Program Eligibility

Many of the program eligibility requirements are derived from the institutional definitions that we discussed in Chapter 1. However, bear in mind that institutional eligibility does not mean that all programs at the school are eligible. A financial aid office should have a process to confirm the eligibility of an educational program before paying any FSA funds to students enrolled in that program, and should promptly report any changes to the Department (see Chapter 5).

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. 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 *Volume 1 – Chapter 1*).

DETERMINATION OF PROGRAM 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 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 chapter 2).

If a program offered through telecommunications or continuing education meets the definition of an eligible program, students

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CHAPTER 4 HIGHLIGHTS

▮ Program eligibility requirements
➔ Determination of program eligibility
➔ Eligible programs at public or private nonprofit institutions of higher education
➔ Eligible programs at proprietary or postsecondary vocational institutions
▮ Additional eligibility requirements
➔ ACG/National SMART programs
➔ ESL programs
➔ Study abroad programs
➔ Direct assessment programs
➔ Flight school programs
▮ Clock hour/credit hour conversions

▮ Related information
➔ Student eligibility for specific educational programs–Volume 1, Chapter 1
➔ Types of educational programs defined for eligible institutions–Volume 2, Chapter 1
➔ Updating the E-APP for changes to programs and locations–Volume 2, Chapter 5

Program eligibility cite
34 CFR 668.8
34 CFR 691.2(b)

FSA Assessments
To assess your compliance with the provisions of this chapter, see the FSA Assessment module for "Program Eligibility," at

ifap.ed.gov/qahome/qaassessments/institutionalelig.html

Recognized occupation

All non-degree programs must prepare students in that program for gainful employment in a specific recognized occupation. (This requirement also applies to degree programs at proprietary schools.)

A "recognized occupation" is one that is listed in the "occupational division" of the most recent edition of the Dictionary of Occupational Titles (DOT) (published by the U.S. Department of Labor) or one that is considered by ED, in consultation with the Department of Labor, to be a recognized occupation.

The Department of Labor last updated the DOT in 1991. You can find the DOT at

http://www.oalj.dol.gov/libdot.htm

The Department of Labor has replaced the DOT with the Occupational Information Network (O*NET OnLine) available at

http://online.onetcenter.org/

Please note that if the title of your program does not clearly indicate the specific occupation that the program prepares the student for, you must provide that information on the school's E-App.

enrolled in that program must be considered for FSA program 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 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 is less than one year 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.

There are several additional requirements that a short-term program must meet. The program must: :

- have verified completion and placement rates of at least 70% (see chart on the next page),

- 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.

Completion & placement rates for short-term programs

For the purpose of demonstrating compliance with the standards for short-term (300-600 clock hour) programs, a school must calculate the completion and placement rates for the award year/ 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.

$$\frac{\text{Number of regular students who earned credentials for successfully completing the program within 150\% of the length of the program}}{\begin{array}{l}\text{Number of regular students enrolled in the program for the award year}\\ \text{- number of regular students who withdrew with a}\\ \text{ 100\% refund of tuition and fees}\\ \text{- number of regular students enrolled at the end of the award year}\end{array}} = \text{Completion Rate}$$

$$\frac{\begin{array}{l}\text{Number of students who obtained employment* within 180 days of}\\ \text{receiving credential and who are employed (or have been employed)}\\ \text{for at least 13 weeks following receipt of credential}\end{array}}{\begin{array}{l}\text{Number of regular students who received credential for}\\ \text{successfully completing the program during the award year}\end{array}} = \text{Placement Rate}$$

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

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.

Additional ESL considerations
➔ A school must define the effect of any noncredit remedial courses (including ESL courses) on a student's academic progress. See Chapter 10 in this Volume.
➔ 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. *See Volume 1, Chapter 1..*

★*NEW* ★ **Grant programs**
The Higher Education Reconciliaton Act of 2005 (HERA) created two new grant programs: Academic Competitiveness Grant (ACG) and the National Science and Mathematics Access to Retain Talent (National SMART) Grant.
34 CFR 691

★*NEW* ★
Direct Assessment programs
HERA also extended FSA eligibility to educational programs that use Direct Assessment to measure student learning .
34 CFR 668.10

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.

ACG and National SMART Grant Programs ★*NEW* ★

To qualify as an eligible program for the ACG and National SMART Grant programs, an educational program must also meet the following requirements:

- For ACGs, the program must lead to an associate's degree or a bachelor's degree; be a two-academic-year program acceptable for full credit toward a bachelor's degree; or be a graduate degree program that includes at least 3 academic years of undergraduate education.

