



NASFAA Prison Education Program Learning Series

Administrative Capability Requirements

Award Years 2023-24 and Later

What is Administrative Capability, and why is it important? To show administrative capability is to show that the institution is capable of compliantly administering federal aid programs. Administrative capability is an institutional responsibility and a campus-wide commitment. If an institution fails to demonstrate administrative capability in any one of the various Administrative Capability provisions, the institution is subject to penalties ranging from monetary fines to losing the ability to participate in federal financial aid programs.

Administrative Capability and Prison Education Programs

As a Prison Education Program (PEP) administrator, you need to be aware of how your role impacts your institution’s administrative capability efforts. Below you’ll find general administrative capability regulations, as well as impactful PEP-specific requirements. You’ll see how your role intersects with each component and what your part is in ensuring administrative capability compliance.

Adequate Checks and Balances in the System of Internal Controls

| What does it mean? | What is my role? |
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| This regulation divides the functions of authorizing payments and disbursing funds so that no office is responsible for both. | If you have access to various modules of your institution’s system, i.e., registration, financial aid, student accounts, etc., use that information for advising purposes only. Taking actions within certain modules in your system may lead to unintended consequences. |

Satisfactory Academic Progress

| What does it mean? | What is my role? |
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| Institutions must measure students’ academic progress per their institutional policy in order to determine student aid eligibility. | Being familiar with and communicating the institution’s satisfactory academic progress (SAP) policy to students is critical. Keep up with the SAP status of the students in your programs. When necessary, help students navigate the policy options to maintain aid eligibility. |

Resolving Conflicting Information

| What does it mean? | What is my role? |
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| Discrepancies in the student's federal financial aid application must be resolved before aid is given. | Work with students to ensure FAFSA applications are complete and accurate. Become familiar with the documents that your institution requires to resolve common conflicts. Help students collect and submit documentation and navigate the process to avoid delays in enrollment and receipt of aid. |

Reporting Fraud

| What does it mean? | What is my role? |
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| If an aid applicant engages in fraud or other criminal misconduct in connection with the application for federal financial aid, the institution must report it. | Be able to identify when information on the FAFSA appears suspicious or inaccurate. |

Adequate Financial Aid Counseling

| What does it mean? | What is my role? |
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| Providing clear and accurate information to students who apply for federal financial aid. | Be able to help a student understand the basics of federal financial aid as well as their rights and responsibilities for receiving aid, i.e., why financial aid might change, what happens if a student withdraws, lifetime eligibility, satisfactory academic progress measures, etc. |

High School Credential Validity

| What does it mean? | What is my role? |
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| If the institution has reason to suspect that a high school credential is invalid, documents must be collected to validate it. | Become familiar with the appropriate documentation that will validate a high school credential and assist in obtaining it. The inability to validate a high school credential could result in the school needing to return that student's disbursed aid. |

Consumer Disclosures

| What does it mean? | What is my role? |
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| Be prepared to meet the regulatory requirements for consumer disclosure and annual notices. | Work with your correctional authority to make sure students have access to this information. |

Adequate Career Services to Students

| What does it mean? | What is my role? |
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| All institutions participating in federal aid programs must provide adequate career services, ensuring sufficient staff and professional relationships, and that the institution meets any commitments it makes. | Maintain familiarity with career service offerings and facilitate their use when appropriate. Ensure that career services for PEP students (whether confined or incarcerated, in advance of reentry, or upon release) are substantially similar to offerings to regular students. |

Program Success Measures

| What does it mean? | What is my role? |
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| Maintain records regarding student and program success to use in any required reporting. | Maintain an understanding of the success of your PEP programs. Keep institutional administration aware of programs in which students frequently fail or that have a weak curriculum. Invest in academic support for PEP students. |

“Operate in the best interest of the student” and related reporting requirements

| What does it mean? | What is my role? |
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| <p>An oversight entity must report that any PEP it approved is “operating in the best interest” of the confined or incarcerated individuals it supervises. The report must include whether the following items are substantially similar in the PEP and the institutional setting:</p> <ul style="list-style-type: none"> • The experience, credentials, and rates of turnover or departure of instructors. • The transferability of credits for courses available to PEP students and the applicability of such credits toward related degree or certificate programs. • The offer of relevant academic and career advising services. • Former PEP students are able to fully transfer their credits and continue their programs upon release. <p>To facilitate a thorough and well-informed program assessment, the oversight entity may seek input from relevant stakeholders in making the “best interest” determination.</p> | <p>Regular and accurate record keeping is critical.</p> <p>In addition to the items mentioned to the left, be prepared to report on program indicators pertinent to program success, including whether the following meet the oversight entity’s established threshold:</p> <ul style="list-style-type: none"> • The rates of recidivism • The rates of completion • The rate of confined or incarcerated individuals continuing their education post-release • Job placement rates in relevant fields meet applicable standards • Earnings <p>Prepare for the required accreditor site visits and evaluations.</p> |

Credit Transfer Requirement for PEPS

| What does it mean? | What is my role? |
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| Institutions must report annually the release or transfer date of all who participated in PEP. The data must comply with applicable FERPA and other privacy requirements. | Current and accurate record keeping is essential for the institution to report compliantly. Further, it is critical to maintain a current understanding of data-sharing regulations to avoid releasing data protected by FERPA, FAFSA data rules, and/or IRS Code. |

Not more than 25% of students may be incarcerated individuals without a waiver

| What does it mean? | What is my role? |
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| A school is not permitted to have more than 25% of its regular enrolled students in a PEP without an approved waiver from the U.S. Department of Education (ED). If the percentage of PEP students exceeds the permitted amount without a waiver in place, the school risks its Title IV status. | Secure your institution's federal aid participation by understanding when the waiver is appropriate, what the qualifications are, and what the limits under the waiver are. |

Educational programming must satisfy professional licensure or certification, and restricting enrollment in programs where licensure or employment would be prohibited

| What does it mean? | What is my role? |
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| Disclose to PEP students prohibitions on licensure or employment of formerly incarcerated individuals and restrict enrollment in programs when a PEP student would be prohibited from licensure or employment due to their criminal conviction. | Have a clear understanding of the federal and state laws associated with the programs offered in your PEP. Be prepared to communicate effectively with students. Be able to counsel students on alternative programs when this regulation applies. |

Only students in an eligible PEP may have access to a Pell Grant

| What does it mean? | What is my role? |
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| Outline the process a postsecondary institution must follow for Pell eligibility. | <p>Be familiar with and understand the following Pell limitations. Be able to communicate the limitations to students and advocate on their behalf if/when institutional changes are considered that may alter eligibility.</p> <ul style="list-style-type: none">• PEP students are subject to the same annual and lifetime limits on Pell Grant eligibility as any other student.• For a PEP student to receive a Pell Grant, there must be at least some educational cost incurred by the student.• Cost of attendance may only include tuition, fees, books, supplies, materials, and equipment. If required, the cost of the first license may also be included.• The Pell Grant must be reduced if it exceeds the cost of attendance. |

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