



COLORADO

Division of Private
Occupational Schools

Department of Higher Education

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NOTICE

Date: January 8, 2016
To: All Massage Therapy School Directors
From: Lorna Candler Director, Division of Private Occupational Schools
Subject: U.S. Department of Education 50% Rule

The United States Department of Education (DE) recently advised one of our Colorado schools that massage therapy programs over 750 hours are no longer eligible for participation in Title IV Federal Student Aid (which includes Pell Grants, Subsidized, Unsubsidized, and PLUS Loans). Although such programs have been historically eligible, that changed when Colorado established a state-mandated training requirement for massage therapy as detailed below.

The Department of Education states that programs that exceed the state minimum hours by more than 50 percent are not eligible for Title IV Aid as outlined in regulation 668.14 which is cited below. While this regulation has been in place for some years [since 1994], it has not been uniformly enforced to date. It is our understanding that any occupational education program designed to provide credentials for an occupation that requires state licensure is subject to this regulation. As the state minimum requirement for a massage therapy license is 500 hours, any massage therapy programs with hours that exceed the state licensing/certification minimum requirement by more than 50 percent or 750 hours will no longer be eligible for federal student aid. While only one of our Colorado schools has been notified that programs exceeding 750 hours are no longer eligible for federal student aid, the Division is advising all other massage therapy schools who offer programs exceeding 750 hours that they may also be ineligible to receive Title IV funds for these longer programs. While DE may not notify schools of their obligation to discontinue disbursements until the school renews its application to Participate in Title IV Federal Student Aid, we advise you to consider the ramifications immediately so that you can properly address this issue.

The Division recommends that you immediately contact your auditor and financial aid processor to discuss the ramifications of this matter.

The applicable federal regulation is 34 CFR 668.14(b)(26). See below:

(26) If the stated objectives of an educational program of the institution are to prepare a student for gainful employment in a recognized occupation, the institution will—

(i) Demonstrate a reasonable relationship between the length of the program and entry level requirements for the recognized occupation for which the program prepares the student. The Secretary considers the relationship to be reasonable if the number of clock hours provided in the program does not exceed by more than 50 percent the minimum number of clock hours required for training in the recognized occupation for which the program prepares the student, as established by the State in which the program is offered, if the State has established such a requirement, or as established by any Federal agency; and

(ii) Establish the need for the training for the student to obtain employment in the recognized occupation for which the program prepares the student.

If you have additional questions, please contact the Division. However please note that the regulation discussed in this notice is a federal regulation; the Division does not have any authority over its content or enforcement.

