



Improving Financial Literacy & Collections at your Campus

Thursday, April 25th, 2024





- This webinar is part of our monthly webinar series to bring programming of interest to our members.
- The webinar is eligible for CPE. If you are interested in receiving CPE credit for this webinar, please e-mail me (Marty Mickey) at mmickey@nl.edu now. During the webinar, there will be four check-in questions for you to answer. **In order to receive CPE, you must answer three of these questions.**
- Copies of the slides for this presentation and a recording of the webinar will be available on the CACUBO website in a couple of days.
- We will send out a survey afterwards to solicit thoughts and topics for future webinars. If you would be willing to present in a future webinar, please e-mail me at mmickey@nl.edu.
- Save space on your calendars for the **2024 CACUBO Annual Conference** which is September 29-October 1 in Indianapolis. Great networking and CPE opportunities. Also, our Accounting and Business Operations Workshop in Des Moines is scheduled for May 5-8. Go to the CACUBO website to register - <https://www.cacubo.org/events>.

Your Presenters



Derrick Shy

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University of Dayton



Tim Riley

Assistant Controller and
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Unique Perspectives



GradGuard

- Helps nearly 560 schools educate and protect their students from the risks of college life.
- #1 provider of college renters and tuition insurance in the United States
- Since 2009, has protected more than 1.3 million students at more than 1,800 unique institutions.



**University
of Dayton**

University of Dayton

- Dayton, OH
- Private University
- 8400 undergraduate students and 3200 graduate students



Purdue University

- West Lafayette, IN
- Public University
- 40,000 undergraduate students and 12,000 graduate students.



Why is Mental Health Important to Finance and Risk Management Leaders?



Enrollment decline has led to a loss of almost 1.3M students since spring 2021

National Student Clearinghouse Research Center, May 2022



73% of presidents indicated student mental health is **the most pressing issue**

ACE Fall 2021 November Pulse Point Survey



Most adults 18-24 who have **never** enrolled in post-secondary education cite **emotional stress** (77%) and **personal mental health** (73%) as reasons why

Lumina-Gallup Poll 2022



Emotional stress is the most common reason for withdrawal. 69% of bachelor's degree students have considered dropping because of emotional stress. 59% for personal mental health reasons.

Lumina-Gallup Poll 2022

Big & Growing Problem

\$410 billion annually is invested in a college education.

Second largest investment for families after their mortgage

80% of student loans that default are from students who didn't graduate.



4 in 10 students do not complete their degrees.

CPE Question #1

Do you believe your institution has sufficient resources in place to support the mental health needs of students on your campus?

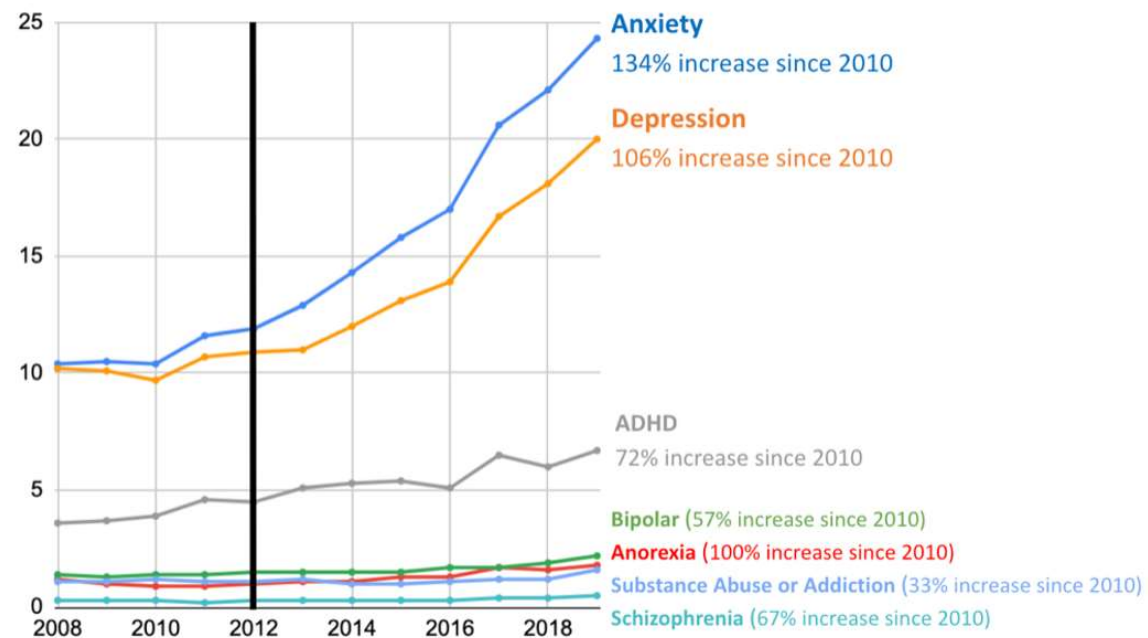
- A) Yes - we address these head-on
- B) No - our institution is lacking in adequate resources
- C) We're trying our best but with limited resources we can always use some additional tools in our tool kit



