Memorandum to Presidents

Date: April 20, 1978

From: Office of the University Counsel
and Vice Chancellor for Legal Affairs

Subject: Student Consumer Information Requirements

The United States Office of Education and the New York State Education Department have both recently issued final regulations which define and interpret Section 493A of the Higher Education Act of 1965 ("Student Consumer Information Requirements"; Public Law 94-482, §1088b-1 of Title 20, U.S. Code). A preliminary advisory concerning this legislation was sent to the Directors of Financial Aid at the State-operated campuses and community colleges on April 15, 1977.

The State regulations (Attachment 1; Part 53 of Title 8 of the Official Compilation of Codes, Rules and Regulations of the State of New York) meet or exceed nearly all of the federal requirements (Attachment 2; Title 45, Part 178, Code of Federal Regulations).

Essentially, the State regulations, adopted pursuant to section 607 of the Education Law, require that all degree-granting postsecondary institutions provide the following information to students and, upon request, to prospective students:

1) varieties of financial assistance available to students, including State, federal and institutional assistance. Information on application procedure, methods of selection and other rights and responsibilities of applicants and recipients should also be provided (53.3(a));

2) costs of attending the institution, including tuition and fees, books and supplies, room and board, and estimated living expenses. Institutional refund policy should also be stated (53.3(b) and (c));

3) description of instructional programs, including degree programs, and program-related facilities. A listing of faculty should also be provided, as well as information on student retention and graduation rates. Job placement statistics and graduate school placement statistics shall be provided if such statistics are available (53.3(d)).
The State regulations also provide that "[i]mplementation shall be accomplished by inclusion in the [next published] catalog or bulletin all of the [required] information . . . ." Although most of the information may already be available in the various catalogs, campus administrators should review the regulations carefully to insure full compliance.

The federal regulations became effective on January 14, 1978. They provide that "any institution which receives an administrative cost allowance for any award period shall first use such funds to carry out the provisions of this part for that award period." Other specific federal requirements include appointment of an employee available on a full-time basis to assist students or prospective students in obtaining information specified in the regulations (178.5), the retention of records (for five years) relating to expenditure of federal funds (178.7), and a comprehensive audit of institutional transactions relating to the use of federal administrative cost allowances (178.8).

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Attachments

This memorandum addressed to:

    Presidents, State-operated Campuses
    Presidents, Community Colleges

Copies for information only sent to:

    Deans, Statutory Colleges
    President Rose
    Vice President Cook
ATTACHMENT 1

AMENDMENT TO REGULATIONS OF THE COMMISSIONER OF EDUCATION

Pursuant to Section 607 of the Education Law

The Regulations of the Commissioner of Education are amended, effective April 21, 1978, by the addition of a new Part 53 to read as follows:

TITLE 8 N.Y.C.R.R. PART 53

INFORMATION FOR STUDENTS AND PROSPECTIVE STUDENTS

Section 53.1 Institutions subject to the provisions of this Part. The following institutions shall provide information required by this Part:

(a) Degree-granting postsecondary institutions, including organizations under contract to provide postsecondary instructional services such as Education Opportunity Centers;

(b) Other postsecondary institutions registered, licensed or approved by the New York State Education Department, except those institutions covered by Part 126 of these regulations.

Section 53.2 Persons to receive information. The following persons shall receive information, or have it made available to them:

(a) Students enrolled at an institution.

(b) Prospective students of an institution, defined as persons who have contacted an institution requesting information for the purpose of enrolling at that institution.
Section 53.3 Information to be provided. Information shall be provided on financial assistance available to students, costs of attending the institution, the refund policy of the institution, and the instructional programs and other related aspects of the institution, as provided below.

(a) Information on financial assistance available to students shall be provided for each of the aid categories listed below. The information printed for each program of financial assistance available to students at that institution, and for which student application is required, shall include: application procedures including a description of forms and their preparation, method of selection of recipients and allocation of awards, award schedule, and rights and responsibilities of recipients. Standard current descriptions of State and Federal financial assistance programs will be provided by the Education Department in cooperation with the Higher Education Services Corporation to the institutions subject to the provisions of this Part. These descriptions, or some other descriptions providing the required information, along with current procedures and definitions related to emancipated student status, shall be provided by the institutions to persons identified in section 53.2 of this Part. Where summary information is provided, an institutional office where detailed information can be obtained shall be identified.
(1) State programs. Information shall be provided for those of the following programs for which students at the institution may be eligible: the Tuition Assistance Program (TAP), Regents College Scholarships, Regents Nursing Scholarships, Regents Awards for Children of Deceased or Disabled Veterans, State Assistance for Native Americans, guaranteed student loans, and also special programs for the economically and educationally disadvantaged including the Higher Education Opportunity Program (HEOP), Education Opportunity Program (EOP), Search for Education and Elevation through Knowledge (SEEK), College Discovery Program (CD), and the Work Incentive (WIN) Program. Any other State program which accounts for 10 percent or more of the total state student aid administered by the institution shall also be described in similar detail and terminology.

