

Default Prevention Plan
For
Bakersfield College

This plan is being created pursuant to the requirements in the three year cohort default rate regulations at 34 C.F.R. 668.217 (regulation). Bakersfield College had an official cohort of 30% for the FY 10 three-year calculation.

The structure of the Bakersfield College Default Prevention Plan will follow the requirements in the regulations as follows:

- Part 1: Description of our Default Prevention Task Force
- Part 2: Analysis of Data
- Part 3: Steps/Interventions to Reduce Default Risk and Default Rates
- Part 4: Measuring the Effectiveness of Interventions
- Part 5: Monitoring Plan Implementation

We have also added several non-regulatory sections to complete our institution-wide plan:

- Part 6: Utilizing Resources of Federal Servicers
- Part 7: Other Default Prevention Activities

Part 1: Bakersfield College Default Prevention Task Force

Bakersfield College has created a default prevention task force as required by the regulation at 34 CFR 668.217. The task force is responsible for overseeing the entire default prevention effort, performing an executive and management function for the life of the project.

Make-up of Our Default Prevention Task Force:

Bakersfield College understands that the task force is required by regulation at 34 CFR 668.217. Given that student loan default risk arises, in part, from many aspects of institutional operation, a task force has been created that represents all parts of the Parker Pierson College community. Here are the members of our task force and the area of institutional operation each represents:

Name of task force members	Title/Role/representing
Dr. Zav Dadabhoy	Vice President, Student Affairs
Primavera Arvizu	Director of Financial Aid and EOP&S
Lisa Fitzgerald	Director of Institutional Research
Sue Vaughn	Director of Enrollment Management

Emmanuel Mourtzanos	Dean of Instructional Services
Leah Carter	Dean of Instructional Services
Venessa Reyes	Financial Aid Loan Technician
Connie Garza-Signh	Financial Aid Loan Technician
Evette Laura	Financial Aid Educational Advisor
Sue Granger-Dickson	Counseling Faculty Chair

Role of Our Default Prevention Task Force

As mentioned above, our task force will perform an executive and management function in the default prevention process, from creating the default prevention plan to monitoring results and making changes as necessary in the future. Here are the responsibilities of our task force:

- The task force has conducted an analysis to determine who is defaulting, and why.
- The task force has created, from this analysis, a set of measureable interventions/steps that address the results of the foregoing analysis (i.e., risk that comes from poor educational outcomes, poor employment outcomes and/or poor repayment outcomes)
- The task force has created a set of strategies to execute these steps, assigning responsibility for carrying out these steps; establishing a set of measures to determine the effectiveness of these efforts; establishing deadlines for reporting results;
- The task force will monitor and measure the results of these steps and where necessary, make adjustments so that our goals will be achieved; and
- The task force will, as it deems necessary, take other general steps to reduce both default rates and default risk among Bakersfield College student borrowers.

Part 2: Analysis of data

This section will identify those borrowers who, based upon the analysis of data by the task force, appear to have a higher risk of loan default, and why. The task force used, as a study sample, defaulting borrowers from our Fiscal Year 2011 and Fiscal Year 2012 cohorts. We chose these particular defaulters because they represent students who were most recently enrolled, and who most recently defaulted. We believe that these defaulters more closely represent those current and future borrowers we hope to influence through the interventions described in this plan.

The following represents the results of our analysis and identifies students who enroll in Bakersfield College and **who, we believe, are at greatest risk of student loan default in the future, and why:**

With the assistance of Admissions and Records and Institutional Research the Cohort Default Prevention Task Force examined all students who defaulted Fiscal Year 2011 and Fiscal Year 2012 cohorts. The analysis process allowed the Cohort Default Prevention Task Force to better understand the groups of students who are defaulting and who are more likely to experience difficulty in repaying loans later on, based upon the behavior of students who have similar academic, programmatic and/or assessment similarities.

The results of the analysis identifying the high risk/target group borrowers yielded the following indicators:

High Risk Group #1: Academic Probation

The team's analysis indicates students who defaulted, in general, had a poor academic performance. Students who were placed on Academic Probation 1 status after their first term of attendance, in general, do not return to complete their education. Of the students that took a student loan in the Fiscal Year 2011 and Fiscal Year 2012 cohorts, approximately 23% entered into default that were on Academic Probation status 1. Detail: Approximately 53% of students who defaulted were on some type of academic probation:

- Probation 1
- Probation 2
- Continuing Probation
- Academic Disqualification

We will be taking the following steps to address the high risk associated with current and future student borrowers who do not successfully complete their first term of attendance and who do not re-enroll in the upcoming term.

