

institutions and state-level agencies have already developed data systems using the fall cohort methodology recommended by Dear Colleague Letter GEN-91-27. A number of institutions opposed extrapolation to a full-year rate; a small number supported such extrapolation. Some institutions believe flexibility should be given to institutions for whom a fall cohort is not representative.

**Discussion:** The Secretary accepts the commenters' assertion that the use of a fall cohort is the best approach for some institutions, namely standard term-based (semester, trimester, quarter) institutions, which primarily commented on this issue. To be a standard term-based institution for these purposes, the institution must offer predominantly standard term-based programs, that is, greater than 50% of its programs must be term-based. In order to accommodate institutions for whom a fall cohort may not suffice, the regulations require the use of a year-long cohort (July 1-June 30) for institutions that do not operate on a standard term basis.

**Changes:** Section 668.46(a)(2) has been added to require institutions that offer a predominant number of semester, trimester, or quarter based programs to use a fall cohort of students entering between every July 1 and October 15. An institution using a snapshot methodology may use a census date of October 15 or another appropriate date to identify that cohort. Institutions that do not have a predominant number of programs based on standard semesters, trimesters, and quarters must use a year-long cohort of students who enter between every July 1 and June 30. The Secretary believes this is a reasonable differentiation because most non-term based institutions are proprietary schools, and the Secretary understands that these institutions are now required by their accrediting agencies to track all their students.

**Comments:** All commenters who addressed the concept of an entering student's attendance for at least one day of class opposed the proposal. The commenters explained that many students register, add and drop courses, and withdraw after the first day of class. Moreover, institutions generally use an enrollment date or census date to record a snapshot of their enrollment.

Typically this date is at least ten days to thirty-five days after the beginning of a term; some states mandate the actual census date. The commenters indicated that, realistically, institutions simply do not have mechanisms to know if a student attends only one day of class. Therefore, the commenters feel the

Secretary should refer institutions to the definition of entering (or first-time) student under the IPEDS Fall Enrollment Survey (the count of students by the NCES that counts the number of students enrolled as of October 15 for the purpose of providing annual projections of college enrollment for the NCES publications *Condition of Education* and *The Digest of Education*). As previously indicated, institutions are generally familiar with these definitions.

**Discussion:** The Secretary is concerned by the issues raised by the commenters, in part because it is important for other parts of the regulations governing the title IV, HEA programs (e.g., refunds) that institutions know when students withdraw or drop out of an institution. However, given the number and nature of the comments received on this issue, the Secretary agrees that it will reduce burden and increase comparability to require institutions to use the enrollment date (October 15) set by the IPEDS Fall Enrollment Survey, or the end of the institution's drop-add period, for purposes of identifying an entering student for institutions that are required by these regulations to use a fall cohort.

For institutions that use a year-long cohort, an entering student is a student who attends at least one day of class. The Secretary believes that this differentiation among schools on this issue is logical since non-term based schools are better able to track their students from the first day because such institutions do not have drop-add periods.

**Changes:** A change has been made in § 668.46(a) that mandates institutions that offer a predominant number of programs based on semesters, trimesters, or quarters to base their calculations on the students who enter during the institution's fall term, beginning July 1, 1996. An entering student shall be considered to have entered for these purposes if that entering student is enrolled as of October 15 or the end of the institution's drop-add period. All other institutions must count all students who enter between every July 1 and June 30, and attend at least one day of class, beginning July 1, 1996.

**Comments:** The primary concern raised by the commenters concerning the definition of entering students was the treatment of students transferring into an institution. Almost unanimously the commenters favored a separate cohort and graduation rate for these students. The commenters believed that including students who transfer into colleges and universities in the same

cohort with first-time freshman students will lead to inconsistent and noncomparable data among institutions, because institutions evaluate transfer students differently and at different times, and different levels of credit may be awarded for different curriculum choices. Some commenters recommended that the progress of transfers-in should be accounted for by using a snapshot methodology at 150% of the normal time to complete from their time of entrance into the new institution. That is, their status should be measured at the time of entry and at the time of disclosure and be reported separately. Other commenters noted that the inclusion of transfers-in with first-time freshman students requires a continuing adjustment to the entering cohort. This approach would violate the snapshot methodology recommended by so many commenters. Moreover, some commenters believe that such a methodology complicates the calculations, creates a burden on the institutions, and ultimately confuses the consumer. Other commenters note that separate reporting for first-time freshman students and transfers-in is consistent with established tracking methodologies in the states, which for the most part concentrate on tracking first-time freshmen.

**Discussion:** In response to the commenters' concerns, the Secretary has reconsidered the position taken in the NPRM and excludes from the definition of "entering" students those students who transfer into an institution. The Secretary will now consider reporting on students who transfer into an institution to be an optional disclosure for Student Right-to-Know purposes. If an institution does choose to establish a cohort of transfers-in, the calculation of the completion or graduation rate of these students must be separate from the calculation of the completion or graduation rate of the first-time cohort, and the two rates must be published and labeled as two separate rates.

**Changes:** Section 668.46(a) is revised to make optional and separate the reporting on students transferring into an institution.

**Comments:** Many commenters urged the Secretary to consider adopting the JCAR methodology, which includes the disclosure of completion or graduation rates, and other information, on part-time as well as full-time undergraduate students. These commenters maintained that information on part-time students was necessary to meet the needs of a large number of student consumers who do not fit into the traditional category of full-time students.