

Financial Clearance Survey Findings and Considerations

Trellis Company Project Success

April 13, 2022

Welcome to Today's Webinar

Financial
Clearance
Survey



Presenter

Steve Smith, Director of Student Success
Initiatives, Trellis Company



Financial Clearance Survey Overview

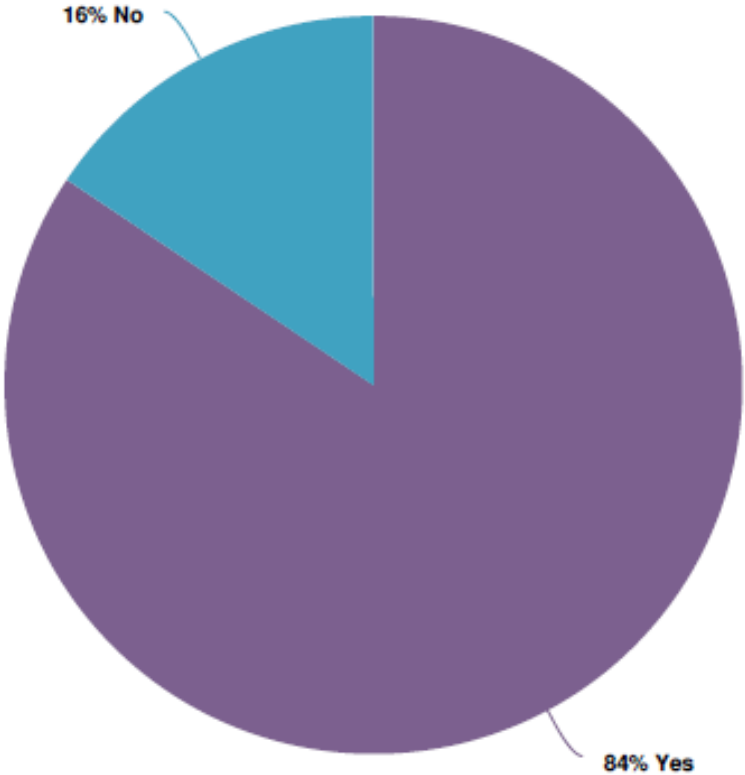
- In January 2022, Trellis conducted a survey of Project Success institutions to better understand the financial clearance policies at Project Success institutions
- Collected practices to share them with other Project Success institutions
- Number of schools that participated: 29, 40% of Project Success
- Number of respondents: 99 respondents, 49 completing the survey

Types of Questions and Responses

- The survey asked questions on policies and practices around financial clearance
- The survey showed that most schools have a policy but the policies differ
- We will share the results and offer some “food for thought” on practices around financial clearance