Undergraduate Students Diagnosed with a Mental Health Condition

Schools are serving students with **more diverse health conditions** than ever before.

The **growth in student withdrawals** due to medical conditions should not be a surprise.



ACHA 2019, National College Health Assessment. Study 1.1.17, p. 36 of the Collaborative Review

No Degree + Debt = Worst Case Scenario

**113,000
COLLEGE STUDENTS
WITHDREW IN 2021.**

- For schools, setting these students up to eventually return is **critical**
- Think differently about hiring **more** counselors and clinicians
- Enabling students to take time **away** from school when they need it
- Sometimes students are **better** off leaving
- Encouraging them to **return** when they are well matters



New regulations prevent schools from withholding transcripts.



Starting in July 2024, **schools will no longer be able to withhold transcripts** from students who have an outstanding account balance whom received Title IV funds during a given period/term or resulting from an institutional error.

In California, **schools will no longer able to sell-student debt** to third party collectors (pending state Senate approval, passed by Assembly)

74653 of the *Federal Register* notice October 31, 2023. Page 86 - 34 CFR 668.14(b)

Compliance with the Higher Education Act Is More Important Than Ever

Transparency Required Under Title IV

According to the Higher Education Act, all schools must “make the following available” to all prospective and enrolled students:

- **The institution’s refund policy.**
- **Requirements and procedures for official withdrawal.**
- **Requirements for return of Title IV, HEA grant or loan aid.**

Relevant regulations: HES Sec. 4485(a)(1)-(2) (20 U.S.C. 1092(a)(1)-(2)). Not change by HEOA. 34 CFR 668.41(a)-(d). 34 CFR 668.43

Providing “Notice” is Prudent

A passive statement that is distributed to all students may not be sufficient “notice” for students and their families who are making such a large investment.

For required disclosures, institutions must distribute a form of “notice” each year to all enrolled students, which a) must list and briefly describe the information the school is required to disclose and b) tell the student how to obtain the information.

- “Notice” means a 1:1 communication.
- Schools that post the information on an internet website or intranet website must also include the exact electronic address where the information is posted in the notice.
- State in the notice that a paper copy of the information will be made available upon request.
- The information required by this section shall be produced and be made readily available upon request, through appropriate publications, mailings, and electronic media, to an enrolled student and to any prospective student

CPE Question #2

How confident do you feel that your institution has provided sufficient “notice” of your institution’s refund policy to all enrolled students, according to the Higher Education Act?

- A) Very confident
- B) Confident
- C) I cannot say with confidence either way
- D) Not confident
- E) We do not disclose our policy in any way



