

# Restrictions on Enrollment

35 Percent Exemption and the 85/15 Rule

October 2024

# Disclaimer

The information in this presentation should be considered talking points for discussion and information sharing. More comprehensive information may be available through other VA resources. Information in this presentation was current and accurate on the date given.

# Agenda

This presentation provides an overview of the 35 percent exemption and the 85/15 rule.

- 01** 85/15 overview
- 02** Exemptions from the 85/15 rule
- 03** Assigning students to each part of the ratio
- 04** 85/15 reporting requirements
- 05** Renewing the 35 percent exemption
- 06** Locating additional resources
- 07** Q & A



# 85/15 Overview

☐ Definition

☐ Purpose



# DEFINITION



The 85/15 rule (85/15) requires that a minimal number of non-supported students find a program worthwhile and valuable or the payment of Federal funds to Veterans who enroll in the program will not be authorized.

- ☐ VA cannot award benefits to any newly enrolling beneficiary if the ratio of supported students exceeds 85 percent
- ☐ Students maintaining continuous enrollment may continue to receive benefits for that program
- ☐ Students receiving benefits under chapters 31 or 35 may enroll in programs that exceed 85 percent supported students



# PURPOSE



85/15 answers the following:

- ☐ Is the program worthwhile?
- ☐ Is the program valuable?

To ensure that the facility is providing a program that is not so expensive that a non supported student could afford the program as well.

# Exemptions from the 85/15 Rule







# Exemptions from the 85/15 Rule

- ☐ Programs exempt from the 85/15 rule
- ☐ 35 percent exemption
- ☐ Department of Defense (DoD) exemption
- ☐ Education Service Waiver





# PROGRAMS EXEMPT FROM THE 85/15 RULE



1. Schools that do not assess tuition, fees, or other mandatory charges.
2. Farm cooperative training programs.
3. Flying clubs (also known as "aero clubs") operating under regulations of the Armed Forces.
4. Approved programs offered at a school that meets the requirements for a Department of Defense (DoD) Exemption.
5. Approved programs offered at accredited educational institutions ([38 CFR 3675](#)) and vocational flight schools ([38 CFR 3672](#)) with a valid 35 percent exemption.
6. Approved programs with fewer than 10 supported students enrolled. (Visit [Reporting Requirements](#) to find out how to document enrollment of fewer than 10 supported students for any programs not otherwise exempt from all provisions of the 85/15 rule.)

# 35 PERCENT EXEMPTION



When the total number of VA beneficiaries enrolled at an educational institutional is less than or equal to 35 percent, a school may request the 35 percent exemption. The school with a 35 percent exemption is not required to routinely report 85/15 calculations to the VA.

Note: Total student population is NOT based on full time equivalency (FTE). Each student enrolled at the institution is counted as one (01) student.

- ☐ Programs offered at accredited and vocational flight schools with the 35 percent exemption are not subject to the 85/15 rule.
- ☐ Nonaccredited schools must continue to monitor enrollment data and submit routine reports on any programs excluded from the 35 percent exemption.
- ☐ Programs that exceed 85 percent supported student enrollment, that are offered at nonaccredited educational institutions, are not included in the exemption. Officials at nonaccredited schools will continue to submit routine reports on any programs exceeding the 85/15 rule.

The 35 percent exemption expires every 24 months.

Visit our [website](#) for more information on the 35 Percent Exemption.

# 35 PERCENT EXEMPTION REQUEST SUBMISSIONS



Any school interested in receiving a 35 percent exemption must submit to VA all calculations needed to support exemption requirements.



- ☐ Schools organized on a standard-length term basis must make that submission no later than 30 days after the beginning of the first term for which the school wants the exemption to apply.
- ☐ Schools organized on a non-standard length term basis must make its submission no later than 30 days after the beginning of the first non-standard term for which the school wishes the exemption to apply.

Visit our [website](#) for more information on the 35 Percent Exemption.

