



Maintaining Institutional Eligibility



## Maintaining Institutional Eligibility: Recertification, Updates and Changes



David Bartnicki  
U.S. Department of Education

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## Institutional Eligibility

- Eligibility Requirements
- Eligibility Documents
- Steps for Maintaining Eligibility
  - Meeting New Requirements
  - Timely Recertification
  - Timely Reporting Changes
    - New Educational Programs
    - New Locations



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## Eligibility Requirements

34 CFR Part 600 Institutional Eligibility identifies requirements including:

- Legally Authorized by a State
- Accredited
- Provides an Eligible Program
- Correspondence courses 50% or fewer
- Correspondence students less than 50% of regular students
- Incarcerated students 25% or less of regular students
- No bankruptcy, crime with TIV, or fraud by school or owner

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### Maintaining Institutional Eligibility

**Eligibility Documents**


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Refer to signed copy on file at your school:

- Program Participation Agreement (PPA)
- Any PPA Amendments

Access at [eligcert.ed.gov](http://eligcert.ed.gov):

- User Name = ED + 8-digit OPE ID Number
- Password = ED + 9-digit Taxpayer ID Number
- Eligibility and Certification Report (ECAR)

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**Eligibility References**

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- Code of Federal Regulations (CFR)
  - 600.2 – Definitions
  - 600.10 – Extent of Eligibility
  - 600.20 – Application Procedures
  - 600.21 – Update Application Information
- 668.8 – Eligible Program
- 668.10 – Direct Assessment
- 668.14 – Program Participation Agreement (PPA)
- 668.230 – 668.233 – Comprehensive Transition and Postsecondary Program

*Federal Student Aid Handbook, Volume 2, Chapter 5*

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**Steps for Maintaining Eligibility**



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### Maintaining Institutional Eligibility

**Steps for Maintaining Eligibility:**  
**Meeting New Requirements**

- Watch for New Requirements in Dear Colleague Letters and Electronic Announcements - IFAP
- Example: Gainful Employment (GE)
  - EA 2015-06-11 Gainful Employment Electronic Announcement #54 - Certification Requirements for Gainful Employment
  - Transitional Certification or New PPA with GE Certification due by December 31, 2015

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**Steps for Maintaining Eligibility:**  
**Timely Recertification**

- Refer to PPA:
 

**PROGRAM PARTICIPATION AGREEMENT**

Effective Date of Approval:	The date on which this Agreement is signed on behalf of the Secretary of Education
Approval Expiration Date:	March 31, 2018
Reapplication Date:	December 31, 2017
- Reminders will be sent
- Meet Reapplication Date to ensure month-to-month continued approval if not processed by Expiration Date

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**Steps for Maintaining Eligibility:**  
**Timely Reporting Changes**

Report changes timely and wait for ED approval where necessary



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### Maintaining Institutional Eligibility

**Reporting Changes**

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### Reporting Changes – 2 Categories

- 1) Report and wait for approval—must receive approval before disbursing aid
  - ✓ School must apply to the Department for approval of the change via the E-App within 10 calendar days of the change
- 2) Report and go—not required to wait for approval before disbursing aid
  - ✓ Must notify ED by reporting the change and the date of the change via the E-App within 10 calendar days of the change

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### Report and Wait

Changes that require ED approval:

- Increase in level of educational programs beyond the scope of current approval
- Adding programs in some circumstances
- Adding short-term clock hour programs (300-599)
- Adding locations in some circumstances
- Change in ownership resulting in a change in control
- Change in accreditation or state authorizing agency

Additional changes in FSA HDBK Vol. 2, Chapter 5

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### Maintaining Institutional Eligibility

**Report and Go**

Changes that do not require ED approval but must be reported:

- Change to the name of the institution or location
- Address change for main or additional location
- Change from or to clock-hours or credit-hours
- Decrease in the level of educational programs
- Change to the institution's third-party servicers
- Adding programs in some circumstances
- Adding locations in some circumstances
- Change to CEO/President, FAD, CFO

Additional changes in FSA HDBK Vol. 2, Chapter 5

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**Adding Programs**



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**Adding Programs**

- ECAR lists the eligible program levels
- ECAR lists the eligible programs approved or acknowledged by ED
- Eligibility does not automatically include new programs
  - In some cases, the school may make a self-determination of program eligibility
  - In some cases, the school must seek ED approval of a new program

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### Maintaining Institutional Eligibility

#### Adding Programs – School Self-Determination of Eligibility

There are three cases in which a school may determine program eligibility without prior ED approval

1. The added program leads to an associate, bachelor's, professional, or graduate degree, the school has already been approved to offer programs at that level, and **the school's PPA does not require approval of the program,**

**OR**

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#### Adding Programs – School Self-Determination of Eligibility