High Risk Group #2: Basic Skills

The team's analysis indicates that students who defaulted, in general, had very poor academic performance, as measured by assessing into courses below the transfer level. Detail: Of those who defaulted on a student loan Fiscal Year 2011, 75% assessed into basic skills courses in English and 82% assessed into basic skills Math courses. Fiscal Year 2012 74% assessed into basic skills courses in English and 81% assessed into basic skills course in Math. Overall approximately 12 to 14% placed in college level courses in English and 6 to 7% in math.

Bakersfield College will be taking the following steps to address the high default risk associated with current future student borrowers who have a low assessment scores into basic skill courses:

High Risk Group #3: Student Educational Planning

Overall, the students who defaulted are not completed Student Educational Plan or are not seeking guidance from Educational Advisors and/or Counselors in building the educational plan in creating an academic roadmap. Detail: Fiscal year 2011 and 2012: 80% did not complete a Student Educational Plan. Only 53% completed the matriculated steps 1 through 3 (FY 2011) and 62% FY2012 completed steps 1 through 3:

- Matriculated Step 1: Orientation
- Matriculated Step 2: Assessment
- Matriculated Step 3: Counseling
- Matriculated Step 4: Student Education Plan

We will be taking the following steps to address the high default-risk associated with current and future student borrowers who do not have a Student Educational Plan and who are not fully matriculated:

Part 3: Steps/Interventions to Reduce Default Rates and Default Risk and Assignment of Responsibility:

Default risk arises, in general, from poor educational outcomes, poor employment outcomes and/or poor repayment outcomes. This was certainly the case at Bakersfield College. As we articulated in Part 2 above, Bakersfield College's default risk is being driven by, in most cases, a combination of these factors. Our interventions will include steps which are designed to address the nature of the risk identified. As you will see, poor educational and repayment outcomes were the primary driver of default risk among student borrowers at Bakersfield College. Our corresponding interventions include both student success and student repayment components. Below we have described the interventions that will become the core of the Bakersfield College default prevention plan, together with the person/entity responsible for carrying them out:

High Risk Group #1: Academic Probation

The team's analysis indicates students who defaulted, in general, had a poor academic performance. Students who were placed on Academic Probation 1 status after their first term of attendance, in general, do not return to complete their education. Of the students that took a student loan in the Fiscal Year 2011 and Fiscal Year 2012 cohorts, approximately 23% entered into default that were on Academic Probation status 1. Detail: Approximately 53% of students who defaulted were on some type of academic probation:

- Probation 1

- Probation 2
- Continuing Probation
- Academic Disqualification

We will be taking the following steps to address the high risk associated with current and future student borrowers who do not successfully complete their first term of attendance and who do not re-enroll in the upcoming term.

Educational Support Intervention:

- Students who seek to initiate a loan must attend loan in person orientation/counseling. At the time of attendance, the Office of Financial Aid will direct students of eligibility requirements including eligible academic standings.
- Students will be required to have a declared academic major (12% of students who default do not have a declared major) with program of study as part of the loan counseling/orientation process. Students who do not have a declared major of study will be directed to obtain support for this decision by meeting with an academic Educational Advisor or Counselor. They will be provided with encouraging academic advising/counseling to assist with the development of a clear pathway, selection of major and career goal.
- Students who enter into an Academic Probation 1 status after their first term of attendance will be required to contact the Office of Financial aid either in person or by phone to create a log-in account with their assigned servicer.
- Students will be advised on what they will need to do during their grace period if they choose not to continue their education in the upcoming term once we are notified of their academic standing.
- Staff of the Counseling Center will be piloting an early intervention program with student who are on academic probation with 100 students who have been identifies as first semester probation. The early interventions strategies include requiring the students to take a 2unit student success educational planning course and engage the students in learning communities of required linked courses. A peer mentoring component will parallel the intervention by assisting the students navigate the college system as well as providing information on available resources. The loan defaulters who are on the first semester probation will be asked to volunteer in the pilot group to participate.
- Students will be contacted by campus (and personal if available) e-mail and postal mail if they do not enroll in the next term of attendance and now have an academic standing of Probation 1 status.
- Educational Advisors/Academic Counselors will also assist students with the development of a Student Educational Plan designed to resolve the probationary status. Educational Advisors/Counselor are to provide additional resources such as the writing

center, learning center, tutoring, CAS workshops, student support programs and other workshops offered by the college

- Students who continue their enrollment after their first term who have a Probation 1 academic standing will be required to submit a Progress Report to show their academic standing. If they are not successful once submitted, they will be counseled on what their options are academically and with their student aid.