# DEPARTMENT OF DEFENSE EXEMPTION



An approved program is exempt from all provisions, REPORTING and COMPLIANCE, of the 85/15 rule if it has a Department of Defense exemption. To be eligible for a Department of Defense exemption, the program must meet **all** the following:

1. Be offered under contract with the Department of Defense or the Department of Homeland Security.
2. Be on, or immediately adjacent to, a military base or a facility of the National Guard (including the Air National Guard) or Selected Reserve.
3. Be approved by the SAA of the state:
  - a. Where the base is located; or
  - b. Where the parent school is located, if the program is offered overseas.
4. Be available only to:
  - a. Military personnel and their dependents;
  - b. Military personnel, their dependents and civilian employees of a base located in a State;
  - c. Persons authorized by the base commander to attend the course provided the base is located outside the United States; or
  - d. In the case of a program offered on or immediately adjacent to a facility of the National Guard or the Selected Reserve, members of the National Guard, members of the Selected Reserve and their dependents.

# EDUCATION SERVICE WAIVER



When a program meets or exceeds 85 percent supported students, the school may apply for a waiver of the 85/15 rule for that program. This waiver is granted by the Director, Education Service.

The Education Service Waiver is rarely granted and is:

- ☐ A compliance waiver granted to **programs** that meet established criteria,
- ☐ Only granted for an established period, typically a year, and is
- ☐ Only required when the school is **nonaccredited** or does NOT possess a 35 percent exemption.

\*Please see 85/15 FAQs page [85/15 Frequently Asked Questions - Education and Training \(va.gov\)](#) for more details on any of these Exemptions and Waiver for which you believe your institution may qualify.

Visit our [website](#) for more information on the Education Service Waiver.





# FEWER THAN TEN SUPPORTED STUDENTS ENROLLED

When fewer than 10 supported students are enrolled, the program is exempt from the 85/15 ratio requirement.

Schools not otherwise exempt from monitoring and/or reporting 85/15 will record the name of the program, the number of supported students enrolled, and the date of calculation when creating their 85/15 reports.







