

From: ...@ed.gov
To: [deleted by Editor]
Cc: ...
Sent: Thursday, December 20, 2007 1:21:26 PM
Subject: Disturbing New College "Update on Recent Developments"

Hello Margarita:

The answer is that no, New College is not exempt from those regulations. They are expected to credit the account or otherwise pay the student for the type of aid they are eligible to receive. Then the Department reimburses the College for what it has spent on eligible files.

I hope you have a good day today.

...

"Getting angry is like taking poison and expecting
the other person to die".

...

Institutional Review Specialist
U.S. Department of Education
School Participation Team - San Francisco/Seattle

-----Original Message-----

From: M. Quan Yin Wong
Sent: Wednesday, December 19, 2007 9:22 PM

Excuse me, but why is the Work-Study payroll being in arrears being blamed on HCM2 procedures? It was my understanding that these are Federal procedures based on Section 415 of the General Educational Provisions Act; 20 USC 1216a-1; and 34 C.F.R. sections 668.167(f), 668.162, Student Assistance General Provisions, and 682.604(a)(3), FFELP, and not at the discretion of the Acting Interim President or the Marketing and Communications Director of New College.

This is my understanding based on the HCM2 letter that was received by Former President Martin J. Hamilton, certified mail return receipt, on August 6, 2007. Could the U.S. Department of Education please clarify for me if New College of California is exempt from the procedure outlined in the "Instructions for Obtaining Funds/FFELP Authorization Under Heightened Cash Monitoring 2 (HCM2) Method of Payment" which states, "The institution is required under 34 C.F.R.

section668.162(e) to credit students' accounts, or otherwise use its own funds to pay students, for the amount and type of Federal aid they are eligible to receive prior to requesting reimbursement of those funds from the Department"?

I tried to obtain clarification (or establishment of a policy, procedure, and accountability) regarding this in person with Past President, former Trustee, and Professor Emeritus, Peter Gabel, J.D., PhD., and the man he referred and introduced me, Bob Brown, but Peter left the room instead. Please see Luis and Eduardo's message to the New College community attached below.

Thank you,
~ Margarita Quanyin Wong
alumna & former New College Law Student #13506

From: Eduardo Waller
Sent: Mon 12/17/2007 4:59 PM
To: Luis Molina
Subject: new college: Update on recent developments

To: Members of the New College faculty and staff

From: Luis G. Molina, Acting President

Date: December 17, 2007

Re: Update on recent developments

Apologies are due for the number of difficulties experienced across the College, many having to do with financial duress, not least having to do with payroll delays and checks that have been issued erroneously and have not cleared. We understand and regret deeply that for some the financial situation presents the direst circumstances, and there is little recourse available to address pressing needs. While there is no good time to have an experience such as this, we understand that, if anything, it is even more difficult coming at this time of the year.

In the face of these difficult circumstances, thanks and highest commendations are due to all, among students, staff, and faculty, who have continued to try to do all they can to complete their work under these most trying circumstances for all at the College. In recent days this has been particularly true in the effort to process files in seeking financial aid funds from the Department of Education, with

great thanks owed to all those who participated in accomplishing the work under very challenging conditions. With all this, the following is intended to provide a brief synopsis of information regarding recent and expected developments.

Following is a summary of information on the following topics:

1) Financial Aid Funds; 2) Payroll; 3) Work Share; 4) Fall 2007 grade submission deadline: Friday, December 21, 2007; 5) Spring 2008 enrollment; 6) Policy on Core Faculty Retention; 7) Student Services.

Financial Aid Funds

The Department of Education reviewed some 65 files that were submitted by the College earlier in November, and at the end of November they approved disbursement of funds to financial aid applicants included in that submission, enabling us to contact and disburse funds to recipients as quickly as we possibly could. The tuition funds received by the College from this disbursement were used to pay for health and liability insurance coverage along with covering other such critical operating expenses.

We submitted another set of some 80 files this past Wednesday, December 12. We are hoping for a rapid turnaround that might produce funds as soon as this week, though there is no guarantee of that. We will work to inform students about the status of their individual applications and when to expect them to be processed and submitted for reimbursement.

Payroll

As soon as funds are released based on the current submission to the Department of Education, we will disburse the November 20th payroll, including issuance of pay due to members of the adjunct faculty for this semester, along with covering Federal Work-study payments to bring these payments up to date and assuring that health insurance payments are covered.

Financial aid file preparation continues, with a group having agreed to work in the coming week on Registrar and Financial Aid Office functions needed to prepare files for the next submission. Our aim is

to submit the next batch of files as soon as the Department of Education allows, upon approval of the submission currently under review. The plan is to catch up on delayed payroll disbursements as soon as the needed funds become available to the College.

Work Share

An application is being submitted by the College to participate in the State of California Employment Development Department's Work Sharing Unemployment Insurance Program. This program allows for payment of Work Sharing Unemployment Insurance benefits to individuals whose wages and hours have been reduced. We will explore how this program might provide some assistance to those who are able to continue to work a reduced work week, with reduced pay from the College accompanied by a portion of unemployment insurance. Additional details on this will follow.

At the same time, we recognize that for some it may well be that collecting full unemployment benefits presents a better choice, and we will certainly honor that for those who may elect to ask for a voluntary layoff. Beyond this, there may prove to be a need for the College to effectuate layoffs to reduce payroll further.

Fall 2007 grade submission deadline: Friday, December 21, 2007

All grades for Fall 2007 courses must be submitted no later than Friday, December 21, 2007, and the sooner the grades are submitted, the better it will be. This is to enable the grades to be entered into the student records database by committed staff and consultants who are working over the break. This will make it possible for transcripts to be produced that are needed to assemble complete student files for submission to the Department of Education in connection with obtaining Spring-term financial aid funds in a timely manner.

Spring 2008 enrollment

At a meeting of the Board of Trustees held Friday, December 14, the Board approved the Spring term academic calendar to start the week of January 21, 2008 (with January 21 being the day for observing the birthday of Martin Luther King, Jr.), with registration to be conducted the week before that (i.e., the week of January 14). A

statement on enrollment of new students for the Spring term will be issued within a matter of days.

Policy on Core Faculty Retention

In order to protect Core Faculty positions to the extent possible during this period of financial exigency, the College is adopting a policy for the Spring 2008 term to give priority in appointing course instructors to current members of the New College Core Faculty. The policy is that before hiring a member of the Adjunct Faculty or a Mentor for Spring 2008, members of the New College Core Faculty must be given priority consideration for the position. There may be limited exceptions as determined through administrative review to be justified as absolutely necessary and unavoidable.

Student Services

Despite the financial strains we face, we are committed to improvement and expansion of student services, including contributions to student academic services by members of the core faculty.

"A man looking for truth is wise.
When he thinks he has found it he's a fool."