



U.S. Department of Veterans Affairs

Exemptions from the 85/15 Rule

Briefed by: Education Service

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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 correct on the date given.



Annual Training Credit

This conference session qualifies for annual training credit.



As required by Section 305 of the [Harry W. Colmery Veterans Educational Assistance Act of 2017](#), School Certifying Officials (SCOs) at Covered Educational Institutions must complete [annual training](#) administered by the Department of Veterans Affairs (VA).

A [Covered Educational Institution](#) is an educational institution, or group of associated campuses, enrolling 20 or more VA students using assistance under Title 10 or Title 38 United States Code during a calendar year.



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Introduction

This training session is designed to arm you with information you need on the 85/15 rule, a key regulation you'll need to navigate successfully in your role as an SCO.



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Learning Objectives

1

The Purpose and Impact of the 85/15 Rule

2

The 35 Percent Exemption

3

Requesting the 35 percent exemption

4

Schools with Programs not Exempt from the 85/15 rule

5

85/15 Calculations & Reporting Requirements

6

Maintaining Compliance with the 85/15 Rule



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THE 85/15 RULE

Overview of the 85/15 Rule

- ❑ Definition of the 85/15 Rule
- ❑ Purpose of the 85/15 Rule
- ❑ Programs Exempt from the 85/15 Rule
- ❑ Impact of the 85/15 Rule



Definition of the 85/15 Rule



The 85 percent rule, or 85/15, 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 school or by VA under Title 38 and Title 10.



PURPOSE OF THE 85/15 RULE

Congress created the 85/15 rule to prevent fraud, waste, and abuse.

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.



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PROGRAMS EXEMPT FROM THE 85/15 RULE

1. On-the-Job Training (OJT) or Apprenticeship (APP) programs.
2. Farm cooperative programs.
3. Programs 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.
4. Programs approved at accredited schools and vocational flight schools with a 35 percent exemption.



Programs which do not charge any tuition or fees (100% free programs) are not subject to the 85/15 rule.

IMPACT OF THE 85/15 RULE

VA cannot award benefits to newly enrolling beneficiaries if the ratio of supported students exceeds 85 percent.



- ❑ Students maintaining continuous enrollment may continue to receive benefits for a program that subsequently exceeds 85 percent supported students.
- ❑ Students receiving benefits under chapters 31 or 35 may enroll in programs that exceed 85 percent support students.

The 35 Percent Exemption

The 35 Percent Exemption

- ❑ Overview of the 35 percent exemption
- ❑ Campuses required to submit reports
- ❑ Department of Veterans Affairs beneficiaries
- ❑ Calculating the 35 percent exemption



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Overview of the 35 Percent Exemption

When the total number of VA beneficiaries enrolled is less than or equal to 35 percent, the 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.

- Programs offered at schools with accredited programs and vocational flight schools & training centers 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.

Note: At nonaccredited schools, programs exceeding 85% supported students are excluded from the 35 percent exemption.



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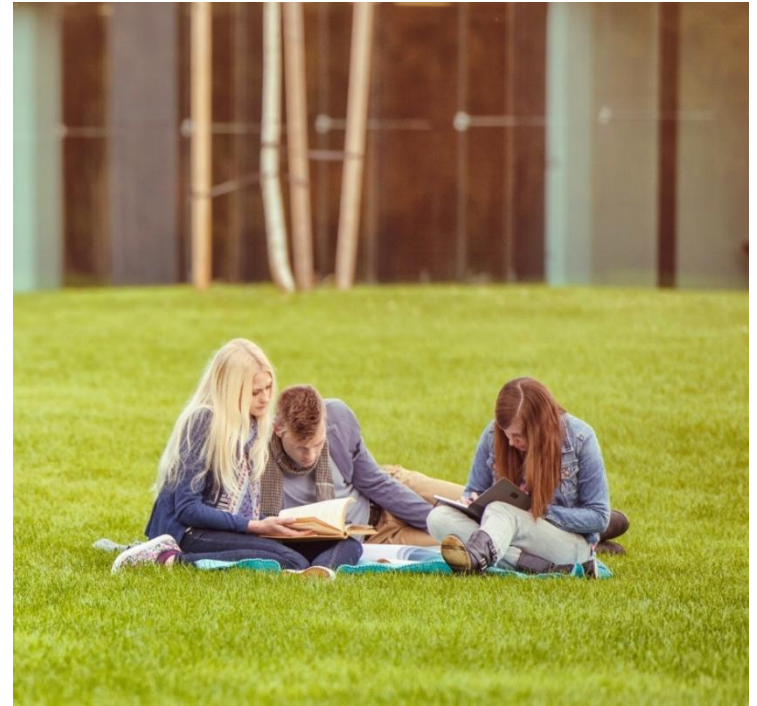
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Campuses Required to Submit Reports

