Credit Hour Definition

- An amount of work represented in intended learning outcomes and verified by evidence of student achievement that is an institutionally established equivalency that reasonably approximates NOT LESS than—
  - (1) One hour of classroom or direct faculty instruction and a minimum of two hours of out of class student work each week for approximately
    - Fifteen weeks for one semester/trimester hour of credit, or
    - Ten or twelve weeks for one quarter hour of credit, or
    - The equivalent amount of work over different amount of time

- (2) At least an equivalent amount of work for other academic activities as established by the institution including laboratory work, internships, practica, studio work, and other academic work leading to the award of credit hours
  - Discretion to determine in-class and out-of-class components to approximate requirements
  - Regulations create procedures that accrediting agencies must use to determine if an institution’s assignment of a credit hour is acceptable

Clock-to-Credit Hour Conversion

- Is an exception to the credit-hour definition that applies for purposes of the title IV, HEA programs
- Modifies the standards for clock-to-credit-hour conversions
- Modifies when an institution must use clock hours for undergraduate programs
  - Discussed in next section

§ 668.8(k) and (l), p. 66949-66950 (preamble: pp. 66854-66857)
Clock hours and clock to credit conversion

**New Conversion Ratios**

- For those programs subject to the clock to credit hour conversion, the *new conversion* formula provided in regulation is:
  - One semester or trimester credit hour is equal to at least 37.5 clock hours
  - One quarter credit hour is equal to at least 25 clock hours

**New Conversion Ratios - exception**

- **Full Formula Option** - schools that can demonstrate credit hours meet new definition and no accrediting or State deficiencies related to school’s policies for assigning credit hours to programs/courses
  - May combine work outside of the class with the clock hours of instruction to meet ratio requirements but must be at least 30 clock hours of instruction to one semester hour and at least 20 clock hours of instruction to one quarter hour
  - Must base evaluation on individual coursework components of a program, e.g., classroom study versus practica or labs with little outside study

**Two Options**

1.) **Default option:** convert only based on in-class clock hours and ignore any out-of-class work
2.) **Full formula option:** convert based on both in-class clock hours AND out-of-class work to determine the maximum allowable credit hours

   - If rounding, always round down course-by-course
   - If award fractions of credits (3.14, 2.8 etc.) to students (can earn credit fractions), then may use partial credit in program determination

**Clock-to-Credit Hour Conversion Transition Time Frame**

- For students enrolled in programs subject to the conversion as of July 1, 2011, school may choose:
  - To use current regulations until students complete program; OR
  - Apply new regulations for all students enrolled in payment periods or assigned to 2011-2012 and subsequent award years

- For students that enroll or reenroll on or after July 1, 2011, school must use new regulations

**To Be or Not To Be a Clock Hour Program?**

For discussion purposes only
Clock hours and clock to credit conversion

Program Integrity Regulations

“Clock Hour Programs”

- Programs that meet ED’s definition of a clock hour program must use clock hours in ALL facets of administering TIV funds
  - Awarding, disbursing, SAP, R2T4, etc.
- Applies to undergraduate programs
- Applies to non-degree programs and, at for-profit schools, degree programs
  - Only applies to GE programs
- 34 CFR 668.8(k)(2)

Clock Hour Program Definition

- Considered a clock hour program for Title IV if:
  - Must be measured in clock hours for Federal/State approval or licensure;
  - Completing clock hours is a requirement for graduates to apply for licensure or authorization to practice occupation;
  - Credit hours awarded don’t meet credit hour definition;
  - The institution does not provide the clock hours that are the basis for credit hours and does not require attendance in those hours in the case of program that might otherwise qualify for conversion to credit hours

Clock Hour Program Definition

- NOT considered a clock hour program if a limited portion of a program includes a practicum, internship or clinical experience that must include a minimum number of clock hours for Federal or State approval or licensure
- Clock hour programs cannot use clock-to-credit conversion for Title IV purposes

Clock Hour Program Transition

- Students enrolled in programs subject to being a clock hour program as of July 1, 2011, school may:
  - Use current regulations until students complete program; OR
  - Apply new regulations for all students enrolled in payment periods assigned to 2011-2012 and subsequent award years
- For students that enroll or reenroll on or after July 1, 2011, school must use new regulations

Eligible Programs

Proprietary Institution of Higher Education and Postsecondary Vocational Institution

- Programs must provide training that prepares student for gainful employment in a recognized occupation and contain a minimum of:
  - 15 weeks instruction; 600 clock hours, 16 semester, 24 quarter hours
  - 10 weeks of instruction; 300 clock hours, 8 semester, 12 quarter hours
  - Graduate or professional program or admit only students with equivalent of an associate degree
  - 10 weeks instruction; 300-599 clock hours,
  - 70% completion/placement rate; in existence for one year
  - (eligible for Direct Loans only)

For discussion purposes only
Clock hours and clock to credit conversion

**Definition (34 CFR 600.2)**

- Clock hour: a period of time consisting of -
  1. A 50 to 60-minute class, lecture, or recitation in a 60-minute period;
  2. A 50 to 60-minute faculty supervised laboratory, shop training, or internship in a 60-minute period;
  3. Sixty minutes of preparation in a correspondence course

- A clock hour is based on an actual hour of attendance, though each hour may include a 10-minute break.

