

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 <http://www.onetonline.org/>, or its successor site, or
- considered by ED, in consultation with the Department of Labor, to be a recognized occupation.

Please note that if the title of your program does not clearly indicate the specific occupation that the program prepares the student for, you must provide that information on the school’s E-App.

meets the definition of an eligible program, students enrolled in that program will be considered eligible (see *Distance education and 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:

- a program that leads to an associate, bachelor’s, professional, or graduate degree.
- a program of at least 2 academic years in duration that is acceptable for full credit toward a bachelor’s degree,
- a program of at least 1 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 1 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 below.

Eligible programs at a proprietary or postsecondary vocational institution

There are three types of eligible programs at a proprietary institution or a postsecondary vocational institution. All of these programs must have a specified number of weeks of instruction, and must provide training that prepares a student for gainful employment in a recognized occupation.

- The first type of eligible program must provide at least 600 clock hours, 16 semester or trimester hours, or 24 quarter hours of undergraduate instruction offered during a minimum of 15 weeks of instruction. The program may admit as regular students persons who have not completed the equivalent of an associate degree.
- The second type of eligible program must provide at least 300 clock hours, 8 semester hours, or 12 quarter hours of instruction offered during a minimum of 10 weeks of instruction. The program must be a graduate or professional program or must admit as regular students only persons who have completed the equivalent of an associate degree.
- The third type of program is known as the short-term program. A short-term program qualifies for the Direct Loan program only. This type of program must provide at least 300 but less than 600 clock hours of instruction offered during a minimum of 10 weeks of instruction. The program must admit as regular students some

Credit & clock hours

Later in this chapter is a discussion of how program length is measured in credit and clock hours.

Other eligible programs

Recent legislation adds several additional categories of eligible programs:

- a direct assessment program approved by the Department (discussed later in this chapter),
- a comprehensive transition and postsecondary program approved by the Department (discussed later in this chapter), and
- a program leading to a baccalaureate degree in liberal arts (as defined in 34 CFR 600.5(e)), at a proprietary school that is accredited by a recognized regional accrediting agency or association. (The school must have been continuously accredited by a regional accrediting agency since at least October 1, 2007, and have provided the program continuously since January 1, 2009.)

Higher Education Act of 2008
34 CFR 668.8

persons who have not completed the equivalent of an associate degree.

There are several additional requirements that a short-term program must meet. The program must—

- have verified completion and placement rates of at least 70% (see chart),
- not be more than 50% longer than the minimum training period required by the state or federal agency, if any, for the occupation for which the program of instruction is intended, and
- have been in existence for at least one year.

Completion & placement rates for short-term programs

For the purpose of demonstrating compliance with the standards for short-term (300–600 clock-hour) programs, a school must calculate the completion and placement rates for the award year. The independent auditor who prepares the school's compliance audit report must attest to the accuracy of the school's calculation of completion and placement rates. See 34 CFR 668.8(e), (f), and (g)

Number of regular students who earned credentials for successfully completing the program within 150% of the length of the program

Number of regular students enrolled in the program for the award year

– number of regular students who withdrew with a 100% refund of tuition and fees

– number of regular students enrolled at the end of the award year

= Completion Rate

Number of students who obtained employment* within 180 days of receiving credential and who are employed (or have been employed) for at least 13 weeks following receipt of credential

Number of regular students who received credential for successfully completing the program during the award year

= Placement Rate

*in the recognized occupation for which they were trained or in a related comparable occupation

The school must document the employment of any student it includes as employed in the placement rate calculation. Examples of such documentation include, but are not limited to, a written statement from the employer, signed copies of state or federal income tax forms, or written evidence of payment of Social Security taxes.

The school must reasonably determine whether a related occupation is comparable. For instance, for a student who was trained as an auto mechanic, it is reasonable to determine that a job as a boat mechanic is comparable. However, for a person trained in retail sales management, a counter-service job at a fast-food restaurant is not comparable.