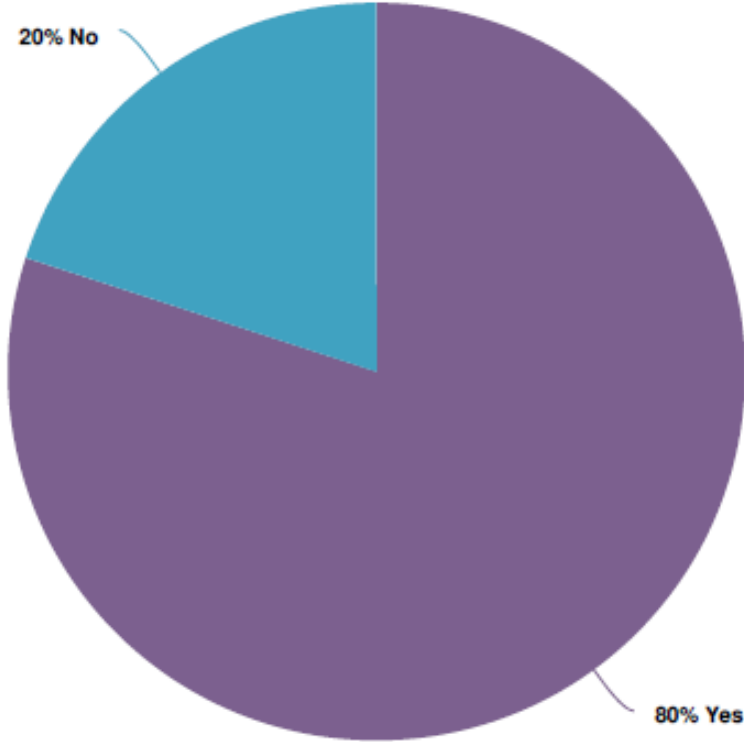
Results

1. Does your institution have a financial clearance policy?



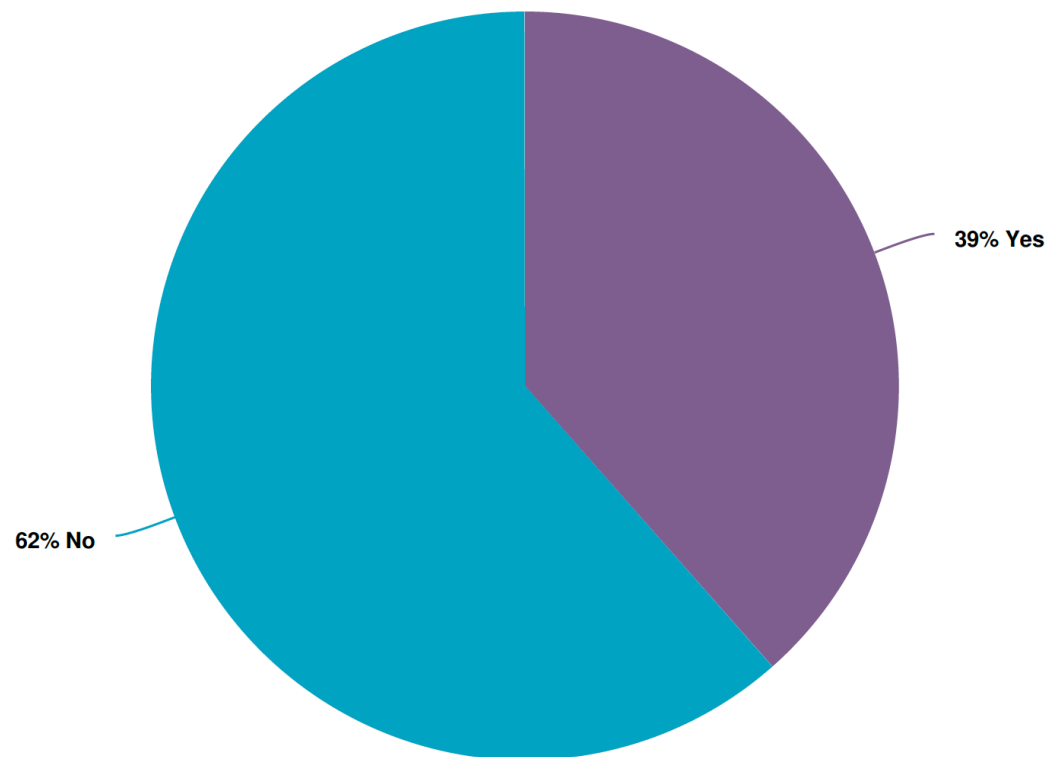
Results

3. Are students provided an actual statement of expenses prior to the start of the semester (as opposed to an estimate)?



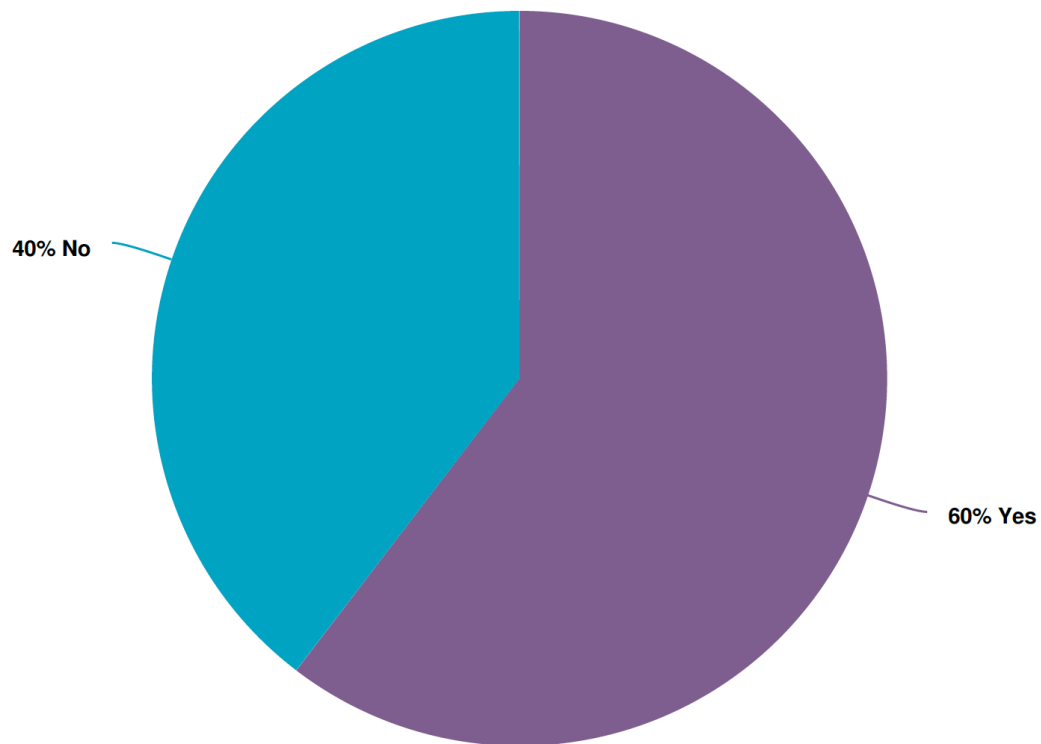
Results

4. Do students need to complete a financial clearance form?



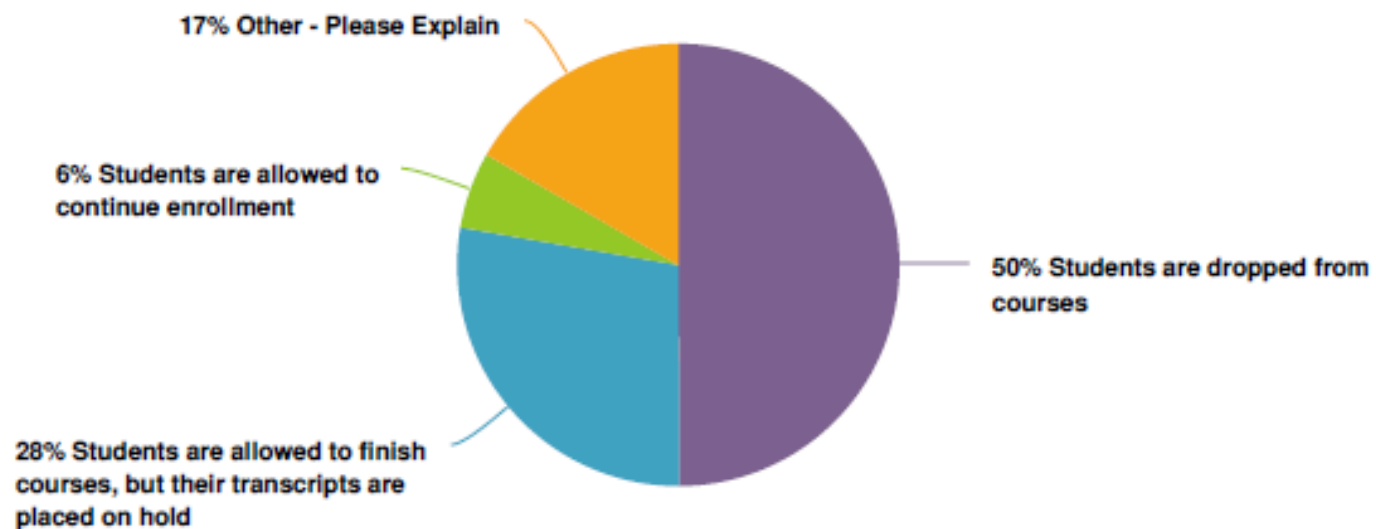
Results

5. Do you require students to have a signed financial responsibility statement (tuition and fee agreement)?



Results

6. What are the consequences of not meeting financial clearance at your institution?

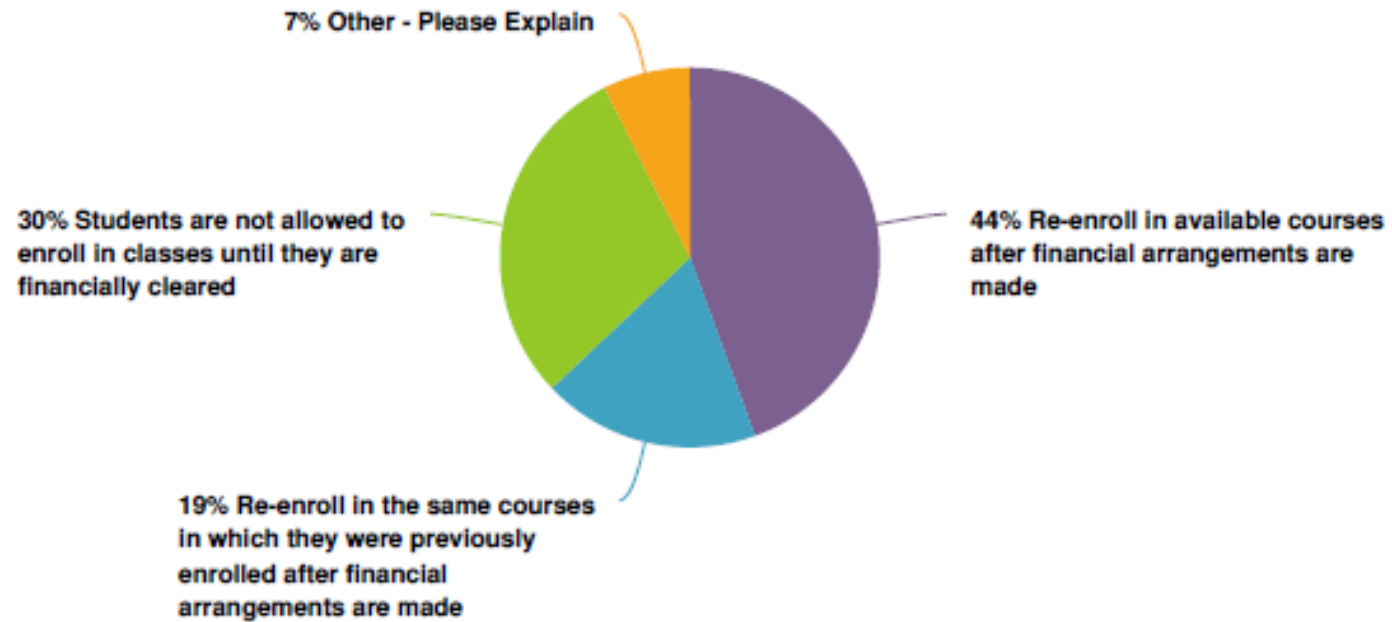


Consequences of not meeting financial clearance

- 50% of schools report that students are dropped from courses for not meeting clearance
- Other practices include:
 - Finish current term but registration held next term
 - Cannot order a transcript

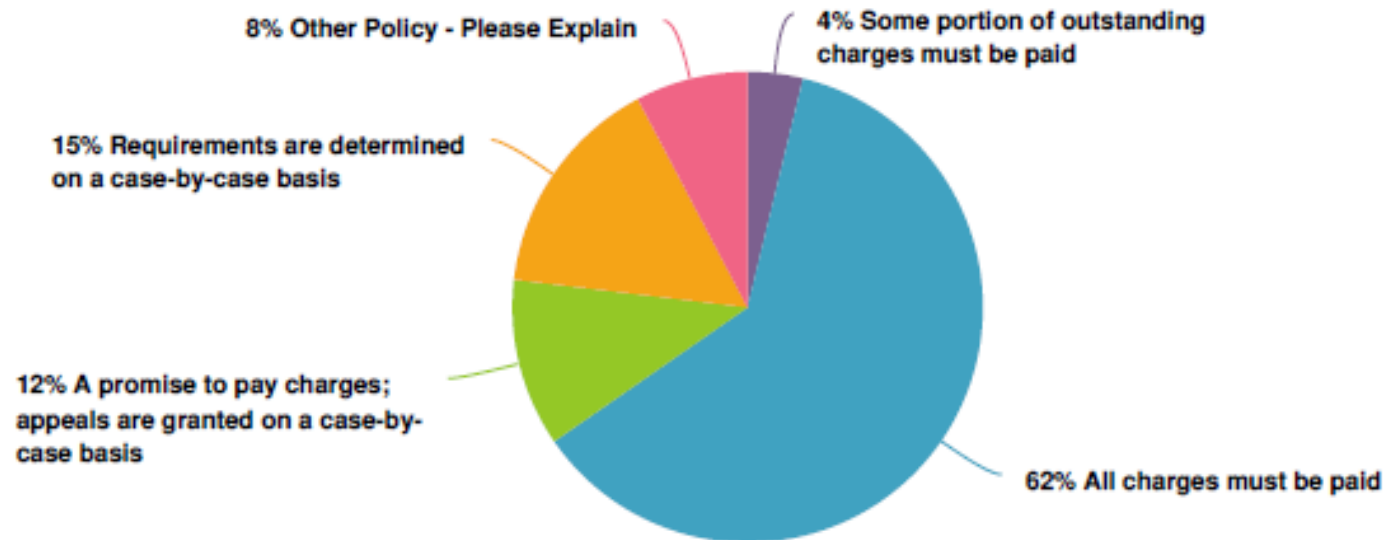
Results

7. If a student is dropped from their registered courses with an outstanding balance, what options are available to them?