Any separately approved campus with both administrative capability **and** a facility code must complete and submit 85/15 reports the programs are exempt from the provisions of the 85/15 rule.



Note: Though issued a facility code, extension campuses do not maintain administrative capability and are not approved separate of a parent campus.

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 30
Montgomery GI Bill

Chapter 31
Veteran Readiness and
Employment

Chapter 33
Post 9/11 GI Bill

Chapter 33
Fry Scholarship

Chapter 35
Survivors' Dependents'
Educational Assistance

Chapter 1606
Select Reserve GI Bill



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Calculating the 35 Percent Exemption

Calculations used to determine eligibility for the 35 percent exemption are based on the overall percentage of the total enrollment of students who are **Veterans, eligible persons, and reservists receiving assistance under 38 U.S.C. chapters 30, 31, 33, and 35 and under 10 U.S.C. chapter 1606**. These students combined are counted as "VA beneficiaries."

Unlike 85/15 calculations, the 35 percent exemption calculations are based on the actual number of students enrolled, not the full-time equivalency.

$$\text{All VA beneficiaries enrolled} \div \text{All students enrolled} = \text{Percentage of VA beneficiaries}$$

More information on how to perform this calculation are provided on the [exemption request form](#).

HOW TO CALCULATE THE 35 PERCENT EXEMPTION



There are 100 students enrolled at an educational institution.

25 students are VA beneficiaries

Divide the number of VA beneficiaries by the total number of student enrolled.

$$(25 \div 100 = .25)$$

The 35% calculation for this school is 25%.



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HOW TO CALCULATE THE 35 PERCENT EXEMPTION

CALCULATE THE PERCENTAGE FOR 35% EXEMPTION

Total number of VA beneficiaries enrolled at this school.	227
Total number of non-VA beneficiaries at this school.	563
Total number of students enrolled at this school.	790
Divide the number of VA beneficiaries (227) by the total number of enrolled students (790).	$227 \div 790 = 0.28734177$
Round to the nearest hundredth.	0.2873
Convert the quotient to a percentage. Move the decimal point two spaces to the right and add the % sign after the last digit.	$.2873 = 28.73\%$ 



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Requesting the 35 Percent Exemption

The 35 Percent Exemption



- Submitting requests for the 35 percent exemption
- Accredited, deemed approved, or nonaccredited
- 35 percent exemption application
- Approved 85/15 forms
- Schools with the 35 percent exemption
- Accredited schools with the 35 percent exemption
- Requirement to monitor 85/15

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.

STANDARD-LENGTH TERMS

Schools with programs organized on a term, semester, or quarterly 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, excluding summer terms.

NON-STANDARD-LENGTH TERMS

Schools with programs 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.



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Accredited, Deemed Approved, or Nonaccredited

Your programs are approved by the State Approving Agency (SAA) as one of the following:

- Accredited
- Deemed approved (handled the same as accredited for 85/15), or
- Nonaccredited

Information on how your programs are approved is located on your WEAMS 1998 Report and on your SAA-approval letter.

If, after checking these places, you're still unsure of how your programs are approved, contact your SAA or your Education Liaison Representative (ELR) for confirmation.