- For National SMART Grants, the program must lead to a bachelor's degree in an eligible major or be a graduate degree program in an eligible major that includes at least 3 academic years of undergraduate education. (See *Volume 1, Chapter 6* for more information on National SMART Grant eligible majors.)

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.

Direct assessment programs ★*NEW* ★

Instead of using credit hours or clock hours as a measure of student learning, some instructional programs use direct assessment of student learning, or recognize the direct assessment of student learning by others. Examples of direct measures include projects, papers, examinations, presentations, performances, and portfolios. The assessment must be consistent with the accreditation of the institution or program using the results of the assessment.

A school that wishes to award FSA funds in a program using direct assessment must apply to the the Department for approval of the program, using the E-app. The application must specify the equivalent number of credit or clock hours for a direct assessment program (or portion of the program, as applicable). (The clock or credit hours will be used as the basis for the FSA award calculations described in Volume 3.) As a part of its application, the school must explain how it determined the equivalent number of credit or clock hours for the program.

A direct assessment program may use learning resources (e.g., courses or portions of courses) that are provided by entities other than the school providing the direct assessment program without regard to the limitations on contracting for part of an educational program in (See Chapter 8).

FSA funds may be awarded only for learning that results from instruction provided, or overseen, by the school. FSA funds cannot be awarded for any portion of the program based on study or life experience prior to enrollment in the program, or based on tests of learning that are not associated with educational activities overseen by the school.

Direct assessment as a measure of learning ★NEW ★
Direct assessment of student learning means a measure by the institution of what a student knows and can do in terms of the body of knowledge making up the educational program. These measures provide evidence that a student has command of a specific subject, content area, or skill or that the student demonstrates a specific quality such as creativity, analysis or synthesis associated with the subject matter of the program.
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Applying for eligibility for a program using direct assessment

The school's application must include an attachment that explains the following—

(1) A description of the educational program, including the educational credential offered (degree level or certificate) and the field of study;

(2) A description of how the assessment of student learning is done;

(3) A description of how the direct assessment program is structured, including information about how and when the school determines on an individual basis what each student enrolled in the program needs to learn;

(4) A description of how the institution assists students in gaining the knowledge needed to pass the assessments;

(5) The number of semester or quarter credit hours, or clock hours, that are equivalent to the amount of student learning being directly assessed for the certificate or degree;

(6) The methodology the school uses to determine the number of credit or clock hours to which the program is equivalent;

(7) The methodology the institution uses to determine the number of credit or clock hours to which the portion of a program an individual student will need to complete is equivalent;

(8) Documentation from the school's accrediting agency indicating that the agency has evaluated the school's offering of direct assessment program(s) and has included the program(s) in the school's grant of accreditation;

(9) Documentation from the accrediting agency or relevant state licensing body indicating agreement with the school's claim of the direct assessment program's equivalence in terms of credit or clock hours; and

(10) Any other information the Department may require to determine whether to approve the school's application.

Several types of programs and coursework that might otherwise be eligible for FSA purposes are not eligible if they involve direct assessment:

- Programs at foreign schools.
- Preparatory coursework required for entry into an eligible program (see Volume 1, Chapter 6).
- Courses necessary for an elementary of secondary school teaching credential or certificate (see Volume 1, Chapter 6).
- Remedial coursework measured through direct assessment.

However, note that remedial instruction that is offered in credit or clock hours in conjunction with a direct assessment program, is eligible for FSA funds.

If the school plans to change any aspect of the program described in the application, it must obtain prior approval from the Department by reapplying.

Study abroad programs

A participating institution may establish programs of study abroad for 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 school must have a written agreement with the institution offering the study abroad program, or with an entity representing that institution (see 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.

CLOCK HOUR/CREDIT HOUR CONVERSIONS IN DETERMINING PROGRAM ELIGIBILITY

The clock hour/credit hour requirements *both* determine program eligibility, and affect the amount of FSA program funds a student enrolled in the program may receive. Here, we discuss the effect of clock hour/credit hour conversions on program eligibility. (For a discussion of the effects of clock hour/credit conversions on enrollment level and eligibility for FSA program assistance, see *Volume 3 – Chapter 1.*)

The clock hour/credit hour conversion formulas determine, for FSA purposes, the number of credit hours in a program. A school must determine if an undergraduate program measured in credit hours qualifies as an eligible program after using the required formulas unless the school offers an undergraduate program in credit hours, *and—*

- the program is at least two academic years in length and provides an associate degree, a bachelor's degree, a professional degree; or

- each course within the program is acceptable for full credit toward that institution's associate degree, bachelor's degree, professional degree, and the degree offered by the school requires at least two academic years of study.