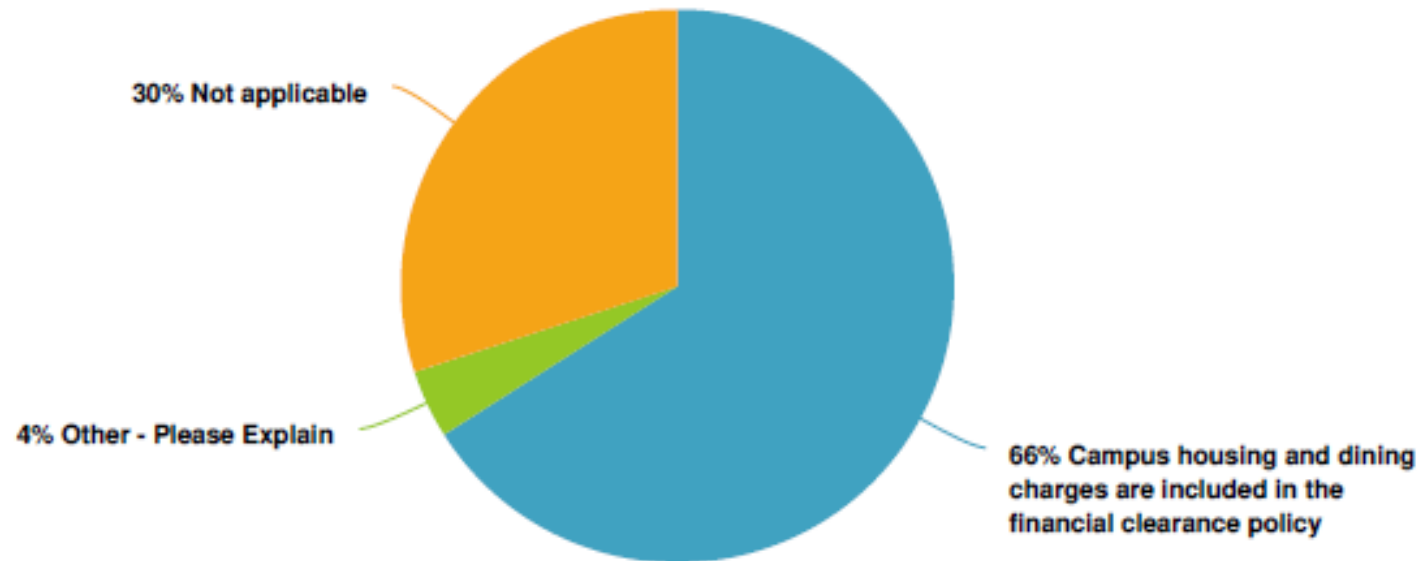
Results

8. What is required as part of the appeal process to receive a transcript?



Results

9. How are campus housing and dining charges factored into the financial clearance policy at your institution?



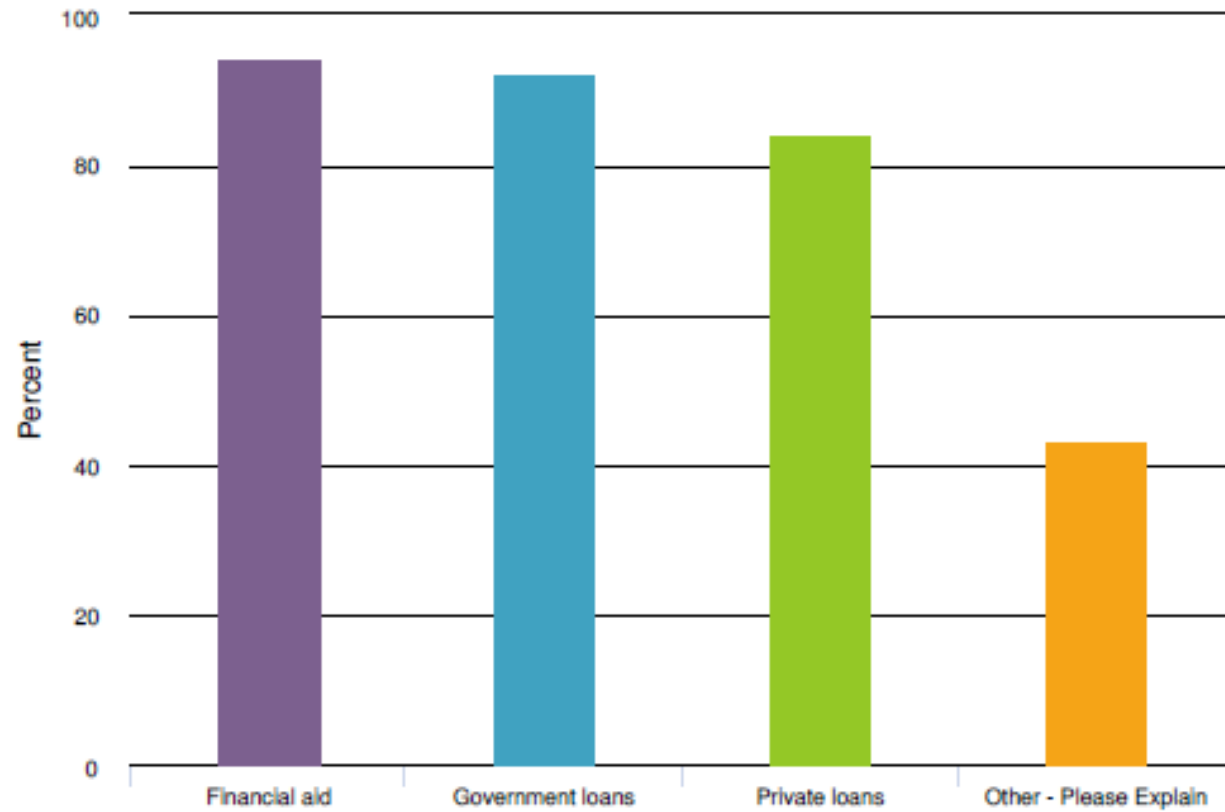
Other Reasons for Holds

Besides financial clearance, what other holds frequently prevent students from registering for classes?

- Parking fees
- Academic holds
- Disciplinary/Conduct holds
- Transcripts missing
- Immunization missing

Results

11. What are considered acceptable arrangements for the purpose of financial clearance? (Check all that apply)

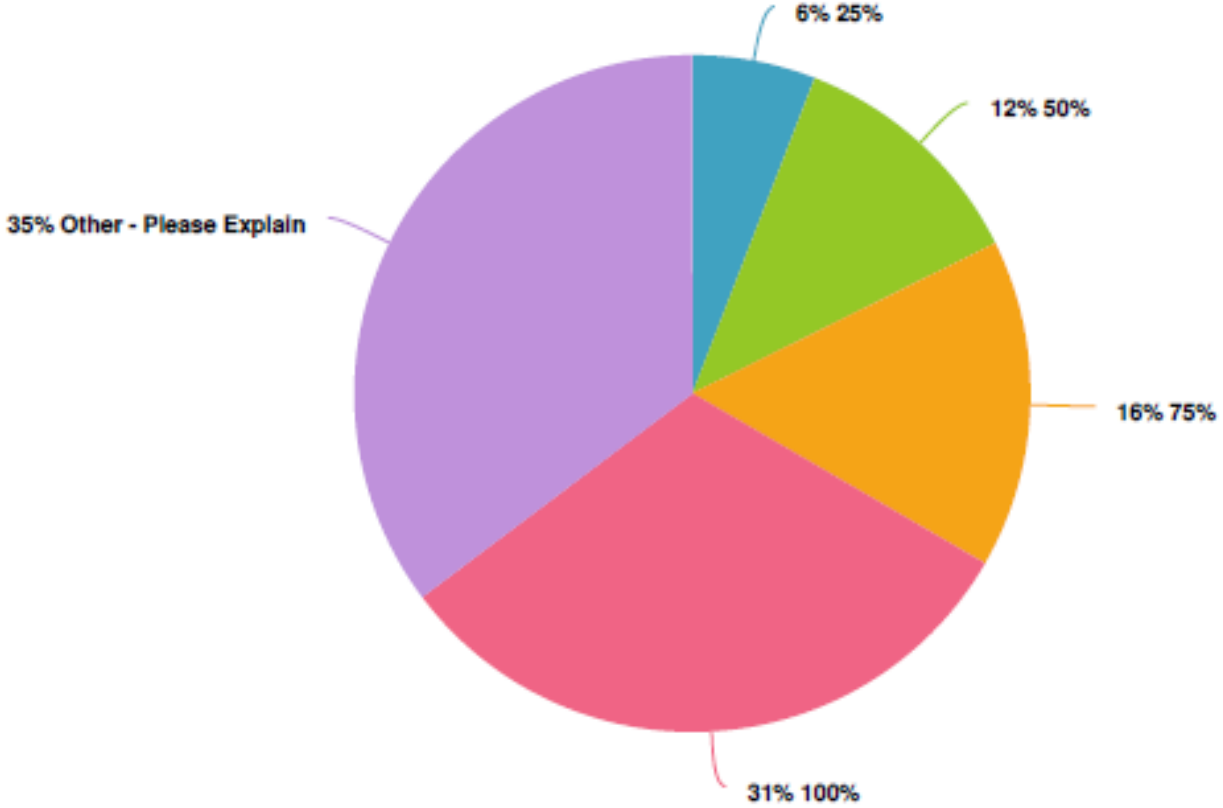


Other Financial Arrangements

Besides government financial aid, the most common “other” acceptable financial arrangement, by far, was a payment plan

