

How Different Types of Academic Terms, Including Those with Modules, Affect Title IV



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Academic Calendars

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3 Main Academic Calendars

- Standard term
- Nonstandard term
- Nonterm
 - Clock-hour
 - Credit-hour

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Standard Term

- Semesters
 - 15-17 weeks
- Trimesters
 - 15-17 weeks
- Quarters
 - 10-12 weeks
- Terms are the payment period for all Title IV programs
 - Summer may be an exception

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Nonterm

- All clock-hour programs must be nonterm for Title IV
- Nonterm programs may be credit hour
- There are no terms to use as payment periods
- Payment periods are determined by student completing ½ of the hours AND ½ of the weeks of instruction in the program's defined academic year for Title IV
- If a program has terms that overlap each other, the program is nonterm for Title IV

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Nonstandard Term

- Nonstandard term programs have terms
- Nonstandard terms are terms that do not fit the definition of standard terms
- Nonstandard terms may be shorter or longer than standard terms
- Nonstandard terms may be substantially equal to each other or may not be substantially equal to each other
 - Substantially equal means no more than 2 weeks difference in length

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Nonstandard Term

- Nonstandard terms may look like standard terms but are nonstandard due to awarding a type of credit not usually associated with that type of term
 - For example, a standard quarter but student earns semester credits
- For most Title IV programs, the nonstandard term is the payment period
- An exception occurs in the Direct Loan Program when the nonstandard terms are not substantially equal
 - Payment periods work exactly like nonterm programs, but only for DL

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Calendars and Pell Formulas

- Standard term
 - Primarily use Formula 1
 - 12 hours is always full-time
 - Small number of standard-term programs use Formula 2
 - All term-based programs may use Formula 3
 - Few traditional programs use Formula 3

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Calendars and Pell Formulas

- Nonstandard term
 - Must use Formula 3
 - Enrollment status is determined by the formula
- Nonterm
 - Must use Formula 4
 - All awards are taken from the full-time Pell Payment Schedule

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Calendars and Academic Year for DL

- Academic year in this context is the academic year used for loan progression in the Direct Loan Program
 - i.e., when the borrower can borrow the next loan for the next year’s academic work
 - Scheduled AY or Borrower-Based AY
 - May or may not be the same as the defined AY for Title IV

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Calendars and Academic Year for DL

- Standard term
- Usually use a scheduled academic year (SAY) for DL
- The school’s schedule or calendar establishes what the “year” is for DL
- SAY includes the normal terms that are in the defined academic year and also accounts for the summer term
 - Summer is categorized as a header or a trailer
- EXCEPTION: SE9W nonstandard terms may use SAY

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Calendars and Academic Year for DL

- Standard term programs and BBAY1
- BBAY1 is for credit-hour programs using a scheduled academic year with standard terms or SE9W terms
- Standard terms with a scheduled academic year may use BBAY1
- May combine SAYs and BBAY1s
- SE9W nonstandard term programs with a scheduled academic year may use BBAY1

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Calendars and Academic Year for DL

- Standard term programs and BBAY2
- BBAY2 must be used for credit-hour programs that do NOT have a scheduled academic year but are using standard terms or SE9W terms

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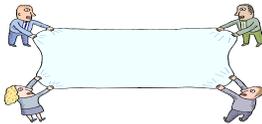


Calendars and Academic Year for DL

- Nonterm
 - Credit-hour
 - Clock-hour
- Must use BBAY3
- Nonstandard term programs must use BBAY3 if
 - Terms are not SE9W *or*
 - Standard terms and nonstandard terms are mixed in the same program without an SAY

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Standard Terms Flexibilities and Considerations

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Term

- Definition: a discrete period of time during which all courses in the term are scheduled to begin and end
 - Course start and end dates must reflect the boundaries imposed by terms
 - Courses with start and end dates that overlap terms, call into question a program's term-based status
- Within a term: full-length courses, compressed courses or modules, courses offered sequentially
 - Although start and end dates are defined, flexibilities regarding how coursework is delivered within the term exist

Note that the information above pertains to all term-based programs, both standard and nonstandard.

