

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%).