Results

12. What percentage of outstanding charges must be paid in order to achieve financial clearance?



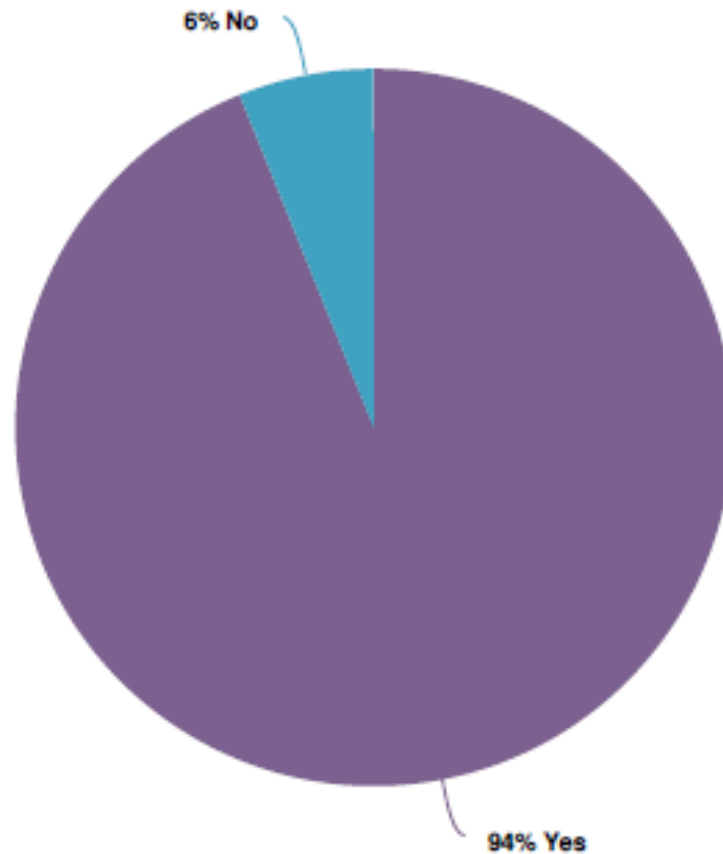
Other percentages – dollar amounts

What percentage of outstanding charges must be paid in order to achieve financial clearance?

- 33%
- Balance must be below \$500
- Financial aid just needs to be authorized over \$100; Payment plans require 33% + fees
- Variable arrangement with Financial Aid Office

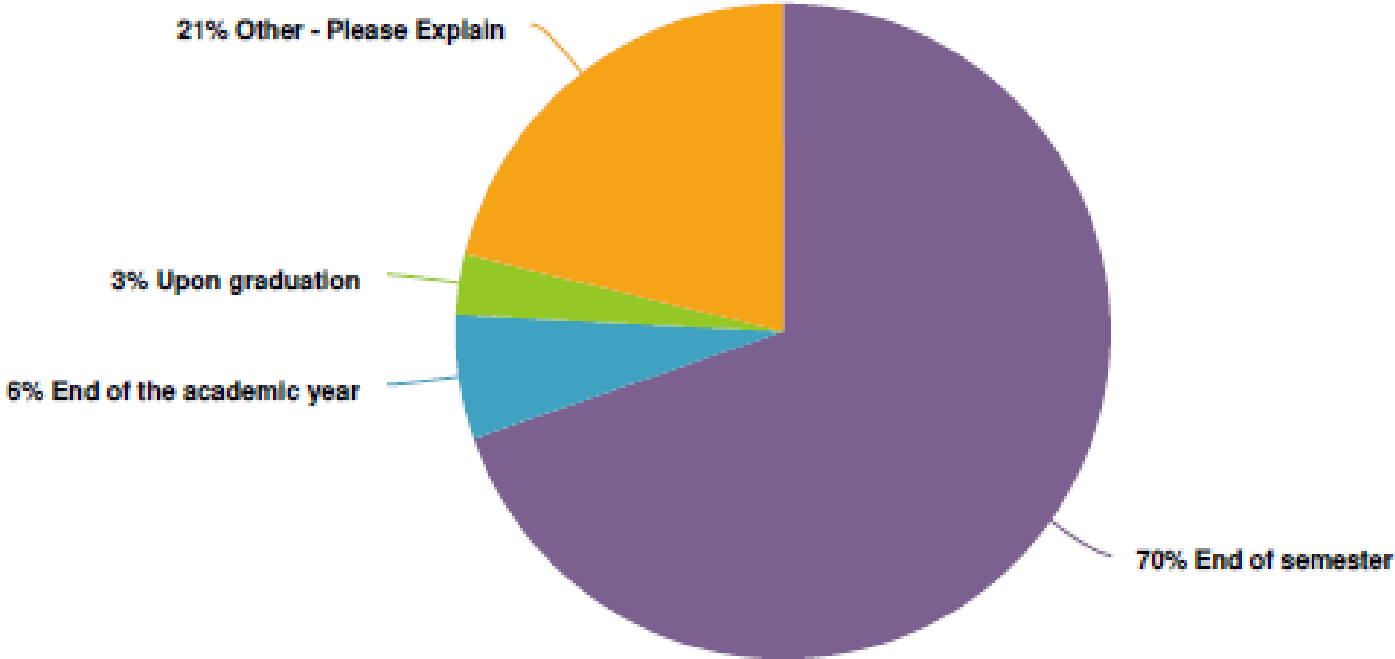
Results

13. Does partial payment allow for registration?



Results

14. How long do student have to repay their remaining balance?



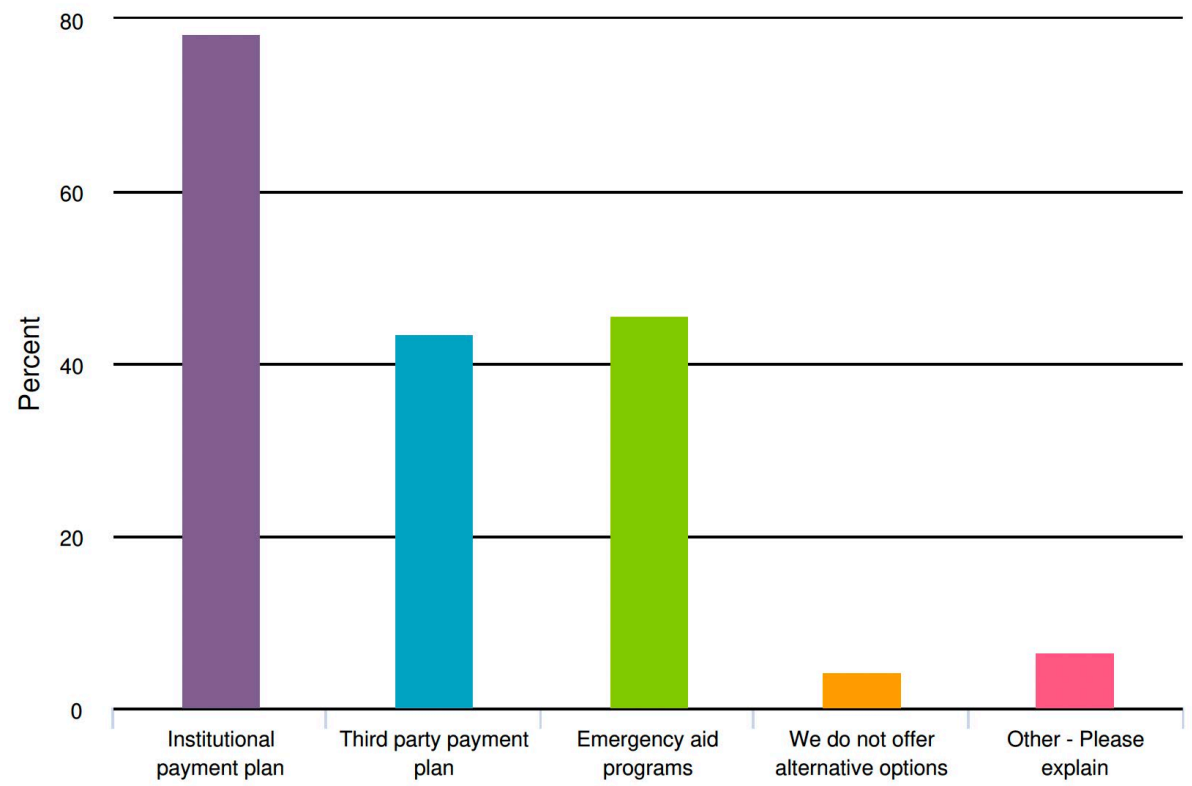
Amount of Time to Pay Charges

How long do students have to repay their remaining balance?

