



UNITED STATES DEPARTMENT OF EDUCATION  
OFFICE OF POSTSECONDARY EDUCATION

THE ASSISTANT SECRETARY

DEC 18 2014

GEN-14-22

Subject: Apprenticeships and the Federal Student Aid Programs

Summary: This letter provides information regarding the availability of Federal Student Aid, including Federal Work-Study funds through the Job Location Development Program, to support students in apprenticeship programs.

Dear Colleague:

As part of the Administration's effort to double the number of apprentices in the United States over the next five years, this letter provides guidance to the postsecondary education community on the ways that Federal student aid may be used to support apprenticeship programs. Federal student aid can help expand opportunities for students to benefit from high-quality on-the-job learning and help more employers, especially small businesses, afford to offer these opportunities to students.

For the purposes of this letter, an apprenticeship is a training system that combines job-related instruction with structured on-the-job learning experiences. Related classroom instruction, technical training, or other certified training may be provided by postsecondary institutions.

A summary of the ways postsecondary institutions may use Federal student aid funds to support students in apprenticeships follows, with details provided later in this letter.

- If the apprenticeship is part of an academic program that participates in the Federal student aid programs, the institution may provide aid to an eligible student, including for the apprenticeship portion of the program.
- An institution may use its Federal Work-Study (FWS) Program funds to pay the training wages for otherwise eligible FWS students employed as apprentices, even when the apprenticeship is not part of the student's eligible academic program.
- Under the FWS Job Location and Development Program, an institution, or a group of institutions, may use a portion of their FWS Federal allocation to locate and develop off-campus apprenticeship opportunities for students.

1990 K ST. N.W., WASHINGTON, DC 20006  
[www.ed.gov](http://www.ed.gov)

*The Department of Education's mission is to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access.*

### **Apprenticeships as Components of Eligible Programs**

If all or part of an apprenticeship meets an academic requirement of an eligible educational program, eligible students enrolled in that program may receive Federal student aid for the entire program, including for the apprenticeship portion. Similarly, if an apprenticeship program includes coursework that is part of an eligible program, enrolled students may receive Federal student aid for the entire program. In addition to the FWS Program, the Federal student aid programs include the Federal Pell Grant, Federal Supplemental Educational Opportunity Grant, TEACH Grant, Iraq-Afghanistan Service Grant, Federal Direct Loan, and Federal Perkins Loan programs.

The amount of Federal student aid a student who is otherwise eligible may receive is a function of the student's cost of attendance (as determined by the institution under Federal guidelines), the student's financial need, and the number of credit or clock hours in which the student is enrolled.

For students to receive Federal student aid, the educational program that incorporates the apprenticeship or that provides the classroom component of an apprenticeship program must be a program that is Federal student aid eligible. One important requirement is that the program must lead to a degree, diploma, certificate, or other recognized credential awarded by the postsecondary institution. The program must satisfy all state and accrediting agency requirements and must also meet certain program length requirements, including both weeks of instructional time and clock or credit hours.

Since student aid is determined, in part, by the number of credit or clock hours in the program, the structured on-the-job learning portion of the program must be associated with a defined number of credit or clock hours. The Federal student aid program regulations include, at 34 CFR 600.2, definitions of both a clock hour and a credit hour.

If a clock hour educational program includes an on-the-job training component, students' completion of the clock hours associated with the training component must be under the supervision of institutional faculty.

Except as may be required by the institution's accrediting agency or state, there are no limits on the percentage of the program that may consist of on-the-job training, as long as the training is provided by the institution. Note that an institution must report to the Department any location at which 50 percent or more of an educational program is provided, including any on-the-job training component. If an entity other than the institution provides the on-the-job training, that component must be 25 percent of the program or less, or, with specific permission of the institution's accrediting agency, over 25 percent but less than 50 percent of the program.

In such "contracting-out" situations, the institution must enter into a written arrangement with the entity providing the on-the-job training. If the program is offered in credit hours, the written arrangement should include a determination of the number of credit hours attributable to the non-coursework portion of the program, by the establishment of an equivalency for the learning outcomes of the apprenticeship portion, as provided under the regulations at 34 CFR 600.2. An institution's policies for establishing credit hours must meet all requirements and standards set by the institution's accrediting agency.