(2) Federal programs. Information shall be provided for those of the following programs for which students at the institution may be eligible: the Basic Educational Opportunity Grants (BEOG) program, Supplemental Educational Opportunity Grants (SEOG), National Direct Student Loans (NDSL), College Work Study Program (CWS), Social Security payments to children of deceased/disabled parents. Federal Aid to Native Americans, and Veterans Administration
educational benefits. Any other Federal program which accounts for 10 percent or more of the total Federal student aid administered by the institution shall also be described in similar detail and terminology.

(3) Local institutional programs. Information shall be provided on grants, scholarships, waivers, deferrals, loans, including small emergency loans, and work-study arrangements which are administered by the institution. Financial aid programs involving awards of $300 or more per year shall be individually listed, including restrictions, if any. The number and average value of programs with awards of less than $300 per year shall be provided, along with the name, address and telephone number of an institutional office from which more detailed information can be obtained.

(b) Costs of attending the institution for each of the cost categories listed below shall be provided. Estimates, so indicated, may be used where exact figures are unavailable or inappropriate. Where summary information is provided, an institutional office where detailed information can be obtained shall be identified.

(1) Tuition and fees. Information shall be provided on all assessments against students for direct educational and general purposes. A brief description of purpose of any mandatory fee shall be included if the purpose of such fee is not apparent.
from its name. Course fees and lab fees shall be clearly identified. Conditions under which nonmandatory fees need not be paid shall be clearly stated.

(2) Books and supplies. Estimated costs of textbooks, books, manuals, consumable supplies and equipment which a student should possess as a necessary corollary to instruction, shall be provided. Separate estimates shall be provided for major program categories for which such costs vary more than 25 percent from the average for the entire institution.

(3) Room and board. Costs of housing and food services operated by the institution shall be provided where such services are available. Estimated costs of similar accommodations available in the community shall also be provided. These figures shall be consistent with estimated student budgets prepared by the institution's financial aid office.

(4) Other living expenses. Estimated costs of personal expenses applicable to students devoting primary efforts to pursuit of educational objectives shall be provided. This estimate shall be consistent with similar figures defined by the institution's financial aid office.
(c) The institution shall state its policy concerning refunds due to failure of students to complete an academic term for any reason. The policy shall include the percentage or amount of tuition, fees, institution-operated room and board, and other assessments to be refunded after specified elapsed periods of time.

(d) The instructional programs of the institution shall be accurately described.

(1) Degree, certificate and diploma programs. A list of degree, certificate and diploma programs shall be provided. The list shall be consistent with the Inventory of Registered Degree and Certificate Programs maintained by the Education Department. The list shall contain at least the official approved program title, degree and HEGIS code, and shall be preceded by a statement that enrollment in other than registered or otherwise approved programs may jeopardize a student's eligibility for certain student aid awards.

(2) Program descriptions. Each degree, certificate or diploma program shall be described in terms of both pre-requisites and requirements for completion.

(3) The academic year in which each instructional offering (course) is expected to be taught shall be indicated.
(4) Program related facilities. A general description of instructional, laboratory and other facilities directly related to the academic program shall be provided, in addition to general information describing the total physical plant. Narrative and/or statistical information shall be provided about library collections and facilities, student unions, and institution-operated eating places. Hours of operation, including holiday and vacation schedules, shall be provided.

(5) Faculty and other instructional personnel. Regular resident faculty shall be listed by rank, with the highest degree held by the faculty member and the institution by which such degree was granted, and department or major program area to which such member is assigned. An estimated number of adjunct faculty and teaching assistants in each department or major program area shall be provided.

(6) Student retention. Information on student retention and graduation rates shall be provided based on a summary of the most recent cohort survival statistics (e.g., percentages of those students enrolled at the end of the spring term, percentages of freshman classes that graduate in 4, 5 and 6 years) available to the institution for at least full-time undergraduates. Statistics shall be
computed in a manner consistent with data reported to the Education Department through its Higher Education Data System.

(7) Placement of graduates. Summaries of job placement statistics compiled by the institution including its placement center shall be provided where available.

Section 53.4 Format for provision of information. All of the information required by this Part shall be included in the catalog or bulletin of the institution. The following procedures shall be followed by institutions:

(a) Where an institution publishes more than one catalog or bulletin for separate programs or schools, only the information required by this Part which pertains to the individual programs or school concerned need be included. In such cases a statement shall indicate that separate catalogs or bulletins are in use.

(b) Where an institution publishes its catalog or bulletin less often than annually, a statement shall warn of the possibility of out-of-date information and provide the name and address or telephone number of the person or office to be contacted for the most recent information.
(c) The information required by this Part shall be clearly and precisely described. Statistical displays shall be easy to read and understand.

(d) Information provided to persons covered by this Part through mechanisms in addition to the catalog or bulletin shall be consistent with the requirements of this Part.

(e) Advertisements, brochures, or solicitations to prospective students shall clearly note the availability of more extensive information in the catalog or bulletin.
§ 178.4 Information dissemination topics.

The information to be prepared and disseminated to students includes:

(a) A description of all student financial aid programs available to students who enroll at that institution that provide assistance to students to meet the cost of attending that institution. These programs include the Guaranteed Student Loan type program and programs for which the primary criterion of student eligibility is demonstrated financial need for the assistance because of the financial condition of the student or the student's family.

