



TO HOLD OR NOT TO HOLD?: PART 2 THAT IS THE QUESTION

**Institutional Plans and AACRAO Guidance on the Use of
Partial-Transcript Holds**

**In response to Changes to the Code of Federal Regulations
at 668.14(b)**

**AACRAO Webinar
May 29, 2024**



Presenters

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Ithaka S+R

Ithaka S+R's strategic advice and support services help institutions improve their performance and further their missions. We generate action-oriented research for institutional decision-making and act as a hub to promote and guide collaboration across the communities we serve. With our partners, we design and evaluate projects that make higher education, scholarly communication, and cultural collections more accessible to diverse populations.



To hold, or not to hold: that is the question. Whether 'tis fairer to the student to free their earned academic record from fiscal chains,
Or to the institution's financial health give heed, And by some middle path, serve both? To ponder, to plan.

Claude AI response to a prompt to apply the "To be or not to be" quote to the issue of transcript holds and unpaid balances.

OBJECTIVES

- Share AACRAO's interpretation of the Dear Colleague letter from the Department of Education
- Share a benchmark of institutional perceptions and process plans related to the regulation
- Share AACRAO's new guidance on the use of partial-transcript holds
- Share the specific plans of Wharton County Junior College and how they came to the decisions they made.
- Q&A



REGULATORY LANGUAGE

CFR 668.14 (b) (33 & 34)

668.14(b)(33) To provide that an institution may not withhold official transcripts or take any other negative action against a student related to a balance owed by the student that resulted from an error in the institution's administration of the title IV, HEA programs, or any fraud or misconduct by the institution or its personnel;

668.14(b)(34) To require an institution to provide an official transcript that includes all the credit or clock hours for payment periods in which 1) the student received title IV, HEA funds; and (2) all institutional charges were paid, or included in an agreement to pay, at the time the request is made.



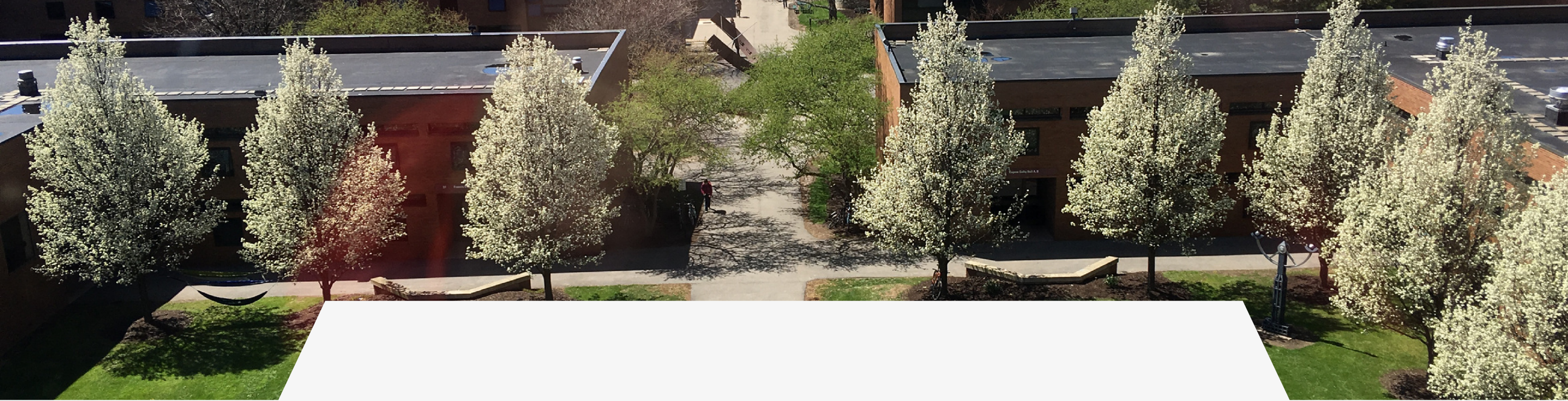
RETROACTIVE & ENFORCEMENT

The regulation go into effect, July 1, 2024

However, in a Dear Colleague letter from the Department of Education on May 16, 2024, institutions were informed that the regulations is retroactive and applies to all students beginning July 1, 2024, even if the balance owed is from payment periods prior to that date.

In addition, the Department will enforce these requirements through audits and program reviews, and institutions have the right to appeal determinations of non-compliance.





OH BRAVE NEW WORLD, THAT HAS SUCH REGULATIONS IN IT

Institutional Perceptions of the Regulation

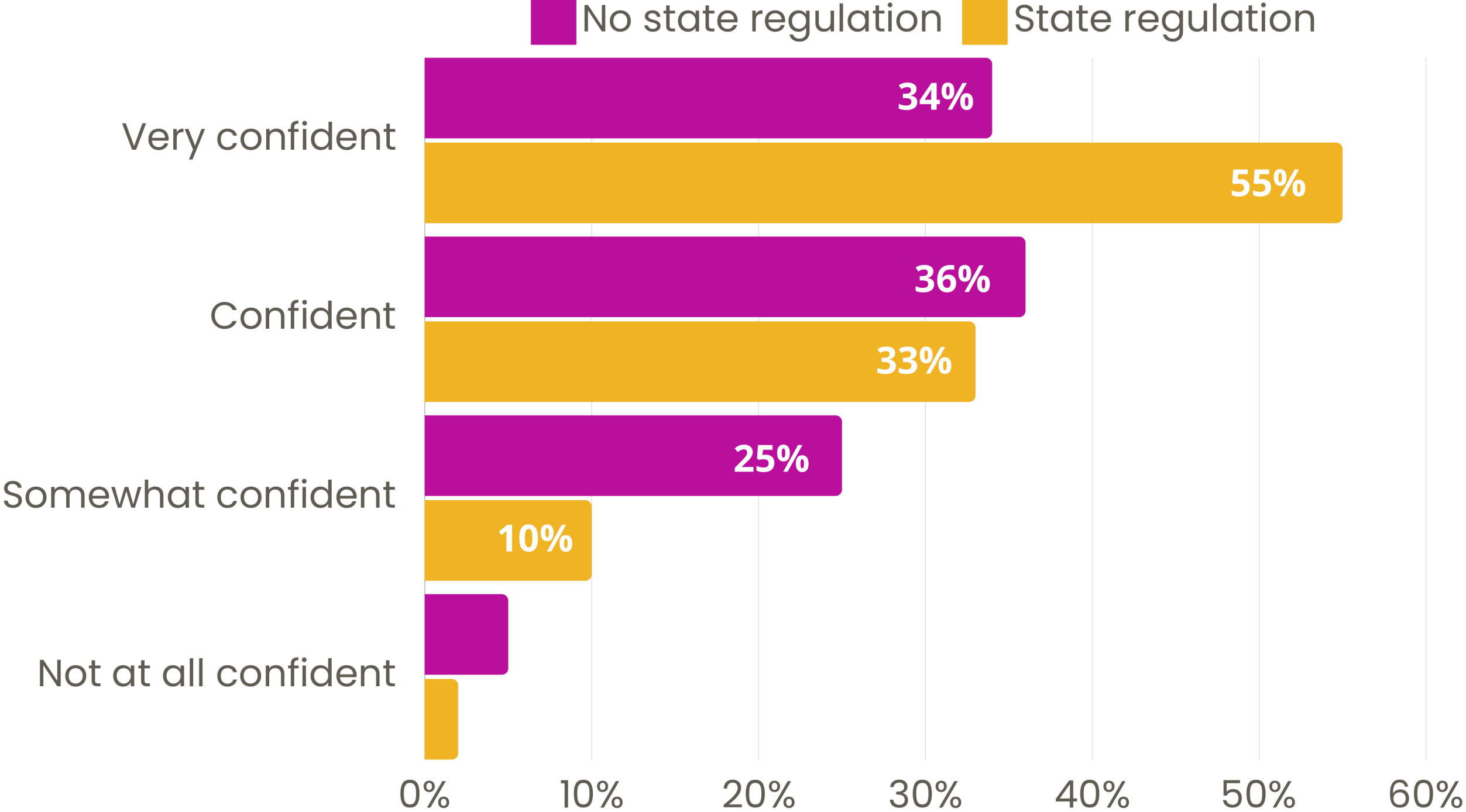
- Adapted from The Tempest (Act 5, Scene 1)