# Assigning Students to Each Part of the Ratio

- ☐ Supported vs. non-supported students
- ☐ Military funded tuition assistance

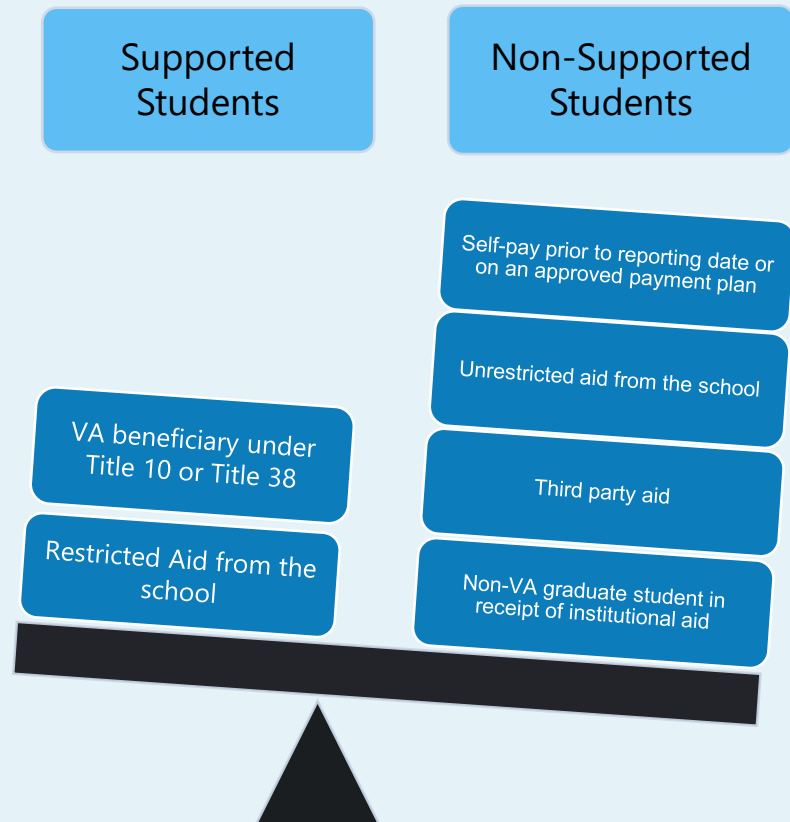


# SUPPORTED VS. NON-SUPPORTED STUDENTS

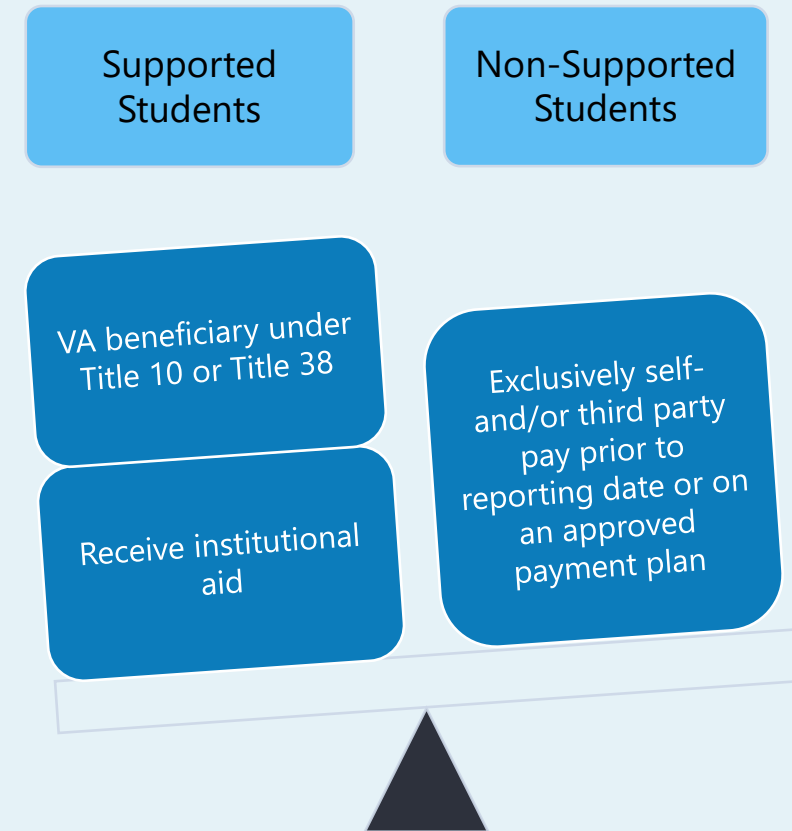


## Enrollment periods

Beginning before January 16, 2025



Beginning on and after January 16, 2025



# MILITARY FUNDED TUITION ASSISTANCE



## **Are Students Receiving Military Tuition Assistance VA Beneficiaries? Are they Supported Students?**

DoD Tuition Assistance is Federal Aid that is paid by the Department of Defense (DoD) or Department of Homeland Security (DHS). Students using Military Tuition Assistance are only counted as VA beneficiaries when they are also using VA benefits. Students using only Tuition Assistance are not counted as Veterans for purposes of the 35 percent exemption calculation.

- ☐ **Students using only Tuition Assistance to pay for tuition, fees and other charges would be counted as non-supported students.**
- ☐ **Students using both GI Bill® education benefits and Tuition Assistance will be counted as supported students.**
- ☐ **Students using both aid from the school and Tuition Assistance will be counted as supported students.**

When a student is receiving multiple forms of aid, and any of the aid is supported, the student must be counted as supported.



# 85/15 Reporting Requirements

- ☐ Campuses required to submit reports
- ☐ Extension sites
- ☐ Programs structured on a standard-length term basis
- ☐ Programs not structured on a non-standard length term basis
- ☐ OMB approved 85/15 forms
- ☐ Documenting fewer than 10 supported students enrolled







# CAMPUSES REQUIRED TO SUBMIT REPORTS

Any separately approved campus with both administrative capability and a facility code must complete and submit 85/15 reports and/or the 35 percent exemption request.

