MEMORANDUM



August 12, 2024

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TO: Chief Executive Officers

Chief Instructional Officers Chief Student Services Officers Academic Senate Presidents

Curriculum Chairs

Government Relations Liaisons

FROM: Rebecca Ruan-O'Shaughnessy, Vice Chancellor

Equitable Student Learning, Experience and Impact

Anthony Cordova, Vice Chancellor

Equitable Student Learning, Experience and Impact

Linda Vazquez, Ed.D., Assistant Vice Chancellor

State and Federal Relations

RE: Federal Regulations on Program Length Restrictions for Gainful Employment Programs

The purpose of this memorandum is to provide information regarding the federal Department of Education's (DOE) revisions to the Gainful Employment (GE) regulations regarding the maximum length of certain programs, and the preliminary injunction that prevents DOE from enforcing those revised regulations. Please review the contents of this memo with campus staff to decide how to proceed with your respective programs.

Background

On October 31, 2023, the U.S. Department of Education released its final regulations titled "<u>Financial Responsibility</u>, <u>Administrative Capability</u>, <u>Certification Procedures</u>, <u>Ability to Benefit</u>." One of the regulatory changes instituted program length restrictions for certain higher education programs [Section 668.14(b)(26)] as a condition of federal Title IV financial aid eligibility.

The regulation limited the maximum length of GE programs to 100 percent of a state's minimum educational requirements for licensure in the occupation for which the programs prepare students. Previous rules allowed colleges to offer up to 150 percent of the state-required hours for licensure (the "150 percent" rule). Under the revised regulations, applicable programs that exceeded the program length restrictions *by any amount* would have been ineligible to participate in federal Title IV financial aid programs (e.g., Pell Grant, Direct Loans). These changes did not apply to programs where the state's entry-level requirement included completion of an associate degree or where the program was delivered entirely through distance education.

The regulations took effect on July 1, 2024. However, on June 21, 2024, the United States District Court for the Northern District of Texas, in 360 Degrees Education, LLC, et al. v. U.S. Department of Education, et al., granted the plaintiff's motion for a preliminary injunction. The preliminary injunction prevents DOE from enforcing the October 31st regulations on program length until a final decision is made by the courts. Until further notice, all institutions must continue to comply with the maximum program length regulations that were in effect prior to July 1, 2024. These regulations are available on the Code of Federal Regulations website. (34 CFR 668.14(b)(26)(i)(A).

Please note that this injunction only applies to the regulations on program length. All other provisions enacted in October 2023, including the Financial Value Transparency rules, are in effect. You can find more information about the Financial Value Transparency regulations on the Federal Student Aid Frequently Asked Questions webpage.

Prior to the preliminary injunction, the **Chancellor's Office worked with state officials to seek a temporary solution that provided flexibility** to college (both public and private) programs that currently exceed any of California's minimum clock hours for licensure. Since the federal regulations defer to each state and their respective minimum clock hours, the California Legislature enacted temporary language in the 2024 Budget Act that froze each institution's program hours at their current levels, essentially making those hours the new state minimum for the time being. That provision is expected to sunset on December 31, 2026. Links to the legislative changes are below:

- Department of Consumer Affairs Extension (<u>Business and Professions Code 144.6</u>)
- California Department of Public Health Extension for Nursing Assistants (<u>Health and Safety</u> <u>Code 1338.6</u>)
- California Department of Public Health Extension for Rad Tech (<u>Health and Safety Code</u> 114870.1)

Guidance

While the injunction prevents DOE from enforcing the federal program length regulations, the California Community Colleges Chancellor's Office remains in strong support of their intent. The federal government does not mandate that colleges require students to complete more clock hours than their state requires for licensure, but merely grants colleges the ability to do so.

<u>Research</u> shows that programs with a large amount of curriculum hours, compared to similar programs with a reduced amount of curriculum hours, result in students incurring greater expenses for tuition, books, and supplies. Additionally, programs with a large amount of

curriculum hours do not produce better program outcomes than similar programs with reduced program hours. These were the primary drivers for changes in federal regulations.

The Chancellor's Office strongly encourages colleges to explore all options to streamline their clock hour programs. The Chancellor's Office recommendation is that institutions work collaboratively with faculty to reduce the number of clock hours to not exceed 5 percent over curricular regularity and what the state requires for licensure. This approach aims to advance equitable student success in alignment with Vision 2030 and prepare for potential future compliance with regulations.

Consistent with your existing practice to develop or revise curriculum, institutions must engage in the local, regional, and system-level program approval processes.

Programs Affected

The program length regulations apply to all programs at degree-granting, for-profit institutions. For public higher education institutions, including the California Community Colleges, **the regulations only apply to non-degree programs. The regulations exclude programs offered entirely through distance education.** Additionally, since the regulations apply to Title IV program eligibility, which requires a minimum number of 600 clock hours, the regulations do not apply to programs that have anything lower than 600 hours.

The following table lists affected community college programs that involve training for occupations licensed through the Department of Consumer Affair and the Department of Public Health. This is not a definitive list but only a starting point to help you understand the potentially impacted programs. If your institution offers this program and it is offered as a degree or is completely online, **the regulation does not apply**.

Department of Consumer Affairs	Occupations	Clock Hours	Citation
State Licensing Agency/Board		Required	
Dental Board	Registered Dental	800 hours	16 CCR § 1070.2
	Assistant		
Dental Hygiene Board	Registered Dental	1,600 hours	16 CCR § 1105
	Hygienist		
Board of Pharmacy	Pharmacy Technician	240 hours	16 CCR § 1793.6
Board of Vocational Nursing and	Licensed Vocational	1,530 hours	BPC Section 2881
Psychiatric Technicians	Nurse		
Board of Vocational Nursing and	Psychiatric Technician	1,530 hours	16 CCR § 2586
Psychiatric Technicians			

California Department of Public	Occupations	Clock Hours	Citation
Health		Required	
State Licensing Agency/Board			
Laboratory Field Services	Phlebotomy	80 hours	17 CCR § 1035
Healthcare Professional	Certified Nursing	160 hours	HSC Section
Certification and Training Section	Assistant		<u>1337.3</u>
Healthcare Professional	Home Health Aide	75 hours	HSC Section
Certification and Training Section			<u>1736.1</u>
Radiologic Health Branch	Radiologic Technologist	1,850 hours	17 CCR § 30421

As stated previously, these program length rules will not be enforceable by DOE until a final decision is made by the federal courts. However, we strongly encourage each college to work with their Curriculum Chairs, Career and Technical Education deans and faculty to review your programs and have important discussions to align with the intent of the federal regulations and evidence-based best practices that they were designed to support.

Additional Resources

- Federal Student Aid (FSA) Dear Colleague Letter: (GEN-24-06) Implementation of Program Length Restrictions for Gainful Employment (GE) Programs
- FSA Electronic Announcement: Temporary Injunction on Program Length Regulations
- U.S. Department of Education Certification Procedures Questions and Answers

Please contact Dr. Linda Vazquez, Assistant Vice Chancellor for State and Federal Relations with any questions at <u>LVazquez@CCCCO.edu</u> or at (916) 322-6888.

cc: Sonya Christian, Ph.D., Chancellor California Community Colleges

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