The school must use the clock hour/credit hour conversion formula to determine whether the undergraduate program qualifies as an eligible credit hour program for FSA purposes. In addition to schools that meet the aforementioned criteria, public and private nonprofit hospital-based diploma schools of nursing are exempt from using the clock-to-credit hour conversion formula to calculate awards for the FSA programs.

Formulas for clock/credit hour conversion

To determine the number of credit hours in a program for FSA purposes, schools must use one of the following formulas.

For a semester or trimester hour program

$$\frac{\textbf{Number of clock hours in the credit-hour program}}{\textbf{30}}$$

For a quarter hour program

$$\frac{\textbf{Number of clock hours in the credit-hour program}}{\textbf{20}}$$

In order to meet the minimum program eligibility standards, the conversion formula must yield one of the following results:

- a program offered in semesters or trimesters must provide at least 16 semester or trimester credit hours over 15 weeks of

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Measuring attendance
A student's period of attendance is measured according to one of several commonly accepted academic standards. A clock hour is based on an actual hour of attendance (though each hour may include a 10-minute break). Credit hours are typically based on two hours of homework for each hour of class attendance.

A school is not permitted to count more than one clock hour per 60-minute period; in other words, a school may not schedule several hours of instruction without breaks, and then count clock hours in 50-minute increments.

The result would be that seven hours of consecutive instruction would count as 8.4 clock hours (420 minutes ÷ 50 minutes = 8.4 hours).

Seven 60-minute periods of instruction may not count for more than seven clock hours.

Accept<u>able</u> doesn't mean accept<u>ed</u>
Consider a student who completes a two-year program in plumbing and then wants to reenroll in the school's Bachelor's program in construction technology.

Any of the five plumbing courses taken by the student in the two-year plumbing program may be used to satisfy the plumbing requirement in construction technology. However, the construction technology program requires only two plumbing electives, and only two plumbing courses are accepted toward the student's degree in construction technology.

Since all of the plumbing courses that are part of the two-year program are acceptable in the construction technology program, the fact that only two plumbing courses are accepted does not disqualify the plumbing program for the exception.

Rounding prohibited
Because the results of these formulas determine the eligibility of a program, the resulting number of credit hours may not be rounded..

CLOCK HOUR/CREDIT HOUR
PROGRAM CONVERSION EXAMPLE

Sternberg University (SU) offers a two-year nondegree program measured in semester credit hours. Courses within the program are not creditable toward a degree at SU. Students in the program earn 16 credit hours per semester.

SU determines that there are 1,440 clock hours of instruction in the program. There are 330 clock hours of instruction in the first and second semesters (660 first-year total), and 390 clock hours of instruction in the third and fourth semesters (780 second-year total).

By applying the conversion formula the school determines there are 48 credit hours in the program (1,440 ÷ 30 = 48).

Because the program is at least 15 weeks in length and (through the conversion formula) has been determined to offer at least 24 credit hours of instruction, it is an eligible program provided it is otherwise eligible (see the chart on Eligible Programs and the discussion under Program Eligibility Requirements in chapter 1)

Exemption if ED determines that the program offers "equivalent degree."

The regulations also stipulate that the school is exempted from using the clock hour/credit hour formulas if the Department determines that the program provides a degree equivalent to an associate degree, a bachelor's degree, or a professional degree. This does not permit a school to ask for a determination that a nondegree program is equivalent to a degree program.

instructional time (16 semester or trimester credit hours per year is 3/4 time; 24 per year is full time);

- a program offered in quarter hours must provide at least 24 quarter credit hours over 15 weeks of instructional time (24 quarter credit hours per year is 3/4 time; 36 per year is full time);

- a 10-week program that admits as regular students only persons who have completed the equivalent of an associate degree must provide at least 8 semester or trimester credit hours, or 12 quarter credit hours.

If a school applies the appropriate formula and finds that a program is eligible, the converted credit hours are used to determine the amount of FSA funds that a student who is enrolled in the program is eligible to receive as explained in *Volume 3, Chapter 1.*

Credits approved by state and accrediting agencies

When some states and accrediting agencies approve programs, they also approve the number of credits in the programs. The credits approved by states and accrediting agencies are *not* necessarily the credits for FSA purposes.   For FSA purposes, the number of credits in the program will be those determined by the conversion formula, and they will never be more than those approved by a state or accrediting agency.