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Standard Term Flexibilities

- A traditional semester, trimester, or quarter
- May be offered traditionally—example:
 - All courses begin and end on the first and last day of the term respectively
- May be offered nontraditionally—examples:
 - Courses offered consecutively/sequentially within the term
 - Compressed coursework (modules, miniterms, etc.)
 - For R2T4 purposes, it should be remembered that all courses that do not span the entire length of a term are considered modules

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Advantages of Standard Terms

- Use of Federal Pell Grant Formula 1
 - Will be discussed later
- Consistency in disbursement rules across programs
 - Payment period is always the term for all Title IV programs
- Flexibility with SAY and BBAY 1
 - May always use SAY without SE9W considerations
 - May always use BBAY 1: allows alternating BBAY and SAY as long as overlap does not exist
 - May originate single-term loans without SE9W considerations
- Treatment of summer terms
 - Both the Pell Grant and DL programs allow for treatment of summer as a standard term (with conditions)

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Standard Term Example 1

- Standard term, semester-based program
 - Academic year is 32 weeks, consisting of two 16-week semesters
- Semester contains two 8-week modules
- Classes may last the entire term or occur within modules
 - Students may enroll in any combination of classes
- Full-time enrollment is 12 semester hours

Fall 16 wks		Spring 16 wks	
8-wk module	8-wk module	8-wk module	8-wk module

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Example 1 Considerations

- Disbursement considerations
 - Payment period is the entire standard term (semester)
 - Regardless of student's enrollment in classes over the entire semester, modules or both
 - Payment of Title IV (except FWS) is calculated on a payment period basis, not by individual module
 - However, it is allowable to break up the payment for the payment period into multiple disbursements
 - Earliest disbursement date is 10 days before the first day of classes for a payment period

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Example 1 Considerations

- Pell Grant considerations
 - Enrollment status includes all credits the student is enrolled for in the semester
 - Example: Student's enrollment for the fall semester is 3 credits in Module 1 and 6 credits over the entire semester—enrollment status = $\frac{3}{4}$ time (9 credits)

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Example 1 Considerations

- Pell Grant considerations (more)
 - Pell Grant recalculation policy may affect enrollment flexibilities
 - School A has a Pell recalculation date of September 21, which falls before the start of Module 2. As of the Pell recalculation date, student is enrolled for 9 credits. On September 23, student adds 3 credits from Module 2; Pell enrollment status must not be changed to add the additional credits.

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Example 1 Considerations

- Pell Grant considerations (more)
 - Pell Grant recalculation policy may affect enrollment flexibilities
 - School B uses multiple Pell recalculation dates and must recalculate Pell up to the Pell recalculation date for the last class the student begins (September 7 for Module 1, September 21 for the full semester, and November 1 for Module 2); as of September 21 Pell recalculation date, student enrolled for, and began 12 credits (from full semester). On October 3, he drops 6 credits but adds 3 credits from Module 2; as of the November 1 Pell recalculation date for Module 2, he is enrolled for and has begun 9 credits; final Pell Grant enrollment status is ¾ time

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Example 1 Considerations

- Pell Grant considerations (still more)
 - Student must begin every class used to determine enrollment status
 - Student at School A (has single Pell recalculation date) enrolls for 6 credits in Module A and 6 credits in Module B; as of the September 21 Pell recalculation date, she is still enrolled for all 12 credits (enrollment status = full time) with a disbursement made based on that enrollment status; however, on September 25, she withdraws from the 6 credits in Module 2; although the Pell recalculation date is past, her enrollment status must be adjusted to ½ time and her award recalculated