Students will not be considered to have completed the loan entrance counseling process until they have completed assessment testing, had an academic counseling appointment with a counselor and declared a major of study that is supported by the Student Educational Plan.

Repayment Support Intervention:

To address the repayment challenges of our high risk student groups, Bakersfield College will obtain skip tracing information to better maintain contact with former students. This will be completed by performing the following steps:

- The Office of Financial Aid will require all students who seek to take out a Direct Student Loan to complete a financial literacy module through Financial Aid TV resource or through financial literacy sessions that will be made available on campus. The student will be required to complete and submit as part of the loan counseling process.
- Students seeking a loan will be required to list 4 additional references aside from their Master Promissory Note references for additional forms of contact and future reference when in repayment. The references will be checked when submitted to verify their validity.
- Students seeking a loan will be required to set up an online account with their loan servicer and submit verification that they have done so.
- The loan payments will be disbursement in two payments instead of one. Students will be required to submit a progress report before the second payment is disbursed.

High Risk Group #2: Basic Skills

The team's analysis indicates that students who defaulted, in general, had very poor academic performance, as measured by assessing into courses below the transfer level. Detail: Of those who defaulted on a student loan Fiscal Year 2011, 75% assessed into basic skills courses in English and 82% assessed into basic skills Math courses. Fiscal Year 2012 74% assessed into basic skills courses in English and 81% assessed into basic skills course in Math. Overall approximately 12 to 14% placed in college level courses in English and 6 to 7% in math.

Bakersfield College will be taking the following steps to address the high default risk associated with current future student borrowers who have a low assessment scores into basic skill courses:

Educational Support Intervention

- Staff of the Financial Aid Office will proactively contact students who are on institutional probation and identified as “high risk borrowers” (students who assessed in basic skills education) to encourage follow-up counseling appointments. These follow-up counseling appointments will be conducted to ensure students regain satisfactory academic progress and are again pursuing their academic goals.
- Academic Counselors and Educational Advisors will also assist students with the development of an educational plan designed to resolve the probationary status and to provide students with a clear path to goal completion. The purpose of this intervention will be to continue to encourage the use of identified support programs, such as the Jerry Ludeke Learning Center, The Writing Center, The Student Success Lab, The Tutoring Center, Critical Academic Skills Workshops and other on-campus programs such as EOP&S, DSP&S, Cal Works, etc.
- Students will be required to successfully complete 3 CAS workshops a semester.

Students will not be considered to have completed the loan entrance counseling process until they have completed assessment testing, had an academic counseling appointment with a counselor and declared a major of study that is supported by the Student Educational Plan.

Repayment Support Intervention

- The Office of Financial Aid will require all students who seek to take out a Direct Student Loan to complete a financial literacy module through Financial Aid TV resource or through financial literacy sessions that will be made available on campus. The student will be required to complete and submit as part of the loan counseling process.
- Students seeking a loan will be required to list 4 additional references aside from their Master Promissory Note references for additional forms of contact and future reference when in repayment. The references will be checked when submitted to verify their validity.
- Students seeking a loan will be required to set up an online account with their loan servicer and submit verification that they have done so.
- The loan payments will be disbursement in two payments instead of one. Students will be required to submit a progress report before the second payment is disbursed.

High Risk Group #3: Student Educational Planning

Overall, the students who defaulted are not completed Student Educational Plan or are not seeking guidance from Educational Advisors and/or Counselors in building the educational plan in creating an academic roadmap. Detail: Fiscal year 2011 and 2012: 80% did not complete a

Student Educational Plan. Only 53% completed the matriculated steps 1 through 3 (FY 2011) and 62% FY2012 completed steps 1 through 3:

- Matriculated Step 1: Orientation
- Matriculated Step 2: Assessment
- Matriculated Step 3: Counseling
- Matriculated Step 4: Student Education Plan

We will be taking the following steps to address the high default-risk associated with current and future student borrowers who do not have a Student Educational Plan and who are not fully matriculated:

Educational Support Intervention

- Academic Counselors will also assist students with the development of an educational plan designed to resolve the probationary status and to provide students with a clear path to goal completion. The purpose of this intervention will be to continue to encourage the use of identified support programs.
- Students will be required to have a declared Student Educational Plan (80% of students who default do not have a declared major of study) as part of the loan counseling process. Students who do not have a declared major of study will be directed to obtain support for this decision by meeting with an Educational Advisor/Counselor.
- Students will be required to see a Financial Aid Advisor to receive an educational plan to support goal completion and to address their remedial education needs as part of the loan counseling process. Financial Aid Advisors are to advise Financial Literacy.
- Students will not be considered for their second payment until they complete the loan entrance counseling appointment with a Financial Aid Advisor and declared a major of study that is supported by a viable educational plan.

Students will not be considered to have completed the loan entrance counseling process until they have completed assessment testing, had an academic counseling appointment with a counselor and declared a major of study that is supported by the Student Educational Plan.

Repayment Support Intervention

To address the repayment challenges of our high risk student groups, Bakersfield College will obtain skip tracing information to better maintain contact with former students. This will be completed by performing the following steps:

- The Office of Financial Aid will require all students who seek to take out a Direct Student Loan to complete a financial literacy module through Financial Aid TV resource or through financial literacy sessions that will be made available on campus. The student will be required to complete and submit as part of the loan counseling process.

- Students seeking a loan will be required to list 4 additional references aside from their Master Promissory Note references for additional forms of contact and future reference when in repayment. The references will be checked when submitted to verify their validity.
- Students seeking a loan will be required to set up an online account with their loan servicer and submit verification that they have done so.
- The loan payments will be disbursement in two payments instead of one. Students will be required to submit a progress report before the second payment is disbursed.

Part 4: Measuring the Effectiveness of Our Interventions

The results of this implementation process will be reported back to, and measured and monitored by, the Bakersfield College Default Prevention Task Force. Here is how the Task Force will measure the effectiveness of the steps to be taken in our default prevention plan:

High Risk Group #1 Educational Support Intervention (Academic Probation): Measurement

- The Financial Aid Office will keep track of the borrowers who have not declared a major and/or area of study. The Financial Aid Office will require borrowers to have a declared major of study in the Banner system. This data will be tracked in the Financial Aid banner system as part of the loan counseling process. Students who do not have a declared major of study will be required to complete this step.
- The Financial Aid Office will track high risk group #1 borrowers to ensure that all borrowers have completed the matriculated steps in addition to completing the US Department of Education required loan counseling steps before the loan is certified.
- The Counseling Department will track the academic probation pilot project. They will share the data with the Financial Aid Office.
- The Financial Aid Office will keep track of the high risk borrowers who are on academic probation 1 and do not enroll the following semester. Follow-up email will be sent and encourage the students to seek guidance from an Education Advisor/Counselor.
- The required progress reports will be monitored. The second loan disbursements will not be made until the progress report is submitted.

High Risk Group #1 Repayment Support Activities: Measurement

- The Financial Aid Office will, for Group #1 borrowers, record information about the number of students who were required to complete a financial literacy module in the financial aid database system.
- The Financial Aid Office will make sure that Group #1 borrowers' supplemental contact information is collected and stored for later use as necessary should the borrower need to be contacted during repayment.

- The Financial Aid Office will require that Group #1 borrowers come to the Financial Aid office and set up an online account with their Federal Servicer, with a screen shot made and stored to record the event.

High Risk Group #2 Educational Support Intervention (Basic Skills): **Measurement**

- Staff of the Advising and Counseling Center will track group #2 borrowers who assessed into or taking remedial education courses to encourage follow-up counseling appointments. The number of appointments established by this target group will be tracked through the SARS GRID appointment system.
- Educational Advisors and Counselors will meet with the high risk group #2 students to develop Student Educational Plans. The completion of the Student Educational Plans will be tagged and tracked in the Banner system.
- Additional services and resources will be tracked by students who seek tutoring, writing lab and critical skills workshops.

High Risk Group #2 Repayment Support Activities: **Measurement**

- The Financial Aid Office will, for Group #2 borrowers, record information about the number of students who were required to complete a financial literacy module in the financial aid database system.
- The Financial Aid Office will make sure that Group #2 borrowers' supplemental contact information is collected and stored for later use as necessary should the borrower need to be contacted during repayment.
- The Financial Aid Office will require that Group #2 borrowers come to the Financial Aid office and set up an online account with their Federal Servicer, with a screen shot made and stored to record the event.