2. A fully certified school adds a graduate or undergraduate program that is at least:
  - 10-week (of instructional time) program with 8 semester hours or 12 quarter hours
  - And requires enrolling students to have an associate degree or higher

**OR**

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#### Adding Programs – School Self-Determination of Eligibility

3. A fully certified school adds an undergraduate program that is at least:
  - 15-week (of instructional time) program with 16 semester hours, 24 quarter hours, or 600 clock hours

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### Maintaining Institutional Eligibility

#### Adding Programs – School Self-Determination of Eligibility

Programs listed under #2 and #3 on the previous slides must also -

- Prepares students for gainful employment in the same or related recognized occupation as an educational program that the Department already has designated as an eligible program at the school
- "Recognized Occupation" as defined in 34 CFR 600.2, dated October 29, 2010

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#### Adding Programs – School Self-Determination of Eligibility

If a school makes such a determination

- It must have received the required state and accrediting agency approvals before making the decision
- It must meet all required GE Disclosure, Reporting, and Certification requirements
- It must include the "self-certified" program on the next recertification E-App, or may report the program sooner
- *It is liable for FSA funds disbursed if self-determination is found to be incorrect*

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#### Adding Programs – ED Approval Required

ED approval is required for addition of:

- Any program under 600 clock-hours, regardless of school's eligibility (short term program)
- Any program added by a provisionally certified school (per PPA)
- Non-degree program at fully certified school in a program of study different or unrelated to already eligible programs

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### Maintaining Institutional Eligibility

**Adding Programs – ED Approval Required**

- A new Direct Assessment Program
- A new Comprehensive Transition and Postsecondary (CTP) Program



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**Adding Programs - Limitations**

- Schools subject to the 2-year rule, during initial period of participation
- ED will not approve new programs unless institution demonstrates a program has been offered for at least two years
- Provisionally certified schools with a growth restriction condition
- ED will not approve new programs until the issue that led to the restriction has been resolved

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**Adding Programs**

- ED will review all reported educational programs
- Ensure program meets eligibility requirements
- Evaluate school's administrative and financial capability (if program approval is required)
- If approved, a revised ECAR and Approval Letter is issued
- School may disburse funds after receiving Approval Letter (if program approval is required)
- If not approved, Denial Letter is issued; school may request reconsideration; school is liable if disbursements made

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### Maintaining Institutional Eligibility

**Adding Programs**

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ED will ensure program meets eligibility requirements:

- Accreditor and state approval matches E-App (name and program length)
- CIP Code consistent with name of program
- Leads to a recognized occupation (SOC code) where required
- Meets minimum weeks and clock- or credit-hours
- Meets clock to credit conversion where required

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**Adding Programs**

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ED will ensure program meets eligibility requirements:

- Meets placement and completion rates, and has been in existence for one year, if short term (less than 600 hours)
- Does not exceed by more than 50% the minimum number of clock-hours OR credit hours established by the state for training in the occupation for which the program prepares students
- Must award aid based on clock-hours if licensing requirement stated clock-hours
- Clock hour program definition removed effective 7/1/16

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**Adding Programs**

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ED will ensure program meets eligibility requirements:

- Program meets special requirements if Direct Assessment Program - See DCL GEN-13-10
- Program meets special requirements if Comprehensive Transition and Postsecondary (CTP) Program - See DCL GEN-11-01

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### Maintaining Institutional Eligibility

**Adding New Locations**



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**Adding Locations**

- ECAR lists the main and additional locations offering 50% of a program that are eligible
- *Eligibility does not automatically include separate locations and extensions*
- If 50% or more of an educational program is offered at a new location, the institution must report the location to ED
  - In some cases, the institution must wait for ED approval

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**Reporting a New Location**

- Institution must not disburse FSA funds at a new location before
  - Location reported to ED via the E-App
  - Supporting documents submitted
    - State legal authorization
    - Accrediting agency approval

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### Maintaining Institutional Eligibility

#### Required Approval of a New Location

- Must wait for approval before disbursing FSA funds if the institution is
  - Provisionally certified
  - On cash monitoring or reimbursement
  - Acquiring assets of another institution
  - Subject to a loss of eligibility under 668.188 (default rates), or
  - Required by ED to report and wait

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#### Eligibility of Additional Locations

- Additional location is not required to satisfy the two-year rule unless
  - Location was a facility of another institution that has closed
  - Applicant institution acquired, either directly or indirectly from closed school, the assets at the location, and
  - The institution acquired is not making payments in accordance with a repayment agreement with ED

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#### Eligibility of Additional Locations

- Additional location is not required to satisfy two-year rule if applicant institution who acquires another institution agrees
  - To be liable for all improperly expended or unspent FSA funds
  - To be liable for all unpaid refunds owed to FSA recipients, and
  - To abide by the policy of the closed institution regarding refunds of institutional charges to students

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### Maintaining Institutional Eligibility