Cooperative: N
Accreditation: N
Title VI: Compliance Established

<u>Appropriate Section of Law:</u>	
<input type="checkbox"/>	Chapter 36, Title 38, U.S. Code, Section 3672
<input checked="" type="checkbox"/>	Chapter 36, Title 38, U.S. Code, Section 3676
<input type="checkbox"/>	Chapter 36, Title 38, U.S. Code, Section 3675



35 Percent Exemption Application

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](#)

Nonaccredited 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 \(DIGITAL\)](#), or
- [Statement of Assurance of Compliance with 85 Percent Enrollment Ratios, VA Form 22-10215](#), and where appropriate,
- [Statement of Assurance of Compliance with 85 Percent Enrollment Ratios Continuation Sheet, VA Form 22-10215a](#).

Please retain any reports or documentation you used to calculate your 35 percent exemption as that information will be reviewed on compliance.

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



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35 Percent Exemption Reapproval

The 35 percent exemption expires every 24 months. Schools desiring to reapply for the 35 percent exemption may do so:

- Not later than 30 days after the start of the enrollment period during which the current exemption expires; OR
- Not later than 30 days after the start of the next regular enrollment period during which the school wishes the exemption to take effect.

Summer terms at schools operating on a semester basis are excluded from provisions of 85/15. These schools should only submit 35 percent exemption requests not later than 30 days after the start of a regular standard term (Fall or Spring semester).

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

SCHOOLS WITH THE 35% EXEMPTION

When you have a 35 percent exemption and...

- SAA approved as accredited
- You do not charge tuition & fees
- On-the-Job Training or Apprenticeship
- Farm cooperative program
- Federally-approved Aero club



**No 85/15
calculations or
reporting
required**



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SCHOOLS WITH THE 35% EXEMPTION-NONACCREDITED

When you have a 35 percent exemption and you are SAA-approved as nonaccredited...

**85/15
calculations
are required**

**Routine
reporting is
NOT required**

**Noncompliant
program
reporting IS
required**



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Accredited Schools with the 35 Percent Exemption

If the SAA has approved your programs as "accredited" or "deemed approved," once granted no additional information is required for 24 months from the effective date of the 35 percent exemption.

VA will not ask for information on 85/15 calculations at your school for the entirety of the period covered by the 35 percent exemption.

VA reserves the right to request documentation substantiating the 35 percent exemption already granted.



Requirement to Monitor 85/15

Nonaccredited schools and accredited schools without the 35 percent exemption are required to monitor enrollment ratios and maintain compliance with 85/15.

Even with the 35 percent exemption, nonaccredited schools must submit routine reports to VA on any programs not in compliance with 85/15 via the [Education File Upload Portal](#).

Reports may be requested at any time and will be reviewed on compliance. All 85/15 calculations must be retained and provided using VA Form 22-10215, when requested by VA, State Approving Agency (SAA), and authorized Government representatives.



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SCHOOLS WITH PROGRAMS NOT EXEMPT FROM THE 85/15 RULE



Schools With Programs Not Exempt from the 85/15 Rule



- ❑ Failure to meet requirements for the 35 percent exemption
- ❑ Department of Defense Exemption
- ❑ Education Service Waiver
- ❑ Fewer than ten supported students



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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. Additionally, programs enrolling fewer than 10 supported students are exempt from the provisions of 85/15.

When a program is not otherwise exempted, the school must [submit](#) to VA all [85/15 calculations](#) using [VA Form 22-10215](#) on a routine basis – within 30 days of the beginning of each standard and non-standard length term.

For schools offering vocational flight programs, **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 (form) is approved.**

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



Department of Defense Exemption

Programs are exempt from all provisions with the 85/15 rule if the site has a Department of Defense (DoD) Exemption.

The DoD exemption is confirmed when a school's site is on or adjacent to a military installation and meets regulatory requirements.



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

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.

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.