For the 85/15 calculation, students are individually counted (based on full-time equivalency at the site).

This is true for both supported and non-supported students.



# EXTENSION SITES



Approved training sites without administrative capabilities (those sites approved and possessing an extension campus facility code) do not require separate 85/15 calculations. The student will be counted under the campus which maintains administrative capability over that training site (i.e., the “parent campus” of the training site) be that the main campus or an approved branch campus.

Example:

Approved Campus with Administrative Capability	IHL Main Campus: 1-1-1234-56
Approved Training Site of IHL Main Campus	Extension Campus A: 1-1-X789-56

Any enrollments in classes held at Extension Campus A (1-1-X789-56) are included in calculations for programs approved under its parent campus of IHL Main Campus (1-1-1234-56).

Approved Campus with Administrative Capability	IHL Branch Campus: 1-1-8101-56
Approved Training Site of IHL Branch Campus	Extension Campus B: 1-1-X234-56

Any enrollments in classes held at Extension Campus B (1-1-X234-56) are included in calculations for programs approved under its parent campus of IHL Branch Campus (1-1-8101-56).



# PROGRAMS STRUCTURED ON A STANDARD-LENGTH TERM BASIS



When the program is **structured on a standard-length term basis**

85/15 calculations must be submitted to VA no later than **30 days after the start of each regular term** (excluding summer terms).

Example:

Enrollment Period	Start Date	Report Due Date
Spring Term	January 6, 2025	February 5, 2025
Fall Term	September 8, 2025	October 8, 2025

# PROGRAMS NOT STRUCTURED ON A STANDARD-LENGTH TERM BASIS



**For enrollment periods beginning before January 16, 2025.**

When the school is **not structured on a standard-length term basis** 85/15 calculations must be submitted to VA no later than 30 days after the beginning of each calendar quarter. **Separate reports/calculations for each enrollment period during the quarter must be submitted by the due date (reporting date).**

Calendar quarters align with the quarters of VA's fiscal year which starts in October and ends in September.

Due dates for routine reporting of 85/15 calculations are as follows:

Enrollment Periods Beginning Between	Reporting Date
October 1 through December 31	January 30th
January 1 through March 31	April 30th
April 1 through June 30	July 30th
July 1 through September 30	October 30th

# PROGRAMS NOT STRUCTURED ON A STANDARD-LENGTH TERM BASIS



For enrollment periods beginning on and after January 16, 2025.

When the school is **NOT** structured on a standard-length term basis

**Beginning with enrollment periods starting before and after January 16, 2025**, and for programs not exempt from provisions of 85/15, calculations must be submitted to VA no later than 30 days after the beginning of each enrollment period.

Example of due dates for routine reporting of 85/15 calculations:

Enrollment Period	Start Date	Report Due Date
Module/Cohort 1	January 6, 2025	February 5, 2025
Module/Cohort 2	February 26, 2025	March 26, 2025
Module/Cohort 3	April 7, 2025	May 7, 2025



# REPORTING 85/15 FOR OVERLAPPING TERMS

Many programs today are organized such that terms/enrollment periods may overlap each other.

When calculating 85/15 for these types of programs, the school administrators will **review and report on all students enrolled in a program at the start of each module or cohort.**





## REPORTING CHANGES IN ENROLLMENT

- ☐ Changes in enrollment which happen **on or after the first day of term** do not require 85/15 calculations to be amended
- ☐ Changes in enrollment where students **preregistered but never attended** require 85/15 calculations to be amended



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OMB Control No. 2900-0096  
Revised 06/01/2014  
Expiration Date 11-30-2024

Department of Veterans Affairs

35% EXEMPTION REQUEST FROM 85/15 REPORTING REQUIREMENT

**INSTRUCTIONS:** Read the Privacy Act and Respondent Burden on this page before completing the form.

1. INSTITUTION NAME	2. FACILITY CODE	3. TERM START DATE

4. 35% EXEMPTION CALCULATION

The total number of beneficiaries receiving assistance under all chapters of Title 38 and chapter 1606 of Title 10, U.S. Code at this institution is equal to or less than 35 percent of our total student enrollment, as identified in the calculation provided below.  
For the purpose of the 35% Exemption, determine the percentage of VA Beneficiary students of the ETI total student population.

