

Federal Financial Aid Gainful Employment Guidelines

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Gainful Employment Topics

- Types of Gainful Employment programs are tied to the category of the institution. This impacts program length.
- “Recognized Occupation” component impacts the types of certificates that can be funded by federal student aid.
- What does the Department of Education consider to be a Recognized Occupation?

Type and Control of Eligible Institutions

<p><i>Institution of Higher Education</i></p> <p>A public or private nonprofit educational institution located in a state</p>	<p><i>Proprietary Institution of Higher Education</i></p> <p>A private, for-profit educational institution located in a state</p>	<p><i>Postsecondary Vocational Institution</i></p> <p>A public or private nonprofit educational institution located in a state</p>
<p>The institution offers</p> <ol style="list-style-type: none"> (1) associate, bachelor's, graduate, or professional degree programs; (2) a program of at least two years that is acceptable for full credit toward a bachelor's degree; or (3) a training program of at least one academic year that leads to a certificate or other nondegree recognized credential and prepares students for gainful employment in a recognized occupation. 	<p>The institution must</p> <ol style="list-style-type: none"> (1) provide training for gainful employment in a recognized occupation or (2) have provided a program leading to a baccalaureate degree in liberal arts continuously since 1/1/09 (with continuous regional accreditation since 10/1/07 or earlier). <p>Programs offered must meet the criteria of at least one category below:</p> <ol style="list-style-type: none"> (1) They are at least a 15-week (instructional time) undergraduate program of 600 clock hours, 16 semester or trimester hours, or 24 quarter hours. They may admit students without an associate degree or equivalent. (2) They are at least a 10-week (instructional time) program of 300 clock hours, 8 semester or trimester hours, or 12 quarter hours. They must be a graduate/professional program or must admit only students with an associate degree or equivalent. (3) They are at least a 10-week (instructional time) undergraduate program of 300–599 clock hours. They must admit at least some students who do not have an associate degree or equivalent and must meet specific qualitative standards. Note: These programs are eligible only for Direct Loan participation. 	<p>The institution must provide training for gainful employment in a recognized occupation.</p> <p>Programs offered must meet the criteria of at least one category below:</p> <ol style="list-style-type: none"> (1) They are at least a 15-week (instructional time) undergraduate program of 600 clock hours, 16 semester or trimester hours, or 24 quarter hours. They may admit students without an associate degree or equivalent. (2) They are at least a 10-week (instructional time) program of 300 clock hours, 8 semester or trimester hours, or 12 quarter hours. Must be a graduate/professional program or must admit only students with an associate degree or equivalent. (3) They are at least a 10-week (instructional time) undergraduate program of 300–599 clock hours. Must admit at least some students who do not have an associate degree or equivalent and must meet specific qualitative standards. Note: These programs are eligible only for Direct Loan participation.

Certificate Program Requirements Need to be 18 Units or Higher!

All three institutional types may also provide a comprehensive transition and postsecondary program for individuals with intellectual disabilities.

"Two-Year Rule" (applicable to proprietary and postsecondary vocational institutions): Legally authorized to give (and continuously have been giving) the same postsecondary instruction for at least two consecutive years.

Additional Gainful Employment Guidelines

- 34 CFR 668.14(b):

(26) If the stated objectives of an educational program of the institution are to prepare a student for gainful employment in a recognized occupation, the institution will—

(i) Demonstrate a reasonable relationship between the length of the program and entry level requirements for the recognized occupation for which the program prepares the student. The Secretary considers the relationship to be reasonable if the number of clock hours provided in the program does not exceed by more than 50 percent the minimum number of clock hours required for training in the recognized occupation for which the program prepares the student, as established by the State in which the program is offered, if the State has established such a requirement, or as established by any Federal agency; and

(ii) Establish the need for the training for the student to obtain employment in the recognized occupation for which the program prepares the student.

Recognized Occupation?

- Placeholder:

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:

- identified by a Standard Occupational Classification (SOC) code established by the Office of Management and Budget or an Occupational Information Network O*NET–SOC code established by the Department of Labor and available at O*NET OnLine at www.onetonline.org or its successor site, or
- considered by ED, in consultation with the Department of Labor, to be a recognized occupation.

If the title of the program does not clearly indicate the specific occupation that the program prepares the student for, that information must appear on the E-App.

considered eligible (see *Distance Education & Correspondence Study* in this chapter).

BASIC TYPES OF ELIGIBLE PROGRAMS

Eligible programs at an institution of higher education

At a school that qualifies as a public or private nonprofit institution of higher education, the following types of programs are eligible for FSA purposes:

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- a program that leads to an associate, bachelor's, professional, or graduate degree,
- a program of at least two academic years in duration that is acceptable for full credit toward a bachelor's degree,
- a program of at least one academic year in duration that leads to a certificate or other nondegree recognized credential and prepares students for gainful employment in a recognized occupation, or
- a certificate or diploma training program that is less than one year (if the school also meets the definition of a postsecondary vocational institution).

Note that a nondegree program at a public or private nonprofit institution is subject to the rules for a “gainful employment program” (unless the program is at least a 2-year transfer program). Gainful employment programs are explained later.

Questions?

