Policy Advisory: Clarification Concerning Tuition and Fees Payment Plans for Standard Terms and 85/15 Calculations

August 30, 2021

Issue: Last year the Department of Veterans Affairs (VA) Education Service (EDU) informed schools that a student who has a payment plan with an Educational Training institute (ETI) should also be considered “supported” for the purposes of calculating the 85/15 ratio. After consulting with various stakeholders as well as striving to interpret Tuition and Fees (T&F) payment plans in a manner which balances the best interests of students with VA’s statutory mandate regarding the 85/15 rule, VA is amending our guidance regarding payment plans at Institutions of Higher Learning (IHLs).

Purpose: This advisory provides clarification and amends the previous regulatory interpretation of T&F payment plans to differentiate between types of payment plans - some of which should no longer be categorized as institutional “support” to a student when calculating the ratio of “supported” to “non-supported” students in a program pursuant to the 85/15 rule.

Policy: For the purposes of classifying a student as “supported” or “non-supported” on the form entitled “Statement of Assurance of Compliance with 85/15 Enrollment Ratios” a student enrolled in an ETI will be considered to be supported by the ETI unless all of the following apply (i.e., if all of the following apply the student will be considered non-supported):

1. The availability and requirements of the payment plan are available for review and/or inspection by students, the State Approving Agency (SAA), and VA on both the school's website and in a dated hard copy document on file at every campus of the ETI.
2. The ETI T&F payment plan must include the following provisions:
   a. The payment plan is available to any enrolled student who is interested in participating;
   b. The payment plan explicitly requires the student to pay the outstanding balance by the end of the 85/15 reporting period (academic term or calendar quarter) (i.e., the ETI requires the payment plan to be paid off in full “no later” than the end of the term); and
   c. The payment plan must be paid in full before students can reenroll for the next term.

To reiterate, unless ALL of the aforementioned conditions are met by the ETI and its T&F payment plan, the school's payment plan will still be considered a source of institutional support and should still be reported on the supported student count side of the 85/15 supported to non-supported ratio (i.e., the side that cannot exceed 85%). Conversely, if all of the aforementioned apply, the T& F payment plan should not be construed as providing “institutional support” so a student participating in one is not to be considered supported and should be reported on the non-supported side of the 85/15 ratio (i.e. the side that must be at least 15%).