

NASFAA's "Off the Cuff" Podcast – Episode 318 Transcript

OTC AskRegs Experts: Working Through SAP Blind Spots

Hugh Ferguson:

Hey everyone, welcome to another episode of Off the Cuff. I'm Hugh Ferguson with our communications team.

David Tolman:

And I am David Tolman with training and regulatory assistance.

Hugh Ferguson:

Welcome back, David. I know it's been a busy week for everyone at NASFAA with a lot of things to sort through news wise. And while there's a lot of breaking news that we've been covering in today's news, we're going to focus on a different issue this week, and that is satisfactory academic progress, and just some tips and tricks that folks should be aware of. And yeah, I figured this would be a good topic for us to discuss. And for listeners that are following some of the more breaking news, you guys can stay tuned to our daily newsletter to catch up there.

David Tolman:

Yeah, it's been a crazy few days for you, Hugh, hasn't it? I know the whole OMB thing was going to dominate today's podcast, so I'm like, "Okay, that's not me. That's policy." And then that changed yesterday and it's just like, "Oh my goodness." I'm not in policy, so I can't represent NASFAA's position. But that was absolutely crazy.

Hugh Ferguson:

Yeah, our Slack channels were very busy the last couple of days.

David Tolman:

Yeah, I couldn't keep up.

Hugh Ferguson:

But yeah, our most recent news article has an update at the top of it for folks to take a look at, and I can include a link in our show notes just so people can catch up with what's happening there. And yeah, we'll eventually chat about that with an upcoming Beltway episode. But for today, we will be digging into some regulatory issues.

David Tolman:

Yeah, and just something really straightforward, satisfactory academic progress. And hopefully most people think that, "Oh, why are they covering this with all the other things that are going on?" And so this is a topic that I've wanted to discuss for a while. It's one, in our NASFAA U courses we teach a course on satisfactory academic progress, and this is one of those areas where there's a lot of blind spots. And by that I mean schools have been, they've had their policies for SAP for a long time, and there are some common areas where they just don't have it quite right. And other than a few modifications in the last couple of years, satisfactory academic progress has not had any substantial changes for over a decade.

So some schools have been going along for the last 10 years just doing things this way, and then they take our class and point out, "We're not doing this right. This is how we're doing it, is it right?" And they're not.

So that's why I call it, these are blind spots. So before we get into those, let's just review what satisfactory academic progress is. And there's a quantitative and a qualitative component to satisfactory. So quality, the key word in qualitative, that's the quality of the student's work, which is typically measured by the GPA. Quantitative, you think of quantity, it's the amount of a student's academic work, and that's measured by maximum timeframe and pace. Although for our non-term, subscription-based, and clock hour schools, pace is one of those recent changes. It was removed in schools, those types of schools do not have to measure pace, although maximum timeframe does apply. And maximum timeframe can be measured either as the maximum attempted credits or maximum time to complete a degree in calendar time. So for a four-year degree, you've got six years to complete it. It's that type of measurement in maximum timeframe that non-term, clock hour, and subscription-based programs have to follow.

So let's look at an example and then we'll get into where one of the blind spots is. So the cap on maximum timeframe is 150%, and there needs to be, for term-based credit hour programs, a relationship between pace and maximum time. So let's assume the school is using credit hours and allows that full 150% of attempted credits. So if a student's enrolled in a program that requires 120 credits to graduate, 150% of that is 180 attempted credits. So where we get into one area where people do it a little bit wrong is sometimes setting pace. Because pace needs to ensure that a student is going to graduate within the maximum timeframe. It's the whole purpose of pace. So if it's 150% for maximum timeframe, then the minimum pace a student would need to progress at would be 67%. And that, we've got to get into the math, but the inverse of 150%, so the formula is one over 1.5, that's 0.67, and that's how you get to 67%.

So to make it a little bit clearer, let's consider another school that sets maximum timeframe as 125% of the credits required to graduate. So for the same length of a program, a student enrolled in it has to complete 120 credits to graduate. That 125% of those 120 credits would allow for a maximum of 150 attempted credits. Now, if that school left their pace at 67%, which some schools do when they have a more stringent maximum timeframe policy, 67% is not going to ensure that a student will complete the program within the maximum timeframe. If you're completing a rate at 67%, you're on pace to graduate within 180, but this school has set it at 150.

So to determine the appropriate pace for a policy that allows a maximum timeframe to be 125%, I'll say simply, but I know it's been a while since some people have taken this class, but you take the inverse of 125% or the fraction of one over 1.25, which comes to 0.8, or 80%. Now if you set pace at 80%, you have a relationship between pace and maximum timeframe. If a student is completing 80% of their attempted credits, the student will be on track to graduate within 125% of the program requirements. So there's other ways of measuring maximum timeframe. I chose probably the most straightforward way, which is based on credits, but you need to make sure that pace is mathematically related to maximum timeframe.

