

Program Eligibility



In this chapter, we discuss the effect of program eligibility requirements on institutional eligibility.

PROGRAM ELIGIBILITY REQUIREMENTS

To qualify as an eligible institution, a school must offer at least one eligible program. Not all programs at an eligible institution must be eligible, but at least one of the programs at the school must meet the eligible program requirements.

Determination of program eligibility

Except for students enrolled in certain preparatory or teacher certification courses a student must be enrolled in an eligible program to receive FSA funds. (For more information, see the *Federal Student Aid Handbook, Volume 1 – Student Eligibility*.) Because a school's eligibility does not necessarily extend to all its programs, the school must ensure that a program is eligible before awarding FSA program funds to students in that *program*. The school is ultimately responsible for determining that a program is eligible. In addition to determining that the program meets the eligible program definition, the school should make certain that the *program* is included under the notice of accreditation from a nationally recognized accrediting agency (unless the agency does not require that particular programs be accredited). The school should also make certain that it is authorized by the appropriate state to offer the program (if the state licenses individual programs at postsecondary institutions). (Please see the chart on *Eligible Institutions* and the discussion under *Legal authorization by a state* earlier in chapter 1.)

A school's eligibility extends to all eligible programs and locations that were identified on the school's E-App, unless the Department determines that certain programs or locations did not meet the eligibility requirements. In general, the school's eligible nondegree programs and locations are specifically named on the approval notice (Eligibility and Certification Approval Report [ECAR]). Additional locations and programs may be added later, and may not appear on an ECAR issued earlier. (See the *Federal Student Aid Handbook, Volume 2 – School Eligibility and Operations, chapter 2*.)

If a program offered through telecommunications or continuing education meets the definition of an eligible program, students enrolled in that program must be considered for FSA program

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assistance on the same basis as students enrolled in eligible programs offered through traditional modes. With some limitations, if a program offered through correspondence meets the definition of an eligible program, students enrolled in that program will be considered eligible. (See the *Federal Student Aid Handbook, Volume 2 – School Eligibility and Operations, chapter 8* for more information.)

When a school offers programs that meet different eligible program definitions, the school is operating as more than one type of institution. For example, a public or private non-profit institution that offers a bachelor's degree program (qualifying the school as an institution of higher education) may also offer a certificate or diploma training program that qualifies it as a postsecondary vocational institution.

Types of eligible programs at an institution of higher education

A school qualifies as an institution of higher education if (in addition to meeting all other eligibility requirements, including being a nonprofit school) it offers a program that leads to an associate, bachelor's, professional, or graduate degree. For such programs, there are no minimum program length requirements.

A school may also qualify as an institution of higher education if it offers a program of at least two academic years in duration that is acceptable for full credit toward a bachelor's degree, or if it offers a program of at least one academic year in duration that leads to a certificate, degree, or other recognized credential and prepares students for gainful employment in a recognized occupation.

Types of eligible programs at a proprietary or postsecondary vocational institution

Three types of eligible programs will qualify an otherwise eligible school as a proprietary institution or a postsecondary vocational institution. All of these programs must have a specified number of weeks of instruction, and must provide training that prepares a student for gainful employment in a recognized occupation.

1. The first type of eligible program must provide at least 600 clock hours, 16 semester or trimester hours, or 24 quarter hours of undergraduate instruction offered during a minimum of 15 weeks of instruction. The program may admit as regular students persons who have not completed the equivalent of an associate degree.
2. The second type of eligible program must provide at least 300 clock hours, 8 semester hours, or 12 quarter hours of instruction offered during a minimum of 10 weeks of instruction. The program must be a graduate or professional program or must admit as regular students only persons who have completed the equivalent of an associate degree.

3. The third type of program is known as the *short-term program*. A short-term program qualifies for the FFEL and Direct Loan programs only. This type of program must provide at least 300 but less than 600 clock hours of instruction offered during a minimum of 10 weeks of instruction. The program must admit as regular students some persons who have not completed the equivalent of an associate degree. Short-term programs must also satisfy qualitative factors for completion rates, placement rates, program length, and period of existence of the program. Specifically, these programs must:
- have verified completion and placement rates of at least 70%,
 - not be more than 50% longer than the minimum training period required by the state or federal agency, if any, for the occupation for which the program of instruction is intended, and
 - have been in existence for at least one year.

