



THE 85/15 RULE

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TOPICS COVERED

Purpose of the 85/15 Rule

Exemptions from the 85/15 Rule

35 Percent Exemption

Assigning Students to Each Part of the Ratio

Reporting Requirements

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Programs Back in Compliance

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PURPOSE OF THE 85/15 RULE

WHAT IS THE 85/15 RULE?

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 and under the Veterans Rapid Retraining Assistance Program (VRRAP) may enroll in programs that exceed 85 percent support students



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U.S. Department
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WHY DO WE HAVE THE 85/15 RULE?



85/15 answers the following:

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

A free market is a system in which the prices for goods and services are self-regulated by buyers and sellers negotiating in an open market without market coercions.



EXEMPTIONS FROM THE 85/15 RULE

EXEMPTIONS FROM THE 85/15 RULE



1. Any On-the-Job Training (OJT) or Apprenticeship (APP) site.
2. Any farm cooperative program.
3. Any program offered by a flying club (“aero club”) established, organized and operated pursuant to regulations of a military department of the Armed Forces as non-appropriated sundry fund activities which are governmental instrumentalities.



EXEMPTIONS FROM THE 85/15 RULE

What Is the Department of Defense Exemption?

A site is exempt from all provisions of the 85/15 Rule if it has a Department of Defense Exemption. In order 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.

Visit our [website](#) for more information on the Department of Defense Exemption.



EXEMPTIONS FROM THE 85/15 RULE

What Is The Education Service Waiver?

A course is exempt from all provisions of the 85/15 Rule if it has an Education Service Waiver. When a school requests this waiver to the 85/15 Rule, the decision will ultimately be made by the Director of Education Service. This waiver is rarely granted and is based on VA's review of:

1. Availability of similar programs in the vicinity of the school requesting the waiver.
2. Similarity to schools that the Department of Education considers to be eligible to apply for a grant under the Strengthening Institutions Program or the Special Needs Program. Note: The school should submit enough information to allow the Director, Education Service, to judge whether the school is similar. The school does not have to meet the requirement that it is a "public or nonprofit" school.
3. Previous compliance history of the school, e.g., compliance survey findings, false or deceptive advertising, complaints, timeliness and accuracy of enrollment certifications, and school liability indebtedness to VA.
4. General effectiveness of the program in providing educational and employment opportunities to the veteran population they serve. Factors to be considered include the percentage of veteran students completing the entire program, ratio of educational and general expenditures to full-time equivalency enrollment, percentage of students securing employment in the field of study, etc.

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



EXEMPTIONS FROM THE 85/15 RULE

What is the 35 Percent Exemption?

When the total number of VA beneficiaries enrolled at an educational institutional is less than or equal to 35 percent, an ETI may request the 35 percent exemption. The ETI with a 35 Percent Exemption is not required to routinely report 85/15 calculations to the VA; however, the ETI must still provide calculations to VA and SAA officials upon request.

1. Programs that exceed 85 percent supported student enrollment are not exempt.
2. The ETI must continue to monitor and routinely report enrollment data on any programs not included in the 35 Percent Exemption.
3. Total student population is NOT based on Full Time Equivalency (FTE).

The 35 percent exemption expires every 24 months.

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

The 35 percent exemption relieves the ETI of the burden of routine reporting only. Continue to monitor enrollments to ensure program compliance with the 85/15 Rule.





REPORTING REQUIREMENTS

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Which campuses need to submit reports?

Any separately approved campus with both administrative capability **and** a Facility Code must complete and submit 85/15 reports.

Students are individually counted (based on full-time equivalency at the site).

This is true for both Supported and Non-Supported Students.

Note: Though issued a facility code, approved teaching sites, commonly referred to as “extension campuses,” do not maintain administrative capability and are not approved separate of a parent campus.



REPORTING REQUIREMENTS

What about 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)



WHEN DO ROUTINE 85/15 CALCULATIONS NEED TO BE PROVIDED?

When the ETI is **structured on a Term, Quarter, or Semester Basis**

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

Enrollment Period	Start Date	Report Due Date
Spring Term	January 3, 2022	February 1, 2022
Fall Term	September 6, 2022	October 5, 2022



WHEN DO ROUTINE 85/15 CALCULATIONS NEED TO BE PROVIDED?

When the ETI is **not structured on a Term Basis**

85/15 calculations must be submitted to the ELR of jurisdiction 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.**

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 will be as follows:

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



WHEN DO ROUTINE 85/15 CALCULATIONS NEED TO BE PROVIDED?