A vertical image on the left side of the slide shows the silhouettes of several hands in a meeting or discussion. One hand is pointing upwards, another is pointing to the right, and a third is holding a pen over a notepad. The background is a blurred indoor setting with warm lighting. A blue horizontal bar is at the top left, and a green horizontal bar is at the bottom right.

RESPONDENTS

- 2 branches to the survey
- Covering only one today – the branch aimed at institutions without current state regulations limiting the use of transcript holds
 - 326 respondents
- Most of the remaining data about the impact of these regulations on institutions will be presented in a separate webinar.
 - Some data will be included here because it directly pertains to institutional plans related to the new federal regulation
 - 172 respondents
- Not everyone knew the answer to the question posed so the sample size is different for each question.

Respondent's Confidence in the Institution's Ability to Remain Compliant with the New Federal Regulation (combined)



PERCEIVED OVERALL IMPACT OF THE FEDERAL REGULATION AT INSTITUTIONS WHERE NO STATE REGULATION CURRENTLY EXISTS

1 FINANCIAL IMPLICATIONS

Anticipate an increase in unpaid balances, bad debt, and a reduction in revenue as a result of the inability to withhold transcripts as leverage for collecting outstanding balances.

2 INCREASED ADMINISTRATIVE BURDEN

Concerns about the additional workload and administrative burden that the regulation will impose on their institutions.

This includes the need to update policies, procedures, and systems to comply with the regulation, as well as the potential challenges associated with processing partial transcripts and determining which courses were paid for by federal funds.

*These potential impacts are presented in no particular order

PERCEIVED OVERALL IMPACT OF THE FEDERAL REGULATION AT INSTITUTIONS WHERE NO STATE REGULATION CURRENTLY EXISTS

3

ENROLLMENT AND RETENTION CHALLENGES

Concerns that the regulation might lead to enrollment and retention challenges.

Anticipate that students may be more likely to transfer to another institution without resolving their outstanding balances, leading to a loss of enrollment and potential impact on the institution's financial stability.

4

CHANGES IN COLLECTION PRACTICES

Institutions may need to modify their collection practices in response to the regulation.

Some respondents suggested that this could lead to more aggressive collection efforts, such as sending students to collection agencies earlier, which could negatively impact students' credit scores and financial well-being.

PERCEIVED OVERALL IMPACT OF THE FEDERAL REGULATION AT INSTITUTIONS WHERE NO STATE REGULATION CURRENTLY EXISTS

5

CONFUSION AND FRUSTRATION

The regulation might lead to confusion and frustration among students, staff, and other institutions.

This could be due to the complexities associated with partial transcripts, the lack of clarity in the regulation's language, and the potential for misinterpretation of academic records.

6

IMPACT ON STUDENT FINANCIAL RESPONSIBILITIES

Some respondents believe that the regulation may have a negative impact on students' sense of financial responsibility.

Without the consequences associated with transcript holds, students may be less motivated to pay their outstanding balances, potentially leading to increased debt and financial challenges in the future.

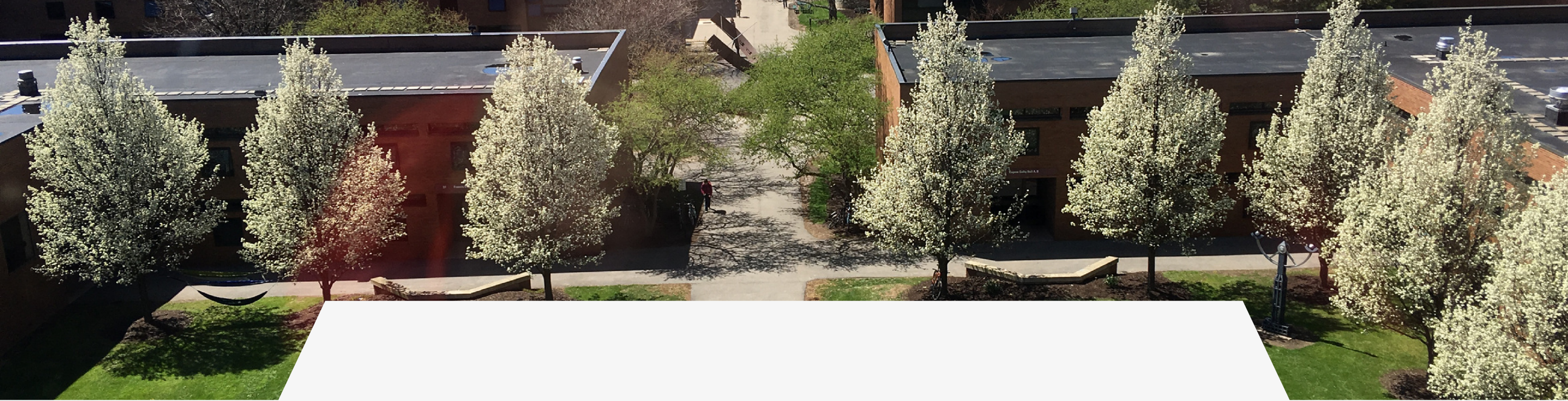
PERCEIVED OVERALL IMPACT OF THE FEDERAL REGULATION AT INSTITUTIONS WHERE NO STATE REGULATION CURRENTLY EXISTS



MINIMAL TO NO IMPACT

A few respondents indicated that the regulation would have minimal or no impact on their institution.

This may be due to existing policies that already allow for the release of transcripts in certain circumstances, such as for employment purposes, or because the institution has a small number of former learners with outstanding balances.



