



COMDTINST 1560.3
29 Sep 2015

COMMANDANT INSTRUCTION 1560.3

Subj: RECOUPMENT OF ADVANCED EDUCATION COSTS IN THE EVENT OF SEPARATION BEFORE COMPLETION OF OBLIGATED SERVICE

- Ref:
- (a) Performance, Training, and Education Manual, COMDTINST M1510.10 (series)
 - (b) U.S. Coast Guard Academy Appointment Statement of Acceptance and Obligation
 - (c) Title 14, United States Code, Section 182
 - (d) Title 10, United States Code, Section 2005
 - (e) Title 37, United States Code, Section 303a
 - (f) Title 37, United States Code, Section 373
 - (g) Title 37, United States Code, Section 374
 - (h) Title 6, Code of Federal Regulations, Part 11
 - (i) Military Separations, COMDTINST M1000.4 (series)
 - (j) Coast Guard Weight and Body Fat Standards Program Manual, COMDTINST M1020.8 (series)
 - (k) Personnel and Pay Procedures Manual, PPCINST M1000.2 (series)
 - (l) Coast Guard Pay Manual, COMDTINST M7220.29 (series)

1. PURPOSE. This Instruction establishes policy for recouping the cost of advanced education paid by the Coast Guard to members who fail to fulfill the requirements or specified conditions of their agreements for receipt of advanced education benefits. It also establishes policy for recouping the cost of education from Coast Guard Academy cadets who fail to fulfill the requirements or specified conditions of their service agreements.
2. ACTION. Superintendent, U.S. Coast Guard Academy, deputy/assistant commandants, commanders and commanding officers of headquarters units shall comply with the provisions of this directive. Internet release is authorized.
3. DIRECTIVES AFFECTED. None.

DISTRIBUTION – SDL No. 165

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	
A	X	X	X	X	X	X	X		X	X		X	X	X	X	X	X		X		X						
B		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
C	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
D	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X					
E	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		X		X	X			X	X			
F																	X	X	X								
G		X	X	X	X																						
H																											

NON-STANDARD DISTRIBUTION:

4. DISCUSSION AND BACKGROUND.

- a. In accordance with references (a), (b), and (c), the Coast Guard funds advanced education opportunities for members and Coast Guard Academy cadets to enhance the technical competence, professionalism, and experience of the service.
- b. In exchange for those advanced education benefits, members and cadets agree, in writing, to fulfill the obligations specified in references (b), (c), and (d), which include service obligations.
- c. Active duty service is the primary and preferred means of reimbursing the Coast Guard for education costs. Service in the Coast Guard Reserve for cadets is permissible when implemented in accordance with reference (c).
- d. Failure to fulfill the requirements or specified conditions of the written agreement may result in termination of the agreement and the member may be required to repay the United States the unearned portion of the education benefit.
- e. The Coast Guard will recoup education costs commensurate with time remaining on the member's active duty or cadet's active duty or reserve obligation when discharged.
- f. References (c), (d), (e), (f), and (g) provide the Coast Guard with authority to recoup the costs of education benefits paid to or on behalf of members and cadets when those individuals fail to fulfill the service obligation to which they agreed. This Instruction is promulgated pursuant to reference (h).
- g. Members and cadets who do not complete the service obligation they incurred in exchange for receiving education benefits are subject to recoupment of the costs of the benefits in the following situations:
 - (1) Members or cadets who receive a dismissal or discharge resulting from court-martial proceedings.
 - (2) Members who are involuntarily separated for cause, in accordance with reference (i).
 - (3) Members who are approved for voluntary separation, in accordance with reference (i), in lieu of court-martial proceedings, or in lieu of being processed for involuntary administrative separation for cause.
 - (4) Members who are separated in accordance with reference (j) for non-compliance with the Coast Guard Weight and Body Fat Standards Program.
 - (5) Cadets who are disenrolled before they graduate and/or are commissioned if the reason for their disenrollment is such that the disenrolled cadet is determined to have breached their service obligation agreement and be ineligible for continued service pursuant to references (b) and (c).