When an ETI:

1. offers both IHL and NCD programs **and**
2. enrolls students into programs on an “other than term-basis,”



85/15 calculations must be submitted to the ELR of jurisdiction on a **quarterly basis**.

- Separate reports/calculations for each enrollment period during the quarter must be submitted by the due date.
- Each report will reflect the programs starting on the enrollment period start date (as published in the SAA-approved catalog).



REMINDERS



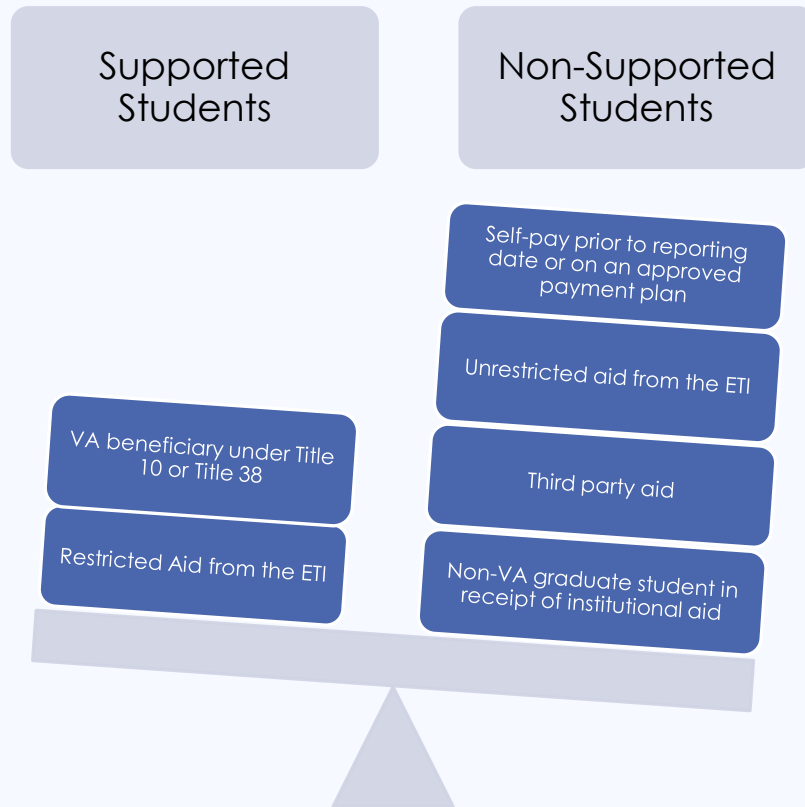
1. List all approved programs, and any variations, beginning on the term start date reflected in block 3 of the VA Form 22-10215 and VA Form 22-10215a.
2. Do not include withdrawn or unapproved programs
3. Use the FTE enrollment calculations in the “Total Enrollment” column
4. Submit separate reports for each enrollment period
5. Include the 85/15 report with the 35 percent exemption request
6. Sign and date all forms
7. Continue to monitor 85/15 after the 35 percent exemption is granted





ASSIGNING STUDENTS TO
EACH PART OF THE
RATIO

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DEPARTMENT OF VETERANS AFFAIRS BENEFICIARIES

Any student, at any education level, receiving any amount of VA Education benefits under Title 38 or Title 10

Chapter	Benefit
30	Montgomery GI Bill
31	Veteran Readiness and Employment
33	Post 9/11 GI Bill
33	Fry Scholarship
35	Survivors' and Dependents' Educational Assistance (DEA)
1606	Select Reserve GI Bill

[Veteran Employment Through Technology Education Courses \(VET TEC\)](#) program participants are supported students.



RESTRICTED AID AND THE 85/15 RULE

Institutionally-funded assistance:

- Scholarships
- Grants
- Loans
- Discounts
- Forgiveness



When the ETI's policy for determining the recipients of that aid is equal with respect to Veterans and non-Veterans alike, the aid is not restricted.

For the purposes of the 85/15 rule, a non-VA beneficiary receiving restricted aid becomes "supported."



