

THE U.S. DEPARTMENT OF EDUCATION'S FINAL RULE ON DISTANCE EDUCATION, RETURN TO TITLE IV, AND TRIO PROGRAMS

Background

In July 2024, the Department of Education (Department) released a [proposed rule](#) regarding Distance Education, Return to Title IV, and the TRIO programs. This proposed rule included several concerning elements regarding distance education and the return to Title IV process. For instance, it sought to define an additional location; prohibit students in clock-hour programs from using federal funds for coursework delivered asynchronously; require an institution to take attendance for each course offered entirely through distance education; and require institutions to document a student's withdrawal date within 14 days of the student's last date of attendance. Given the feedback received by many in the higher education community, the American Council on Education (ACE) drafted a [letter](#) to the Department to express these concerns in hopes of influencing the final rules.

The [final rule](#) was released in January 2025 and addressed many of the concerns identified by ACE. The proposed rule does not:

- Define an additional location;
- Prohibit students in clock-hour programs from using federal funds for coursework delivered asynchronously;
- Require an institution to take attendance for each course offered entirely through distance education; or
- Expand TRIO programs to non-citizen students enrolled, or seeking to enroll, in a high school under certain TRIO programs.

The final rule will go into effect on July 1, 2026. However, the Department does allow for early implementation of the rule by institutions of higher education. Beginning on February 3, 2025, institutions can allow an incarcerated student enrolled in a term-based program who takes a leave of absence to return without resuming coursework at the same point. Institutions can be exempt from performing a return to Title IV calculation under the withdrawal exemption.

Final Rule Summary

- A new definition of “distance education course” has been added, clarifying that a course is considered a distance education course if all instruction occurs exclusively through distance education methods, as defined in existing regulations. This designation applies even if the course includes in-person, non-instructional activities such as orientation, testing, or academic support services.
- Technical changes are made to the TRIO programs to reflect the current status of the Republic of Palau as a member of the Freely Associated States and removes references to the Trust Territory of the Pacific Islands.

- The return to Title IV process is amended to count a student as not having withdrawn from an institution if, for the payment period or period of enrollment:
 - The institution’s records do not indicate that a student actually attended any course;
 - The institution returns all federal student aid that was disbursed to the student back to the Department;
 - All institutional charges are refunded back to the student; and
 - The institution writes off or cancels any payment period or period of enrollment balance owed by the student to the institution because of the return to Title IV process.

- An institution is required to document a student’s withdrawal date within 14 days of the last date of attendance.

- Clock-hour/non-term credit hour, subscription-based, and eligible prison education programs do not have to require students returning from a leave of absence to “pick up where they left off,” offering greater flexibility for these students in their academic progression.

- If an institution offers a program in module, a student is only required to complete the days in the module upon the first day of attendance in the module and not upon enrollment.

- Institutions are required to report student enrollment in distance education or correspondence courses. However, **this requirement would not take effect until July 1, 2027**. This new reporting will be incorporated into the existing enrollment reporting process in the National Student Loan Data System.
 - The Department estimates that it will take administrators 20 hours and administrative assistants 8 hours to review and revise reporting policies and procedures, costing institutions \$10,057,889 in the first year across 3,732 institutions offering distance education courses.

- The Department estimates a net present value cost of \$27,349,749 over 10 years with a discount rate of two percent, making it equivalent to an annualized cost of \$3,044,753 over 10 years. The costs are predicted to take place only in year one after the final rule goes into effect.

- The Department predicts that 5,989 institutions will be impacted by this final rule.