85/15 Calculations & Reporting Requirements



85/15 Calculations & Reporting Requirements



- ❑ Supported vs. nonsupported students
- ❑ How to calculate the 85/15 ratio
- ❑ Reporting timelines & changes in enrollment

Supported vs Nonsupported Students

When determining a student's support status for calculating 85/15, ask yourself one question: Where is the money coming from?

Supported

- ✓ Receiving any VA education benefits (Ch. 30, 33, 35, etc.)
- ✓ Receiving VET TEC 2.0 (VT 2.0) benefits
- ✓ Receiving institutional aid or scholarships from the school
- ✓ Chapter 31 & 35 students are counted as supported but may still enroll even when a program exceeds 85%

Nonsupported

- ❖ Paying full tuition out of pocket
- ❖ Receiving employer tuition assistance (not from the school)
- ❖ Using private loans only
- ❖ All other students not receiving VA benefits or school aid

If a student has multiple funding sources and any source is from VA or from the school, the student is counted as supported.



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How to Calculate the 85/15 Ratio

The 85/15 ratio is based on Full-Time Equivalent (FTE) students, not headcount. Part-time students must be converted first.

Step 1

Convert part-time students to FTE. Multiply number of part-time students by their Rate of Pursuit (Ch 33) or Individual Training Time (all others).

Step 2

Add FTE of supported students (VA beneficiaries + school aid recipients).

Step 3

Add FTE of all students enrolled in the program.

Step 4

Divide supported FTE by total FTE, then multiply by 100 to get the percentage.

Example Calculation

Supported Students (FTE)	15
Total Students (FTE)	40
Calculation	$15 \div 40 = .375$
Result	37.5% - Program is compliant <input checked="" type="checkbox"/>



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Reporting Timelines & Changes in Enrollment

Reports are due to VA no later than 30 days after the start of each term or cohort (summer terms excluded for standard programs).

Term/Semester/Quarter Programs

Enrollment Period	Start Date	Report Due
Fall Term	September 14, 2026	October 14, 2026
Spring Term	January 18, 2027	February 17, 2027

Non-Standard / Cohort Programs

Enrollment Period	Start Date	Report Due
Cohort 1	September 14, 2026	October 14, 2026
Cohort 2	November 2, 2026	December 2, 2026

Note: Changes on or after the first day of term do NOT require amended calculations. Students who preregistered but never attended DO require an amendment.



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Compliance with the 85/15 Rule



COMPLIANCE WITH THE 85/15 RULE

- ❑ Failure to Report 85/15
- ❑ Non-compliance with the 85/15 Rule
- ❑ Effect of 85/15 Suspension
- ❑ Lifting the 85/15 Suspension



Failure to Report 85/15

Schools with programs not exempt from 85/15 requirement must provide 85/15 information when requested.

First Warning

VA emails SCO warning of payment suspension if data is not received in next 14 calendar days

VA sends courtesy copy to SAA of jurisdiction.

Second Warning

VA emails SCO warning of impending payment suspension if data is not received in next 7 calendar days.

VA sends courtesy copy to SAA of jurisdiction

Suspension Confirmation

VA updates WEAMS to reflect payment status and emails SCO notification letter of status outlining terms of payment suspension with updated WEAMS 1998 Report.

VA sends courtesy copy to SAA of jurisdiction.

Schools have 30-days to provide data.

Referral to SAA

If school has not submitted data within 30 calendar days, VA sends referral letter to SAA of jurisdiction for review due to failure to provide records, information outlining actions taken thus far, and a copy of the updated WEAMS 1998 Report.



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Non-Compliance with the 85/15 Rule

When a program fails to comply with the 85/15 Rule, VA will:

- Suspend enrollments and reenrollments for the out of compliance program effective the date that the ratio exceeded 85 percent of supported students.
- 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.
- 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 restriction does NOT apply to chapter 31 and 35 students.



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Effect of the 85/15 Suspension

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

- New students include students returning after a break in enrollment unless the break is wholly due to circumstances beyond the student's control.
- VA can continue to pay benefits for students who are both already enrolled **AND** receiving benefits prior to the ratio of supported students exceeding 85 percent of the total population enrolled in the 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.