**Title IV Eligibility**

- For TIV purposes, a program can either be a clock hour program or a credit hour program – not both
- If a program must now be administered in clock hours, but has a few courses taught in credit hours, the school will take the instructional hours (classroom, supervised lab, etc.) associated with each course and incorporate those hours into the clock hour payment periods

**Updating ECAR**

- [www.eligcert.ed.gov](http://www.eligcert.ed.gov)
- Click on "Use the E-App to update information"
- Go to Section A, Question 1 and list why you’re submitting the E-App
- Go to Section E, Questions 26, 27
- Section K question 69 is optional
- Go to Section L for appropriate signatures
  - Work with Atlanta School Participation Team
  - 404-974-9303

**Clock Hour Basics**

**Academic Year Minimums**

<table>
<thead>
<tr>
<th>Academic Progress Measured By</th>
<th>Minimum Completion Requirement*</th>
<th>Minimum Instructional Time Requirement**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Semester hours</td>
<td>24 semester hours</td>
<td>30 weeks</td>
</tr>
<tr>
<td>Trimester hours</td>
<td>24 trimester hours</td>
<td>30 weeks</td>
</tr>
<tr>
<td>Quarter hours</td>
<td>36 quarter hours</td>
<td>30 weeks</td>
</tr>
<tr>
<td>Clock hours</td>
<td>500 clock hours</td>
<td>26 weeks</td>
</tr>
</tbody>
</table>

*Number of hours that a student enrolled full time is expected to complete in a full academic year
**A week is a seven day period in which there is at least one day of instruction or exams

For discussion purposes only
Clock hours and clock to credit conversion

Your School’s Academic Year

• Is the Academic Year defined in your P&P manual?
• You’ll need to revisit the definition so your credit hour programs and your clock hour programs have the required components

Annual/Scheduled Pell Award

• The maximum amount a student would receive during a full academic year for a given enrollment status, EFC, and COA.
• The annual award for a student in a clock-hour program is taken from the full-time payment schedule, even if the student is attending less than full-time.
  Therefore, the annual award will always equal the scheduled award

Payment Periods

• Payment period - smaller periods (measurement of time) used to determine award amounts and timing of disbursements during an academic year
• 2 areas impact payment periods –
  – Academic year definition
  – Length of program (clock hours)

Please note: Calendar time, award year or number of hours a student earns or is expected to earn in a period of time will NOT alter/change payment periods

Payment Periods

Two important points:
1. In a clock hour program, THERE ARE NO TERMS for Title IV
2. In a clock hour program, THERE ARE NO TERMS for Title IV

For discussion purposes only
Clock hours and clock to credit conversion

**Payment Periods**
- For clock-hour programs, the payment period is defined not only in clock hours but also in weeks of instructional time.
- A student must **successfully complete** the clock hours AND weeks of instructional time in a payment period to progress to the next payment period.

**Program of one AY or less**
- The academic year or program is divided into two payment periods
  - **Cannot** have more than 2 PP in an academic year
  - First payment period is the period of time in which a student **successfully completes** half the clock hours, AND half the weeks of instructional time in the program
  - Second payment period is the period of time in which a student successfully completes the remainder of the program

**Payment Periods**
- Program greater than one AY
  - For the remainder of a program that is more than ½ of an AY but less than a full AY
    - Third payment period is ½ of the clock hours and ½ of the weeks of instructional time in that remaining period
    - Fourth payment period is the time necessary to complete the remainder of the program

**Payment Period**
- Examples:
  - 840 clock hour program with 28 weeks of instructional time (AY definition is 900/30)
    - First payment period = 420 clock hrs & 14 wks
    - Second payment period = 420 clock hrs & 14 wks
  - 900 clock hour program with 26 weeks of instructional time (AY definition is 900/26)
    - First payment period = 450 clock hrs & 13 wks
    - Second payment period = 450 clock hrs & 13 wks

**Payment Period**
- Example (AY = 900 hrs/26 wks)
  - Program is 1390 hrs and 40 weeks
    - First AY
      - First payment period is 450 hrs and 13 wks
      - Second payment period is 450 hrs and 13 wks
    - Second AY
      - First payment period is 245 hrs and 7 wks
      - Second payment period is 245 hrs and 7 wks