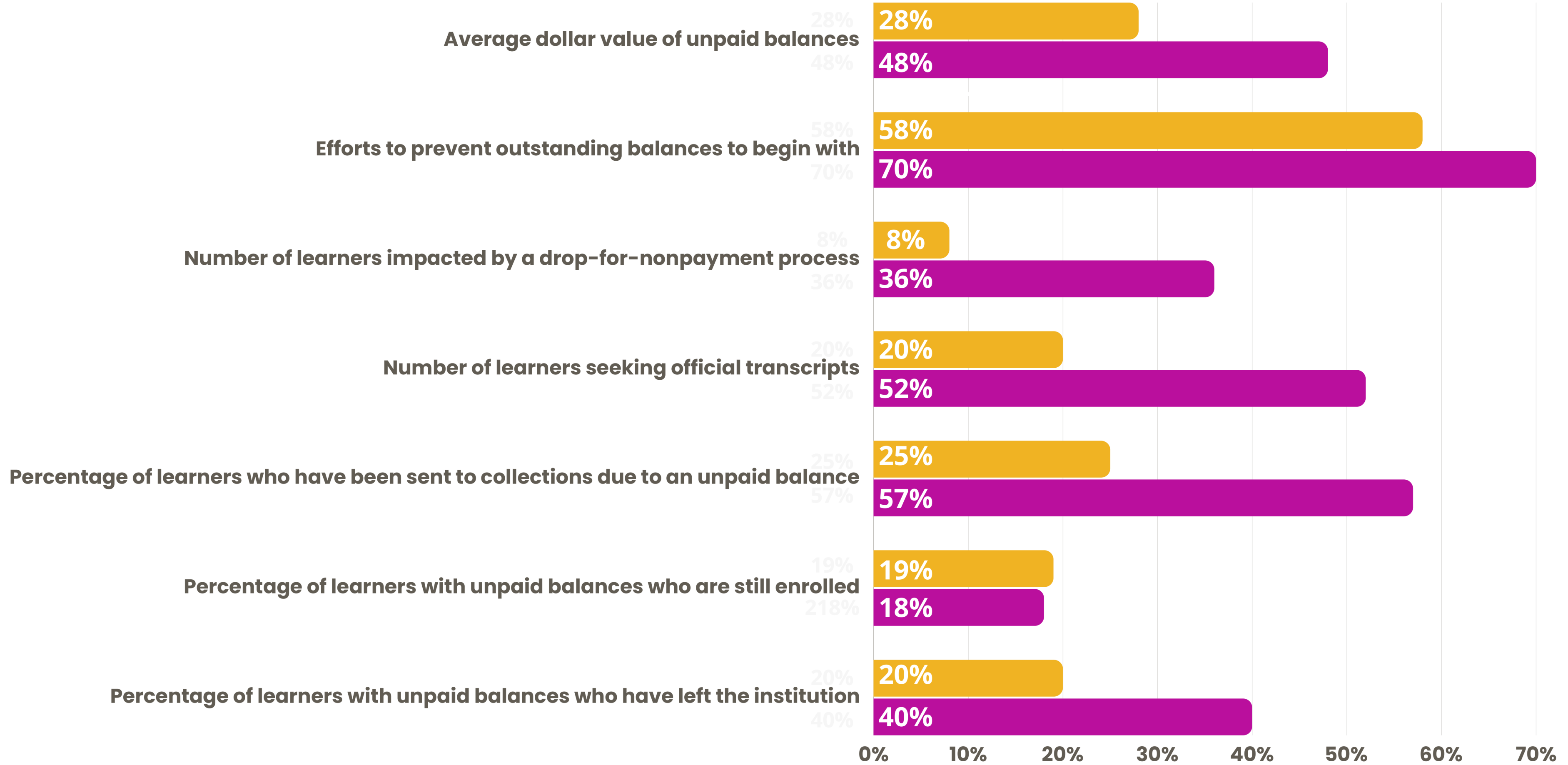
**WE KNOW WHAT WE ARE, BUT
KNOW NOT WHAT WE MAY BE**

-- Hamlet

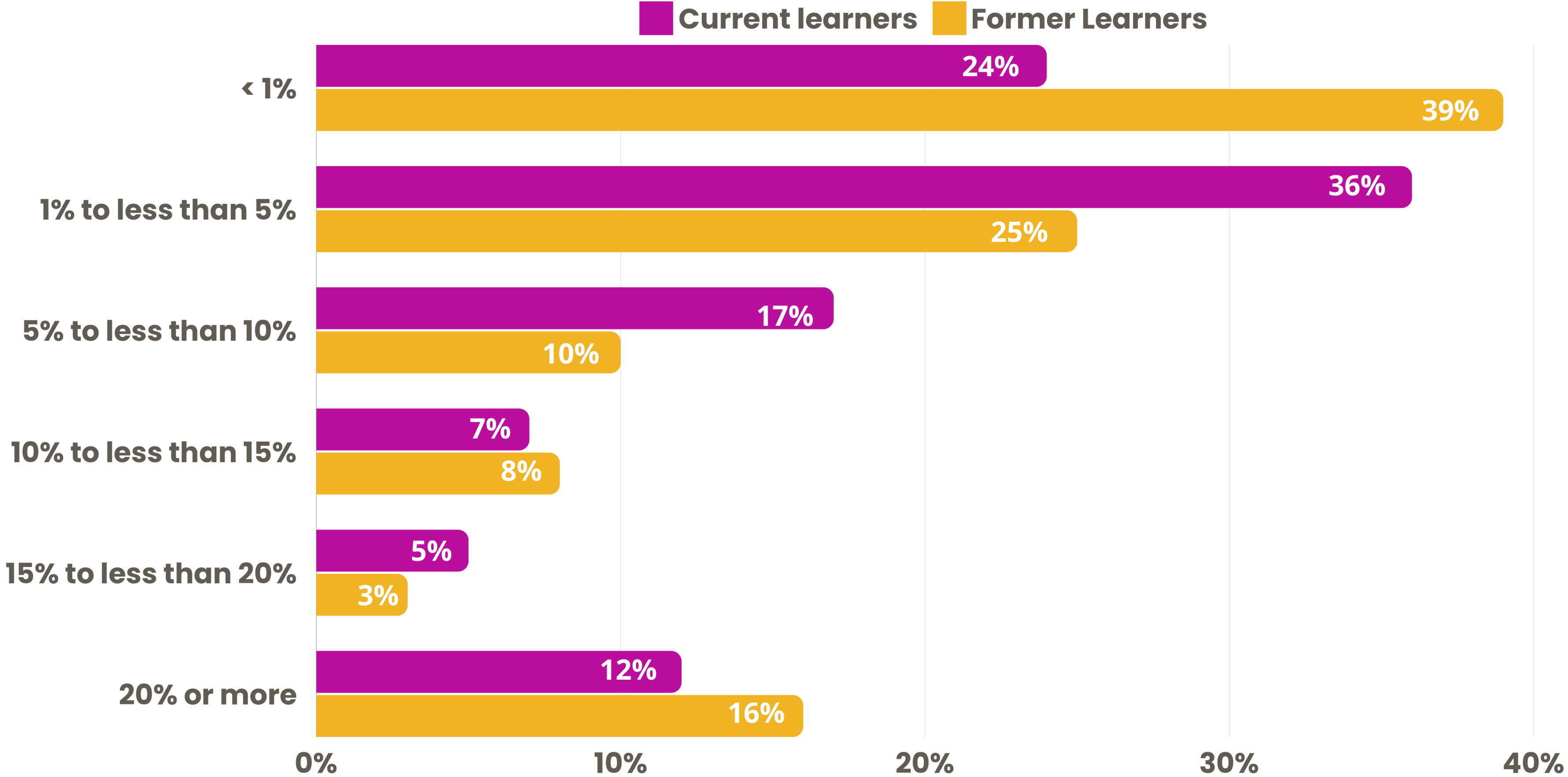
**Anticipated Increases in Key-Learner and Accounts-
Receivable Metrics**

