



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF POSTSECONDARY EDUCATION

JUL 13 2012

THE ASSISTANT SECRETARY

GEN-12-10

Subject: Implementation of E.O. 13607 – Establishing Principles of Excellence for Educational Institutions Serving Service Members, Veterans, Spouses, and other Family Members

Summary: This letter provides guidance to postsecondary institutions on implementation of Section 2 of Executive Order 13607 signed by the President on April 27, 2012: standardized cost form, Federal aid information, aggressive and fraudulent recruiting, accreditation, readmission, refund, individual education plans, and academic and financial counseling point(s) of contact.

Dear Colleague:

On April 27, 2012, the President signed Executive Order 13607, Establishing Principles of Excellence for Educational Institutions Serving Service Members, Veterans, Spouses, and Other Family Members. The published Executive Order is available at: <http://www.gpo.gov/fdsys/pkg/FR-2012-05-02/pdf/2012-10715.pdf>. This Executive Order addresses key areas relating to Federal military and veterans educational benefits programs.

The enclosure to this letter provides additional guidance on how postsecondary institutions may comply with Section 2, paragraphs (a) through (h) of Executive Order 13607 covering the following areas: (a) standardized cost form, (b) Federal aid information, (c) aggressive and fraudulent recruiting, state authorization, misrepresentation, and incentive compensation, (d) accreditation, (e) readmission, (f) refund, (g) individual education plans, and (h) academic and financial counseling point(s) of contact. The guidance is provided in a question and answer format to best address issues raised by service members, veterans and their families, and institutions participating in the Federal military and educational benefit programs.

This guidance is provided to assist institutions with understanding how best to comply with Executive Order 13607 in these areas and does not make changes to the Executive Order. Affected parties are responsible for taking the steps necessary to comply pursuant to their arrangements with the Departments of Defense and Veterans Affairs.

We thank you for your continued cooperation as we work to implement these principles.

Sincerely,

David A. Bergeron  
Acting Assistant Secretary for Postsecondary Education

Attachment/Enclosure:  
Executive Order 13607 Principles of Excellence Q&A

**EO 13607 INFORMATION WORKING GROUP**  
**Principles of Excellence – Final Q&A**

Standardized Cost Form (a)
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**Question: For postsecondary institutions that agree to comply with the principles outlined in Executive Order 13607 (EO 13607), what are the expectations to provide prospective students who are eligible to receive Federal military, veterans, and family member educational benefits with a personalized and standardized form containing aid information?**

Answer: A postsecondary institution that agrees to comply with the principles in EO 13607 is expected to use the "know before you owe" model aid offer format for prospective students who are eligible to receive Federal military, veterans, and family member educational benefits once that format is made available by the Department of Education.

Data elements to be included on the model aid offer format are:

- How much the academic year will cost, including the estimated cost of attendance, tuition and required fees, housing and meals (for on-campus residents), living expenses (for off-campus residents), books and supplies, transportation, and other educational expenses;
- Total funds the student receives from grants and scholarships, including grants from the postsecondary institution, Federal Pell Grants, grants from states, and other scholarships;
- Net cost after grants (cost of attendance minus the total amount of grants and scholarships);
- Expected family contribution (calculated using information reported on the Free Application for Federal Student Aid (FAFSA) according to formula);
- Work options that would fund college costs including Federal Work-Study (if the postsecondary institution participates in this program);
- Information on Federal loans that are recommended, including Federal Perkins Loans and subsidized and unsubsidized Federal Direct Loans;
- Information about the average amounts of the loans that enrolled students usually borrow; and
- Performance data at an institutional level, including graduation and default rates.

The specific format for the model aid offer will be released in the summer of 2012.

Aid Information (b)

**Question: For postsecondary institutions that agree to comply with the principles outlined in Executive Order 13607 (EO 13607), how does the postsecondary institution fulfill the notification requirement for informing students of the availability of, and their potential eligibility for, Federal financial aid prior to packaging or arranging private student loans or alternative financing programs?**

Answer: A postsecondary institution fulfills the notification requirement outlined in EO 13607 by providing the following information: (1) information about the maximum amount of Federal grant and loan aid available to students under Title IV of the Higher Education Act of 1965 (Title IV); (2) an explanation that the borrower may qualify for loans or other assistance under Title IV; (3) an explanation that the terms and conditions of loans made under Title IV may be more favorable than the provision of private education loans; and (4) a brief explanation\* about the education benefit programs offered by the Departments of Veterans Affairs and Defense. The above information must be presented in an easy to understand format on the institution's Web site where financial aid information is located and in all financial aid related materials distributed (in both written and electronic formats) to the veteran, service member, or family member. The institution must also ensure that the information regarding private student loans is presented in a way that is distinct from the information regarding loans made under Title IV.