INSTITUTIONAL AID

Students receiving institutional aid may be counted as non-supported students when:

- The aid has a clear rule set that does not specifically prohibit students in receipt of VA benefits (i.e., merit-based aid or athletic awards).
- The aid is needs based and has a clear rule set (i.e., “Students will be awarded a \$XX.XX scholarship if the student’s yearly gross income is under \$30,000.00”.)
- The aid is needs based, lacking a clear rule set, but evidence clearly shows that the aid is also awarded to VA beneficiaries with outstanding need. (i.e., the rule for the needs-based aid is “the facility will award needs based financial aid to students who have demonstrated need” and the facility provides aid to students receiving Non-Chapter 33 benefits or who receive the Chapter 33 benefit at under the 100% benefit level).

NEEDS-BASED AID

Most schools provide aid based on financial need. Veterans and non-Veterans must be treated alike based on their circumstances.

- For needs-based aid, GI Bill beneficiaries must be eligible for aid just like similarly circumstanced non-Veterans with unmet need. If no GI Bill beneficiaries (including those receiving benefits at less than the 100% benefit level and those receiving benefits under MGIB – AD, MGIB – SR, and DEA) can qualify, even if they have unmet need, then recipients of such aid will be supported students.
- Since needs-based aid is based on individual circumstances, there is no expectation that all Veterans will receive the same amount, or that all Veterans and non-Veterans will receive the same amount.
- GI Bill benefits may be factored into determinations regarding unmet need.



MERIT-BASED AID

Some schools also award aid based on performance and achievement (i.e., earned aid), regardless of need. Veterans and non-Veterans must be treated alike based on the eligibility criteria.



- If a school awards a \$500 scholarship for all students that earn a 4.0 GPA for a given semester or academic year, then it must be awarded to Post-9/11 GI Bill beneficiaries (regardless of benefit level) as well as MGIB – AD, MGIB – SR, and DEA beneficiaries that earn a 4.0 as well.
- GI Bill® benefit eligibility must not be a disqualifying factor for awarding such aid. If it is disqualifying, then recipients must be counted as supported students.
- For merit-based aid, there is an expectation that Veterans and non-Veterans will receive aid in the same amounts due to meeting the same eligibility criteria.



TUITION & FEE PAYMENT PLANS AND THE 85/15 RULE

A student will be supported unless all the following apply (i.e., if all 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, and VA
 - a) on the school's website and
 - b) in a dated hard copy on file at every campus of the school.

2. The T&F payment plan includes 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 school requires the payment plan to be paid off in full no later than the end of the term)
 - c) The payment plan must be paid in full before students can begin training for the next term



MILITARY-FUNDED TUITION ASSISTANCE

Are Students Receiving Military Tuition Assistance 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 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 restricted aid from the ETI and Tuition Assistance will be counted as supported students.



SUPPORTED STUDENTS

Count the student as supported when any of the following are true

The student receives any amount of VA Education benefits under Title 10 or Title 38 (chapters 30, 31, 33, 35, 1606, VET-TEC); **OR**

The student is granted any waiver or forgiveness of tuition, fees, or other charges, where the institutional policy for determining the recipient of such aid is not equal with respect to Veterans and non-Veterans alike (i.e., restricted aid), excluding graduate students; **OR**

The student receives an institutionally funded loan, scholarship, or grant, where the institutional policy for determining the recipient of such aid is not equal with respect to Veterans and non-Veterans alike (i.e., restricted aid), excluding graduate students; **OR**

The student is on a tuition and fee payment plan that does not meet all the stated requirements; **OR**

The student has not paid the full amount of tuition, fees, and other mandatory charges to the school prior to the reporting date (unless on a compliant tuition and fee payment plan for the balance)

A student receiving multiple forms of aid, when any of the aid is supported, must be counted as supported.



NON-SUPPORTED STUDENTS

Count the student as non-supported when all the following are true

The student is not using GI Bill benefits under Title 10 or Title 38 (chapters 30, 31, 33, 35, 1606, VET-TEC);
AND

If the student is granted any waiver or forgiveness of tuition, fees, or other charges, then the institutional policy for determining the recipient of such aid is equal with respect to Veterans and non-Veterans alike, or is a graduate student; **AND**

If the student receives an institutionally funded loan, scholarship or grant, then the institutional policy for determining the recipient of such aid is equal with respect to Veterans and non-Veterans alike, or is graduate student; **AND**

If the student is on a tuition and fee payment plan, it meets all the stated requirements; **AND**

There are no outstanding tuition, fees, and other mandatory charges owed to the school as of the reporting date (unless the balance is covered by a compliant tuition and fee payment plan)

A student receiving multiple forms of aid, when any of the aid is supported, must be counted as supported.





