



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF POSTSECONDARY EDUCATION

THE ASSISTANT SECRETARY

June 19, 2015

GEN-15-10

Subject: State Authorization Regulations Effective Date July 1, 2015

Summary: This Dear Colleague Letter (DCL) reminds postsecondary institutions of the requirement to have certain types of State oversight and approvals in place to participate in the Title IV Federal Student Aid (FSA) programs authorized under the Higher Education Act of 1965, as amended (HEA). This is a clarification of the long-standing HEA requirement that in order for a school to be eligible for Title IV aid, the school must be legally authorized by the State to provide a postsecondary education program. The enforcement of these State authorization requirements for institutions was previously stayed from July 1, 2011, to July 1, 2015, to allow States and institutions to prepare. After that date, postsecondary institutions are expected to demonstrate compliance with the requirements; institutions that are not compliant with the State authorization regulations under 34 CFR 600.9(a) and (b) may lose their eligibility to participate in Title IV programs.

Dear Colleague:

On July 1, 2011, new minimum requirements went into effect concerning State oversight and approvals for postsecondary institutions. In order to be eligible to participate in Title IV programs, an institution must be legally authorized by a State to provide a postsecondary education program, and the State must have a process to review and act upon student complaints about that institution.

While the Department has stayed the effective date of the provisions to allow schools to come into compliance and States to prepare for the requirements, this DCL serves as a reminder that the final year of the stay of these regulations ends June 30, 2015. The Department has provided guidance on these regulations, and we are issuing this reminder to encourage States to work with their postsecondary institutions to have acceptable procedures in place to meet the oversight and approval requirements.

Institutions that have obtained sufficient State authorization during the periods when the extensions were in place will have that status confirmed when they are reviewed by Department staff in the ordinary course of business, including when an institution applies to the Department for recertification for eligibility for Title IV aid, for additional locations or programs, or other matters requiring such review. Institutions located in States where agencies are still putting in place a sufficient State authorization process may have their current status continued for a

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reasonable period to permit a State process to become final. Institutions whose State authorizing agency has a sufficient process but declines to authorize the institution will have their status resolved when the institutions are reviewed by Department staff in the ordinary course of business.

On August 22, 2011, we published an electronic announcement that described the steps a postsecondary institution could follow to obtain a one-year extension of the effective date of the regulations at 34 CFR 600.9(a) and (b), which set forth the requirements for an institution of higher education, a proprietary institution of higher education, and a postsecondary vocational institution to be considered legally authorized by a State. As noted in the preamble to the program integrity final regulations published on October 29, 2010, while the Secretary had designated 34 CFR 600.9(a) and (b) as being effective July 1, 2011, a State may have been unable to provide the appropriate State authorizations to its institutions by that date. The final regulations provided that institutions unable to obtain State authorization could receive a one-year stay of the enforcement of the regulations to July 1, 2012, and if necessary, an additional one-year extension to July 1, 2013. The Department provided two additional one-year extensions, further delaying the implementation date to July 1, 2015.

Please note that States may confer different types of approvals and authorizations for different types of institutions, so long as the State authorization for each type of institution meets the requirements in the Department's regulations. Because these regulatory requirements must be met in order for an institution to participate in Title IV programs, States and postsecondary institutions that have not yet done so should work together to ensure compliance with the regulatory requirements at 34 CFR 600.9(a) and (b).

State officials and agencies: If you believe some institutions in your State may have difficulty complying with these requirements, or to discuss your State plan for assisting institutions to meet the regulatory requirements, please contact Sophia McArdle at (202) 219-7078 or by e-mail at stateauthorization@ed.gov

Postsecondary institutions: Please contact your State authorizing agency to ensure you have the necessary process in place to meet these requirements and that your State has a compliant complaint system. If you have questions, please contact your FSA School Participation Division at the contact numbers on the following link: <http://www.eligcert.ed.gov/>.

Sincerely,



Jamienne S. Studley

Deputy Under Secretary

Delegated the Duties of Assistant Secretary for Postsecondary Education