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Example 1 Considerations

- Direct Loan Considerations
 - Loan period
 - Shortest period for which a loan may be originated is the term
 - Student enrolls for spring semester only, taking 6 credits all from Module 1; loan period is the entire semester, not Module 1
 - Loan eligibility for a term-only loan is COA – EFC (if subsidized) – EFA up to the applicable annual loan limit, not one half or some other portion of the annual loan limit

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Example 1 Considerations

- Direct Loan Considerations
 - Enrollment status
 - Pell recalculation date is not applicable to Direct Loan, only Pell/TEACH Grant
 - Recalculations not required
 - Enrollment status is checked at the time of disbursement
 - Student enrolls for 6 credits (3 in Module 1 and 3 in Module 2); student begins attendance in Module 1; loan is disbursed (enrollment status ½ time); student never begins attendance in Module 2
 - Loan disbursement is okay; no adjustment or recovery of funds
 - Possible R2T4 issues associated with student not taking all modules she was scheduled for

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Standard Term Example 2

- Standard term, semester-based program
 - Academic year is 30 weeks, consisting of two 15-week semesters
- Semester contains three 5-week modules
- Program is lockstep, with all students taking 6 credits in each of 3 modules (18 credits per semester)
- Full-time enrollment is 18 semester hours

15-week Fall Semester 15-week Spring Semester



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Example 2 Considerations

- Standard term considerations
 - Allows what might ordinarily be a nonstandard term program to be offered in standard terms
 - 5-week nonstandard terms become 5-week modules within standard semester terms
 - Possible because terms do not overlap and modules fit well into semesters
- Pell Grant considerations
 - Full-time is the only enrollment status option
 - Few recalculation issues
 - May use Pell Grant Formula 1
 - True even if terms are started on a periodic basis for different cohorts of students

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Example 2 Considerations

- Direct Loan considerations
 - May use SAY and BBAY 1
 - Would not be possible if modules were nonstandard terms
 - Full-time is the only enrollment option making for ease in determining enrollment status and DL/CB COA
- Retaking coursework considerations
 - Are students required to pass or get a minimum grade in each course in the module in order to progress to the next module?
 - Do school policies conform to program integrity regulations on retaking coursework?

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What About Summer?

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Summer Terms

- Most summer terms contain multiple or minisessions (e.g., Summer 1, Summer 2, and Summer 3)
 - These are considered modules
- School has options
 - Combine minisessions into a single term
 - Numerous advantages
 - Treat as stand-alone terms
 - Could result in entire program being a nonstandard term program
- Awards of Title IV aid must be made for summer
 - Option to not pay Title IV aid for enrollment in summer, intersessions, J terms, Maymester, etc., does not exist

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Summer Terms: Pell

- If term-based program offers a series of minisessions that crossover an award year end date (June 30), they may be combined and treated as 1 term
- If program qualifies for Formula 1 or 3, use the same formula to calculate Pell for summer
 - If program does not define full-time for summer as 12 credit hours, Formula 3 must be used for all calculations in the award year
 - Full-time definition for summer must be applied across all programs
- When minisessions are combined into a single term:
 - Weeks of instructional time in the combined term are weeks from beginning of the first minisession to date the last minisession ends
 - Student's enrollment status for the payment period is based on the total number of credits for all sessions

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Summer Terms: Pell

- If a combined minisession term crosses over the award year, the combined term is treated as a crossover payment period, regardless of what classes the student attends
- If minisessions are *not* combined into a single term:
 - Each minisession is generally treated as a separate nonstandard term
 - Pell Formula 3 must be used
 - Exception: If full-time for each minisession is defined as 12 credit hours, Formula 1 may be used

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Summer Terms: Direct Loan

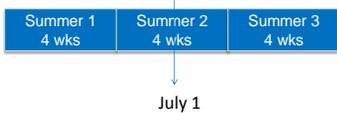
- SAY and minisessions
 - May be grouped together into either a header or trailer to the SAY
 - May be treated separately and assigned to different SAYs
- BBAY and minisessions
 - Must be grouped together as a single term in order to use BBAY
 - BBAY containing summer term (regardless of whether comprised of minisessions) does not have to be 30 weeks in length
- Loan period
 - Shortest period of time a loan may be originated for is the term
 - Even if the student is attending fewer minisessions than comprise the term
- COA for summer cannot include costs for minisessions the student is not expected to be enrolled