- 70% say “end of the semester”
- End of academic year and at graduation are also common responses
- Other answers:
 - A final due date (presumably on an agreement of some type)
 - Continued installments after graduation
 - 4 months

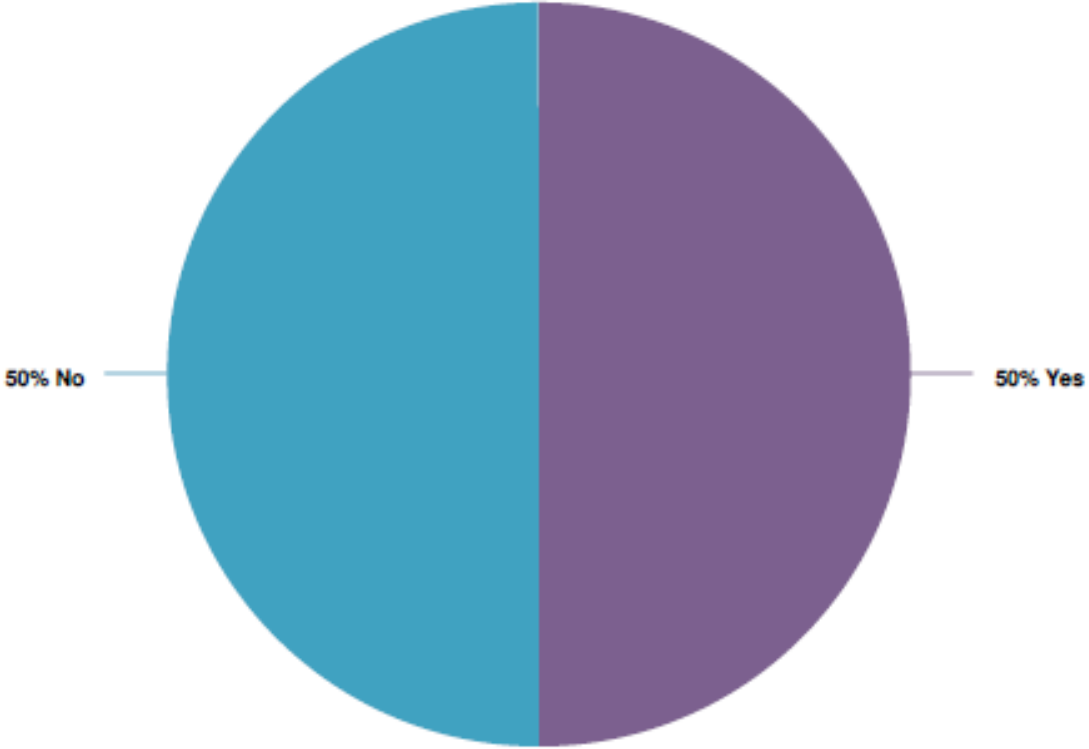
Results

15. What options does your institution provide students to become financially cleared after their aid, including loans (federal and private), has been applied? (Check all that apply)



