

APPENDIX B
FEDERAL COMPLIANCE
SOUTHWEST MINNESOTA STATE UNIVERSITY

Southwest Minnesota State University (SMSU) is committed to compliance within the requirements of the Higher Learning Commission and federal law. This section provides documentation of compliance.

ASSIGNMENT OF CREDITS, PROGRAM LENGTH, AND TUITION

SMSU operates on a traditional academic calendar of two terms, Fall and Spring, usually sixteen to seventeen weeks in length which includes a finals week and a Summer term of ten weeks which has multiple class start dates and course lengths. Credit hours are assigned based on the SMSU [Policy A-049 Credit Hour Assignment](#) (all policies can also be found on SMSU’s website). Credits awarded for courses completed in the summer term or in a non-traditional format have comparable expectations to those delivered in a traditional format.

SMSU offers undergraduate and graduate degrees requiring specific credit hours to complete. These requirements were changed by Minnesota statute in 2007 to require no more than 60 and 120 semester credit hours for associate and bachelor’s degrees respectively. Graduate degrees require a minimum of 34 semester credit hours or higher beyond the baccalaureate degree as set by each graduate program.

	<u>Prior to 2007</u>	<u>Since 2007</u>
Associate degree hours	64	60
Bachelor degree hours	128	120

The attached worksheet identifies the hours associated with each credit.

For associates, bachelors of applied science, and the baccalaureate degree programs, a student may qualify for graduation under the graduation requirements of any year in which he/she has been a student of regular standing, provided that the catalog listing the requirements went into effect not more than seven years prior to the year of the student’s graduation. For the master’s degree programs, students have seven years from the date of their first course to complete all requirements for their Master’s degree. Additional information on graduation requirements can be found in the [Graduation Requirements Policy A-010](#).

Tuition rates are proposed each year after careful consideration during the budget process and after consultation on campus with the bargaining units and Student Association at Meet and Confer and Meet and Discuss opportunities and at all-university conversations. The Minnesota State Colleges and Universities (MnSCU) Board of Trustees in several years over the past decade has put parameters on tuition increases. For example, in fiscal year 2012, tuition rates could not increase more than 5%. In 2013 the Minnesota legislature, as part of the MnSCU appropriation package, mandated a tuition freeze for fiscal years 2014 and 2015 for all undergraduate tuition rates. Therefore in fiscal year 2014 SMSU had no tuition increases for undergraduate tuition but did have a small tuition increase for graduate tuition rates of 2.3% for on campus graduate tuition. Graduate online tuition rates increased only 1.25%. The lower increase was to keep the SMSU graduate online tuition rates comparable to other MnSCU graduate online tuition rates. Again in fiscal year 2015 undergraduate tuition rates are frozen. Graduate online tuition rates increased in fiscal year 2015 by 2.5% and online graduate tuition rates increased by 2.4%. See Table 1 for all 2014-2105 rates.

TABLE 1 2014-2015 UNDERGRADUATE AND GRADUATE TUITION RATES AND FEES

2014-2015 Rates	Undergraduate			Graduate **		
	Tuition	On Campus	Off Campus	Online * ^	On Campus	
1-11 Credits	226.20					
Banded 12-18	3492.90					
each credit over 18	226.20					
per credit (no banding)		274.00				
per credit if not banded			274.00			
Per Credit				368.50	420.00	
*if online banded, each credit of online is \$47.80 per credit over band						
** There are graduate programs with other specific rates by program, see website for more information						
Fees						
1-11 Credit	41.74	11.61		41.74	11.61	
Banded 12-18 Credits	544.17					
each credit over 18	12.43					
^ online course fees are dependent on type of online program						

SMSU has programs with differential and/or program tuition rates which are in excess of the amounts listed above. These rates must follow the same process as all tuition rates in regard to student consultation and approval by the MnSCU Board of Trustees each year. Differential and/or program-specific tuition rates are subject to [MnSCU Policy 5.11 Definitions](#) and [Procedure 5.11.1](#). SMSU has differential and program tuition rates for Science laboratory courses, Culinary and Hospitality laboratory courses, studio Art courses, specific Computer Science courses, specific Physical Education courses, and specific Education courses, as well as courses involving Global Studies experiences. Within the online class schedule, courses with differential or programmatic tuition rates identify the additional tuition costs in the notes section so that it is disclosed to students. The approval of the fiscal year 2014 tuition rates by the Board of Trustees for all MnSCU schools can be found [posted on the MnSCU website](#). The fiscal year 2015 rates were not yet posted by the System Office as of this writing but should be available by the time HLC reviewers receive this document.

