

# Session #FS9

## Foreign Schools: Basics of Determining Academic Calendars (Standard, Non-Standard, and Non-Term)

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2019 FSA Foreign Schools Training

# Agenda



- Three types of academic calendars
- Academic calendars and Direct Loans
  - Scheduled Academic Year (SAY)
  - Borrower-Based Academic Year (BBAY)
- Standard term considerations
- Nonstandard term considerations
- Nonterm considerations
- Questions

# Academic Calendars And Direct Loans

# Academic Calendars

- Three types of academic calendars
  - Standard term
  - Nonstandard term
  - Nonterm
    - Clock-hour
    - Credit-hour

# Definition of Term

- A term is a period in which all classes are scheduled to begin and end within a set time frame and academic progress is measured in credit-hours
  - Classes do not need to last the entire length of the term
  - Terms can be standard or nonstandard

# Defined Academic Year

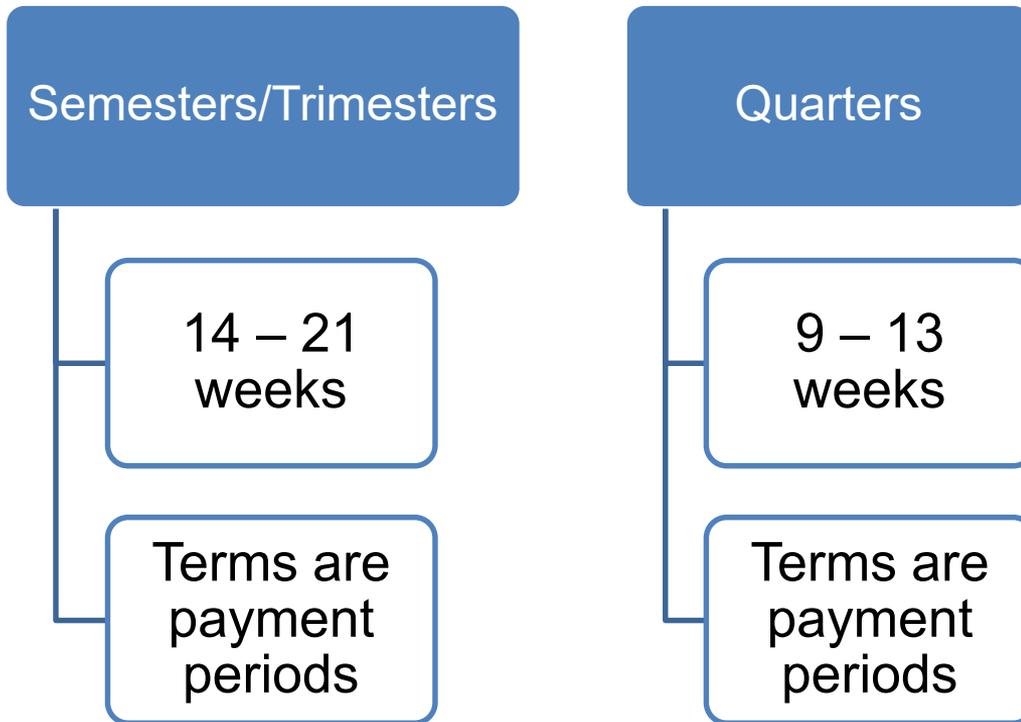
- Every eligible program must have a defined academic year
  - Used to determine student eligibility
  - Defined in writing in policies and procedures
  - Specify weeks of instructional time and credit- or clock-hours
  - Not connected to award year
  - Must be same definition for entire length of program

# Academic Year Minimums

	Minimum number of weeks of instruction	Minimum number of hours
Programs that measure progress in clock-hours	26	900
Programs that measure progress in semester or trimester credit-hours	30	24
Programs that measure progress in quarter credit-hours	30	36

See 34 C.F.R. § 668.3

# Standard Terms



For terms to remain standard, undergraduate full-time enrollment must be minimum of 12 credit-hours

# Nonstandard Terms

## Nonstandard Terms

Nonstandard term programs have terms

Nonstandard terms do not fit the definition of standard terms

May be shorter or longer than standard terms

May be either substantially equal or not substantially equal to each other

# Nonstandard Terms

- May happen due to awarding type of credit not usually associated with that type of term
  - Awarding quarter credits for a 15-week semester term or awarding semester credits for a 10-week quarter term
- For most *Title IV* programs, nonstandard term is payment period
  - Exception in Direct Loan (DL) Program when nonstandard terms are not substantially equal
  - DL Payment periods work exactly as if it were a nonterm program

# Nonterm

All clock-hour programs are nonterm for *Title IV* purposes

Nonterm programs may also be credit-hour

There are no terms to use as payment periods

If program has terms that overlap, it is considered nonterm for *Title IV* purposes

