

Financial Aid Policy Implications

Presentation for BCC

Board of Trustees

June 19, 2014

By Myrna Perkins

Today's Topics

- Federal Aid Administrative Burden
- Federal Aid Understanding and Interpretation
- Financial Aid Trends and Projections

Federal Student Aid – Administrative Burden

- Increases in enrollment, financial aid awards, and federal regulations are straining financial aid offices who according to Program Participation Agreements with the Department of Education must be administratively capable.
- The more time that financial aid administrators spend on trying to comply with federal regulations, the less time is left for counseling and working with federal aid applicants and their families.
- In a recent study done by Inceptia entitled *Stress in the Financial Aid Office*, two of the main stressors for financial aid administrators are 1) workload; and, 2) student service issues. This seems to support the idea that regulatory burden is cutting into time that should be spent counseling students on the complexity of federal aid.
- A recent study done by NASFAA entitled *Getting it Right: Analyzing Accuracy of Federal Burden Estimates for Title IV Financial Aid Compliance*, suggests that federal time estimates for compliance are lower than actual time spent on compliance. The focus of the study was on Gainful Employment and the most recent 150% Limit on Federal Direct Subsidized Student Loans.

Reference:

<http://docs.bartonccc.edu/finaid/Resources/Presentations/Reducing%20Stress%20in%20the%20Financial%20Aid%20Office.pdf>

Getting It Right Recommendations

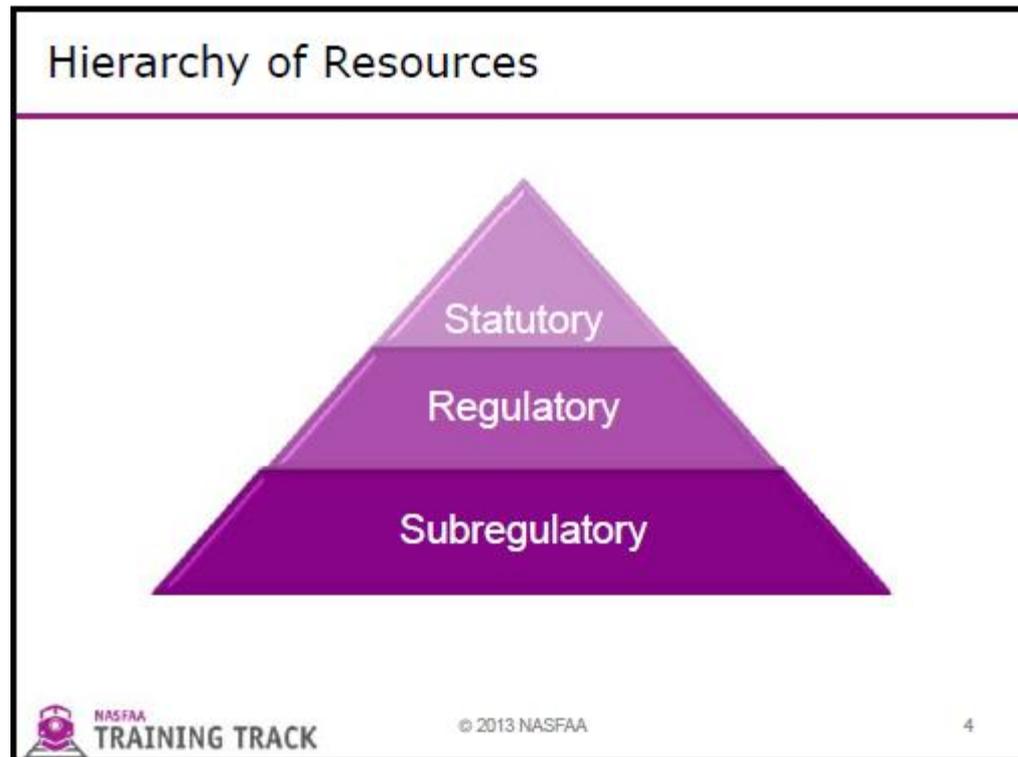
- Do an analysis comparing the estimated and actual regulatory compliance burden to financial aid offices.
- Utilize an advisory committee of working financial aid administrators to assist with estimated regulatory compliance burden estimates.
- Include the burden estimates during Negotiated Rulemaking sessions.
- Do a follow-up post implementation to see how accurate the regulatory compliance burden estimates were.

Reference: <http://www.nasfaa.org/burden-brief/>

Federal Aid Understanding, Interpretation, and Implementation

- Interpretation resources and their hierarchy
- Training – understanding the spirit of the regulation/law
- Application to the institution
- Setting up the technical aspects

Hierarchy of Regulatory and Legislative Resources



Reference:

<http://docs.bartonccc.edu/finaid/Resources/Presentations/HowToFindAnswersForYourRegulatoryIssues.pdf>

Training Resources

- Conferences – National, Regional, State (both ED, Association, Software)
- Workshops – Department of Education, Loan Servicers
- Webinars – ED, Association, Software
- Listservs – ED, NASFAA, Software
- Neophyte Training – ED and Association

Technical

- Central Processing System
- National Student Loan Data System
- Common Origination & Disbursement
- FISAP – Campus-Based Allocations
- Program Participation Agreement
- National Student Clearinghouse
- Alternative Student Loans
- MappingXpress

Financial Aid Trends and Projections

- Negotiated Rulemaking and Reauthorization--
<http://www2.ed.gov/policy/highered/reg/hearulemaking/2012/gainfulemployment.html>
- Federal Program Reviews --
<http://studentaid.ed.gov/about/data-center/school/program-reviews>
- NASFAA's Prior-Prior Year Study --
<http://www.nasfaa.org/ppy-report.aspx>
<http://docs.bartonccc.edu/finaid/Resources/Articles/BenefitsAndChalOfPPYShift.pdf>
- Barton's FA Dashboard --
<http://www.bartonccc.edu/financialaid/office/stats>