CALCULATING 85/15

CALCULATING 85/15

How is the 85/15 Calculation Done?

1. Each independently approved ETI must submit its own 85/15 Rule calculations.
2. Break students into their individual programs
 - Each SAA-approved program must be reported separately
 - Any track, concentration, or modality that varies in attendance, cost, equipment, length, or objective from the SAA-approved program is reported separately
3. Identify each student as being a supported student or a non-supported student.
4. Add the number of supported students to the number of non-supported students for a Total Number of Students.
5. Divide the number of supported students by the Total Number of students. Convert the result into a percentage. Do not round the result up or down.

- If this percentage is equal to or under 85%, the program is compliant with the 85/15 Rule.
- If this percentage is over 85%, then the program has violated the 85/15 Rule.

CALCULATING 85/15

Why Do I Have To List And Calculate Variances Separately?

A separate calculation for variances is required under regulation [38 CFR 21.4201\(e\)](#):

“(e) Computing the 85/15 percent ratio—(1) Determining when separate computations are required. Except as provided in paragraph (c) of this section and in paragraph (e)(3) of this section, an 85/15 percent ratio must be computed for each course of study or curriculum leading to a separately approved educational or vocational objective. Computations will not be made for unit subjects, unless only one unit subject is approved by the State approving agency to be offered at a separate branch or extension of a school. Courses or curricula which are offered at separately approved branches or extensions, as well as courses or curricula leading to a secondary school diploma or equivalency certificate offered at any branch or extension, must have an 85/15 percent ratio computed separately from the same course offered at the parent institution. The count of students attending the branch may not be added to those attending the parent institution even for the same courses or curricula. However, the count of those attending courses or curricula offered at an additional facility, as opposed to a branch or extension, must be added to those attending the same course at the parent institution. Pursuit of a course or curriculum that varies in any way from a similar course, although it may have the same designation as the other similar course or curriculum, will require a separate 85/15 percent computation. A course or curriculum will be considered to vary from another if there are different attendance requirements, required unit subjects are different, required completion length is different, etc.”



CALCULATING 85/15

How Are Double Majors Counted?

Students enrolled in double majors must be counted for each major they are enrolled in (this is true for both supported and non-supported students).

Example 1: A supported student is majoring in both Biology and Chemistry. For 85/15 Rule purposes, this student would count as a supported student for both the Biology and Chemistry programs.

Example 2: A non-supported student is majoring in French, Latin, and Spanish. For 85/15 Rule purposes, this student would count as a non-supported student for all three majors in which they are enrolled.

Students are counted as a full-time or part-time students under each modality based on the total number of credits the student is pursuing during the enrollment period.



CALCULATING 85/15

How Are Multiple Variances Counted?

Students enrolled in variances of approved programs must be counted for each major they are enrolled in (this is true for both supported and non-supported students).

Example: A supported student is majoring in Aviation Management (which has a flight component). The school would list on the Statement of Assurance of Compliance with 85 Percent Enrollment Ratios, VA form 22-10215:

- Aviation Management – Flight Track
- Aviation Management – Non-Flight Track

And would count this student as a supported student in the Aviation Management – Flight Track.

Students are counted as a full-time or part-time students under each modality based on the total number of credits the student is pursuing during the enrollment period.

CALCULATING 85/15

Immediately count any students receiving GI Bill® benefits as supported students.

For student's receiving Post-9/11 GI Bill® benefits (Chapter 33) who have a benefit level less than 100% - did the student pay all outstanding charges or were those charges waived?

For all remaining records, we review for the following:

- Was the student charged the full tuition and fees costs?
- Was the student's tuition and fees discounted? Were those discounts available to all students (or subset of students) or were they limited?
- Did the student receive any school specific scholarships or waivers? Were those available to all students (or subset of students) or were they limited?
- Did the student receive any 3rd party specific scholarships?
- Was full tuition and fees required before student began classes? And if so, was this enforced?
- Are students on a payment plan regularly making these payments? Is there evidence that students on payment plans are ever paying their tuition and fees off in full?

CALCULATING 85/15

Calculating full-time equivalency (FTE)

Part-time students must be converted to a full-time equivalent number.

This is done by multiplying the number of part-time students by:

- **Students receiving Chapter 33 benefits:** the students' Rate of Pursuit.
- **Students receiving any VA benefit other than Chapter 33:** the students' individual training time.