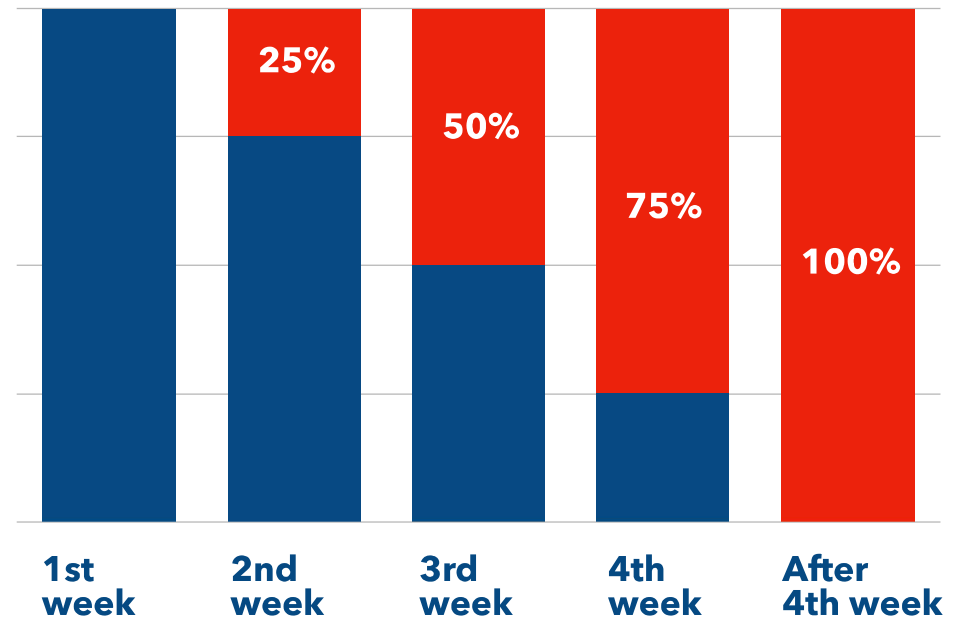
Refund Policies & Schedules

Most schools follow the return of federal student aid formula which means that after the 4th week, as an example, the student and family is responsible for 100% of costs incurred.

6%

of schools surveyed provide 100% refunds of tuition and fees to students who completed a medical withdrawal, down from 23% in 2015.

Family Tuition Cost Responsibility



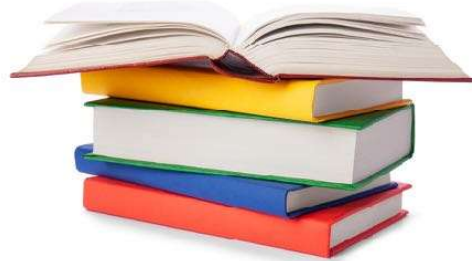
Voluntary Tuition Protection - What is it?

Tuition Insurance reimburses institutions and families when they are forced to leave unexpectedly and balances result of an institution's refund policy and schedule



Tuition

The cost of enrollment



Other Non-Refundable Fees

This includes any other expenses aside from tuition and room and board. These may include but are not limited to books, supplies, instructional materials, and lab or activity fees.



On and Off-Campus Housing

On-campus housing includes any expenses incurred for school-provided housing during the covered term, as shown on the insured student's school invoice. This does not include security deposits.

Off-Campus Housing expenses include early termination fees associated with vacating housing and terminating utility contracts during the covered term. This does not include security deposits.

Benefits of Tuition Protection



Institutions

Increased transparency with policies

Lower receivables and balances due

Impacts retention by increasing likelihood that students return



Students and Families

Increased confidence in the investment they are making on campus

Better educated about Institutional policies

Assured that they can continue on with studies even when the unexpected happens and they need to take a leave away from campus

CPE Question #3

Do you believe that in addition to traditional “financial literacy”, that has been historically provided by Financial Aid or the the Bursar/Student Accounts office, that other departments on campus also have a responsibility to include financial literacy into their processes and programs?

- A) I agree and it can complement other efforts on campus
- B) I disagree - current programs in place are sufficient




What We Believe

Each student deserves to know the risks and have the opportunity to protect their investment in college.

- Helping students and families overcome negative events that may cost them money requires a focus on the unique risks that impact college life.
- Colleges and universities teach responsibility and financial literacy by introducing GradGuard to their students and families.
- Integrating within digital processes is the most sustainable and reliable way to verify that each student has been given the opportunity to make an active-choice to protect themselves from financial loss.





Nearly 75% of students whom GradGuard has paid claims to either return to school, or plan to return.*

GradGuard's Tuition Protection Plan provides a "do over" to students, helping them to return to school when they are in good health.

** Study based on a June 2023 survey of GradGuard members with paid claims.*



School Perspectives

School Perspectives

Before Implementing a Tuition Insurance Solution:

- What challenges were you trying to solve on your campus?
- What did your financial appeals process look like?
- How did you handle the subjectivity associated with the financial appeals process?
- What types of questions or objections did campus partners have when evaluating whether a tuition insurance solution is the right fit?



School Perspectives

After Implementing a Tuition Insurance Solution:

- Were any of the concerns you had in the evaluation stage realized?
- How has your financial appeals process changed or been improved?
- Have you seen a reduction in staff time/ resources dedicated to financial appeals decisions?



Session Take Aways & Insights



What is something attendees can do today to to **ensure they comply under Title IV federal disclosure regulations** as it relates to their refund policies?



What types of questions should SFS staff be asking themselves (or campus partners) to **determine if a tech-enabled tuition insurance option is the right fit** for their campus?



What are some questions that a school should ask to **determine if a outside partner will align** with their institutional mission and values?

CPE Question #4

Does your institution track if students re-enroll after a medical leave of absence?

- A) Yes
- B) No
- C) I'm not sure if my institution does or not





Questions?





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