High Risk Group #3 Educational Support Intervention (Student Educational Planning): **Measurement**

- The Financial Aid Office will keep track of the borrowers who have not declared a major and/or area of study. The Financial Aid Office will require borrowers to have a declared major of study in the Banner system. This data will be tracked in the Financial Aid banner system as part of the loan counseling process. Students who do not have a declared major of study will be required to complete this step.
- The Financial Aid Office will track high risk group #1 borrowers to ensure that all borrowers have completed the matriculated steps in addition to completing the US Department of Education required loan counseling steps before the loan is certified.

- Educational Advisors and Counselors will meet with the high risk group #2 students to develop Student Educational Plans. The completion of the Student Educational Plans will be tagged and tracked in the Banner system.

High Risk Group #3 Repayment Support Activities: **Measurement**

- The Financial Aid Office will, for Group #2 borrowers, record information about the number of students who were required to complete a financial literacy module in the financial aid database system.
- The Financial Aid Office will make sure that Group #2 borrowers' supplemental contact information is collected and stored for later use as necessary should the borrower need to be contacted during repayment.
- The Financial Aid Office will require that Group #2 borrowers come to the Financial Aid office and set up an online account with their Federal Servicer, with a screen shot made and stored to record the event.

Part 5: Monitoring

The Bakersfield College's Default Prevention Task Force has established the following monitoring process to allow the task force to keep track of the (1) the targeted high risk group, (2) the action to be taken, (3) how the action will be measured, (4) the owner of the specific intervention; (5) actual results and date results were reported.

The task force will meet quarterly to review the results of these efforts and, where necessary, make adjustments to achieve our goals.

Part 6: Utilizing the resources of Federal Servicers:

Using a census of servicers working with Fiscal Year 2011 and Fiscal Year 2012 borrowers, Bakersfield College has identified our top four Federal Servicers: Nelnet, FedLoan Servicing, Great Lakes Educational Loan Services and Sallie Mae.

The Default Prevention Task Force has reviewed the resources available from these Federal servicers. We have elected to utilize the resources of these four servicers in support of the default prevention aims of this plan, as follows:

Sallie Mae, Great Lakes, FedLoan Servicing, Nelnet:

- Utilize monthly cohort default report
- Increase the communication between the services
- Utilize the Federal Servicing Loan Snapshot
- Provide updated contact information

Part 7: Other default prevention activities

The Bakersfield College Default Prevention Task Force has determined that some additional broad efforts will be needed to reduce student loan default in the near and long term. In this regard, the school has initiated several efforts to reduce loan default among Fiscal Year 2012 and Fiscal Year 2013 delinquent borrowers, as follows:

Short Term: With the assistance of an outside consultant, Parker, Pierson and Associates, and the California Community Colleges Chancellors Office, the school is in the process of identifying a third party servicer, which will provide supplemental servicing support for our Fiscal Year 2012 and Fiscal Year 2013 delinquent borrowers. The effort will be monitored by both the school and the selected consultants on a monthly basis to insure that the contractor is meeting the objectives of the short-term contract. The task Force will be monitoring these results and providing school leadership with monthly reports about the status of delinquent borrowers and our projected cohort default rates for these two open years.

Long Term: The California Community College Chancellor's Office has begun a system-wide effort to increase both student persistence and student success among students who enroll in community colleges. The Task Force will be monitoring these efforts, and meeting periodically with the Bakersfield College school-level student success team, to discuss those areas in which the teams can work collaboratively to both increase student success and reduce default risk among current and future students.

Part 8: Conclusion

The Bakersfield College Default Prevention Task Force understands that our default prevention efforts must focus on both short term and long term efforts to reduce both default rates among students who have received loan and are already in repayment, and default risk among those students who are currently enrolled or who will enroll in Bakersfield College in the future. We understand that this effort will combine strategies which are both targeted and general in nature. We will be monitoring the results of the efforts described in this plan and making adjustments as necessary to meet our institutional goals. We will continue to seek additional opportunities to both reduce default rates and default risk.

If you have questions about any aspect of this plan or the operation of our default prevention task force, please contact Primavera Arvizu, Financial Aid and EOP&S Director at (661) 395-4863 or by email at prarvizu@bakersfieldcollege.edu.