**NOTE:** When calculating 85/15 compliance, please refer to the specific instructions noted on *Statement of Assurance of Compliance with 85 Percent Enrollment Ratio*, VA Form 22-10215.

A. VA BENEFICIARY STUDENTS	B. TOTAL NUMBER OF STUDENTS	C. VA BENEFICIARY STUDENTS PERCENTAGE	D. DATE OF CALCULATION

☐ **FOR NON-ACCREDITED SCHOOLS:** When calculating 85/15 compliance, please refer to the specific instructions noted on *Statement of Assurance of Compliance with 85 Percent Enrollment Ratio*, VA Form 22-10215. Check this box if VA Form 22-10215 is attached.

**I HEREBY CERTIFY THAT the calculations listed above are true and correct in content and policy.**

6. SCHOOL OFFICIAL PRINTED NAME	6. SCHOOL OFFICIAL TITLE
7. SIGNATURE OF SCHOOL OFFICIAL	8. DATE SIGNED (MM/DD/YYYY)

**PRIVACY ACT NOTICE:** VA will not disclose information collected on this form to any source other than what has been authorized under the Privacy Act of 1974 in Title 38, Code of Federal Regulations 1.576 for routine uses as identified in the VA system of records, 58VAC11/22/28, Compensation, Pension, Education, Veterans Readiness and Employment Records - VA, published in the Federal Register. An example of a routine use (e.g., VA sends educational forms or letters with a Veteran's identifying information to the Veterans' school or training establishment to (1) assist the Veteran in the completion of claims forms or (2) for VA to obtain further information as may be necessary from the school for VA to properly process the Veteran's education claim or to monitor his or her progress during training). Your obligation to respond is required to obtain or retain education benefits. The responses you provide are considered confidential (38 U.S.C. 5701). Any information provided by applicants, recipients, and others is subject to verification through computer matching programs among other agencies.

**RESPONDENT BURDEN:** We used this information to ensure your school is properly reporting pursuit of training for Veterans and other eligible persons (38 U.S.C. 3684). Title 38, United States Code, allows us to ask for this information. We estimate you will need an average of 30 minutes to review the instructions, find the information, and complete the form. VA cannot contact or sponsor a collection of information unless a valid OMB control number is displayed. You are not required to respond to a collection of information if this number is not displayed. Valid OMB control numbers can be located on the OMB Internet Page at [www.ostia.gov/public/do/PRAMAinfo](http://www.ostia.gov/public/do/PRAMAinfo). If desired, you can call 1-800-827-1000 to get information on where to send comments or suggestions about this form.

VA FORM  
NOV 2021 22-10216

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**VA FORM 22-**  
**10215A**

VA FORM 22-10216



# Documenting When Fewer Than Ten Supported Students Are Enrolled



- Block 5:
- Program Name

Total Number of Students Enrolled

Total Number of Supported Students Enrolled

Supported Students FTE

Non-Supported Students FTE

Total Enrollment FTE

Supported Student Percentage FTE

5. 85/15 PERCENT CALCULATION						
5A. PROGRAM NAME	5B. TOTAL NUMBER OF STUDENTS ENROLLED	5C. TOTAL NUMBER OF SUPPORTED STUDENTS ENROLLED	5D. NUMBER OF SUPPORTED STUDENTS FTE	5E. NUMBER OF NON-SUPPORTED STUDENTS FTE	5F. TOTAL ENROLLED FTE	5G. SUPPORTED STUDENT PERCENTAGE FTE
EXAMPLE PROGRAM	25	08				