INSTITUTIONAL RECORDS OF STUDENT COMPLAINTS

The [Institutional Record of Student Complaints Policy G-011](#) guides the University's handling of complaints. SMSU relies on a decentralized process for complaint resolution, but the tracking of all written, signed formal complaints is the responsibility of the Academic Deans' Office. At least once each semester, a reminder is sent to all departments on campus reminding the administrators, directors, office administrators, and faculty of the policy along with a link to the policy. The departments are to turn in any formal written complaints they have received along with how the complaint was resolved to the Academic Deans' Office. If student complaints are submitted directly to the Deans' office from students, the complaints are divided between the Academic Deans dependent on subject matter or, if more appropriate, the complaint may be assigned to the Dean of Students or other specific departments if it is felt that another department would be most effective in handling the complaint. A record log of all student complaints is kept by the Academic Deans' Office and may be obtained from that office for review. Each semester the log is updated and included is the resolution.

The University officials handling the complaints take these matters seriously. Each time a good solution to a complaint is found, or a way is learned to prevent a complaint from being repeated, it becomes a precedence or model should the University receive another complaint of the same or similar nature. Often, each complaint is a new experience to learn from.

TRANSFER POLICIES

Transfer policy information is available on the University website in great detail under the [Registration Office information](#). The same information can be found when reviewing the [Academic catalog online](#). Detail is provided to students starting with the [application process](#) and continues through the evaluation process of credits that students have received from other institutions. The transferability is based on the [Transfer Credit Policy A-052](#) policies and procedures.

Many courses from institutions have already been evaluated and determined as transferable. The course equivalents can be found using [Transferology](#). This process saves time and alleviates the unknown for students when evaluating transferring.

The MnSCU system has established a state-wide general education plan to help students transfer their general education courses. The completion of the Minnesota Transfer Curriculum (MTC) at one MnSCU institution enables a student to earn SMSU's general education requirement, or Liberal Education Program (LEP) ([outlined in the Academic Catalog](#)). Additional information regarding MTC can be found at on the [MnSCU website](#).

Most upper-division courses transferring from four year colleges and universities will need to be evaluated by the appropriate department. Students can use the [petition form](#) to begin this process; information regarding the petition process is available for students [online](#).

SMSU uses [Educational Credential Evaluators \(ECE\)](#) to determine international credit transferability. SMSU requires students use the Catalog Match evaluation in order to transfer in credits.

SMSU awards credits for military training based on ACE recommendations. Additional information can be found on [military transfer credits](#) on the SMSU website.

Along with the transfer credit policy SMSU also has a policy on [Credit for Prior Learning](#) that addresses the ability to receive credit for non-academic course learning.

SMSU has articulation agreements with many of the MnSCU two year colleges. The associate to bachelor degree programs fall in two majors, Early Childhood Education and Management. Students must complete an AA, AS, or AAS degree from an accredited program to qualify for the degree completion program. Additional information regarding these programs and agreements can be found on the [Office of Extended Learning and Academic Outreach webpage](#).

VERIFICATION OF STUDENT IDENTITY

SMSU as part of the MnSCU system uses what the MnSCU system calls StarID for all students and employees to access technology on campus. [Information regarding StarID](#) can be found on the MnSCU website as well as [the SMSU website](#). A [tutorial to activate the StarID](#) is also available on the SMSU website. StarID has been phased in over the past year. Prior to that, separate logins for campus technology, registration/e-services, and the online course platform, Desire2Learn (D2L), had been used.

All distance learning students must use their StarID to access the D2L system for their distance learning classes. The StarID includes a secure login and password only known to the students and benefits the students because it is the same login for all MnSCU institutions they may be enrolled in if more than one.