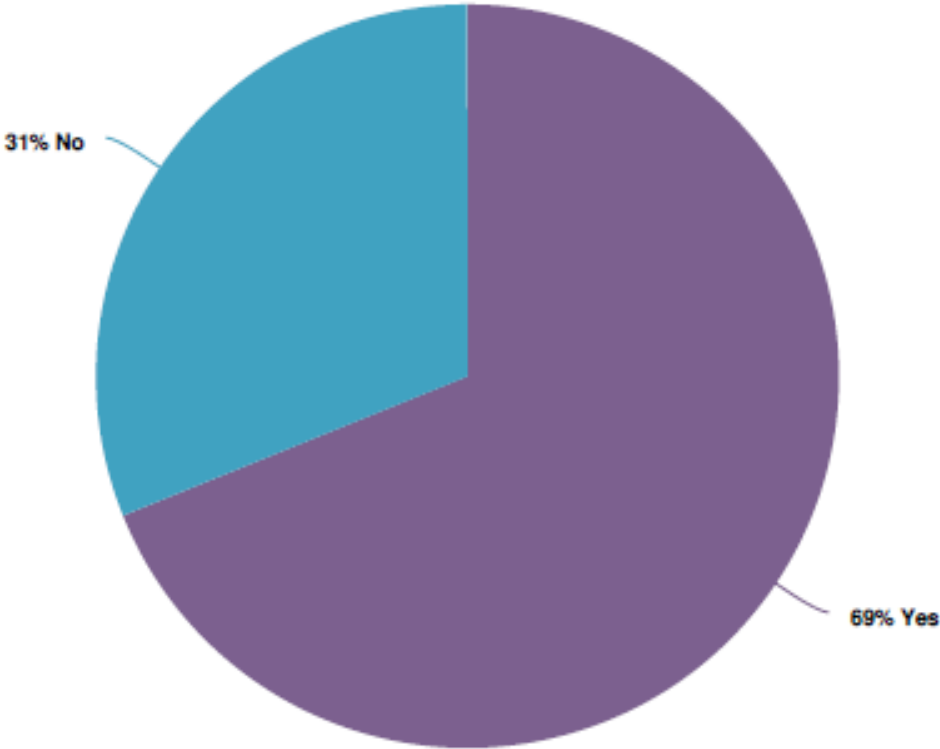
Results

16. Are fees applied to late payments?



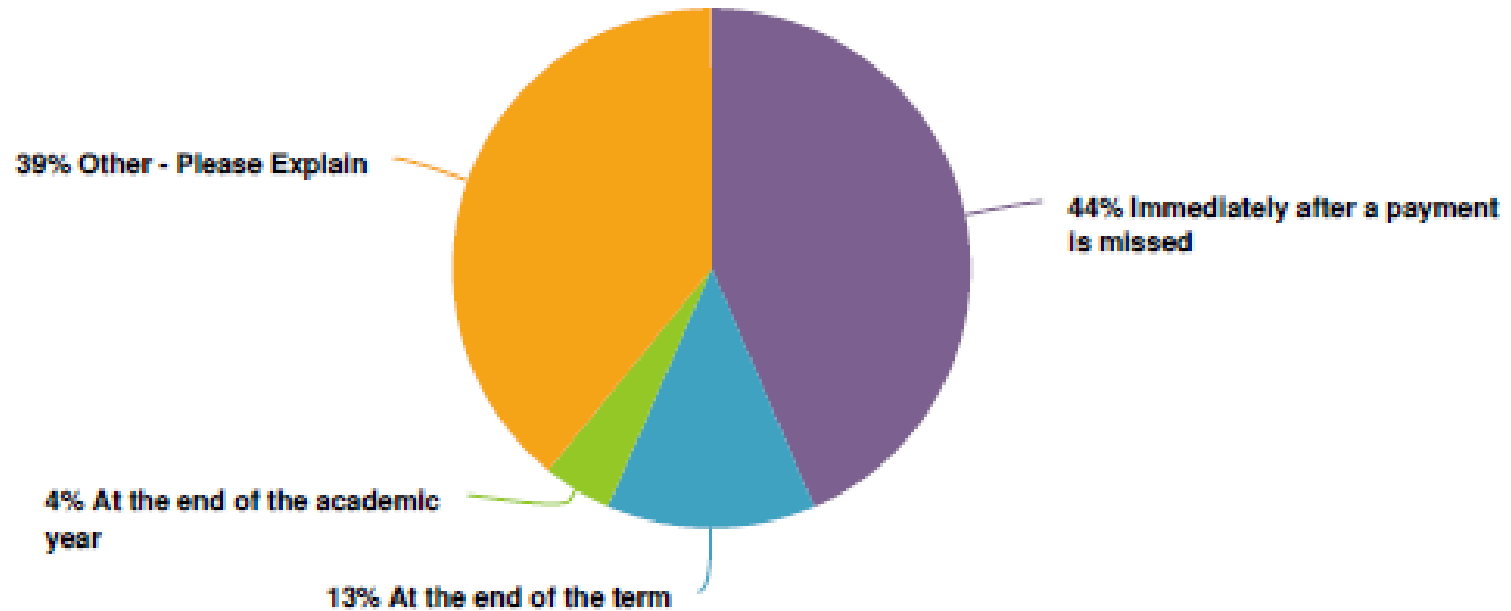
Results

17. Are fees applied to payment plans?



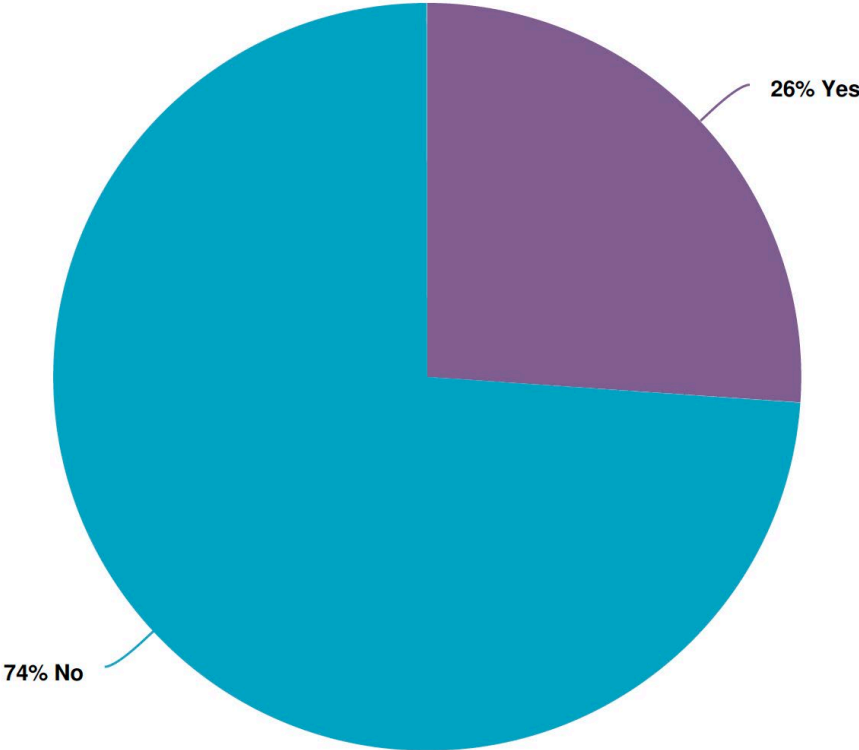
Results

18. When are late fees applied?



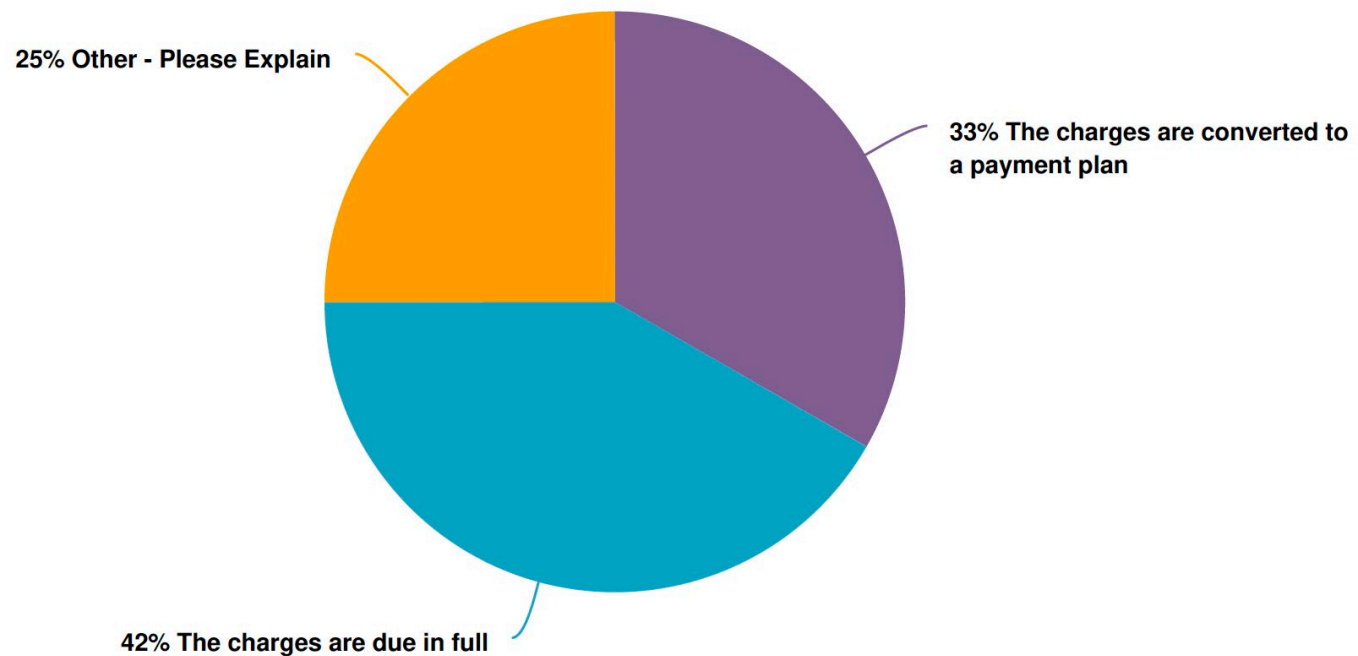
Results

19. Are students allowed to accrue institutional charges from term-to-term?



Results

20. If institutional charges are allowed to accrue from term-to-term, what is the policy upon the student's exit from the institution?



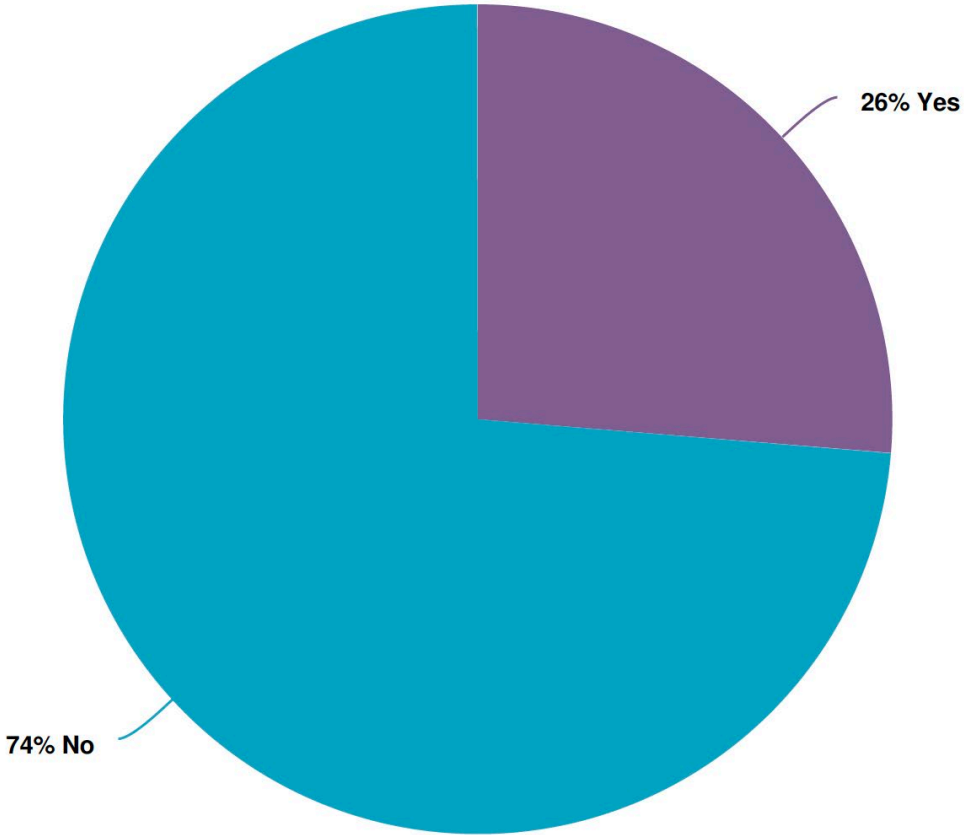
“Other” Policies When Students Exit

If institutional charges are allowed to accrue from term-to-term, what is the policy upon the student’s exit from the institution?

- Must be below \$300 to re-register
- Payment is put into “collections”
- Students must bring balance below \$500 in order for hold to be removed, transcripts. Students allowed to set up installment plan