# Renewing the 35 Percent Exemption

- ☐ Timeline to renew
- ☐ Reapproval process
- ☐ Requirement to monitor (nonaccredited schools)
- ☐ Failure to meet requirements for exemption



# TIMELINE TO RENEW THE 35 PERCENT EXEMPTION



For all types of educational and training institutions, the 35 percent exemption expires 24 months from the date of issue. The school should submit applications for renewal in accordance with current guidance:

- ☐ If the school is organized on a standard-length term basis, it must submit the 35 percent exemption request no later than 30 days after the beginning of the term for which the school wants the exemption to apply.
- ☐ If the school is not organized on a standard-length term basis, it must submit the 35 percent exemption request no later than 30 days after the beginning of the calendar quarter for which the school wishes the exemption to apply.

For information on reporting periods, visit our [page on reporting requirements](#).

# 35 PERCENT EXEMPTION REAPPROVAL PROCESS



The school interested in applying for the 35 percent exemption will do so by [submitting](#) the request to VA using the following form.

## [35% Exemption Request From 85/15 Reporting Requirement, VA Form 22-10216](#)

Non-accredited schools must include the following documents with the 35 percent exemption request (linked above):

- ☐ [Statement of Assurance of Compliance with 85 Percent Enrollment Ratios, VA Form 22-10215](#), and when appropriate,
- ☐ [Statement of Assurance of Compliance with 85 Percent Enrollment Ratios Continuation Sheet, VA Form 22-10215a.](#)

The request for the 35 percent exemption, and, when required, any additional forms, must coincide with the corresponding routine reporting period. For schools organized on a non-term basis, the exemption request calculation date is tied to the last enrollment period beginning during the quarter for which the report is being submitted. For more information on routine reporting periods, visit our [page](#) on reporting requirements.



# NON-ACCREDITED SCHOOLS REQUIREMENT TO MONITOR 85/15

Non-accredited schools are required to monitor enrollment ratios and maintain compliance with 85/15. Reports may be requested at any time and will be reviewed on compliance. All 85/15 calculations must be retained and provided when requested by VA, State Approving Agency (SAA), and authorized Government representatives.





# FAILURE TO MEET REQUIREMENTS FOR THE 35 PERCENT EXEMPTION



Schools without a 35 Percent Exemption may qualify for either the [DoD Exemption](#) or the [Education Service Waiver](#) (for specific programs) and should review requirements for both on our website.

When a program is not otherwise exempted, the school must [submit](#) to VA all 85/15 calculations on a routine basis.

Schools must [submit](#) the [Statement of Assurance of Compliance with 85 Percent Enrollment Ratios, VA Form 22-10215](#) to VA within 30 days of the beginning of each standard and non-standard length term.

For schools offering vocational flight programs, a Statement of Assurance of Compliance with 85 Percent Ratios for Vocational Flight is currently in review. **VA will accept the reports in any format currently in use until such time as the VA format for this vocational flight program data collection is approved.**

Visit our website for more information on [reporting requirements](#).

# Summary of Changes to the 85/15 Rule

**Background:** The 85/15 rule requires that no more than 85% of students in a program receive financial support from the institution or the Department of Veterans Affairs (VA). This rule is intended to ensure that a minimal number of self-paying students find an approved education or training program worthwhile and valuable or the payment of Federal funds to Veterans who enroll in the program will not be authorized.

## Key changes effective for enrollment periods beginning on and after January 16, 2025.

### 1. Elimination of Exceptions

Previously allowed certain categories of students receiving institutional aid to be counted as “non-supported,” which diluted the market validation mechanism of the rule. These exceptions included:

- Graduate students receiving institutional aid.
- Students receiving any Federal aid other than VA benefits.
- Undergraduate and non-college degree students receiving institutional aid under policies that apply equally to Veterans and non-Veterans.