**Teach-outs at Closed School Locations**

- Closed school location may be eligible as an additional location of applicant institution *for conducting a teach-out*
- If teach-out is approved by the institution's accrediting agency, and
- ED has taken limitation, suspension, termination, or emergency action against closed school

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**Teach-outs at Closed School Locations**

- Closed school location may be eligible as a *permanent* additional location of applicant institution without having to satisfy two-year requirement, assume liabilities, or absorb default rate of closed school, if
- Location was approved for purposes of conducting a teach-out
- Institutions are not related parties
- No common owners or managers

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**Steps for Maintaining Eligibility**

**New Locations**

- School should consult with their School Participation Division if:
  - Location was a facility of another institution that has closed
  - School is providing a teach-out of a closing school at the closing school's location

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### Maintaining Institutional Eligibility

#### ED Review of *All* Additional Locations

ED will ensure location meets eligibility requirements:

- Appropriate state/foreign government and accreditor approval
- Street address provided
- If located at the site of a formerly eligible location, meets all requirements to become an eligible location of another institution
- If located at the site of a currently eligible location, relationship between the two institutions and/or if the location is changing affiliation

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#### Steps for Maintaining Eligibility

##### New Locations

- ED will review all locations
  - Ensure location meets eligibility requirements
  - Evaluate school's administrative and financial capability (if location approval is required)
  - If approved, a revised ECAR and Approval Letter is issued
  - School may disburse funds after receiving Approval Letter (if location approval is required)
  - If not approved, Denial Letter is issued; school may request reconsideration; school is liable if disbursements made

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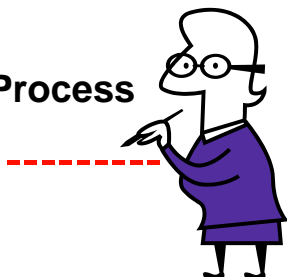
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#### Application Process



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### Maintaining Institutional Eligibility

**Application Process**

- When a change that must be reported occurs, an institution must notify ED
  - Via E-App
  - Within identified timeframe
- Institution must send to ED
  - Copies of the approval for the change
  - Any required documentation
  - Section L of the E-App containing original signature of the appropriate person

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**How to Submit Changes**

- Use E-App to submit changes and updates
  - [www.eligcert.ed.gov](http://www.eligcert.ed.gov)
  - User Name = ED + 8-digit OPE ID Number
  - Password = ED + 9-digit Taxpayer ID Number
- In Section A, Question 1, select "Update Information" box
- Select the specific updates from the pick list; if purpose doesn't appear in list, select "Other," and type the purpose in the space provided

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**How to Submit Changes**

- Complete the information for the appropriate questions and Section L of the E-App
  - Skip Logic will take you to appropriate sections based on application purpose selected
  - To provide additional information use Section K, Question 69
- Mail the signature page (Section L) and the supporting documents listed in Section M to the address indicated

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### Maintaining Institutional Eligibility

#### Features of the E-App

- Pre-populated questions
- Help text
- Edit checks
- Status messages
- Status check
  - Click on "Application Status" in the left margin

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#### ED Response Sent via E-mail

- E-mail instructs institution to go to the PPA/ECAR page of the E-App website to view Approval or Acknowledgement Letter
- Institution prints and reviews copy of Approval/Acknowledgement Letter and ECAR
- E-mail also provides contact information for questions about the action

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#### Avoid Common Mistakes

- Don't forget to click "SUBMIT"
- Don't forget to send in the signed signature page
- Don't forget to send in copies of the state and accreditation approval letters
- If reporting more than one update on the E-App, check a box for EACH purpose
  - If updates are reported on a Recertification Application, select only Recertification as the purpose



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### Maintaining Institutional Eligibility

**On the Horizon**

- A new system is being developed to integrate, streamline and support core business processes
  - Integrated Partner Management (IPM) solution
- Includes the E-App process which will improve the overall application and eligibility update process
- Goal is to implement by end of 2016
- Stay tuned to IFAP!

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**Contacts**

- Atlanta School Participation Division
  - Main Number: 404-974-9303
    - Ask for your Point-of-Contact
  - Arva Thomas (IIS) – 404-974-9412
  - Cassandra Weems (IIS) – 404-974-9305
- Atlanta Training Officer
  - David Bartnicki – 404-974-9312
- Email – [firstname.lastname@ed.gov](mailto:firstname.lastname@ed.gov)



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**Training Feedback**

To ensure quality training we ask all participants to please fill out an online session evaluation

- Go to <http://s.zoomerang.com/s/DavidBartnicki>
  - Evaluation form is specific to David Bartnicki
- This evaluation tool will provide a means to educate and inform areas for improvement and support an effective process for “listening” to our customers
- Additional feedback about training can be directed to [joann.borel@ed.gov](mailto:joann.borel@ed.gov)

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**QUESTIONS?**



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