Example:

Number of Students	Individual Training Time or Rate of Pursuit	Calculation	Full Time Equivalent Number of Students
20	.25	$20 * .25$	5
15	.5	$15 * .50$	7.5
10	.75	$10 * .75$	7.5

These 45 part-time students equate to a total of 20 FTE which must be added to the total full-time number of either Supported or non-supported students.



PROGRAMS NOT IN
COMPLIANCE

PROGRAMS NOT IN COMPLIANCE

When a school violates the 85/15 Rule, the ELR of jurisdiction will:

1. Suspend enrollments and reenrollments for the out of compliance program effective the date that the ratio exceeded 85% of supported students.
2. Inform the school by letter of the payment suspension for new enrollees and inform the school not to submit enrollment certifications for VA students enrolling on or after the effective date of the suspension.
3. Send a copy of this letter to the SAA of jurisdiction.

The school should continue to submit certifications for students who already enrolled in and pursuing the program, have been previously paid for the program, and have been continuously enrolled in the program. The school must continue to submit all changes in enrollments (reductions, terminations, etc.) for enrolled students.

The 85/15 payment suspension does NOT apply to chapter 31 and 35 students.



PROGRAMS NOT IN COMPLIANCE

How Does 85/15 Suspension Affect VA Students?

The Regional Processing Office (RPO) of jurisdiction will not authorize payment for benefits for VA students enrolling or reenrolling on or after the date the program exceeded 85% supported students, unless a student has been continuously enrolled in the same program.

The exception to this rule is students receiving benefits under chapter 31 or chapter 35. VA students that enroll or reenroll and are using one of these benefits may continue to be certified and paid.

Chapter 31 and 35 students are counted as supported students for the purposes of the 85/15 Rule but may still receive benefits when newly enrolling in programs that exceed 85 percent supported students.

Payment Suspension of a program for violating the 85/15 is an action of VA, not of the SAA of jurisdiction.





PROGRAMS BACK IN
COMPLIANCE

PROGRAMS BACK IN COMPLIANCE

How do we get the 85/15 payment suspension lifted?

Once a non-compliant program falls to at or below 85 percent supported student enrollment, an ETI may submit an interim report to have the 85/15 payment suspension lifted.

The ETI submits the interim reports to the ELR of jurisdiction, who will lift the payment suspension to new enrollees effective the date the program became compliant.

Once the ratio is reestablished, the ETI must individually compute every enrollment of a VA beneficiary to ensure the 85 percent limitation is not again immediately exceeded until:

- the end of the term; or
- the end of the calendar quarter, if the school is not operated on a term-basis,

during which the payment suspension is lifted.





FAILURE TO REPORT

FAILURE TO REPORT

When a facility states they are unwilling or unable to provide 85/15 Rule calculations at the required reporting period or when requested by VA or SAA officials, VA will notify the SAA of jurisdiction that the facility is in violation of 38 CFR 21.4209.





85/15 RESOURCES

85/15 RESOURCES

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

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Education and Training

The 85/15 Rule

The 85/15 Rule (85/15) requires that a minimal number of non-Veterans find a program worthwhile and valuable or the payment of Federal funds to Veterans who enroll in the program will not be authorized. The 85 Percent Rule prohibits paying Department of Veterans Affairs benefits to students enrolling in a program when more than 85 percent of the students enrolled in that program are having any portion of their tuition, fees, or other charges paid for them by the Education and Training Institution (ETI) or by VA under Title 38 and Title 10. When the ratio of supported students to non-supported students exceeds 85 percent, only students maintaining continuous enrollment may continue to receive benefits for that program.

Links to other topics at the bottom of every page

Additional pages dedicated to 85/15 Rule information

85/15 FAQs	Full-Time Equivalency	Suspension and Review
Restricted Aid	Supported and Non-Supported Students	Reporting Requirements
35 Percent Exemption	DoD Exemption	Education Service Waiver

[The 85/15 Rule](#)



U.S. Department of Veterans Affairs

85/15 RESOURCES

- [APRIL 2022 OFFICE HOURS](#)
- [FEBRUARY 2022 OFFICE HOURS](#)
- [SEPTEMBER 2021 OFFICE HOURS](#)
- [THE 85/15 RULE](#)
- [STUDENT STATUS CHECKLIST](#)
- [SCO HANDBOOK](#)
- [38 U.S. CODE §3680A](#)
- [38 CFR §21.4201](#)





Questions?



U.S. Department
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