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Summer Example 1

- Summer minisessions 1, 2, and 3 combined to make 1 summer payment period (term)
- Full-time enrollment is defined as 12 semester hours



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Summer Example 1 Scenario

- Student A is taking 6 credits all in Summer 1, awarded a summer-only loan and a Federal Pell Grant as a header to the upcoming award year
 - Enrollment status is ½ time
 - Loan period comprises the entire summer term
 - If school is required to make multiple disbursements, second disbursement will not be made until the calendar midpoint: after the student has completed classes
 - Summer 1 does not have to crossover for student to receive a Pell Grant disbursement from the upcoming award year because the combined summer term is a crossover payment period

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Summer Example 1 Scenario

- Student B is taking 9 credits: 3 credits in Summer 1, 3 credits in Summer 2, and 3 credits in Summer 3
- Enrollment status is ¾ time
- Loan period comprises fall/spring/summer with summer installment disbursed at the start of Summer 1
- School is treating summer as a trailer for Pell, and student already received 100% of Scheduled Award in fall/spring
- Student completes Summer 1 and Summer 2 but does not return for Summer 3
 - Pell Grant is not an issue (no summer award)
 - No adjustment to Direct Loan disbursement
 - Possible R2T4 implications

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Summer Example 2

- School does not wish to define full-time enrollment status as 12 credit hours
- Each summer session becomes a nonstandard term
 - Enrollment status = $\frac{\text{Credit hours in Academic year}}{\text{Academic year}} \times \text{Weeks in nonstandard term} \times \text{Weeks in academic year}$
- Only Summer 2 is a crossover payment period



July 1
This choice results in the entire Program being nonstandard term. Pell Formula 3 must be used and the disbursement rules for nonstandard terms not substantially equal in length followed.

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Summer Example 3

- School does not combine summer minisessions
- Full-time enrollment is defined as 12 credit hours
- Summer 1 is a trailer and Summer 2 a header for DL
- Pell Grant Formula 1 is used
- Only Summer 1 is a crossover payment period
- No option to use BBAY
- No summer-only loan



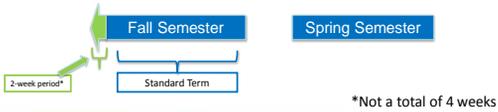
July 1

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Standard Terms: What to Avoid

- Schools with traditional calendars often encounter situations that can affect whether their standard terms will remain standard
 - Standard term but a class in an academic program may begin before the established start of the standard term and/or finish after the established end of the standard term
 - Result is typically a nonstandard term
 - An allowance of a total of 2 weeks is permitted and allows the term to remain standard
 - Green arrows in graphic

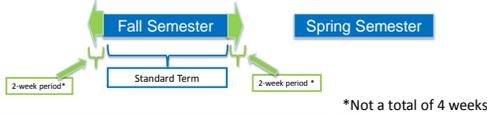


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 - ENG 101 is starting before the standard term and before the two week allowance
 - Result is that the program becomes nonstandard term



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Standard Terms: What to Avoid

- Schools with traditional calendars often encounter situations that can affect whether their standard terms will remain standard
 - Standard term but a class in an academic program may begin before the established start of the standard term and/or finish after the established end of the standard term
 - Result is typically a nonstandard term
 - HST 101 is extending beyond the end of the standard term and beyond the 2-week allowance
 - Result is that the program becomes nonstandard term



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Standard Terms: What to Avoid

- Schools with traditional calendars often encounter situations that can affect whether their standard terms will remain standard
 - Standard term but a class in an academic program may begin before the established start of the standard term and/or finish after the established end of the standard term
 - Result is typically a nonstandard term
 - MTH 101 is starting before the standard term and before the 2-week allowance and extending beyond the standard term and beyond the 2-week allowance
 - Result is that the program becomes nonstandard term