Hugh Ferguson:

Great, thanks for that, David. So just for folks listening and myself who can mix up these two terms, that was the quantitative portion of SAP.

David Tolman:

Yeah.

Hugh Ferguson:

So now we're going to get into the qualitative?

David Tolman:

Yeah, look at the qualitative. And I'll give a little background on this and then point out where some schools misinterpret the guidance. So qualitative measure, again, it's GPA. Most schools do a grade point average. It needs to be set to be consistent with the program's graduation requirements. In SAP there's that phrase, it needs to be the same as or stricter than the school's regular academic. So if the school has a pretty strict GPA requirement to graduate, then the school needs to match that. Otherwise the regulations say the student has to have a 2.0 at the end of the student's second year if enrolled in a program longer than two years. And second year is the blind spot. Some schools interpret it inaccurately. This is what the department has to say about what second year means.

If the student's enrolled in a semester based program, it means that they've been enrolled for four semesters. If it's a quarter based program, then they've been enrolled in six quarters. It doesn't mean two calendar years from the time they started to when they ended. It doesn't mean that they've now reached junior status. It doesn't matter what the student's enrollment status was. The student could feasibly still be a freshman and have completed four semesters, and thereby completing their second year. So at the end of that second year or four semesters, a student has to have at least a 2.0 grade point average or a standing consistent with the institution's graduation requirements. So not as complicated as quantitative standard, but that's the point, that two years or more is governed by the number of terms for term-based programs.

Then let's get into pass and fail grades. So if there are a few pass/fail courses in the program in which the student is enrolled, those actually don't need to factor into the GPA or qualitative calculation. But if it's the norm, that's a different story. But we haven't run into many, if any schools where it's the norm that everything that they take is pass/fail. And typically when schools have an alternative GPA type system, they are implementing it right, because they really have dug into it.

So this might be a good time to talk about evaluations. That's the next area. So we've talked about the quantitative, we've talked about the qualitative. So an evaluation of SAP occurs when a school measures both the qualitative and the quantitative components. So for example, some schools might measure pace at the end of every payment period, but then they measure GPA only once a year.

That's a school that only measures SAP once a year. Even though they're doing one of the measures at the end of every payment period, they're only doing both measures once a year. And it's important to note, evaluations can take place only at the end of a payment period or term. You don't do an evaluation midway through a semester, even if there's modules involved. It's the end of that semester. So schools most know that they need to monitor at a minimum on an annual basis and as an annual basis at the end of a payment period. But it can also monitor at the end of every payment period if it chooses. And there's some advantages that we'll talk about in a minute of doing it that way. But it's important to note, here's the blind spot on evaluations. As soon as an evaluation is done, the student's eligibility is immediately impacted. And surprisingly, there's a number of schools that misunderstand this. So let me give an example.

A school monitors SAP once a year at the end of every spring, but at this school summer is a trailer in their award year. Well, the treatment of summer as a header or a trailer makes no difference when the student's eligibility is impacted or the timing of it. Because the evaluation was done at the end of spring, students who don't meet one or more SAP requirements at that evaluation are ineligible starting with the summer. It doesn't matter if summer's header or trailer, that concept has no application to SAP. And what some schools were doing was, "Well. Summer's our trailer, so we've evaluated them at the end of

summer. We're going to allow them to continue to receive aid through the summer." They can't do that when they're evaluating students once a year.

Hugh Ferguson:

Okay, so this example you gave was for a monitoring period that occurs only once per year. What's the impact for schools that have a twice-a-year monitoring?

David Tolman:

So if they do it any less frequently than every payment period, then they don't have any additional flexibility. But if they do it at the end of every payment period, so if it's quarters, they're monitoring four times a year, or if it's semesters and they've got a summer, they're doing it three times a year, they can use what's called a financial aid warning. Again, only schools that monitor both elements, quantitative and qualitative, can do a warning. And what that means is students can receive aid for one additional payment period. So the school that was doing it once a year at the end of spring and letting their students receive aid for the summer, maybe some were doing that because they know of other schools that are doing the same thing, but they're doing it under the warning system. And the school that monitors once a year cannot use the warning system. But if you're monitoring at the end of every payment period, then basically if a student's not eligible for the first time, you can let them know, "Hey, you're not eligible, but you've got one more period of enrollment."

And it's going to apply to the next time the student enrolls. Whether it's immediately the next term, or they take a term off, the next one that they enroll in, that's when it will apply. And for that reason, some schools are reluctant to use it because it doesn't take place ... This is another blind spot. So if you're monitoring, let's say it's the end of fall because you're doing it at the end of every payment period, the warning period applies to every student that enrolls in the spring. But if a student doesn't enroll in the spring, it applies to the next payment period that they come back and enroll in. Some schools say, "Okay, well, you didn't enroll in the spring, so you lose your warning period." And that's not the case. That's one of those blind spots. So if you are doing warning periods, then you track the student and allow them that one more period until they come back. And then at the end of that period, either they're making it, they're making satisfactory academic progress, or they're not.