- (6) Members or cadets who are subject to recoupment in accordance with any Coast Guard policy, including reference (a).
- h. Members and cadets will ordinarily be exempt from recoupment for the following reasons:
 - (1) Members or cadets who are separated or retired by reason of physical disability, illness, injury, or other impairment incurred in the line of duty and not due to misconduct.
 - (2) Members or cadets who receive a sole survivorship discharge in accordance with reference (i).
 - (3) Members or cadets who are exempted from recoupment by any Coast Guard policy.
 - (4) Death of a member or cadet prior to completion of his or her service obligation.
 - (5) Cadets who are determined to have not breached their service obligation agreement.
5. DISCLAIMER. This guidance is not a substitute for applicable legal requirements, nor is it itself a rule. It is intended to provide policy for Coast Guard personnel and is not intended to nor does it impose legally-binding requirements on any party outside the Coast Guard.
6. IMPACT ASSESSMENT. This new task will not require additional personnel or other funding resources. While recoupment of education costs will be a new task, separations processing to include assessment and recovery of all debts owed to the Coast Guard is a current function of the Coast Guard Personnel Service Center, Coast Guard Pay and Personnel Center, Coast Guard Finance Center, and Assistant Commandant for Resources and Chief Financial Officer. The task will be performed by pay technicians, audited by a lead pay technician and reviewed by a supervisory pay technician. The new task will require one hour of on-the-job training, with no follow-on training required.
7. ENVIRONMENTAL ASPECT AND IMPACT CONSIDERATIONS.
 - a. The development of this directive and the general policies contained within it have been thoroughly reviewed by the originating office in conjunction with the Office of Environmental Management, and are categorically excluded (CE) under current USCG CE # 33 from further environmental analysis, in accordance with Section 2.B.2 and Figure 2-1 of the National Environmental Policy Act Implementing Procedures and Policy for Considering Environmental Impacts, COMDTINST M16475.1 (series).
 - b. This directive will not have any of the following: significant cumulative impacts on the human environment; substantial controversy or substantial change to existing environmental conditions; or inconsistencies with any Federal, State, or local laws or administrative determinations relating to the environment. All future specific actions resulting from the general policies in this directive must be individually evaluated for compliance with the National Environmental Policy Act (NEPA), DHS and Coast Guard NEPA policy, and compliance with all other environmental mandates.

8. **DISTRIBUTION.** No paper distribution will be made of this Instruction. An electronic version will be located on the following Commandant (CG-612) web sites. Internet: <http://www.uscg.mil/directives/>, and CGPortal: <https://cgportal2.uscg.mil/library/directives/SitePages/Home.aspx>.
9. **PROCEDURE.** Members and cadets subject to the provisions of this Instruction will be notified in writing by Commanding Officer, Coast Guard Pay and Personnel Center or Superintendent, U.S. Coast Guard Academy of their obligation to reimburse the United States for the unearned portion of the education benefits they received. Members or former members and cadets or former cadets may dispute the amount to be recouped and/or can request a waiver. Detailed procedures concerning the collection of debts owed to the Coast Guard are published in chapter 9 of reference (k) and chapters 11 and 14 of reference (l).
- a. Calculation of the indebtedness of the separating member or cadet to the Coast Guard (“recoupment amount”) is based on the cost of advanced education or cost of education at the Coast Guard Academy, as appropriate, and the unfulfilled portion of the member’s remaining active duty service obligation. Reference (a) provides policy and guidance for calculating a member’s required service obligation. The number of days the member has served of the service obligation can be determined by subtracting the last day of schooling from the date of separation. The time not served is the service obligation minus the time served based on month for month service obligation. To determine the recoupment amount, divide the total number of days the member did not serve by the total length of the service obligation and multiply that figure by the total education cost.
- b. Example. LT J.R. Officer attended Eastern State University through the Advanced Education program. LT Officer’s program of instruction lasted 18 months and the total cost paid by the Coast Guard was \$30,000. Per reference (a), LT Officer incurred a 42 month service obligation following completion of the academic program. LT Officer was administratively separated with 510 days remaining on the obligation. To determine the amount to be recouped, perform the following calculation:
- $$\begin{aligned} 42 \text{ months} &= 3.5 \text{ years} \\ 3.5 \times 365 &= 1277.5 \text{ days} \\ 510 \div 1277 &= .4 \\ .4 \times \$30,000 &= \$12,000.00 \end{aligned}$$
- c. Disputes and Waivers.
- (1) When a member or former member disputes the recoupment amount, the Assistant Commandant for Resources and Chief Financial Officer (CG-8) must appoint an officer, or a civilian employee, to conduct an inquiry concerning the validity of the debt in accordance with references (a) through (h).
- (2) When a cadet or former cadet who is not a member disputes the recoupment amount, Superintendent, U.S. Coast Guard Academy must appoint an officer, or a civilian employee, to conduct an inquiry concerning the validity of the debt in accordance with references (a)

through (h).

