount of academic work described in paragraph (1) of the credit hour definition within the framework of acceptable institutional practices at comparable institutions of higher education for similar programs, including undergraduate programs subject to the clock-to-credit-hour conversion requirements under § 668.8(l).
- The accrediting agency must take action if it identifies an institution that has deficiencies in its credit allocations. If the problems result in systemic non-compliance, the agency must notify the Secretary.

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Guidance from Accreditors

ACCSC – March 25 and October 28, 2011,
Accreditation Alerts

ACICS – March 8, May 2, and December 27, 2001
Memoranda to the Field

ABHES – April 5 and June 1, 2011 *ABHES Bulletin*

ACCET – April 21, 2011 *Important Update*

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Recognized State Agencies

§ 603.24 is substantially similar to § 602.24, but is applied to State agencies that serve as recognized gatekeepers for Title IV purposes. (NY, OK, PA, PR)

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Additional Guidance from ED

Dear Colleague Letter GEN 11-06
(published March 18, 2011)

a. The credit hour regulatory requirements must be implemented by institutions by July 1, 2011, *but* for the 2011-12 award year ED will provide "good faith" consideration.

b. This is not a seat-time regulation. Institutions can use other measures, such as accelerated learning, to show compliance with the regulatory requirements.

c. Claims § 668.8 (37.5:1, 25:1 and theoretically clock-hour triggers) does not apply to degree programs



ED Website for Program Integrity

- <http://www2.ed.gov/policy/highered/reg/hear/ulemaking/2009/credit.html>
- Additional guidance
- Pending DCL Letter – Scheduled prior to Sellers departure on 12/31/11, but not issued



Applicability to 2011-12 Award Year
(Good Faith Consideration)

For the 2011-2012 award year, as long as an institution or accrediting agency is in the process of complying with these provisions, we will consider the institution or accrediting agency to be making a good-faith effort to comply, and Department staff will take this effort into consideration when reviewing an institution's or accrediting agency's implementation of the regulations.

Accrediting agencies and State approval agencies whose written policies, procedures, criteria, and materials are not finalized prior to July 1, 2011, may make reasonable allowances in their review of institutions during the 2011-2012 award year.



Interesting Comments from ED

Financial Aid Trainer Officers' Guidance

As institutions submit questions and attend the Program Integrity Financial Aid Training sessions, Federal Training Officers are emailing guidance.

Ex.: Bartnicki Bulletin re Clock-hour programs (2/28/11)

I stress this change in the regulation that becomes effective 7/1/11, since there are many schools that converted clock hour programs to credit hours for the sole purpose of awarding TIV aid. Many of those programs may now be required to be considered clock hour programs for TIV aid purposes if they fall under our new definition. This would mean establishing proper payment periods, academic years, and disbursement procedures as required for clock hour programs. A clock hour program under our definition CANNOT be converted to a credit hour program for TIV purposes.

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The Texas Inquiry – Clock Hour Triggers

- ED contacted TWC to inquiry about the reporting of clock hours as part of the licensure process.
- TWC Response (twice)
- CA Issues

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Open Issues

- a. Applicability of § 668.8(k)(2)(ii) (clock-hour treatment) to degree programs in various states;
- b. Impact of clock/credit conversion charts in accretor state applications for LBMA equivalencies;
- c. Documentation of outside preparation for clock-to-credit hour programs;
- d. Definition of "equivalent" under § 600.2;
- e. Impact of distance education;
- f. What constitutes a "good faith effort" to comply?
- g. Lack of guidance from certain accreditors;
- h. Conflicts in state credit hour formulas, creating additional work and confusion for FA administrators;
- i. Conflicting advice re ECAR updates.

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Questions?



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