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Standard Terms

- Schools with traditional calendars often encounter situations that can affect whether their standard terms will remain standard
 - Use of the 2-week allowance
 - ENG 101 uses the 2 weeks prior to fall
 - Result here is that the standard term remains standard



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Standard Terms

- Schools with traditional calendars often encounter situations that can affect whether their standard terms will remain standard
 - Use of the 2-week allowance
 - HST 101 uses the 2 weeks following fall
 - Result here is that the standard term remains standard



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Standard Terms

- Schools with traditional calendars often encounter situations that can affect whether their standard terms will remain standard
 - Use of the 2-week allowance
 - MTH 101 uses 1 week prior and 1 week following fall
 - Result here is that the standard term remains standard



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Standard Terms: What to Avoid

- Schools with traditional calendars often encounter situations that can affect whether their standard terms will remain standard
 - Use of the 2-week allowance
 - HST 101 uses the 2 weeks following fall
 - MTH 101 uses 1 week prior and one week following fall
 - Both classes are part of the same program of study
 - Result here is that the standard term becomes nonstandard due to more than the 2-week allowance being used



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Standard Terms: What to Avoid

- Schools with traditional calendars often encounter situations that can affect whether their standard terms will remain standard
 - Standard term but the terms overlap with each other
 - Result is nonterm
 - Overlapping terms create a **nonterm environment**

Fall Semester
16 weeks

Spring Semester
16 weeks

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Standard Terms: What to Avoid

- Schools with traditional calendars often encounter situations that can affect whether their standard terms will remain standard
 - Standard term but single class in 1 standard term overlaps with the other standard term
 - Result is nonterm
 - Overlapping terms create a nonterm environment

Fall Semester

Spring Semester

MTH 101

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Standard Terms: What to Avoid

- Schools with traditional calendars often encounter situations that can affect whether their standard terms will remain standard
 - Standard term but with a short session between standard terms that the school chooses to treat as a free-standing payment period
 - Result is that the intersession is a nonstandard term due to its brevity
 - Result is that the entire program of study is treated as nonstandard
 - School must fund the intersession

Fall Semester

Intersession

Spring Semester

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Regs for Standard Terms and Nonstandard Terms

- Regulations are written from the standpoint that a school has set up a program to operate on a standard term calendar, a nonstandard term calendar, or a nonterm calendar
- Regulations are not set up, nor has extensive guidance been developed, for a program that drifts from one calendar to the next during the program
 - Generally, a program is offered using ONE calendar not a combination
 - We have issued guidance that says one nonstandard term in a program makes the program nonstandard, except for those exceptions discussed earlier

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Intersessions



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Standard Terms: Intersessions

- How to deal with intersessions or other additional terms and keep your program standard?
 - J-terms
 - Maymester
 - Minisession
- Add the intersession to one standard term or the other
 - Treat the entire combined term as one payment period



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Standard Terms: Intersections

- Doesn't adding the intercession make a nonstandard term?
- FSA's guidance states that for a program already using established standard terms, adding a term that is immediately prior to, or after, the standard term, and does not overlap with another term, keeps the standard terms as standard



- Does create a term with modules
 - Intercession is a module
 - Standard term is a module

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Standard Terms: Intersections

- Walter T. Franklin University has two 15-week semesters with a 4-week intercession between them
- WTFU attaches the intercession to spring semester



Walter T. Franklin University Calendar

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Payment Periods: Pell

- Fall semester is Payment Period (PP) 1
- The combined intercession and spring semester is PP 2
- School may still use Pell Formula 1
 - Terms are still considered standard
 - Must use 12 hours (or more) as full-time
- Hours in intercession count toward spring enrollment status
- COA is for full year, full-time costs regardless of whether or not student has hour in intercession