(b) A statement of the rights and responsibilities of students receiving financial aid under the Basic Educational Opportunity Grant, Supplemental Educational Opportunity Grant, National Direct Student Loan, or Guaranteed Student Loan Programs.

The information includes:

(1) Criteria for continuing eligibility for each program;

(2) Criteria for determining that a student is in good standing and maintaining satisfactory progress in his course of study, as required by Section 487(e)(1) of the Act for the purposes of receiving financial aid payments, and the criteria by which a student who has failed to maintain satisfactory progress or good standing may reestablish his eligibility for payment;

(3) The means by which payment of awards will be made to students and the frequency of such payments;

(4) The terms of any loan received by a student as part of his student financial aid and sample loan repayment schedules for sample loans; and

(5) The general conditions and terms applicable to any employment provided to a student as part of his financial aid;

(c) The cost of attending the institution, including the costs of books, supplies, Personal and Room and Board, and transportation costs for students living on-campus, off-campus, or commuting;

(d) The refund policy of the institution for the return of unused tuition and fees or other refundable portion of cost paid to that institution as described in paragraph (c) of this section;

(e) The academic program of the institution, including the current degree programs and other educational and professional programs, including laboratory, and other physical facilities which relate to the academic program; and

(f) The titles of persons designated under § 178.5 and information regarding the availability and where such persons may be contacted.

(20 U.S.C. 1088-1.)

§ 178.5 Availability of employees for information dissemination purposes.

(a) As excepted in paragraph (b) of this section, each institution which receives an administratively cost allowance for any award period shall designate at least one employee or group of employees on a full time basis to assist students or prospective students in obtaining the information specified in § 178.4. If the institution designates one person, that person shall be available, upon reasonable notice, to any interested student or prospective student throughout the normal administrative working hours of that institution. If more than one person is designated, their combined schedules shall be arranged in such a manner that at least one of them is available, upon reasonable notice, throughout the normal administrative working hours of that institution.

(b) Waiver. (1) The Commissioner may waive the requirement set out in paragraph (a) of this section for an institution that submits a timely application for the waiver before the total enrollment, or the portion of the enrollment, or the portion of the enrollment participating in student financial aid programs, if such program is too small to necessitate the availability of an employee or group of employees on a full-time basis. In determining whether an institution's total enrollment or the number of recipients of Title IV assistance is too small, the Commissioner will consider whether there will be an insufficient number of financial aid application services rendered to students or prospective students to necessitate the full-time availability of an employee or group of employees.
(2) The granting of a waiver under subparagraph (1) of this paragraph does not exempt an institution from designating a specific employee or group of employees to carry out the provisions of this section.

(20 U.S.C. 1088b-1)

§ 173.6 Use of funds.

Any institution which receives an administrative cost allowance for any award period shall first use such funds to carry out the provisions of this part for that award period. If any funds remain, the institution shall use those funds for other costs of administering the student financial aid programs authorized under Title IV of the Act for that award period.

(20 U.S.C. 1088b-1)

§ 173.7 Compliance procedures and records.

(a) Retention of records. Each institution which receives an administrative cost allowance for any award period shall keep intact and accessible all records relating to the receipt and expenditure of Federal funds in accordance with Section 434(a), General Education Provisions Act (20 U.S.C. 1221c), including all accounting records and related original and supporting documents that substantiate costs, for a period of five years after the close of the award period for which the payments were received, except as provided in paragraph (b) of this section.

(b) Audit questions. The records involved in any claim or expenditure which has been questioned by audit shall be further retained until resolution of any such audit questions: Provided, however, That records need not be retained if they relate to a payment with respect to which actions by the United States to recover for diversion of Federal funds are barred by the statute of limitations in 20 U.S.C. 2415(b).

(c) Audit and examination. The Secretary of Health, Education, and Welfare and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access, for the purpose of audit and examination, to the records specified in paragraph (a) of this section and to any other pertinent documents, paper, and records of the institution.

(20 U.S.C. 1088b-1, 1232c)

§ 173.8 Audits—non-Federal.

(a) A comprehensive audit of an institution's transactions relating to its use of administrative cost allowances received shall be performed by the institution or at the institution's direction to determine, at a minimum, the fiscal integrity of financial transactions and reports and whether such transactions are in compliance with applicable laws and regulations. Such audits shall be performed in accordance with the Department of Health, Education, and Welfare "Audit Guide" for student financial aid programs. If the institution participates in the Supplemental Educational Opportunity Grant, College Work-Study, or National Direct Student Loan Programs, then the audit required by this part shall be included as part of an audit performed for any of those programs. If the institution does not participate in any of the above three programs, then the audit required by this part shall be performed at least once every two years.

(b) Audit report shall be submitted to the HEW Audit Agency at the regional office of the Department of Health, Education, and Welfare serving the region in which the institution is located for its review. The Audit Agency and the Commissioner shall also be given access to records or other documents as may be necessary to review the results of such audits.

(20 U.S.C. 1088b-1, 1232c.)