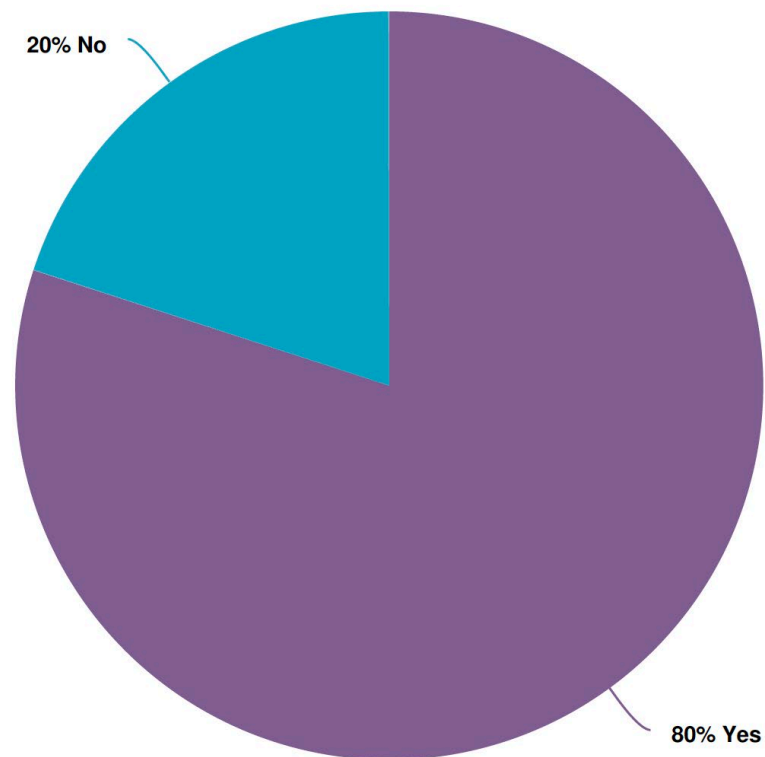
Results

21. Does your institution have a balance forgiveness program?



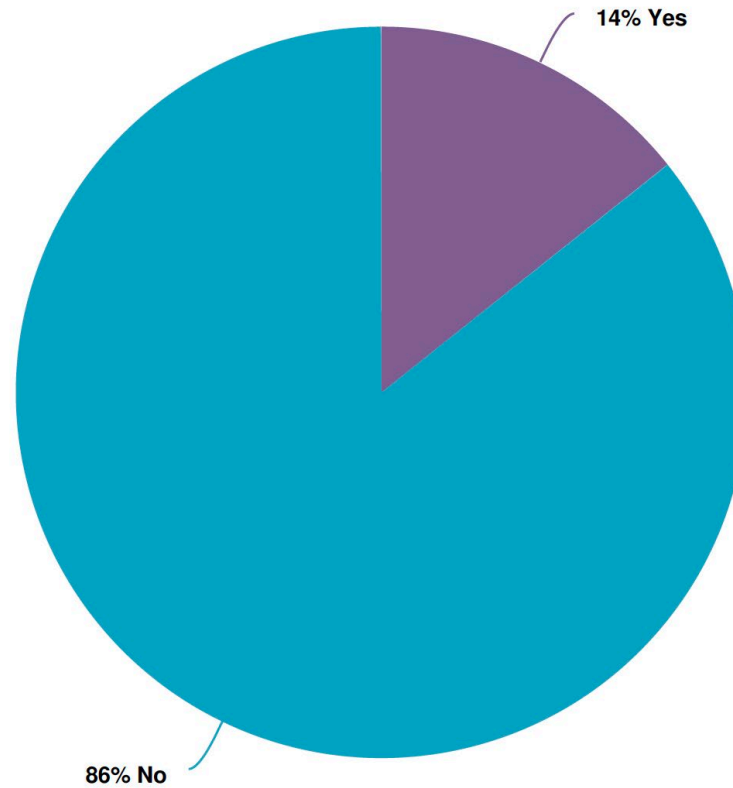
Results

22. Have there been any campaigns to inform students about the balance forgiveness program?



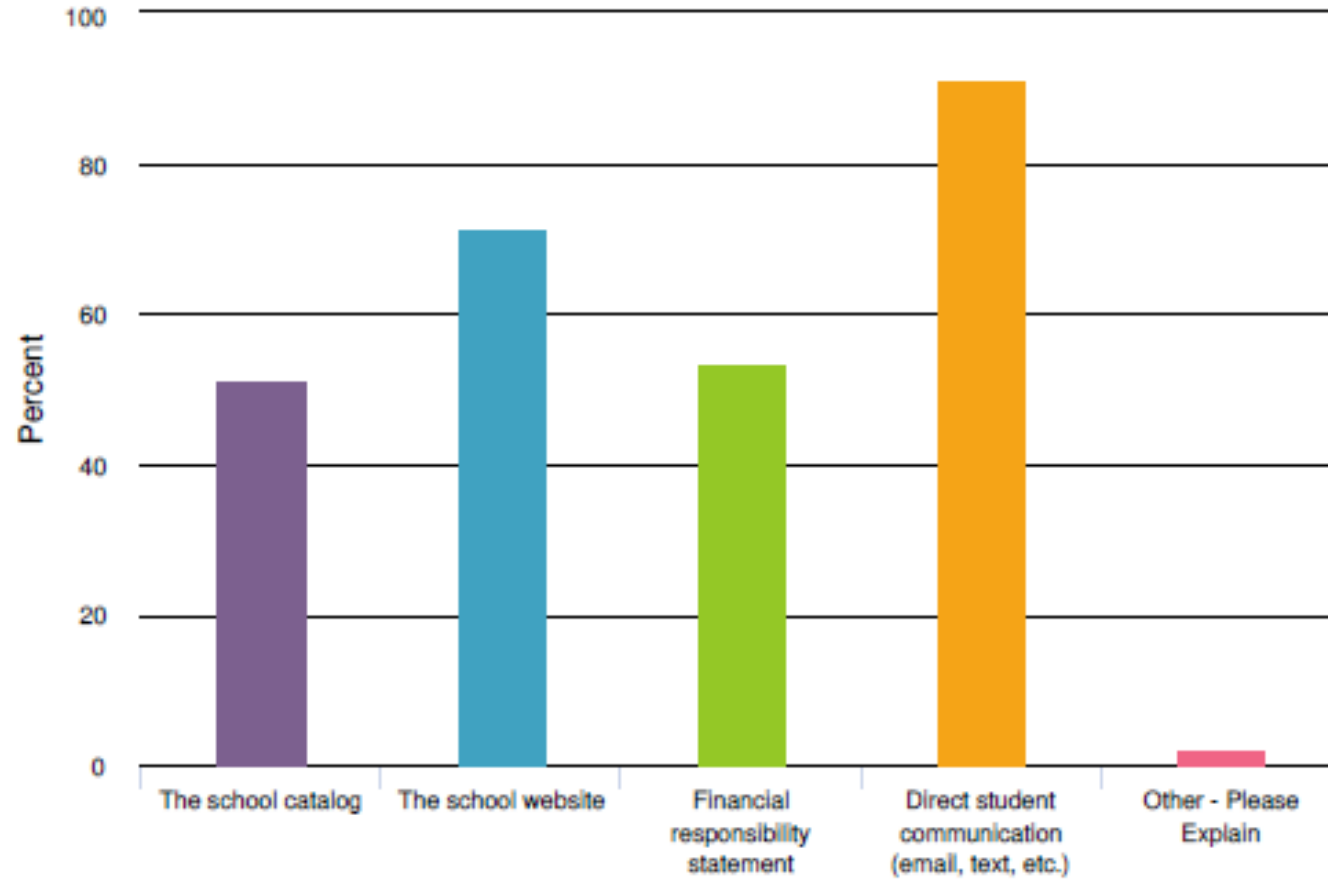
Results

23. Do you allow students who paid their balance to request a refund (or partial refund) of their payment, if they otherwise would have been eligible for balance forgiveness?