# Nonterm

- Payment periods are determined by student completing half the hours AND half the weeks of instruction in program's defined academic year (AY) for *Title IV*
  - If program is less than one academic year in length
    - Divide into two equal payment periods

# Nonterm

- Payment periods are determined by student completing half the hours AND half the weeks of instruction in program's AY
  - Program longer than one but less than two academic years
    - If remainder (period following the full AY) is half of AY or less, remainder is final payment period
    - If greater than half of AY, remainder is divided into two equal payment periods, using hours AND weeks

# Academic Calendars and Direct Loans

- Academic year is the period of time to which annual loan limit applies
  - Scheduled Academic Year (SAY) or Borrower-Based Academic Year (BBAY)
  - May or may not be same as the defined AY for *Title IV* purposes

# Scheduled Academic Year

- Standard term programs may use SAY
  - EXCEPTION: nonstandard terms that are substantially equal and at least nine weeks (SE9W) may use SAY
- School's schedule or calendar establishes "year" for DL
- SAY includes normal terms that are in the program's defined academic year and also accounts for summer term
  - Summer is categorized as header or trailer
  - Summer is often not part of the defined academic year

# Borrower-Based Academic Year 1

- BBAY1 is for credit-hour programs using 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 scheduled academic year may use BBAY1

## BBAY2 & BBAY3

- BBAY2 must be used for credit-hour programs that do NOT have a scheduled academic year but are using standard terms or SE9W terms
- Nonterm credit- and clock-hour programs must use BBAY3
- Nonstandard term programs must use BBAY3 if
  - Terms are not SE9W *or*
  - Standard terms and nonstandard terms are mixed in same program without a SAY

# Standard Term Considerations

# Considerations for Standard Terms

- Semester, trimester, or quarter
  - May be offered traditionally
    - All courses begin at the start of the term and end at the last day of term
  - May be offered nontraditionally
    - Courses offered consecutively/sequentially within term
    - Compressed coursework (modules, mini-terms, etc.)
    - For Return to *Title IV* (R2T4) purposes, all courses that do not span entire length of term are modules

# Advantages of Standard Terms

- Flexibility with SAY and BBAY1 means schools may
  - Use SAY or BBAY1, or switch between them, as long as an overlap does not exist
- Treatment of summer terms
  - Summer can be treated as standard term (with conditions)
    - Full-time status must be defined as 12 semester or quarter hours in summer to be standard

# Standard Term Considerations

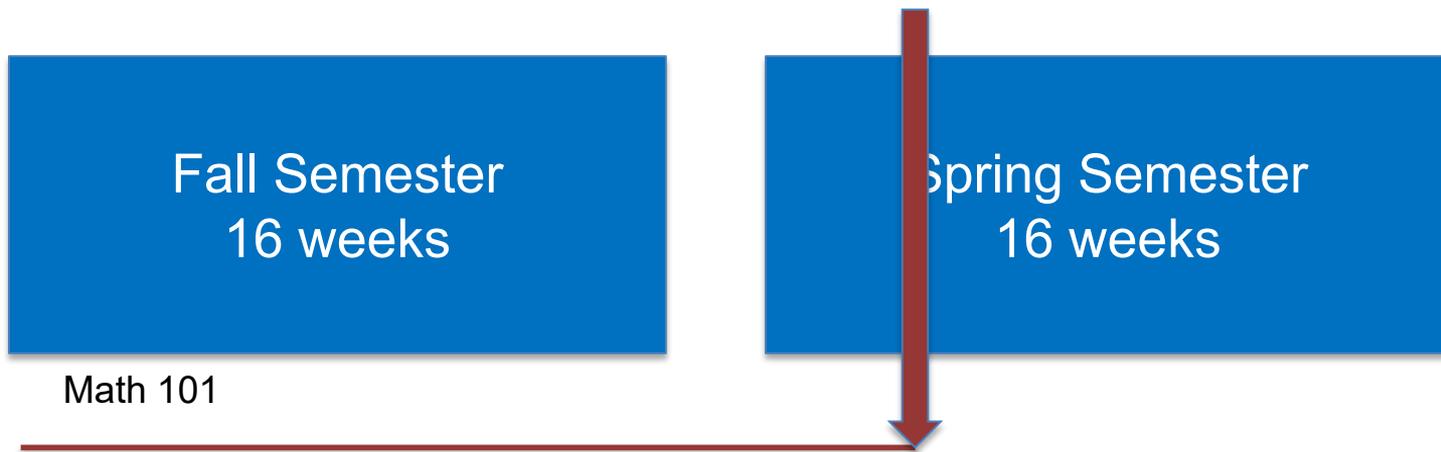
- Consider a class in an academic program that may begin before established start of standard term and/or finish after established end of standard term
  - If the course lasts beyond maximum number of weeks for a standard term, then term becomes nonstandard
    - Standard quarter – longer than 13 weeks
    - Standard semester – longer than 21 weeks
- If courses regularly extend beyond normal term start or end dates, must revise official length of term

