How FAAs Report Changes Impacting Institutional Eligibility

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U.S. Department of Education

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TOPICS

Reporting Changes
Adding Programs
Adding New Locations
Application Process

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Eligibility Documents

Access at eligcert.ed.gov:

- Electronic Application for Approval to Participate in the Federal Student Financial Aid Programs (E-App)

- Eligibility and Certification Approval Report (ECAR)

- Program Participation Agreement (PPA)

  Refer to signed copy on file at institution

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Eligibility References

- 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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Reporting Changes

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Reporting Changes – Two Categories

- Report and wait for approval—must receive approval before disbursing aid

- 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 ten calendar days of the change

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Report and Wait

Changes that require ED approval:

- Increase in the level of educational programs beyond the scope of current approval
- Adding programs in some circumstances
- Adding locations in some circumstances
- Change in ownership resulting in a change in control

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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 reported Financial Aid Director

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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 first seek ED approval of a new program

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Adding Programs – School Self-Determination of Eligibility

There are two 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 program that is at least:

- 10-weeks (of instructional time) in length

AND

- 8 semester hours,
- 12 quarter hours, or
- 600 clock hours

    AND that

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Adding Programs –
School Self-Determination of Eligibility

- 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 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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Adding Programs – ED Approval Required

- A Direct Assessment Program

- A 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 – Process if Approval Required

- ED will review the new program

- ED will evaluate institution's administrative and financial capability

- If approved, a revised ECAR and Approval Letter is issued

- Institution may disburse funds after receiving Approval Letter

- If not approved, Denial Letter is issued and institution may request reconsideration

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Adding Programs – Process if Approval Not Required

- ED will review the new program and add the program to the institution's ECAR if program meets eligibility requirements

- ED will provide written notification when review is complete

- Institution may disburse funds prior to receiving ED notification

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Adding Programs – Process if Approval Not Required

- If program does not meet eligibility requirements, ED will deny eligibility

- Institution is liable for FSA funds if program does not meet program eligibility requirements in 34 CFR 668.8

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Adding Programs – ED Review of Programs

- 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 –
ED Review of Programs

- 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 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

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Adding Programs – ED Review of Programs

- 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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Adding New Locations

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Adding Locations

- ECAR lists the locations 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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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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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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ED Review of Additional Locations

- 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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Application Process

Application Process

- When a change that must be reported occurs, an institution must notify ED

  - Via E-App

  - Within ten calendar days

- 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
  - 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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Features of the E-App

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

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

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SCHOOL ELIGIBILITY SERVICE GROUP (SESG)

Ron Bennett - Director, School Eligibility Service Group, Washington, DC
(202) 377-3181
School Eligibility Service Group General Number: (202) 377-3173 or e-mail: CaseTeams@ed.gov

Or call the appropriate School Participation Division manager below for information and guidance on audit resolution, financial analysis, program reviews, school and program eligibility/recertification, and school closure information.

New York/Boston School Participation Division
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Tracy Nave – Boston (617) 289-0145
Patrice Fleming – Washington, DC (202) 377-4209
Chris Curry – New York (646) 428-3738

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Nancy Gifford, Director (215) 656-6436
John Loreng – Philadelphia (215) 656-6437
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Barbara Hemelt − Washington, DC (202) 377-4201
Joseph Smith − Washington, DC (202) 377-4321

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Earl Flurkey – Chicago (312) 730-1521
Brenda Yette – Chicago (312) 730-1522
Douglas Parrott − Denver (A) (312) 730-1532

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Gayle Palumbo − San Francisco (415) 486-5614 or Seattle (206) 615-3699
Dyon Toney − Washington, DC (202) 377-3639
Erik Fosker – San Francisco (415) 486-5606

Session Contact Information

Your feedback & comments are appreciated

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QUESTIONS?

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