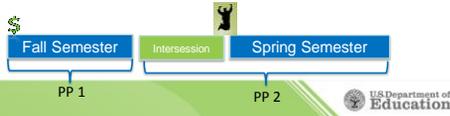


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Payment Periods: DL Examples

- Rose, a senior, indicates that she will take 12 hours in the fall, 6 hours in the intersession, and then graduate
- Rose's COA includes costs for fall and the intersession but not Spring
- Rose is at least half time in PP 1 and receives her disbursement for PP 1 at or about the beginning of PP 1
- At the end of fall, Rose learns that she does not need 6 hours to graduate, she only needs 3. She drops one 3-hour class in the intersession. Now she is less than half time in PP 2 and cannot receive a DL disbursement



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3 Types of Nonstandard Terms

- Nonstandard terms that are substantially equal and at least 9 weeks (SE9W)
 - Substantially equal means no term is more than 2 weeks of instructional time longer than any other term in the program
- Nonstandard terms that are substantially equal (SE)
- Nonstandard terms that are NOT substantially equal (NSE)

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Nonstandard Terms That Are SE9W

- Pell
 - Must use Formula 3
 - Terms are the payment periods
- DL
 - Can use as a 1-term loan period
 - Can use Scheduled Academic Year or BBAY 1 if the program has a scheduled academic year
 - If no scheduled academic year, must use BBAY 2
 - Terms are the payment periods
 - Student completes academic year (AY), for DL progression, when AY is scheduled to end, or BBAY calendar time has elapsed, not when the student has successfully completed hours and weeks in the AY

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Nonstandard Terms That Are SE

- Pell
 - Formula 3
 - Terms are the payment period
- DL
 - Cannot use as a 1-term loan period
 - Must BBAY 3
 - Terms are the payment period
 - Student completes academic year, for DL progression, when student has successfully completed hours and weeks in the Title IV academic year definition

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Nonstandard Terms That Are NSE

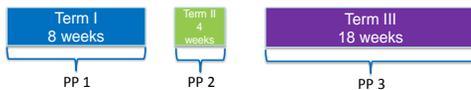
- Pell
 - Formula 3
 - Terms are the payment period
- DL
 - Cannot use as a 1-term loan period
 - Must use BBAY 3
 - Terms are NOT the payment period
 - Student receives second DL disbursement when student has successfully completed half of the credits and weeks in the loan period
 - Student completes academic year, for DL progression, when student has successfully completed hours and weeks in the Title IV academic year definition
- R2T4 issues with different payment periods for DL and other Title IV programs

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Disbursements for Nonstandard Terms That Are NSE

- Pell and other Title IV except DL
- Title IV Defined Academic Year is 24 semester credits and 30 weeks of instruction



- Each nonstandard term is the payment period
- Pell Formula 3 will determine the amount of a Pell disbursement based on the weeks in the payment period

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Disbursements for Nonstandard Terms That Are NSE

- Pell and other Title IV except DL
- Title IV Defined Academic Year is 24 semester credits and 30 weeks of instruction



- Disbursements other than DL would be made at the beginning of PPs 1 and 2

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Disbursements for Nonstandard Terms That Are NSE

- Disbursements for PP 3, in this example, presents an issue
- For Pell/TEACH, must not disburse more than 50% of the annual award until half of the AY's weeks have elapsed



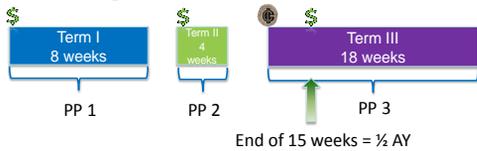
- So when do we disburse for PP 3?

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Disbursements for Nonstandard Terms That Are NSE

- Disburse the remaining funds in the first "half" at the beginning of PP 3 (see the Ⓜ below)



- Disburse the second half of the annual award at the end of the first half of the defined AY as measured in weeks (see the Ⓜ above)

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