# Standard Term Considerations



This overlap of terms means entire program becomes nonterm

# Standard Term Considerations



This means entire program becomes nonterm

# Standard Term Considerations

- Short session between standard terms
  - If school treats as separate payment period
    - Intersession = nonstandard term due to its brevity
    - Entire program of study treated as nonstandard
- School must fund intersession

Fall Semester

Intersession

Spring Semester

# Standard Term Considerations

- Standard terms can remain standard with intersessions if attached to a standard term
  - Does not make standard term nonstandard



# Consortium Agreements – Academic Calendar

- School that awards *Title IV* aid should do so based on its own academic calendar
- Earliest disbursement date is 10 days before the start date at either home or host school
  - Common Origination and Disbursement (COD) limitations may apply

# Consortium Agreements – Academic Calendar

- Program's academic year is not affected if coursework taken at host school overlaps/does not take place in same time frame as home school's normal terms

# Clinical Work and Standard Terms

- Clinical work = standard term calendar until student progresses to part of program involving work outside classroom but still part of program
- Guidance applies to
  - Medically related fields
  - Programs preparing educators

# Clinical Work and Standard Terms

- Likely that clinical work may not coincide with school's standard terms
  - Usually due to clinical work having different calendar controlled by a different entity

# Clinical Work and Standard Terms

- Schools may allow clinical work to be treated as standard term, if ALL of the following apply
  - 1 All students in the program must participate in practicum or clinical experience and its completion is requirement for graduates to apply for licensure or authorization to practice the occupation those students intend to pursue

# Clinical Work and Standard Terms

- Schools may allow clinical work to be treated as standard term, if ALL the following apply
  - 2 School has little or no control over length or start/end dates of practicum or clinical experience. This may be result of constraints imposed by outside licensing bodies, or need to accommodate schedules of entities with which students are being placed (e.g., school districts and hospitals)

# Clinical Work and Standard Terms

- Schools may allow clinical work to be treated as standard term, if ALL the following apply
  - 3 Credit-hours associated with practicum or clinical experience must be associated with term in which most of training occurs, even if starting and ending dates do not exactly align with term dates and/or overlap with another term exists

# Clinical Work and Standard Terms

- If clinical work meets all requirements on the previous three slides, it will not create
  - Nonstandard terms
  - Nonterm calendar even if clinical work is overlapping another term

# Clinical Work and Standard Terms

- Rules to remember for clinical work in this category
  - Policies and Procedures must explain how this aspect of *Title IV* administration is being handled by school
  - Academic year and loan period for DL should be determined using actual training dates and loan should reflect cost of attendance and estimated family contribution for actual training period
  - R2T4 calculations are based on payment period or period of enrollment that reflects actual training dates

# Nonstandard Term Considerations

# Three Types of Nonstandard Terms

Substantially equal and at least nine weeks (SE9W)

Substantially equal (SE)

Not substantially equal (NSE)

Substantially equal means no term is more than two weeks of instructional time longer than any other term in program

# Nonstandard SE9W Terms

## Direct Loan

- May use single-term loan period
- May use SAY or BBAY1 if program has scheduled academic year
  - Student completes academic year when academic year is scheduled to end or BBAY calendar time has elapsed (no completion of weeks/hours requirement)
- If no scheduled academic year, must use BBAY2
- Terms are the payment periods

# Nonstandard Substantially Equal Terms

## Direct Loan

- May not use single-term loan period (unless remainder of program)
- Must use BBAY3
  - Student completes academic year when student has successfully completed weeks and hours in defined *Title IV* academic year
- Terms are the payment periods

# Nonstandard Not Substantially Equal Terms

## Direct Loan

- May not use single-term loan period (unless remainder of program)
- Must use BBAY3
- Student receives 2<sup>nd</sup> disbursement upon successful completion of half of the weeks and hours in loan period
  - Student completes academic year when student has successfully completed weeks and hours in defined *Title IV* academic year

# Nonterm Considerations

# Nonterm Calendar

- Defined academic year plays important role in determining payment periods and award amounts
  - Not the same concept as academic year used for Direct Loan annual loan limits

# Nonterm Calendar

- Defined academic year has two **EQUALLY** important components
  - Weeks of instructional time
  - Hours (clock or credit)
- Statute establishes minimum
- School defines its academic year for each program of study and must meet the minimum

# Payment Periods

- No terms to use for payment periods
- Student's **successful** completion of weeks of instruction and credit or clock hours determine the student's payment periods for *Title IV*
- See 34 C.F.R. § 668.4(c)