For the purpose of demonstrating compliance with these qualitative factors, a school must calculate the completion and placement rates for the award year, as explained later. The independent auditor who prepares the school's compliance audit report must attest to the accuracy of the school's calculation of completion and placement rates.

Completion Rate Calculation

Number of regular students who earned credentials for successfully completing the program within 150% of the length of the program.

Number of regular students enrolled for the year

— number of regular students who withdrew with a 100% refund of tuition and fees

— number of regular students enrolled at the end of the year

The school must document the employment of any student it includes as *employed* in the placement rate calculation. Examples of such documentation include, but are not limited to, a written statement from the employer, signed copies of state or federal income tax forms, or written evidence of payment of Social Security taxes.

The school must reasonably determine whether a related occupation is comparable. For instance, for a student who was trained as an auto mechanic, it is reasonable to determine that a job as a boat mechanic is comparable. However, for a person trained in retail sales management, a counter-service job at a fast-food restaurant is not comparable.

Placement Rate Calculation

Number of students who obtained employment within 180 days of receiving credential and who are employed (or have been employed) for at least 13 weeks following receipt of credential*

Number of regular students who received credential for successfully completing the program.

*in the recognized occupation for which they were trained or in a related comparable occupation

Exceptions to the eligible program definition

There are two cases (certain types of preparatory coursework and teacher-certification programs) where students may receive FFEL or Direct Loan funds for enrollment in a program even when it does not meet the eligible program definition. In addition, students enrolled in a postbaccalaureate initial teacher-certification program might be eligible for Pell Grants (For more information, see the *Federal Student Aid Handbook, Volume 1 – Student Eligibility*.)

ADDITIONAL ELIGIBILITY REQUIREMENTS

There are additional FSA program eligibility requirements for specific educational programs. For example, only undergraduate educational programs are eligible under the Pell Grant and FSEOG programs. Correspondence programs are not eligible unless they meet the general requirements for an eligible program and are required for the student's regular program of study leading to a degree. Certain telecommunications courses may be considered correspondence courses and may be subject to the same requirements.

ESL Programs

Students enrolled in a program that consists solely of English as a Second Language (ESL) instruction are eligible **for FSA funds only from the Pell Grant program**. An ESL program must meet the general requirements for an eligible program (for example, it must lead to a degree or other credential). Moreover, **an ESL program may admit only students who need instruction in English to be able to use the knowledge, training, or skills they already have**. The school must document its determination that the ESL instruction is necessary for each student enrolled.

A school that wishes to award FSA assistance to students enrolled in an ESL program must request an eligibility determination for the program from the Department.

A student also may receive FSA program funds for ESL coursework that is part of a larger eligible program. In this case, the ESL coursework is treated as remedial coursework and the student has general FSA program eligibility (though ESL courses are excluded from the one year (30 credit) limitation on remedial coursework). (See the *Federal Student Aid Handbook, Volume 1 – Student Eligibility* for more information.)

If your school permits students to enroll over a series of semesters only in courses that are not applicable to the students' degrees or certificates, you should be judicious in your awarding of education loans to those students. Awarding students education loans over a series of semesters for coursework not applicable to the students' educational objectives can result in the students exhausting their eligibility for FSA loans before the students complete their programs. (For more information, see the *Federal Student Aid Handbook, Volume 1 – Student Eligibility*.)

As part of your school's Satisfactory Academic Progress (SAP) policy, your school is required to define the effect of noncredit remedial courses (including ESL courses) on SAP. That discussion must include the effect of noncredit remedial courses on both the qualitative and maximum timeframe components of SAP.

Study abroad programs

A participating institution may establish programs of study abroad through which its students are eligible to receive assistance through the FSA programs. A study abroad program is an eligible program if

- students studying abroad concurrently remain enrolled at their eligible home school; and
- the eligible home school awards academic credit for the program of study abroad.

While the study abroad program must be considered part of the student's eligible program, it does not have to be a **required** part of the student's eligible degree program in order to be an eligible study abroad program. However, a study abroad program must meet the requirements of consortium and contractual agreements (see the *Federal Student Aid Handbook, Volume 2 – School Eligibility and Operations, chapter 7*). Moreover, in the information it provides to students about a study abroad program, a school must inform students about the availability of FSA program assistance.

Flight school programs

Under the FFEL programs, a flight school program must maintain current valid certification by the Federal Aviation Administration to be eligible.

Effect of remedial and ESL courses on SAP cite



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