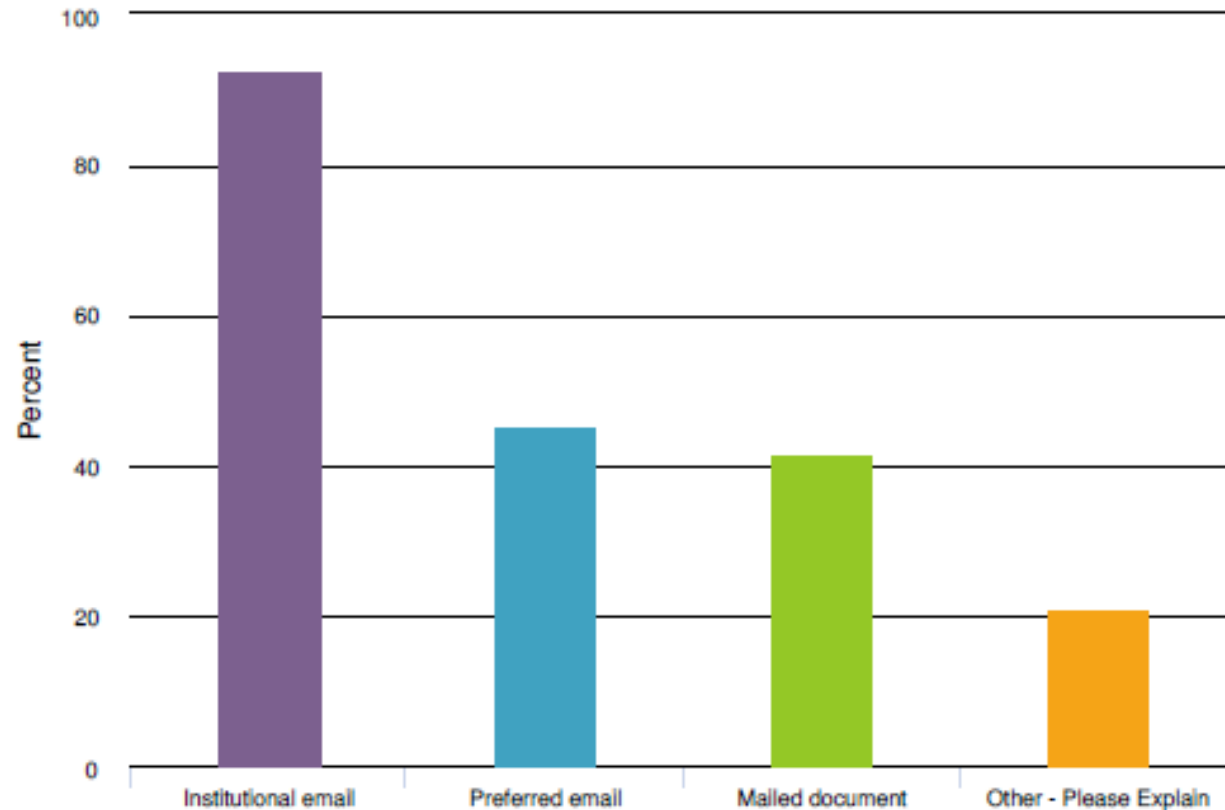
Results

24. How is the financial clearance policy communicated to students?
(Check all that apply)



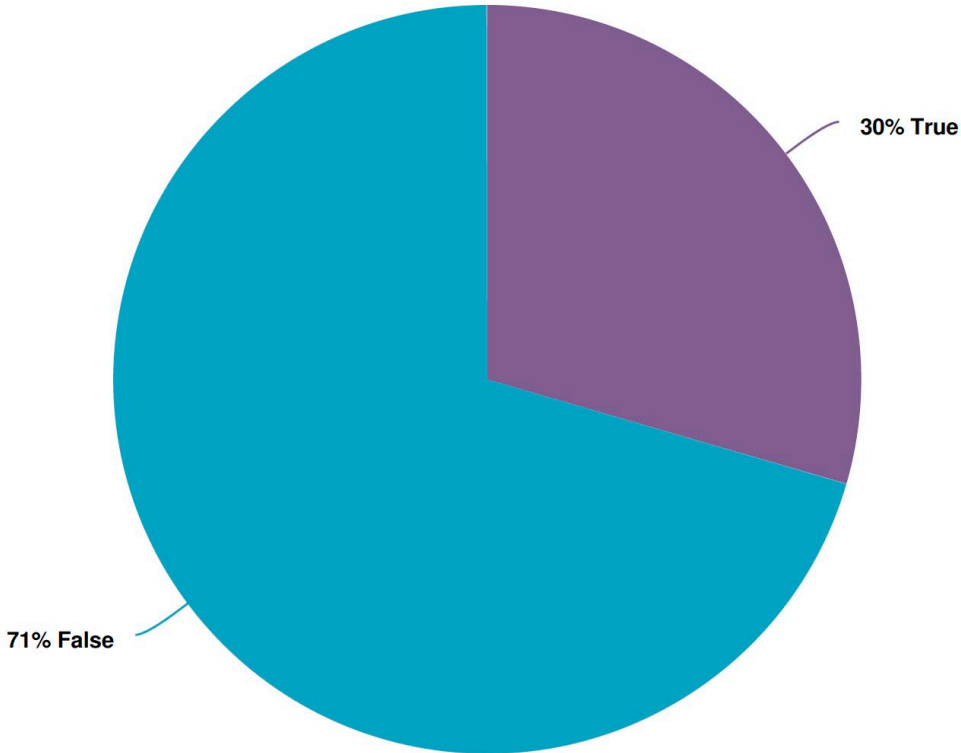
Results

25. How are students informed about outstanding balances? (Check all that apply)



Results

26. I feel that all campuses have the same definition of financial clearance



Results

27. I feel that students understand what is needed to be financially cleared



Some Issues to Consider

- Registration holds due to lack of financial clearance have a negative effect on student retention
- Registration holds prevent former students from finishing a degree
- The college has legitimate reasons to withhold services due to non-payment, but there are some issue to consider with caution
- The following slides are “food for thought.” They are *not* official or legal advice for your college. Consult your own leadership and Legal departments for policy guidance

Food for Thought #1 – Transcript Holds

- SUNY and CUNY no longer withhold transcripts
- Each year, about 50 percent of SUNY students graduate from college debt-free. However, other students graduate with an outstanding balance of about \$3,500, on average, and as of 2020 about 19,000 students still owed their SUNY campus. With today's Board action, now those students may receive their transcripts, thereby enabling them to re-enroll in a campus, transfer credits, complete their degrees, and obtain jobs that could help pay down their unpaid balance

SUNY press release – Jan. 25, 2022

Food for Thought #1 – Transcript Holds

- U.S. Education Secretary Miguel Cardona said this month that colleges withholding transcripts from students who owe them money drives inequitable outcomes, marking the first time ever that the nation's top education official has called for changing the widespread practice

GBH Boston – December 21, 2021

Food for Thought #1 – Transcript Holds

- Institutions should remove unnecessary obstacles that prevent students from accessing their transcripts. Withholding transcripts to collect on such things as relatively small unpaid bills and other institutional charges owed by a student puts students in a bind—unable to obtain a transcript to allow them to continue their progress toward a degree or get a job that would allow them to pay off these debts

Joint Statement on the Transfer and Award of Credit - ACE, AACRAO, CHEA,
December 15, 2021

Food for Thought #2 – Transparency

Official publications are readily available and, where appropriate, accurately depict:

- tuition, fees, and other program costs, including any fees associated with verification of student identity related to distance or correspondence education
- opportunities and requirements for financial aid
- policies and procedures for refunding fees and charges to students who withdraw

From SACS Policy Statement – Advertising and Recruiting

Food for Thought #2 – FSA Consumer Information

- A school must annually provide a NOTICE directly to all enrolled students describing the availability of the required consumer information
- **At a minimum, the following information must be published and made readily available to current and prospective students at a school:**
 - The description of all the Federal, State, local, private and institutional student financial assistance programs available to students who enroll at the school;
 - Need-based and non-need-based federal financial aid that is available to students (the school may describe its own financial assistance programs by listing them in general categories);
 - The procedures and forms by which students apply for assistance;
 - The criteria for selecting recipients from the group of eligible applicants;
 - The criteria for determining the amount of a student's award;

Food for Thought #3 – Transparent Waiver Policies

In light of SACS policies, FSA policies on consumer information, an institution will likely want to:

- Provide full transparency on how waiver programs work
- Describe the application and eligibility
- Examples
 - Wayne State University Warrior Way Back Program
 - Alamo Colleges Fresh Start Program
 - CUNY Comeback Program
 - Cleveland State College Project Re-start Debt Forgiveness Program

Food for Thought #4 – Students Who Paid

- In our survey, 86% of schools reported that students who paid tuition could not request a refund if they were otherwise eligible for a balance forgiveness program
- *But ask yourself – does a policy like this treat all students eligible for financial assistance under the same criteria?*
- CUNY Comeback Program – “In order to assist students who paid all or some of their tuition and fee charges out of pocket between the Spring 2020 and Spring 2021 semesters and do not owe any amount to any CUNY college for that period, such students may receive a \$200 grant, on top of any other federal Student Emergency Grant allocation that the student will be entitled to in Fall 2021.”

Food for Thought #5 – Compliance of Payment Plans

- Many schools offer their students the opportunity to finance their post-secondary educational expenses through various types of internal or co-branded programs and products. These programs may include private student loans, payment plans, temporary credits, income-share agreements, and other agreements. The CFPB's supervisory authority extends to these school entities and their affiliates when they originate private education loans.
- Make sure payment plans have all appropriate disclosures

CFPB Education Loan Examination Procedures, January 2022

New Guidance from AACRAO and NACUBO

- The American Association of Collegiate Registrars and Admissions Officers and the National Association of College and University Business Officers issued a joint statement today (April 13, 2022) on the use of holds.
- “Administrative-process holds are designed to motivate a student to complete a task, such as paying a bill, turning in missing documents or meeting other administrative requirements.”
- ”However...An examination of practice reveals institutional policies regarding holds, the reason they are imposed, how the student is notified and the content of that notification—in terms of resolution actions—are often vague and unclear. A resulting hold becomes a stop sign rather than a yield sign.”

New Guidance from AACRAO and NACUBO

- “Institutions should be allowed to use administrative-process holds and student-success holds within the guidelines below. Eliminating the ability to do so may cause harm to students.”
- “Administrative-process holds should not be tied to trivial or minor debt compared to the overall fees already paid to the institution by the student.”

AACRAO and NACUBO – Administrative Holds

- Limit...holds to areas in which the practice has been proved to produce the desired outcome.
- Maintain a process to manage the creation of holds.
- Regularly monitor and review the use of holds.
- Maintain clear, concise, timely and multichannel communication with students about the existence of a hold, including the reason for the hold, the impact of the hold, how to resolve the hold and whom to speak to about the hold.
- Routinely examine the use and impact of holds on students for issues of equity within the student population, the average time to resolution and average unpaid debt, if applicable.
- Allow a student to appeal the inability to register for the subsequent term, if a hold prevents registration

AACRAO and NACUBO – Unpaid Balance Holds

- Administrative-process-hold use should not be tied to trivial or minor debt, compared to the overall fees already paid to the institution by the student.
- Consider establishing a payment-plan option for current students with outstanding balances and allow for the release of an official transcript, as long as the plan is current.
- Maintain a debt-forgiveness program for nominal debts, where allowed by law.
- Allow a student to access an unofficial transcript, even with a hold in place.
- Allow a student to appeal the ability to send an official transcript to another institution to which he or she intends to transfer, or to a prospective employer or professional licensing agency.
- Allow a student to appeal the inability to register for the subsequent term, if a hold prevents registration due to an unpaid debt.

Questions and Discussion



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