Effective for enrollment periods beginning on or after January 16th, 2025, Approved Rule 56 removes these exceptions. Now, all students receiving any institutional aid are considered “supported” students. Note that institutional aid required by Federal or state law (e.g., Federal Work Study or out-of-state tuition waivers) does not count as support. However, voluntary institutional assistance (e.g., matching funds for the Workforce Innovation and Opportunity Act, or WIOA, grant) does. This change aims to close loopholes and ensure genuine market validation for the 85/15 rule.

### 2. Clarification of Definitions

Any aid provided by the institution counts as support. This change aligns with the original law (38 USC 3680A). Effective January 16th, 2025, institutional aid excludes Federal, state, or municipal grants and matching funds required by law. For example, matching funds provided by schools for Workforce Innovation and Opportunity Act (WIOA) grants are considered institutional support because WIOA doesn't require matching funds from the school for participation in the program. This update aims to clarify and ensure consistent application across institutions.

### 5. Education Service Waiver Criteria Adjustments

Streamlined Waiver Process: Effective January 16, 2025, VA has revised the waiver criteria. Now, only three criteria remain:

1. Availability of comparable educational programs.
2. General effectiveness of the institution’s program in providing educational and employment opportunities to veterans.
3. The school’s aid program appears to be consistent with the 85/15 rule's tuition and fee costs market validation mechanism.

For information on the current application process, visit: [Education Service Waiver – Education and Training](#)

### 3. Reporting Timeline Amendments

Institutions with programs organized on non-standard terms must now submit their 85/15 calculations within 30 days of the beginning of each term, rather than quarterly. This change aims to improve the timeliness and accuracy of compliance reporting.

### 4. Impact of Public Law 117–174

The “Ensuring the Best Schools for Veterans Act of 2022” exempts programs offered by institutions with an approved 35 percent exemption from the 85/15 rule. This law significantly reduces the number of institutions affected by the upcoming rule changes.

## Detailed Comparison of Changes

#### Previous Rule:

- Certain categories of students receiving institutional aid were considered “non-supported.”
- Education Service Waivers required review of four specific criteria.
- Institutions offering programs organized on a non-standard basis reported 85/15 calculations for those programs quarterly.

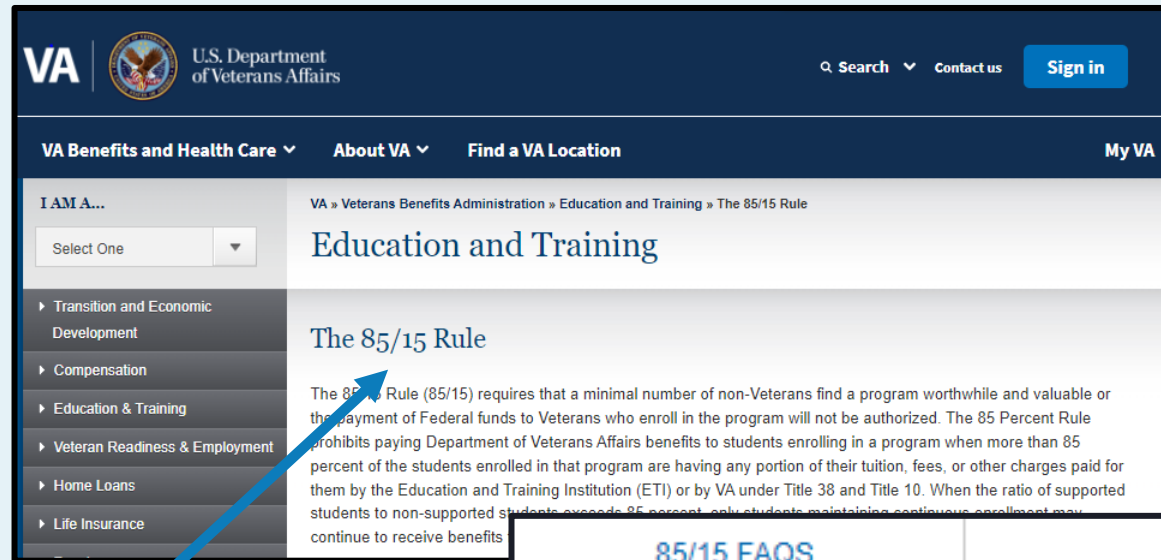
#### Revised Rule:

- All students receiving institutional aid are now considered “supported.”
- Education Service Waivers now consider fewer, more relevant criteria.
- Institutions offering programs organized on a non-standard basis must report calculations for programs not otherwise exempt from 85/15 within 30 days of the term start.