D2L also has mechanisms to assist the University in verifying that a student enrolled in a course is completing the course work assignments. As described in the 2011 Distance Education Change Request, there are provisions on D2L for securing test instruments when students take tests or quizzes on their own time, and also for scrambling or rearranging test or quiz questions or using

alternate questions, for example. D2L provides for timing out a test so that students cannot reenter or take too long for a test, and students using D2L cannot open other sites while they are taking a test or quiz. In addition to D2L's capabilities, faculty have suggested ways they use to assure themselves of the identity of students such as structuring their online courses to have a great deal of back-and-forth communication between the student and faculty member. This allows the faculty member to become familiar with each student's ability and skill and level of work. Anything out of the usual norm for a student may stand out.

Prior to issuing a Mustang Identification Card, a student must present a valid government-issued identification card to be reviewed by the individuals taking the Mustang ID photographs. At this time SMSU does not issue Mustang ID cards for distance learners unless they would come to campus and follow the same procedures for ID cards as on campus students.

Although not directly related to distance learning, SMSU requires employees who may have access to students' personal information to complete annual red flag identity theft program training. These guidelines assist university personnel in identifying if they are likely working with the actual student and not someone trying to steal their identity. Information regarding the [SMSU Red Flag Identity Theft Program](#) is made available from the Business Services office.

TITLE IV PROGRAM RESPONSIBILITIES

GENERAL PROGRAM RESPONSIBILITIES

SMSU complies with all Title IV program requirements. It undergoes an annual Single Audit as part of the MnSCU system audit performed at this time by Clifton Allen Larson, LLP, to monitor the University's ability to adhere to Title IV program requirements. This information is then included in the State of Minnesota's Financial and Compliance Report on Federally Assisted Programs. SMSU has had no adverse findings related to the A-133 portion of the student financial aid compliance audits in recent years. SMSU has not had a Title IV program review since 1994.

For fiscal year 2012 the State of Minnesota failed to submit the statewide financial audit by its due date of March 31, 2013. The MnSCU System's financial aid audit is required to be submitted to the United States Department of Education as part of the statewide audit and cannot be submitted separately. Because the state's audit was submitted untimely, all MnSCU institutions had a failure of financial responsibility under the Department's regulation. This resulted in non-discretionary sanctions and requirements to be placed on all MnSCU institutions for a minimum of five years which included being placed on provisional certification, a heightened cash monitoring payment method, requesting and receiving federal approval of new locations or certain new programs before issuing federal student aid for those programs, and notifying USDOE in the event of critical financial events. A letter, dated July 26, 2013, explaining the sanctions was sent to Dr. Sylvia Manning, then-President of the Higher Learning Commission by Dr. John O'Brien, the then *Interim* Vice Chancellor for Academic and Student Affairs for MnSCU.

Because of these provisions, SMSU had to receive prior approval to grant financial aid to students in a new learning community held in Iowa that began in the Fall of 2013. Because of the sanctions and

also due to a government shutdown that year, disbursements for these students in the Fall of 2013 were late. As a University, we felt it was our responsibility to hold the bills for those students without penalty and not require payment until aid was able to be processed.

FINANCIAL RESPONSIBILITY REQUIREMENTS

SMSU is one of 31 institutions within the MnSCU system. As such SMSU's financial statements become a part of the overall MnSCU financial statement, which then becomes part of the State of Minnesota's Comprehensive Annual Financial Report. For the years ending June 30, 2003, through June 30, 2013, SMSU had individual audited financial reports. In all years, SMSU received unqualified opinions and few management comments or audit findings.

Beginning with the year ending June 30, 2014, SMSU will no longer be audited individually by an external auditor. Previously 13 individual institutions received individual audits, but it will now be only four. SMSU will be audited only as part of the whole MnSCU system but will complete the financial statements at the individual institution level just as in the past. Part of the reason for the change to fewer institution level audits is that the individual institutions have all had unqualified opinions over the years. The change is also comparable to other similar college and university systems. The system also wants to focus individual audits more on internal control and compliance. Per the Internal Audit Division report to the MnSCU Board of Trustees in January of 2014, Internal Audit reported that they had consulted with the Higher Learning Commission and it was reported to the Board that the HLC leadership did not express any concerns regarding limiting the number of standalone audits. By January 2017, the Internal Audit Division will complete an analysis to determine if the change will continue or if changes are needed.