# Program Less than a Full Academic Year

Defined AY



26 Weeks and 900 Clock-Hours

Program Length



24 Weeks and 750 Clock-Hours

12 Weeks and  
375 Clock-Hours



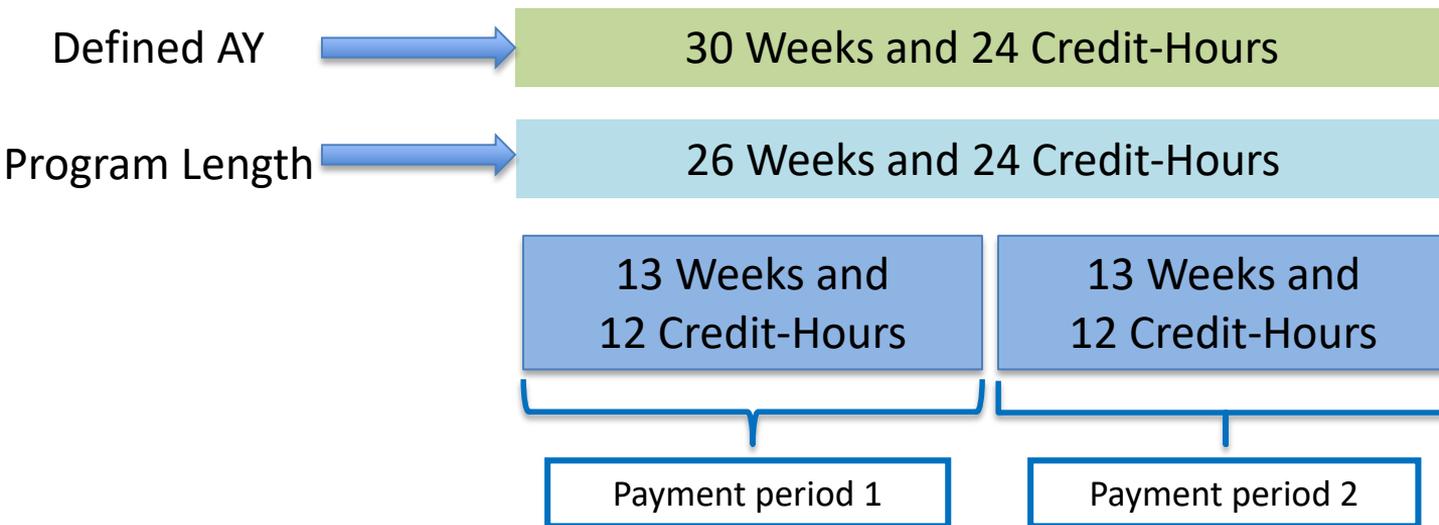
Payment period 1

12 Weeks and  
375 Clock-Hours



Payment period 2

# Program = One or Multiple AYs



# Program = More than 1 AY but Less Than 2 AYs

Defined AY



30 Weeks and 36 Quarter Credits

Program Length



40 Weeks and 50 Quarter Credits

Because remainder is  $\frac{1}{2}$  or less of 1 AY, only 1 payment period is required

15 Weeks and 18 Quarter Credits

15 Weeks and 18 Quarter Credits

10 Weeks and 14 Quarter Credits

Payment period 1

Payment period 2

Final payment period in AY 2\*

AY 1

\*Multiple disbursement rules apply unless exempt

# Program = More than 1 AY but Less Than 2 AYs

Defined AY →

26 Weeks and 900 Clock-Hours

Program Length →

40 Weeks and 1500 Clock-Hours

Because remainder is more than  $\frac{1}{2}$  of AY in BOTH weeks and hours, 2 payment periods are required

13 Weeks and 450  
Clock-Hours

13 Weeks and 450  
Clock-Hours

7 Weeks and 300  
Clock-Hours

7 Weeks and 300  
Clock-Hours

Payment period 1

Payment period 2

Payment period 1

Payment period 2

AY 1

AY 2

# Nonterm Direct Loans

- Must use BBAY3
- Minimum loan period is lesser of
  - Length of program
  - BBAY
  - Remaining portion of program
  - No “single term” loans
- Payment periods driven by student’s successful completion of both weeks and hours

# Resources

- Standard Term Definitions – Electronic Announcement November 5, 2019
  - <https://ifap.ed.gov/eannouncements/110519RevisionGuidelinesApplicableStandardTerms.html>
- Academic year, SAY and BBAY - *Federal Student Aid Handbook*, Volume 3, Chapter 5
  - <https://ifap.ed.gov/fsahandbook/attachments/1920FSAHbkVol3Ch5.pdf>

# QUESTIONS

# Contact Information

To contact the Department with follow-up questions about this session:

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