### **Employment in Apprenticeships through the Federal Work-Study Program**

In the FWS Program, the Department of Education allocates Federal funds to institutions under a statutory formula that requires an institutional match. While the Federal share of an FWS student's wages generally may not exceed 75 percent for a student employed by the institution or by a public or nonprofit agency, the Federal share may not exceed 50 percent for a student employed by a private for-profit entity. And, an institution may only use up to 25 percent of its total FWS Federal allocation to pay the wages of FWS students employed by private for-profit organizations. Any student enrolled at a postsecondary institution participating in the FWS program is eligible for FWS employment if the student meets all Federal student aid eligibility requirements, including having financial need as determined by the student completing a Free Application for Federal Student Aid (FAFSA).

Under certain conditions, and at the institution's discretion, employment under the FWS Program may include employment in apprenticeships. If an institution chooses to include one or more apprenticeships as part of its FWS Program, selected FWS eligible students may receive FWS wages for employment in the apprenticeship regardless of whether or not the apprenticeship comprises part of the student's educational program. Finally, FWS wages are not used in determining the student's eligibility for Federal student aid in the following year.

A job under the FWS Program must be suitable to the scheduling and other needs of the student and must, to the maximum extent practicable, complement and reinforce the educational programs or vocational goals of the student. The wage rate and other conditions of FWS employment, including in an apprenticeship program, is determined by, among other things, minimum wage rules, the type of work performed, the geographic region, the student's proficiency, and any applicable Federal, state, or local law.

Financial aid administrators at postsecondary institutions are responsible for ensuring compliance with Federal laws and regulations regarding FWS employment, including employment in apprenticeship programs. Apprenticeship providers must coordinate with postsecondary institutions to ensure compliance with all relevant requirements.

### **Job Location and Development Program**

Under the FWS Job Location and Development (JLD) Program, an institution is permitted to use a portion of the FWS funds it receives from the U.S. Department of Education to establish or expand a program that locates and develops off-campus job opportunities for its enrolled students. This may include identifying or helping employers develop jobs that are part of apprenticeship programs – regardless of whether the students are recipients of Federal student aid. An institution may use up to 10 percent of its FWS allocation, but no more than \$75,000, to support its JLD Program.

The institution is permitted to use FWS funds to pay up to 80 percent of the allowable costs for the JLD Program. The remaining (20 percent) is provided by the institution either in cash or in services (e.g., provided work-space for the JLD Program's staff). The institution is expected to generate jobs from its JLD efforts that result in student earnings that exceed the total amount of spent under JLD.

Multiple institutions may enter into written agreements to establish, fund, and operate a JLD Program for students enrolled at those institutions. Such agreements would allow those institutions to combine available JLD funds and resources.

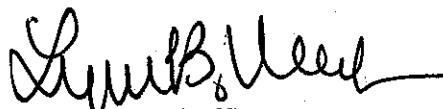
Apprenticeships can provide students with advanced skill sets that meet their career goals and the specific needs of employers. It is our hope that the clarifying guidance in this letter will encourage institutions to support apprenticeships for their students by partnering with community agencies, local employers, and union-sponsored training programs.

Employers and others who are interested in leveraging Federal student aid to support apprenticeships should contact postsecondary institutions with whom they would like to explore the development of an apprenticeship program for more information.

For questions about apprenticeships as part of postsecondary educational programs, contact the Department's Office of Career, Technical, and Adult Education at [octae@ed.gov](mailto:octae@ed.gov).

For questions about the FWS Program, including questions related to program eligibility, student eligibility, and the JLD Program, contact the Campus-Based Call Center at (877) 801-7168. Customer service representatives are available Monday through Friday from 8:00 a.m. until 8:00 p.m. (ET). You may also e-mail your questions to [cbfob@ed.gov](mailto:cbfob@ed.gov).

Sincerely,



Lynn B. Mahaffie  
Acting Assistant Secretary  
for Postsecondary Education