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Clock hours and clock to credit conversion

**Payment Period**
- **Example** (AY = 900 hrs/26 weeks)
  - Program is 1200 hrs and 34 weeks
    - First AY
      - First payment period is 450 hrs and 13 wks
      - Second payment period is 450 hrs and 13 wks
    - Second AY
      - Single payment period of 300 hrs and 8 wks

**Payment Period Disbursements**
- May disburse first disbursement up to 10 days prior to beginning of 1st payment period
- Subsequent disbursements cannot be made until student has successfully completed the clock hours and weeks in the previous payment period

**Payment Period Disbursements**
- Disbursements must be made by the defined payment period
  - Cannot choose to have more payment periods than the regulation allows
- May release a disbursement for a payment period in multiple installments
  - To best meet the needs of the student
- Cannot delay disbursement until the 60% point in the payment period to avoid R2T4

**Calculating Title IV awards in a Clock Hour Program**

**Pell - Formula 4**
- Five steps in the formula
  1. Determine enrollment status
  2. Calculate Pell COA
  3. Determine annual award
  4. Determine payment periods
  5. Calculate payment for the payment period

**Formula 4 – Step 1**
- Determine Enrollment Status
  - Always use full-time payment chart, but
  - Ask yourself:
    - Is student at least half-time?
    - At schools measuring progress by clock hours, “half-time” is at least 12 hours per week. Note that schools may choose to set higher minimums.
    - If not, then some COA components are removed when calculating Pell COA

For discussion purposes only
Clock hours and clock to credit conversion

**Step 2: Prorating COA**
You multiply the COA by the lesser of two fractions:
- Hours in the program’s defined AY
- Hours to which the costs apply
  - Or
- Weeks in defined AY
- Weeks in the enrollment period

**Step 3: Determine Annual Award**
Which Pell Payment Schedule do I use?

**Step 4: Determine Payment Periods**
Use Payment Period Process discussed earlier
- Program equal to or less than an AY
- Program greater than an AY but remaining portion more than ½ an AY or less than half an AY

**Step 5: Payment Per Payment Period**
Scheduled Award multiplied by the lesser of:
- clock hours in the payment period
- clock hours in program’s academic year
  - OR
- weeks of instructional time in the payment period
- weeks of instructional time in program’s academic year

**Calculating Campus-Based Awards: Clock-Hour Programs**

**What about Campus Based Aid?**
- FSEOG and Perkins
  - Divide the total award by the number of payment periods the student will attend in the AY
  - You still can pay in unequal amounts for unequal costs if desired
  - See FSA Handbook Volume 3, Chapter 7

For discussion purposes only
Clock hours and clock to credit conversion

**What about Campus Based Aid?**

Federal Work Study
- Not disbursed on a payment period basis
- FWS wages are disbursed as work is performed, usually on a weekly or bi-weekly schedule

**Calculating Direct Loans For Clock-Hour Programs**

**What about DL?**
- Clock hour programs must use a BBAY for DL purposes (Borrower Based Academic Year)
- BBAY = the defined AY for Title IV purposes
- BBAYs do not have headers or trailers like a scheduled academic year does

**What about DL?**
- Sometimes there are shorter loan periods
  - If program is less than an AY, the loan period is the length of the program
  - If a program is greater than one AY but less than two AYs then it will have a portion at the end. This is often referred to as the "period that remains"

**Example Loan & Payment Periods**

Program has 1400 hours and 40 weeks with an AY of 900 clock hours and 26 weeks

<table>
<thead>
<tr>
<th>Loan Period 1</th>
<th>Loan Period 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>450 hrs/13 wks</td>
<td>450 hrs/13 wks</td>
</tr>
<tr>
<td>250 hrs/7 wks</td>
<td>250 hrs/7 wks</td>
</tr>
</tbody>
</table>

But if Student had only 400 CL Hrs left when entered 2nd loan period, the loan period would be 400 & the remaining 4 weeks

**Items to Keep in Mind**
- Program eligibility
- Awarding TIV Aid
  - SAP
  - R2T4
- Disbursements
- Transfer students

For discussion purposes only
Clock hours and clock to credit conversion

Clock Hour
Resources and References

- FSA Handbook
  - Volume 3, Chapter 1 (Academic Years and payment periods), Chapter 3 (Pell Formulas and case studies) and Chapter 6 (DL)
  - Volume 5, Chapter 2 (R2T4)
- 10/29/10 – Final Federal Register – Program Integrity Issues
- www.eligcert.ed.gov – EAPP
- Clock Hour School mentors – AASFAA; SASFAA, etc.

Contacts

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  - David Bartnicki – 404-974-9312
  - Michael Roberts – 404-974-9313

- Email – firstname.lastname@ed.gov

Thank You!

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