

To: 2024 Negotiated Rulemaking Program Integrity and Institutional Quality Committee
From: Magin Sanchez
February 5, 2024
Re: Cash Management Regulations

The additions to the student ledger section of the regulations are an excellent improvement and would allow students to use their Title IV funds as they deem best. However, I am concerned that by focusing only on the cash equivalent portion of meal plans, students may still be faced with losing significant funds if they are unable to use all of their meal credits that do not have a cash equivalent each month. Students frequently find that they have unused meal credits at the end of each semester. Swipe Out Hunger, a nonprofit organization committed to eradicating student hunger by partnering with colleges knows of at least 200 colleges around the country that run meal credit donation programs because of the large number of meal credits wasted each year. Students who drop out of school, in particular, may need those funds to cover living costs and even student loan debt they cannot afford to repay.

In particular, I am concerned that even more institutions could adopt a meal-credit approach in response to these regulations, as a loophole that will allow them to continue to hold onto Title IV students' unused funds – effectively, free money for the school at the direct expense of students whose school may even require them to purchase more meal plan swipes than they were able to use.

To correct this issue, I am proposing that institutions should also refund students the equivalent of the cost value (not retail) to students along with any cash-equivalent funds.

Cash Management

§ 668.164 (c)(1), and (2) and (3) - Crediting a student's ledger account

(c) Crediting a student's ledger account.

(1) An institution may credit a student's ledger account with title IV, HEA program funds to pay for allowable charges associated with the current payment period. Allowable charges are

(i) The amount of tuition, fees, and institutionally provided **food and housing room and board** assessed the student for the payment period or, as provided in paragraph (c)(5) of this section, the prorated amount of those charges if the institution debits the student's ledger account for more than the charges associated with the payment period;

(A) An institution may only include costs of books and supplies as a part of tuition and fees if the institution demonstrates there is a compelling health or safety reason to do so.

(B) All ~~title IV, HEA program~~ funds allocated for ~~cash value~~ meal plan expenses, including the cash value of meal plan funds and the cost value of unused meal plan credits ~~for recipients of Title IV, HEA program funds~~ must be fully utilized for the benefit of the respective students. No institution may retain unused meal plan funds ~~that were paid for with title IV, HEA program funds~~, and any remaining balance at the end of the payment period must be returned to the student as soon as possible but no later than 14 days after the end of the payment period;. ~~A school is not required to pay a remaining balance that is less than \$1.00. With a student's written authorization under § 668.165(b)(1)(ii)(B), an institution may—~~

(1) Retain unused cash value meal plan funds and the cost value of unused meal plan credits through the earlier of the end of the academic year or 14 days after the end of the payment period in which the student ceases enrollment at the institution; or

(2) Apply unused meal plan funds to unpaid allowable charges; and