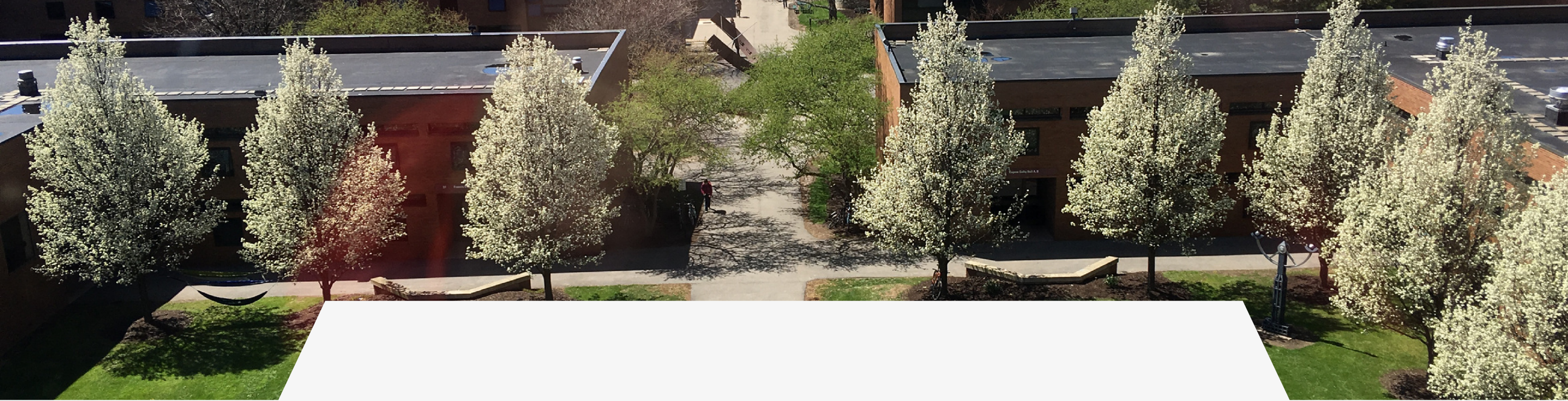
Realized and Anticipated Increases in Key Metrics (Combined)

Realized changes (states with ban)
Anticipated changes (no state ban)



Anticipated Change in Percentage of Current and Former Learners Who Will Have Access to An Official Transcript