And I'm just going to add off the cuff here, because we are on Off the Cuff, let's say they're making pace, and then at the end of the warning period, they're now making pace but they're not making GPA. Can you give the student another warning period after that? And the answer is no. You just get one warning period. So it doesn't matter if you flipped all two triggers, pace and GPA, or just one of them, you just get one warning period. And the other blind spot is, there is no warning period for maximum timeframe. Once it becomes mathematically impossible to graduate within the maximum timeframe, that student is ineligible.

Hugh Ferguson:

So we've covered this for students that are receiving financial aid, but is this process any different for students that are not receiving Title IV aid?

David Tolman:

It's really not. Students who are not receiving Title IV aid, schools probably should be monitoring them, because if the student does apply for financial aid, you need to apply the status to that student as if they'd been receiving aid all along. So let's look at an example. A student was not meeting SAP at the end of the last evaluation period. So let's just use fall again as an example. This school measured in fall.

But the student's not receiving financial aid. But then the student submits a FAFSA. They don't get a free pass until the next evaluation period because that student did not meet SAP at the end of the fall when they submit the FAFSA. They're not eligible for Title IV aid until they meet SAP at the next evaluation period or the student successfully appeals. So even if the student has never received aid.

So that is an area that sometimes schools mistake on, is, "Okay, student's now applied for financial aid, we're going to put them in the system. We'll start evaluating them." But they're like a junior with a 0.5 GPA. If you're only evaluating once a year, you're not going to give that student a whole year of aid. They also don't get a warning period, if the school otherwise qualifies to use the warning period, that student would not get a warning period if, after they were evaluated, they attended another term. So some people might need to replay that a couple of times. But yeah, you need to treat students, whether or not they're receiving financial aid, the same way. Either they meet it or they appeal.

Hugh Ferguson:

Great. Thanks, David. So working through all that, could you also take us through the appeal process? I'm sure there are different scenarios here, and just what does that look like for schools?

David Tolman:

Yeah, the first one is, satisfactory academic progress appeals are not professional judgment. And that changed around 2022. We got the guidance that PJ was defined in statute as those special or unusual circumstances that have things more to do with making adjustments to a student's dependency status or their FAFSA data. SAP was not included, so it's not PJ. That might not matter whether or not you call it PJ, although if your school's policies say professional judgment decisions are handled by the director, well, maybe the director has a lot to do. Well, there's no maybe about that. The director has a lot to do. This is not professional judgment, so it could be delegated out to somebody else in the financial aid office.

The next one about appeals is documentation. So regulations say this is what needs to be included. An explanation from the student why they didn't meet the SAP standards, and then what has changed in the student's situation to allow meeting SAP at the next evaluation. That is the only documentation that's required by regulation, although schools aren't prohibited from adding their own documentation requirements. And this can be applied on a standard basis, like all students need to include a third party statement or multiple statements from an objective third party. Or a financial aid administrator could make that determination for third party documentation on a case by case basis. Or it's actually possible to not even require it at all. The school sets this documentation requirements, it includes those in policies and procedures, and it's clearly communicated to students who want to submit an appeal.

But nothing would prohibit a financial aid administrator from just documenting an interview with a student for the appeal along with the required statements from the student. Without any medical documentation or documentation from the third party, just, you've interviewed the student, you document that interview, you take the statements from the student, and you can be done. And you don't have to require the same, because it's not professional judgment, you don't have to require the same sorts of documentations that you're asking for on dependency status, override requests, or adjustments to FAFSA items.

So that's a lot. There's still more blind spots, but they start to get into even more technical areas, some of which I started heading down but then pulled myself back. Okay, so a break from the crazy world of policy this week. Hopefully those who are financial aid administrators who are listening are like, "Okay, we're doing that right, we're doing that right, we're doing that right." But if not, the regulations are in

668.34. NASFAA has a self-study guide on satisfactory academic progress if you want to dig even further. But we can put a link to the self-study guide and to the regulations in the notes.

Hugh Ferguson:

Awesome. Great. Thanks so much, David. That's all very helpful information. And yeah, folks I'm sure will be relistening to certain sections of this episode to double-check their notes and hopefully confirm that they aren't experiencing any blind spots. But if they are, this will be a handy resource for them. So thanks, everyone, for tuning in to this week's episode of Off the Cuff. We'll be back with another episode soon with a more policy level focused to work through some recent news. But until then, you can catch our latest coverage in today's news and our social channels. And if you have any questions, feel free to send us a comment and we'll be sure to touch base with you guys real soon.