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Lifting the 85/15 Suspension

- ❑ Once a non-compliant program falls to at or below 85 percent supported student enrollment, a school may submit an interim report to have the 85/15 payment suspension lifted.
- ❑ The school submits the interim reports to VA, who will lift the payment suspension to new enrollees effective the date the program became compliant.
- ❑ Once the ratio is reestablished, the school 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 during which the payment suspension is lifted; or
 - the end of the calendar quarter during which the ratio is reestablished, when the program is not operated on a standard-length term-basis.



Summary

In conclusion
you should now
be able to...

- 01** Explain the purpose and impact of the 85/15 rule
- 02** Explain the effect of the 35 Percent Exemption
- 03** Request the 35 Percent Exemption
- 04** Identify if your school has programs that are not exempt from the 85/15 rule
- 05** Summarize how to calculate and submit the 85/15 reports
- 06** Maintain compliance with the 85/15 rule



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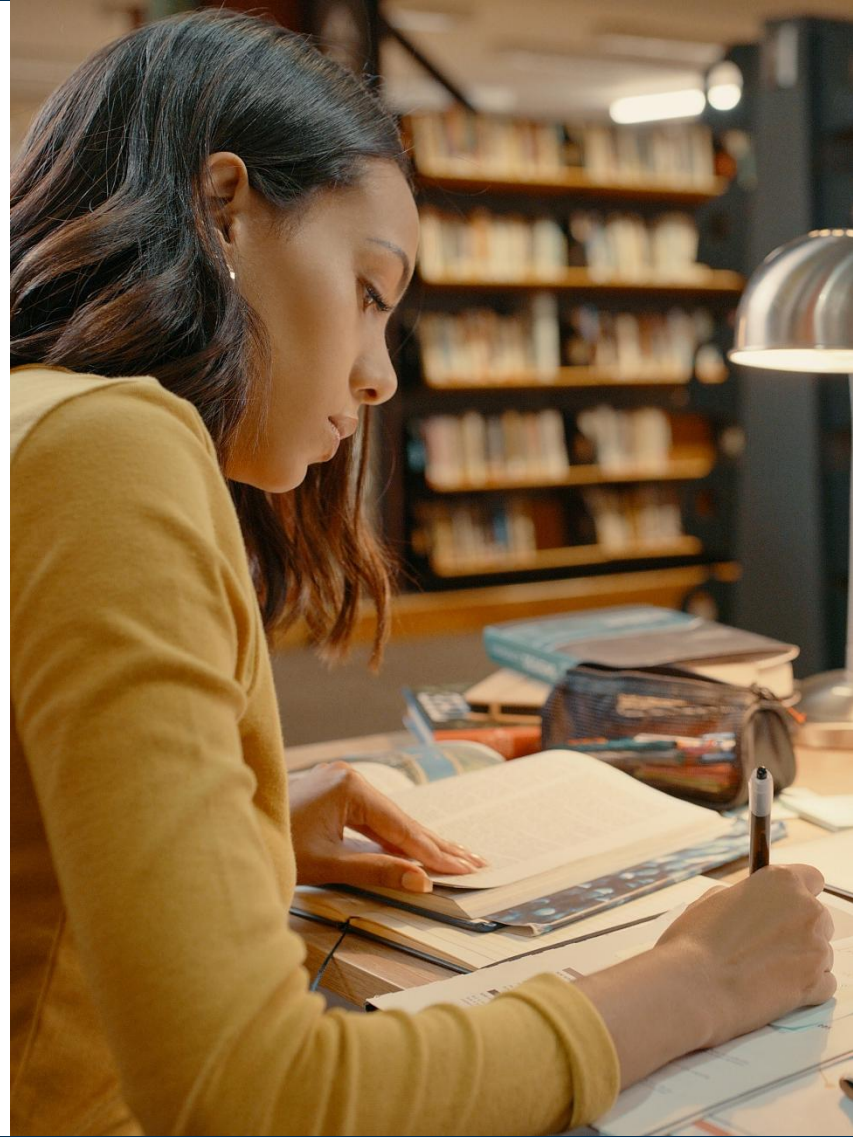
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Resources