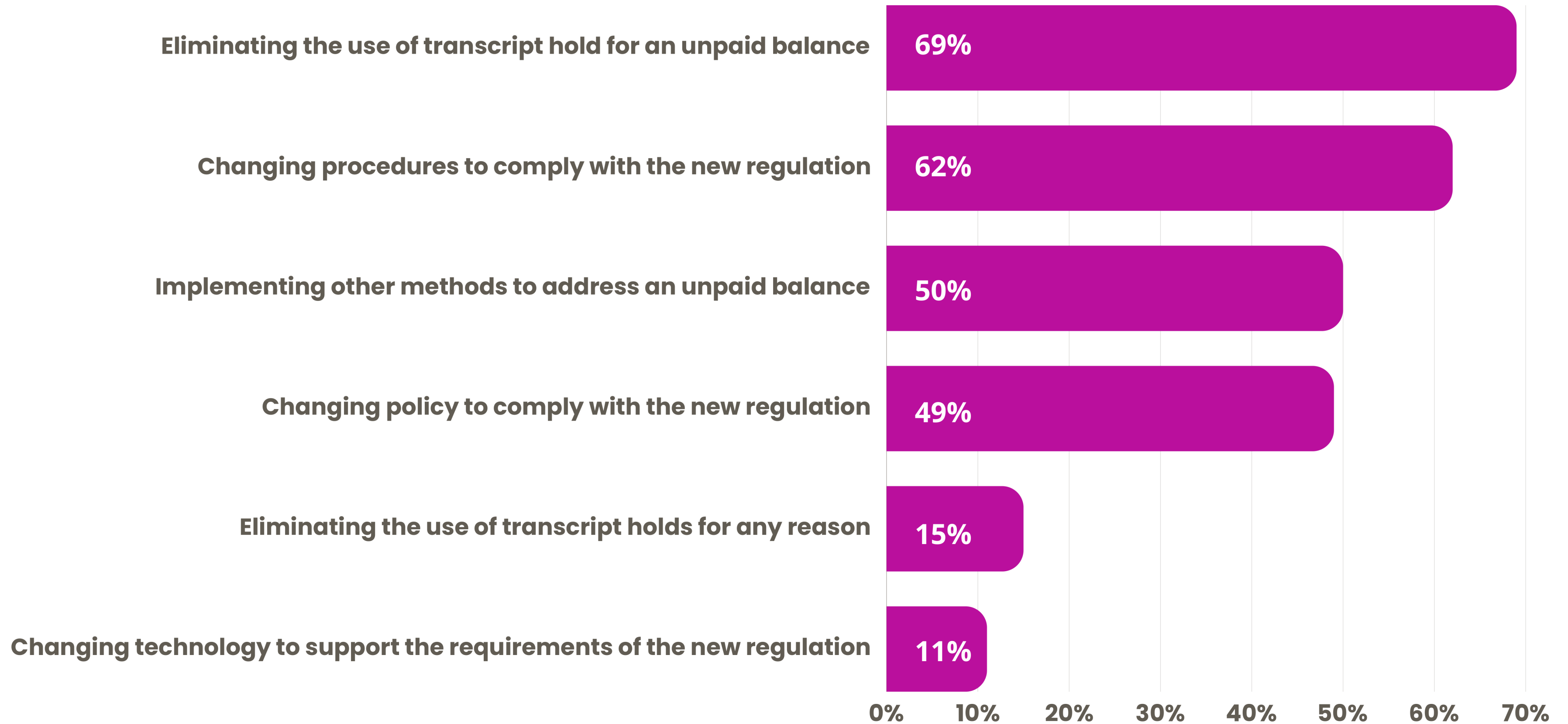


STRONG REASONS MAKE STRONG

ACTIONS -- King John

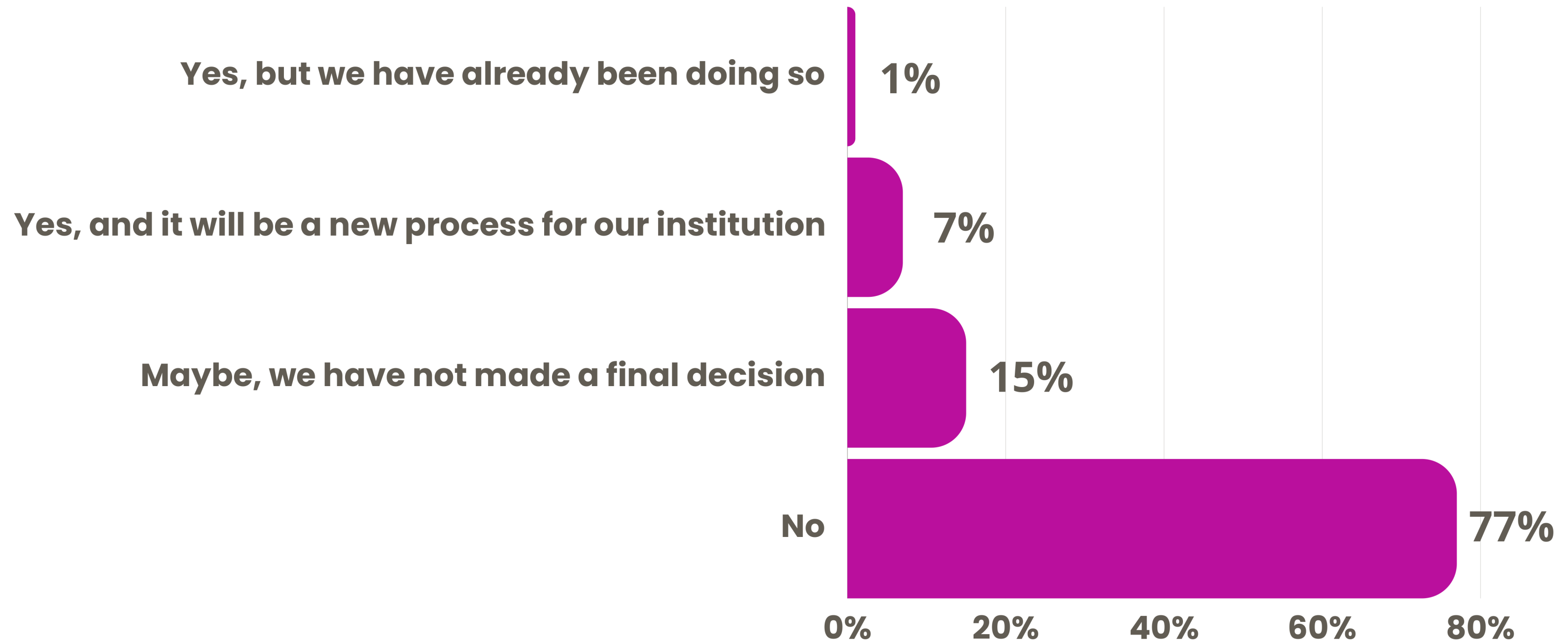
**Institutional Preparations and Plans to Address the
Regulation**

Top 6 Institutional Preparations for Change in Federal Regulation



Plans to Use Partial-Transcript Holds*

(combined data)



Subsequent to this survey, the term “partial transcripts” was found to cause concern about the practice. The term we are using in the guidance is “partial-transcript hold” which is more accurately descriptive of the practice.

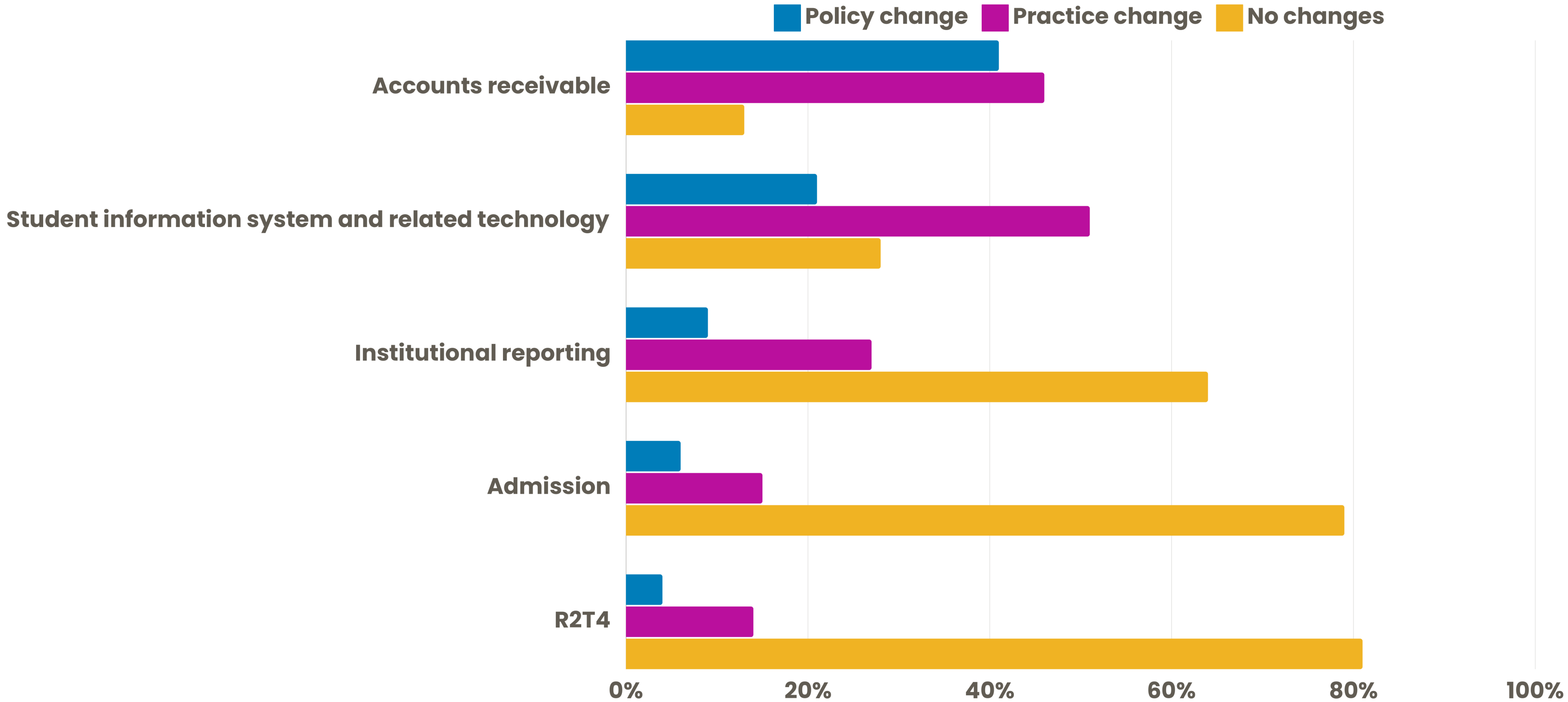
What Do These Data Mean Compared to the Total Number of Institutions?