SMSU's composite financial index (CFI) for fiscal year ending June 30, 2013 was 1.36. This was an improvement over the fiscal year ending June 30, 2012, CFI score of .93. SMSU received a letter from HLC dated August 5, 2013, in regards to the CFI for the fiscal year ending June 30, 2012 because it fell below the zone for acceptable CFI scores. The University strived to bring the CFI up in 2013 knowing also that sustainable improvements will require a long-range plan to improve the CFI.

In fiscal year 2014 the University had an unanticipated reduction in enrollment; therefore, tuition revenue did not meet projections. The University had planned a fiscal year 2014 budget originally based on receiving approximately \$450,000 in new appropriations along with approximately \$500,000 generated from a 3% tuition increase, which was supported by the students. When the final appropriation received by the System included language freezing tuition rates for the biennium, the increase in appropriation was only enough to replace the lost tuition revenue.

To plan for fiscal year 2015 budgeting, the University made the decision in fiscal year 2014 to offer early retirement incentives with the intent to not hire behind retirees or hire behind retirees at a lower cost to improve the fiscal year 2015 budget but knowing the added expense of the retirement incentives would likely adversely affect the ratios for the fiscal year ending June 30, 2014. The University is therefore predicting that the CFI for the year ending June 30, 2014, will not be an improvement over the prior year CFI. The administration accepted this with the anticipation of planning to create improvements in the financial situation in fiscal year 2015.

DEFAULT RATES

Student Loan Default Rates

Congress made changes in the Higher Education Opportunity Act of 2008 to expand two-year default rates to a window of three years. During the transition period, the Department of Education is currently publishing both two-year and three-year rates. There will be no sanctions for three-year rates until fiscal year 2011's cohort data are available.

The move to a three-year rate calculation increases the default rate for SMSU students; however, the rate is still under any threshold that would result in sanction. The 2011 default rates improved over the 2010 rates. Table 2 displays the two- and three-year rates since 2008.

TABLE 2 SMSU TWO- AND THREE-YEAR DEFAULT RATES 2008-2011

2011	2YR	Official	5.4
	3YR	Official	7.4
2010	2YR	Official	6.7
	3YR	Official	8.9
2009	2YR	Official	5.8
	3YR	Official	8.2
2008	2YR	Official	1.9

Comparisons and Loan Repayment Priorities

In comparison to other MnSCU institutions (average 3-year default rate: 16.7%), SMSU's default rate is lower than the average. SMSU's default rate is average in comparison to the other 4-year Minnesota State Universities in the MnSCU system (average 3-year default rate: 7.4%).

SMSU views successful student loan repayment as a high priority. The University sends correspondence to all students in repayment who fall behind on student loan payments. The correspondence includes information on additional repayment plans, as well as deferment and forbearance options. Information goes out to these students once every three months and includes all Student Loan Servicers who contract with the Department of Education. The specific contact information for specific loan services is provided for each student.

Loan Services Programs

SMSU strives to provide the most comprehensive services to its students. In order to provide these all-inclusive services, the Financial Aid Office has adapted a private lender list, found on the [financial aid office website](#). This list is used to counsel students on additional assistance through a private loan lender.

In order to meet all compliance regulations, the office utilizes a free service, provided by Great Lakes Educational Loan Services, called [FASTChoice](#). This web-based system allows students to compare the lenders listed by many important factors, such as interest rates, repayment terms, and enrollment status requirements. This system also discusses the details of borrowing from a private lender and encourages students to exhaust all Title IV aid programs before borrowing a private education loan.

The lenders and loan options presented in FASTChoice were selected for the excellent terms and benefits they provide to borrowers. SMSU has worked with these lenders in the past, and previous borrowers had positive experiences working with them. To determine which lenders and loan options to present, strict criteria based on the student's best interests, not the University's, are used.

The University includes only lenders who provide exceptional customer service, excellent incentives (e.g., low interest rates, no origination fees and loan principal reductions), timely processing and electronic funds transfer capabilities when possible. All lender information provided on the lender list is reviewed annually to ensure that the benefits listed are up to date. Students are encouraged to select any lender, including those not listed. Application processing is not delayed unnecessarily if students choose a lender not listed.