**\*Sample Explanation:** If you served on Active Duty, you might be eligible for education benefits offered by the Department of Veterans Affairs. For example, the Post-9/11 GI Bill provides financial support for educational and housing expenses to individuals with at least 90 days of aggregate service after September 10, 2001, or individuals discharged with a service-connected disability after 30 days. You must have received an honorable discharge to be eligible for the Post-9/11 GI Bill.

If you are currently serving in the military, you may be eligible for funding offered through the Department of Defense Tuition Assistance program. Check your eligibility status and the amount for which you qualify with your Service prior to enrolling.

If you are the spouse or child of a service member who is serving on active duty Title 10 orders in the paygrades of E1-E5, O1-O2, or W1-W2, you may be eligible for financial assistance from the Department of Defense for education, training, and/or the occupational license and credentials necessary for a portable career.

If you are the spouse or child of a service member, you may be eligible for transfer of the service member's Post-9/11 GI Bill benefits to you.

State Authorization / Recruiting (c)

**Question 1: For postsecondary institutions that agree to comply with the principles outlined in Executive Order 13607 (EO 13607), what are the expectations for those institutions regarding restrictions on recruitment, misrepresentation, and payment of incentive compensation related to prospective students who are eligible to receive Federal military and veterans educational benefits?**

Answer: An institution that agrees to comply with the principles in EO 13607 is expected to comply with the regulations issued by the Department of Education (34 C.F.R. 668.71-668.75 and 668.14) related to program integrity issues, including restrictions on recruitment, misrepresentation, and payment of incentive compensation.

**Question 2: For postsecondary institutions that agree to comply with the principles outlined in Executive Order 13607 (EO 13607), what are the expectations for those institutions to comply with the various State authorization requirements for degree and certificate programs?**

Answer: An institution that agrees to comply with the principles in EO 13607 is expected to comply with the regulations issued by the Department of Education (34 C.F.R. 668.43, 668.71-668.75, 668.14 and 600.9) related to program integrity issues, including State authorization.

Accreditation (d)

**Question: For postsecondary institutions that agree to comply with the principles outlined in Executive Order 13607 (EO 13607), what are the expectations for those institutions related to accrediting agency approvals for new courses or program offerings?**

Answer: An institution that agrees to comply with the principles in EO 13607 must follow the substantive change requirements of its accrediting agency. If the institution's accrediting agency's substantive change policy requires new courses or program offerings to be submitted to the agency for approval, the institution would be required to submit such items for approval.

Readmission / Refund (e) (f)

**Question 1: For postsecondary institutions that agree to comply with the principles outlined in Executive Order 13607 (EO 13607), what are the readmission expectations for treatment of service members, reservists, and their family members who seek readmission**

**to a program that was interrupted due to a service obligation, or who were temporarily unable to attend classes or must suspend their studies due to service obligations?**

Answer: Institutions that agree to comply with the principles in EO 13607 are expected to follow the regulations released by the Department of Education (34 C.F.R. 668.18) regarding readmission requirements for returning service members who seek readmission to a program that was interrupted due to a service obligation, and to apply those provisions to service members that are temporarily unable to attend classes for less than 30 days within a semester or similar enrollment period due to a service obligation. A description of the provisions for U.S. Armed Forces members and their families is provided in Chapter 3 of Volume 2 of the Federal Student Aid Handbook at <http://ifap.ed.gov/fsahandbook/attachments/1112FSAHbkVol2Master.pdf>.

The Handbook outlines the readmission provisions for service members and provides definitions for the following relevant terms: Armed Forces, active duty, active duty for a period of more than 30 days, military service (or service in the uniformed services), service member, family, and appropriate officer.

**Question 2: For postsecondary institutions that agree to comply with the principles outlined in Executive Order 13607 (EO 13607), what are the tuition refund policy expectations for treatment of service members and reservists who withdraw or otherwise stop attending due to service obligations?**

Answer: A postsecondary institution that agrees to comply with the principles in EO 13607 is expected to have a refund policy for service members, reservists, and family members who stop attending due to service obligations that complies with the Department of Education regulations set out at 34 C.F.R. 668.22. These requirements apply to all institutions that participate in the Title IV student aid programs, and generally provide that Title IV student aid is earned on a pro-rata basis during an enrollment period, with unearned funds returned based upon when a student stops attending. Postsecondary institutions that participate in the Title IV student aid programs already meet this requirement with respect to Title IV funds provided to Title IV recipients. These postsecondary institutions should treat the funds provided from the Departments of Defense and the Veterans Administration received by non-Title IV recipients in the same manner in order to voluntarily comply with EO 13607.