The sample size is representative of degree-granting institutions with first-year undergraduates in the United States (2021–2022 NCES 3,542)

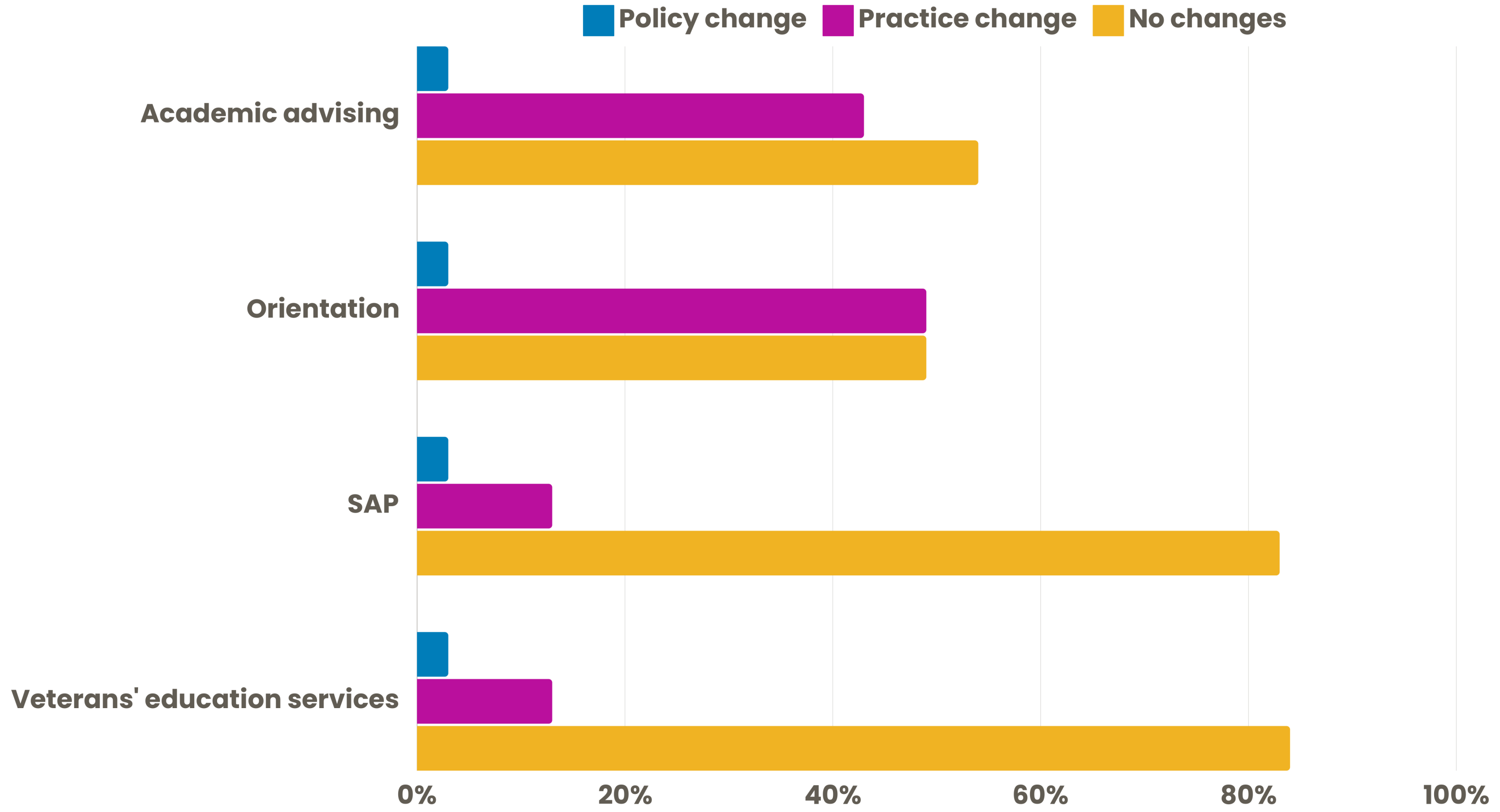
Extrapolating the data from the survey may mean the following

- 35 institutions are already using partial-transcript holds
- 274 planning on doing so in response to the federal regulation
- 529 still considering the option

Other Policy and/or Practice Changes in Response to New Regulation (part 1)



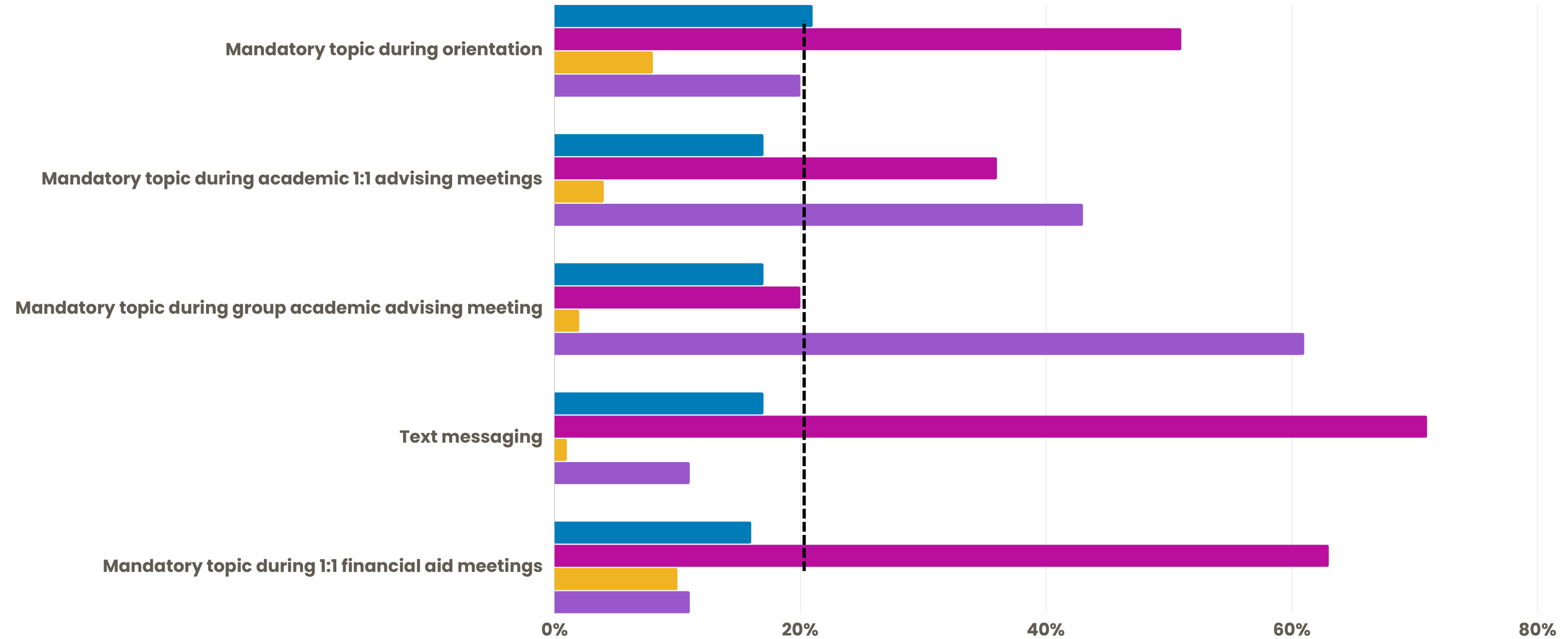
Other Policy and/or Practice Changes in Response to New Regulation (part 2)