Additionally, the Financial Aid Office is forbidden from accepting any financial or other benefits in exchange for displaying lenders and loan options in FASTChoice. Prohibited activities include receiving compensation to serve on any lender board of directors or advisory boards; accepting gifts including trips, meals and entertainment; allowing lenders to staff our institution's Financial Aid Office; allowing lenders to place our institution's name or logo on any of their products; and owning of lender's stock (for college officials who make financial decisions for our institution).

CAMPUS CRIME INFORMATION, ATHLETIC PARTICIPATION, AND FINANCIAL AID AND RELATED DISCLOSURES

At SMSU, the safety of our students is a top priority. Per the Higher Education Act of 1965 as amended by the Higher Education Opportunity Act of 2008, the campus security policies and the required crime statistics are disclosed in compliance with the "Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act." The [annual Security Crime Report](#), currently being updated with 2014 information, is posted online on the SMSU University Public Safety website; Crime Statistics from 1998-2012 are available [on the website](#) as well.

Title IX compliance information is included in the Security Crime Report as well as referenced on the [Affirmative Action website](#).

SMSU completes the Equity in Athletics Disclosure Act report each year. This report is submitted to the Office of Postsecondary Education within the Department of Education. The report includes information on athletic participation data and is available using the [Department of Education's "Equity in Athletics Data Analysis Cutting Tool" online](#).

STUDENT RIGHT TO KNOW

On its website within the quick links section, SMSU makes available to students and to the general public information such as the academic calendar; the Academic Catalog which includes admissions information, academic policies and procedures and academic program requirements; and the Student Handbook, which provides information about services available at the University and University procedures. Academic Program information, including lists of faculty associated with programs as well as curriculum requirements, are also easily found under the main “Academics” tab on the University home page. Admission also has its own link right from the SMSU home page so that students can easily find the admissions requirements. The SMSU website has links under Administration to the Business Services site at which [tuition and fee information can be found along with refund policy information](#). The [Data Management and Institutional Research Office posts](#) all required Title IV-related data; MnSCU also hosts an [accountability dashboard](#) which contains much of the same information. The University publishes information regarding facilities and support for students with disabilities in the [Student Handbook](#) as well as on the [Disability Resources website](#).

SATISFACTORY ACADEMIC PROGRESS AND ATTENDANCE POLICY

Extensive work was done between Academic Affairs and the Financial Aid Office to align the satisfactory academic policy between the two areas. A new policy, [A-005 Satisfactory Academic Progress](#), was put in force in 2006 with revisions in 2012 and 2013. The intent of the policy is to help students advance steadily toward completing a degree, so not only are the grades important, but so is the completion of those courses for both academic and financial aid reasons. Access to the policy is also found in the [Student Handbook](#) as well as on the SMSU [Financial Aid website](#).

The process for appeals, when placed on academic suspension or for financial aid suspension, are outlined in the policy. Conditions which remove the suspension or place the student in probation status are also outlined in the policy. An appeal committee, which is an official University Committee, meets with students facing academic suspension if the student requests an appeal. Appeals for suspension of financial aid are made to financial aid personnel.

Faculty contracts do not require faculty to take attendance. The [Student Handbook](#) notes that attendance policies are at the discretion of the individual faculty member for each class. However, students are highly encouraged to attend all classes as studies indicate students who attend classes regularly tend to perform better. Federal financial aid mandates that students who receive financial aid must continue past the 60th percentile period of that course to continue receiving aid for that course. If a student registers but fails to attend at all, the faculty will enter a “NA” grade along with a last date of attendance that identifies the student as never attending. If a student registers for a class and stops attending, the faculty will enter the last date of attendance plus a grade of “FQ” for failed/quit attending. These grades are entered through an automated process in the MnSCU student records system. Reports are then processed identifying students with these grades along with withdrawals so that the Financial Aid Office and Office of Business Services can determine if financial aid must be returned for any of these students.