Postsecondary institutions that do not participate in the Title IV student aid programs that agree to comply with the principles in EO13607 must have an institutional refund policy for service members, reservists, and family members who stop attending due to service obligations that returns any unearned benefits administered by the institution to the source of the funds on a pro-rata basis through at least the 60 percent portion of the period for which the funds were provided.

Any institutional refund policy or requirements that result in a larger return of unearned benefits to the same source would also meet this requirement.

Although not required for compliance with EO 13607, we strongly encourage institutions to comply with the tuition refund principles outlined in 20 U.S.C. § 1098cc. All institutions “should provide a full refund to students who are affected individuals for that portion of a period of instruction such student was unable to complete, or for which such individual did not receive academic credit, because he or she was called up for active duty or active service; and, if affected individuals withdraw from a course of study as a result of such active duty or active service, such institutions should make every effort to minimize deferral of enrollment or reapplication requirements and should provide the greatest flexibility possible with administrative deadlines related to those applications. A full refund includes a refund of required tuition and fees, or a credit in a comparable amount against future tuition and fees.”

Individual Education Plan (g)
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**Question: Executive Order 13607 (EO 13607) directs institutions to provide educational plans for all individuals using Federal military and veterans educational benefits that detail how they will fulfill all the requirements necessary to graduate and the expected timeline of completion. Does this require an institution to provide an education plan to the student? What constitutes an education plan?**

Answer: An institution fulfills the requirement by disclosing general degree requirements for the service member, family members, and veteran’s educational program (education plan) to the member and his or her Service. These requirements, typically articulated in the institution’s course catalog, should:

- (a) Include the total number of credits needed for graduation.
- (b) Divide the coursework students must complete in accordance with institutional academic policies into general education, required, and elective courses.
- (c) Articulate any additional departmental or graduate academic requirements, such as satisfying institutional and major field grade point average requirements, a passing grade in any comprehensive exams, or completion of a thesis or dissertation.

In addition to providing degree requirements, the institution shall provide to service members, veterans, and their family members who have previous coursework from other accredited institutions and relevant military training and experiential learning an evaluated educational plan that indicates how many, if any, transfer credits it intends to award and how these transfer credits

will be applied toward the student's educational program. The evaluated educational plan will be provided within 60 days after the individual has selected a degree program and all required official transcripts have been received.

**Definitions of Terms:**

Degree requirements. A planning document provided by the educational institution that outlines general required courses to complete an educational program. The planning document presents the general education and major-related course requirements, degree competencies (e.g., foreign language, computer literacy), and elective course options that students may choose for a specified program of study.

Educational plan. A planning document provided by the educational institution that outlines general degree requirements for graduation. Typically, an educational plan presents the general education and major-related course requirements, degree competencies (e.g., foreign language, computer literacy), and elective course options that students may choose for a specified program of study. This document is required from the institution upon the successful completion of six semester hours by the Service member at the institution.

Evaluated educational plan. An official academic document provided by the educational institution that (1) articulates all degree requirements required for degree completion or, in the case of a non-degree program, all educational requirements for completion of the program; (2) identifies all courses required for graduation in the individual's intended academic discipline and level of postsecondary study; and (3) includes an evaluation of all successfully completed prior coursework as well as an evaluation of credit for military training, experience, and other credit sources applied to the institutional degree requirements.

Advising Point of Contact (h)
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**Question: Executive Order 13607 (EO 13607) directs postsecondary institutions to designate a point of contact for academic and financial advising (including access to disability counseling) to assist with completion of studies and with job search activities. Can the point of contact be a staff member who can refer Service members and veterans to these services that are provided by other offices on campus?**

Answer: The institution fulfills the requirement by designating a person or office at the institution that will serve as a point of contact for service members, veterans, and family members seeking information about available, appropriate academic counseling, financial aid counseling, and student support services at the institution. The point of contact:

(a) Shall have a basic understanding of the military tuition assistance program, Department of Defense education financial assistance for eligible military spouses, veterans' education benefits, and family members' assistance under Title IV, and a familiarity with institutional services available to assist service members, veterans, and family members.

(b) Does not need to be exclusively dedicated to providing these services and, as appropriate, may refer the service member, veterans, and family members to other individuals with an ability to provide these services, both on and off-campus.