Vernon College Assessment Activity/Report Communication Form 2014-2015

Title: FY 2011 3-Year Official CDR Date of completion: September 22, 2014

Please circle or highlight: Assessment Activity Report <u>Both</u>

Highlights of data: Our FY 2011 cohort default rate (CDR) was 16.6%, which was down significantly from 26.6% the previous year. This rate reflects the percentage of Vernon College students that entered repayment during FY 2010 (between Oct. 1, 2009 and Sept. 30, 2010), and who defaulted before Sept. 30, 2012. Of the approximate 4.7 million borrowers that entered repayment in the 3 year CDR timeframe, more than 650,000 defaulted. The national FY 2011 default rate was 13.7 %, down from 14.7% in FY 2010. Of the total that defaulted, over 158,000 attended a community college. This resulted in a national community college CDR of 20.6% in FY 2011, compared to 20.9% in FY 2010. The FY 2011 CDR for Texas was 15.9% (10th highest nationwide) down from 17.3%. New Mexico had the highest rate, 20.8%, and the lowest rate, 3.8%, was in Guam.

Use of data: The US Department of Education has replaced its CDR calculations from two-year to three-year calculations as required by the Higher Education Opportunity Act of 2008. A three-year observation, the department says, will better reflect the number of borrowers who default on their loans. The FY 2011 rate is the second year for a 3 year calculation. No sanctions will be applied to schools based on the three-year rates until the CDRs have been calculated for three fiscal years, which will be with the release of the FY 2012 rates next year. Until then, sanctions will continue to be based on the two-year CDR only. After the most recent release, twenty-six institutions were barred from receiving financial aid based on having a CDR of at least 30% for three consecutive years or at least 40% for the latest year. We currently contract with ECMC to provide our default prevention services for approximately \$3,800 per month. Based on their analysis, they project our FY 2012 CDR at 16.17%. The estimated rate will be released in February 2015.

How associated to Student Success? If VC ever lost Title IV eligibility, (last year we disbursed \$12.5 million in Federal Title IV funds), our students would not receive this benefit and it would be difficult for VC to continue operating

Where the report can be found:		Financial Aid Office		
Submitted by:	Melissa Elliott		Date:	September 26, 2014
	(Respo	nsible Party)	-	

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Received by Office of Quality Enhancement:	September 26, 2014	
	(Date)	
Presented to College Effectiveness Committee:		
	(Date)	