- ❑ [38 U.S. Code §3680A](#)
- ❑ [38 Code Of Federal Regulations §21.4201](#)
- ❑ [SCO Handbook](#)
- ❑ [The 85/15 Rule](#)
- ❑ [85/15 Webpage Archives](#)



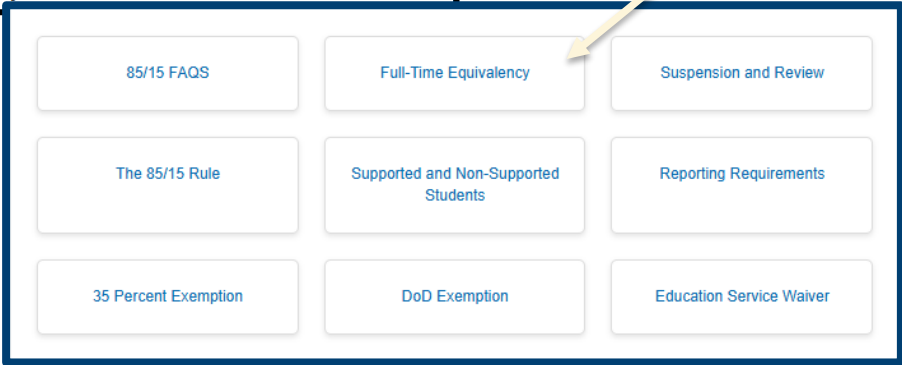
VA Website Resources

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



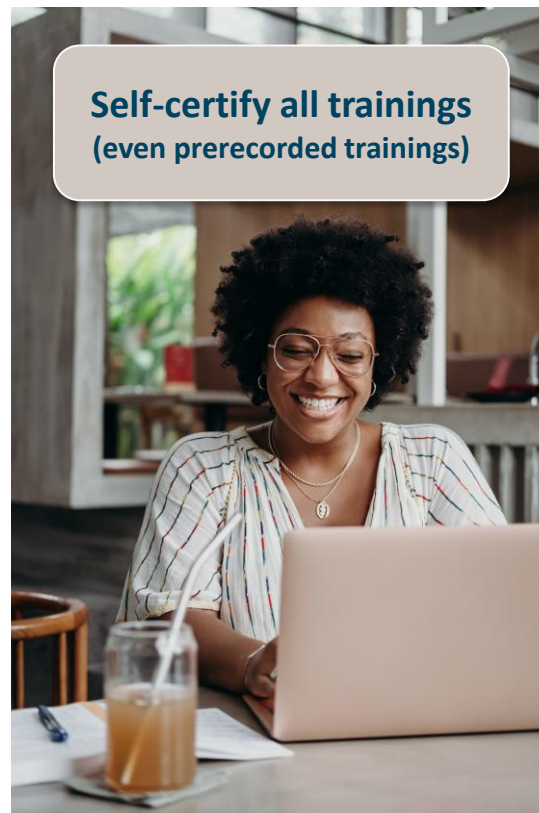
Links to other topics at the bottom of every page

Additional pages dedicated to 85/15 Rule information



Training Self-Certification Steps

- 1 | Login to the SCO Annual Training Portal.
[Live Assessments](#)
- 2 | Select either Office Hours, Conference Sessions, or Supplemental Training
- 3 | Locate the applicable session and click “Begin”
- 4 | Verify you have selected the correct training session, then click “Continue”.
- 5 | Click “Yes” to certify you have completed 100% of the training. Click “Submit”.
- 6 | Enter the Date of Training, then click “Submit”.
- 7 | Complete the survey, then click "Submit".
- 8 | Download your results and keep the certificate for your records.



Questions?



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Thank You

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