Top 10 New Efforts to Prevent and Unpaid Balance (part 1)

■ Implementing/planning now ■ In place now, and will remain in place

■ In place now but will have to change to comply with the new regulation ■ Never used and won't be used



Top 10 New Efforts to Prevent and Unpaid Balance (part 2)



Automatically dropping students for non-payment



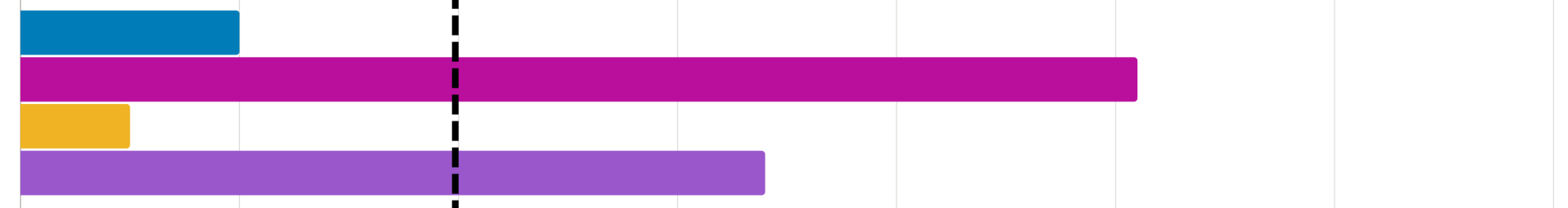
Conversations with learners during unrelated one-on-one engagements with staff



Other measure(s) not listed



Ensuring a funding package meets the full needs of the learner



Provide learners with emergency grants to avoid unpaid balances



Note: Scale change on the X-Axis from the previous slide. The dotted line sits at 20%.

0% 10% 20% 30% 40% 50% 60% 70%

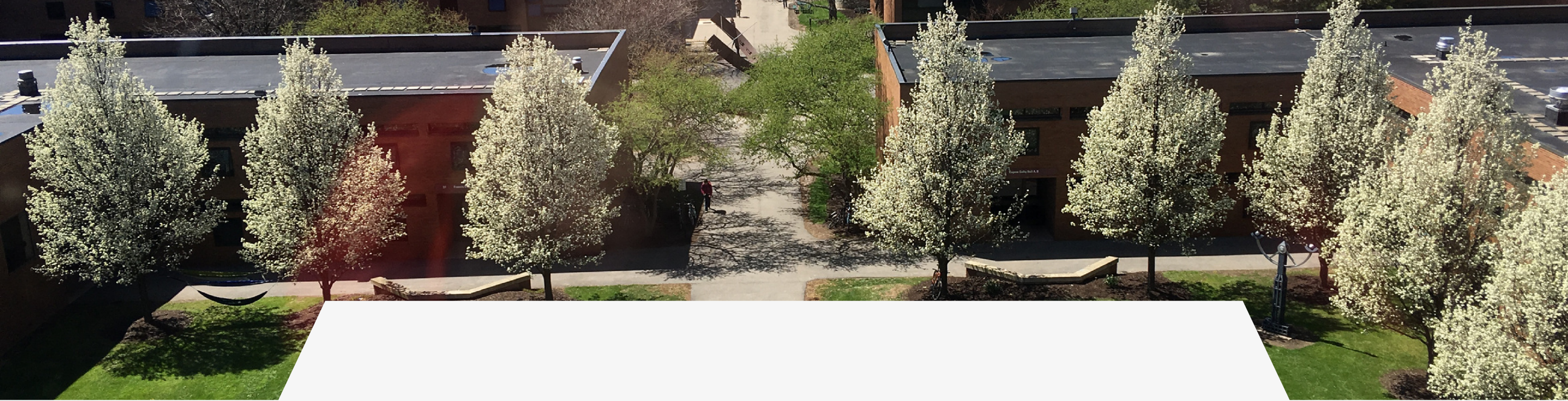
RELATED DATA

AACRAO found that most unpaid balance related holds are resolved within the term in which they are placed.

In our 14-institution, 2-academic-year sample an average of 3.5% of learners enrolled over the course of the 2-academic years had unresolved debt.

Stop! Do Not Pass Go! Institutional Practices Impeding Undergraduate Student Advancement:
Part 1 and Exploratory Study





THE BETTER PART OF VALOR IS DISCRETION -- Henry IV

Institutional Concerns about Incomplete Transcripts

CONCERNS ABOUT RECEIVING TRANSCRIPTS WITH MISSING INFORMATION

1 INCOMPLETE
ACADEMIC RECORD

3 TRANSFER CREDIT
EVALUATION

2 ADMISSIONS
DECISIONS

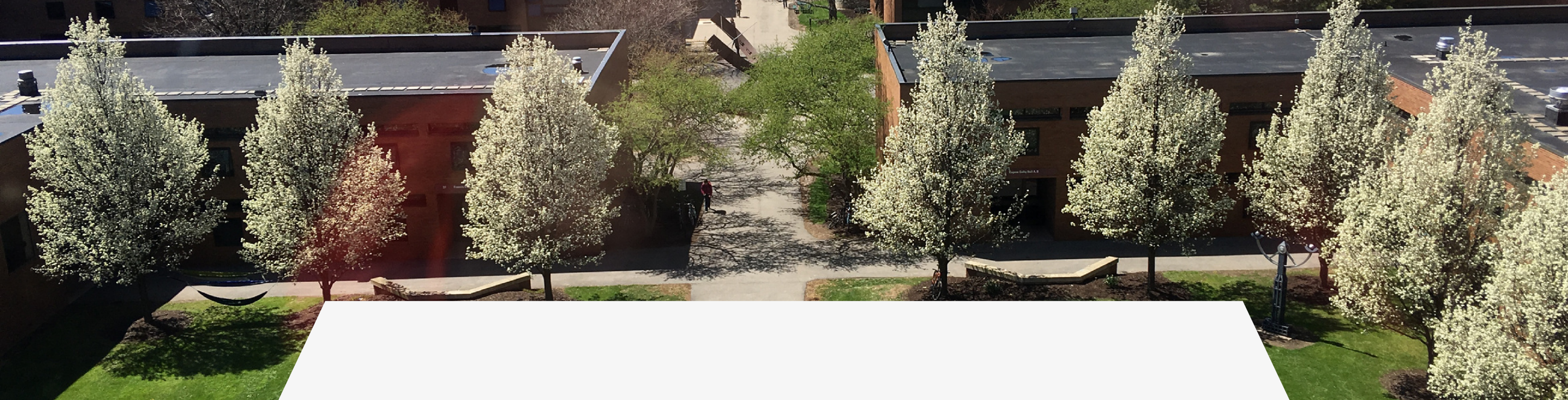
4 FINANCIAL AID AND
ATHLETIC ELIGIBILITY