In order for our students to achieve academic success, as well as social and professional growth, SMSU has implemented a computerized early alert system to help identify students that may be at-risk due to academic, class attendance, behavioral, financial, personal and social issues. An early alert is an automated at-risk identification tool designed to help identify and react to retention challenges quickly and consistently. Students who have been identified with an early alert by a faculty or staff member will be notified by the Office of Student Success to discuss a plan of action and receive the help they need in order to succeed.

CONTRACTUAL RELATIONSHIPS

No contractual relationships exist which meet the requirements of Policy number INST.F.20.040.

CONSORTIAL ARRANGEMENTS

No consortia arrangements exist at which meet the requirements of Policy number INST.F.20.040.

REQUIRED INFORMATION FOR STUDENTS AND THE PUBLIC

The University displays the Higher Learning Commission's mark of affiliation on [its Higher Learning Commission Accreditation page](#). The mark of affiliation is linked to the HLC's Statement of Affiliation Status (SAS). Program accreditations are listed on [an administrative accreditation page](#) and also include a link for the Higher Learning Commission Accreditation.

The University includes in its online Catalog and its main Admission-related publication materials such as the prospective student piece, the admitted student piece and the outcomes piece, that SMSU is accredited by The Higher Learning Commission of the North Central Association of Colleges and Schools, 230 South LaSalle Street, Suite 2400, Chicago IL 60602; (800) 621-7440. The other accreditations, including the National Association of Schools of Music, the Minnesota Board of Teaching, the American Chemical Society, and the Council on Social Work Education, may be included also.

ADVERTISING AND RECRUITMENT MATERIALS AND OTHER PUBLIC INFORMATION

The majority of advertising and recruitment materials are produced by and distributed by the Office of Admission and the Office of Communications and Marketing. All publications, if not created annually, are reviewed annually to be certain that the information is current and accurate. As noted in the section above, the University displays the Higher Learning Commission's mark of affiliation on

[its Higher Learning Commission Accreditation page](#). Advertising and recruitment promotional materials will be available in the resource room.

STUDENT OUTCOMES

SMSU collects student outcome data and uses it for institutional, programmatic, and academic planning and assessment. Evidence of these efforts is described in Criterion 4 of the University's self-study report.

STANDING WITH STATE WITH OTHER ACCREDITING AGENCIES

Some of SMSU's programs are accredited or awarded certification or approval by several separate programs. These affiliations are listed below:

- The National Association of Schools of Music
- The Minnesota Board of Teaching
- The American Chemical Society
- The Council on Social Work Education
- The National Alliance of Concurrent Enrollment Partnerships (NACEP)

The University is in good standing and has no sanctions or adverse actions from any of these affiliations. The last Minnesota Board of Teaching (BOT) accreditation was in Fall 2010. The BOT required [a follow up response letter](#) on two areas, systematic use of data regarding program effectiveness and the use of different systems to track data for graduate and undergraduate students. The response letter was sent in March 2012, as required, and [met all requirements](#). No further action was needed. The next BOT review will be in Fall 2015. Further information on any reviews by these accrediting agencies can be obtained from the respective departments.

SMSU offers online courses to students outside of Minnesota; as such, the University must have approval to offer these online courses to students outside of the state. The State Authorization Reciprocity Agreement, or SARA, language was in the final legislative bill from the Minnesota Legislative session in 2014. This is a national initiative to provide access to online programs while maintaining compliance standards with state regulatory agencies. SARA allows institutions to provide online courses outside of their own state borders by seeking and maintaining state approvals via a streamlined regional process. This legislative change will allow the Minnesota Office of Higher Education to maintain high standards for institutions outside of Minnesota, while at the same time allowing Minnesota-based colleges and universities to attract students from outside the state. SMSU plans to participate in this agreement.

PUBLIC NOTIFICATION OF OPPORTUNITY TO COMMENT

SMSU has sought and will seek public comments from its constituencies per Commission guidelines in the following ways. At the end of July, an advertisement in the local newspaper was printed, and emails with the direct link to the HLC third-party comment survey were sent to alumni, donors, employers in the region, advisory board members, and other external constituents as well as were distributed via internal University email lists. Reminder emails were also sent, as well as announcements made at various meetings of internal and external constituencies.