# VA WEBSITE RESOURCES



Additional information on the 85/15 Rule is available on our website.



Links to other topics at the bottom of every page

Additional pages dedicated to 85/15 Rule information

<a href="#">85/15 FAQs</a>	<a href="#">Full-Time Equivalency</a>	<a href="#">Suspension and Review</a>
<a href="#">Restricted Aid</a>	<a href="#">Supported and Non-Supported Students</a>	<a href="#">Reporting Requirements</a>
<a href="#">35 Percent Exemption</a>	<a href="#">DoD Exemption</a>	<a href="#">Education Service Waiver</a>

# SUBMITTING DOCUMENTS TO VA



The **Education File Upload Portal** went live in Fall 2022.

<https://www.my.va.gov/EducationFileUploads/s/>

When the SCO submits one of the “**Acceptable Documents**” listed below, the work item is created and dropped into a workload management tool for expedited processing.

**Upload directly into our workload, instead of emailing:**

- ☐ Compliance documents
- ☐ Change of SCO reporting
- ☐ EFT and Tax ID updates
- ☐ 85/15 Reporting
- ☐ 35% Exemption Reporting
- ☐ Conflicting Interest Filing
- ☐ Centralized Certification Filing

Do **NOT** send the following

Approval documents to be reviewed by the SAAs  
(send to SAA)

Documents/inquiries relating to education claims  
(send to AskVA.gov)

# SUBMITTING DOCUMENTS TO VA



85/15  
with 35%  
Exemption

- Nonaccredited school
- Fewer than 35 percent Veteran enrollment

85/15 Only

- Any type of school
- Greater than 35 percent Veteran enrollment

35%  
Exemption  
Only

- Accredited school
- Fewer than 35 percent Veteran Enrollment

Select the appropriate button to indicate the "**Acceptable Document(s)**" being uploaded.  
Select "**Next**" when ready to upload documents.

\* Acceptable documents:

- ☐ Compliance documents
- ☐ Change of SCO
- ☐ EFT and Tax ID Update
- ☐ 85/15 with 35% Exemption
- ☐ 85/15 Only
- ☐ 35% Exemption Only
- ☐ Conflicting Interest (VA Form 22-1919)
- ☐ Centralized Cert

Select one





# STEP-BY-STEP PROCESS FOR THE EDUCATION FILE UPLOADER



- 1) Prepare files/documents for uploading
- 2) Navigate to the URL
- 3) Review the Landing Page
- 4) Enter Contact Information: Authorized File Submitter Information
- 5) Select "Acceptable Document" button
- 6) Upload documents
- 7) Confirmation screen – take a screen shot.
- 8) Email notification sent to submitter

**Note:** Confirmation emails from Salesforce come from a "**Do Not Reply**" source. These may go into your **Junk/Spam** folder or be **blocked** by your IT Dept, who must remove the blocked restriction!

**This is the URL you'll see:** [noreplysalesforce@va.gov](mailto:noreplysalesforce@va.gov)



# Resources

- ☐ [38 U.S. Code §3680A](#)
- ☐ [38 Code Of Federal Regulations §21.4201](#)
- ☐ [SCO Handbook](#)
- ☐ [The 85/15 Rule](#)
- ☐ [85/15 and Approved Rule 56](#)

[SCO Resource Matrix | Veterans Affairs](#)  
[\(adobeconnect.com\)](#)



# Questions?

Education Call Center:

**1-888-442-4551**

SCO Hotline representatives available 8 am - 5 pm ET