CONCERNS ABOUT RECEIVING TRANSCRIPTS WITH MISSING INFORMATION

5 INCREASED
WORKLOAD AND
CONFUSION

7 POTENTIAL FOR ABUSE
AND
MISREPRESENTATION

6 LACK OF CROSS-
INSTITUTIONAL
STANDARDS IN
PRACTICE



**LET US ONCE LOSE OUR OATHS TO FIND
OURSELVES, OR ELSE WE LOSE OURSELVES TO
KEEP OUR OATHS** -- Love's Labour's Lost

AACRAO Interpretation of the Regulation and Guidance

DEFINITIONS

PARTIAL-TRANSCRIPT HOLDS VS. PARTIAL TRANSCRIPTS

Partial-transcript holds refer to the practice of suppressing certain information from a learner's transcript, such as:

- Final grades for a specific term
- An earned credential
- The entire content of a term, including course subject, course number, course title, and final grades



DEFINITIONS

PARTIAL-TRANSCRIPT HOLDS VS. PARTIAL TRANSCRIPTS

Partial transcripts, on the other hand, refer to an institution's practice of allowing a learner to release only a portion of their academic history. For example:

- A learner who has both graduate and undergraduate academic history at an institution may choose to release only their undergraduate history or only their graduate history.



ENTIRE-TRANSCRIPT HOLDS MAY NOT BE USED FOR

Either

Title IV recipients for a payment period with a balance AND for which they have a payment plan in place and in good standing at the time of the transcript request

Or

Title IV recipients with a balance owed by the student that resulted from an error in the institution's administration of the title IV, HEA programs, or any fraud or misconduct by the institution or its personnel

Note: the May 16th guidance informs institutions that they can hold the transcript until the first installment is made in the payment plan and if payments are not up to date.



AN ENTIRE-TRANSCRIPT HOLD MAY STILL USED FOR

Either

Title IV/HEA fund recipients for a payment period with a balance WITHOUT a payment plan OR with a payment plan but it is not in good standing in place at the time of the transcript request (as long as other payment periods were not paid for by Title IV/HEA funds)

Or

Non-Title IV/HEA learners with a balance

And

Other hold reasons not related to a balance as long as the reason does not conflict with the regulation





AACRAO Guidance on Partial- Transcript Holds

Given that the regulation addresses payment periods rather than the entire transcript, this leaves permission for institutions to use partial-transcript holds.



AACRAO Guidance on Partial- Transcript Holds

AACRAO takes the position that completed and in progress courses should be visible on the transcript, with the understanding that certain administrative procedures may result in a suppression of the final grade for the course (e.g., course graded as incomplete, in-progress courses, academic renewal or forgiveness).



AACRAO Guidance on Partial- Transcript Holds

If a partial-transcript hold is to be used as allowed by the regulation, we believe any practice and policy related to the use of partial-transcript holds should treat all learners equally.



AACRAO Guidance on Partial- Transcript Holds

We strongly support using standardized practices for using partial-transcript holds, akin to the standardization of transcript practices for other processes such as when a learner earns a grade of incomplete and for courses still in progress.



AACRAO Guidance on Partial- Transcript Holds

Before proceeding with using partial-transcript holds, review any state regulations regarding the use of transcript holds.

Currently, the Department of Education has not provided guidance on how to handle situations where federal regulations conflict with state regulations.



AACRAO Guidance on Partial- Transcript Holds

The recommendations are aimed at creating a process that is similar to the transcript practices currently used by most institutions for incomplete grades and/or courses in progress.

AACRAO Guidance on Partial- Transcript Holds

- Create a new grade code that indicates that the grade is withheld for an outstanding balance or an administrative reason
- Ensure this grade code does not get included in any grade, credit, term or cumulative total calculations
- Include all applicable courses on the transcript for the payment period in question



AACRAO Guidance on Transcript Annotation

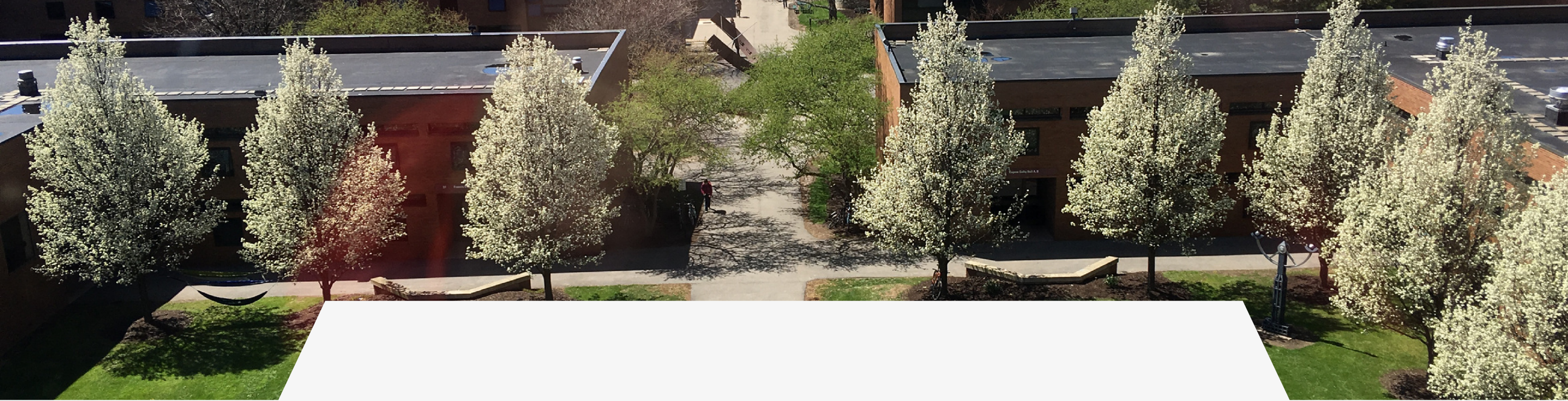
Neither the regulation nor the Dear Colleague letter provide any guidance on the practice of transcript annotation.

Absent any guidance from the Department of Education on this topic, it is recommended that an institution seek legal counsel before deciding whether or not to pursue this practice.



Department of Education Guidance on Withholding Earned Credentials

“The regulations only require institutions to provide a student with an official transcript that includes all the credits that the student earned for periods in which the student received Title IV funds and for which all institutional charges were paid (or were included in an agreement to pay). The regulations never require an institution to confer a degree or other credential to a student who has not fully paid the amount they owe to the school (unless the institution made an error in its administration of Title IV funds, in which case 34 CFR 668.14(b) (33) applies).” – U.S. Department of Education Dear Colleague letter May, 16, 2024



ONE INSTITUTION'S PLANS AND HOW THEY GOT THERE

Jerry Martinez

**Dean of Enrollment Management and Registrar
Wharton County Junior College**

Next Steps

1 Posting of the AACRAO Guidance

Will be posted to the website and released to the membership.

2 Releasing Reports on Institutional Plans and Perceptions

3 June 5th AACRAO webinar discussion the Department of Education



THANK YOU

QUESTIONS?



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