- (3) In accordance with reference (h), the Secretary of Homeland Security may waive, in whole or in part, recoupment of educational benefits, if recoupment would be contrary to a personnel policy or management objective or would be against equity and good conscience or contrary to the best interests of the United States. The Secretary of Homeland Security has delegated this authority to the Assistant Commandant for Resources and Chief Financial Officer (CG-8). Requests for waivers from members or former members shall be submitted to Commandant (CG-8) in accordance with reference (h). Requests for waivers from cadets or former cadets who are not members shall be submitted to Commandant (CG-8) in accordance with reference (h) through the Superintendent, U.S. Coast Guard Academy. In accordance with reference (h), concurrence of the DHS Office of the General Counsel is required to compromise, suspend, or terminate debts over \$10,000.00.

10. RECORDS MANAGEMENT CONSIDERATIONS. This directive has been evaluated for potential records management impacts. The development of this Instruction has been thoroughly reviewed during the directives clearance process, and it has been determined there are no further records scheduling requirements, in accordance with Federal Records Act, 44 U.S.C. 3101 et seq., National Archives and Records Administration (NARA) requirements, and the Information and Life Cycle Management Manual, COMDTINST M5212.12 (series). This policy does not have any significant or substantial change to existing records management requirements.

11. DEFINITIONS.

- a. "Cost of education at the Coast Guard Academy" means those costs, as determined by the Superintendent, for tuition equivalent, room and board, and academic costs, but it does not include cadet pay and allowances.
- b. Pursuant to reference (c), "cost of education at the Coast Guard Academy" does not include the initial issue of cadet clothing and equipment.
- c. "Advanced Education" means education or training above the secondary school level but does not include technical training provided to a member of the armed forces to qualify such member to perform a specified military function, to workshops, or to short-term training programs. (See reference (d)).
- d. "Cost of advanced education" means those costs which are directly attributable to the education of the person to whom a course of advanced education is provided, including the cost of tuition and other fees, the cost of books, supplies, transportation, and miscellaneous expenses, and the cost of room and board, but it does not include pay or allowances. (See reference (d)). This excludes the use of Tuition Assistance.

12. SERVICE OBLIGATION AGREEMENTS. Pursuant to references (a), (b), and (c) all members and cadets who incur a service obligation in exchange for receiving education benefits shall sign an agreement acknowledging their obligation and indicating their awareness that the Coast Guard may seek recoupment of the costs of the education if they fail to fulfill the terms of the agreement. Signed member service obligation agreements shall be placed in each member's or cadet's Personal

Data Record (PDR), maintained by the program manager as appropriate or filed with CG PSC OPM-1, CG PSC EPM-1, or CG PSC RPM-1.

13. RESPONSIBILITIES.

a. Superintendent, U.S. Coast Guard Academy shall develop Academy policy and procedure as follows:

- (1) To determine if a disenrolled cadet has breached the service obligation agreement required by references (b) and (c), and
- (2) To recommend to Commandant (CG-1) whether a disenrolled cadet is suitable for enlisted service in the Coast Guard Reserve in accordance with reference (c).
- (3) Annually establish and publish the monthly rate for the cost of education at the Coast Guard Academy.
- (4) To calculate the recoupment amount a disenrolled cadet shall be required to repay if:
 - (a) The cadet is determined to have breached the service obligation agreement; and
 - (b) The cadet is not suitable for continued Coast Guard Reserve or active duty service in the enlisted workforce.
- (5) To notify cadets when they confirm their obligation prior to beginning their 2^c year of the current monthly rate for the cost of education at the Coast Guard Academy should they be disenrolled during the upcoming year.
- (6) To notify the disenrolled cadet in writing the total amount the Coast Guard will recoup.
- (7) To notify Commanding Officer, CG PPC, that the cadet is being disenrolled and cooperate as appropriate, to initiate recoupment.
- (8) To receive, investigate, and take action as appropriate when cadets dispute recoupment amounts.
- (9) To receive, consider, and forward, along with any advice the Superintendent deems appropriate, to the Commandant (CG-8), waiver requests submitted by cadets and former cadets.

b. Commander, Coast Guard Personnel Service Center (CG PSC) shall develop procedure as follows:

- (1) To review member separations and discharges for compliance with applicable Coast Guard personnel management policy.

- (2) To review separating member's military personnel data record (PDR) to determine whether the member has an outstanding service obligation based on his or her receipt of Coast Guard-funded educational benefits.
- (3) To provide supporting documentation and member data to Commanding Officer, CG PPC about separating members who have outstanding service obligations based on receipt of Coast Guard-funded educational benefits.
- (4) To ensure that Commanding Officer, CG PPC shall:
 - (a) Upon receiving supporting documentation and member data from CG PSC about a separating member with an outstanding service obligation based on his or her receipt of Coast Guard-funded educational benefits, calculate the amount of indebtedness of the Coast Guard member.
 - (b) Notify the separating Coast Guard member in writing that he or she is subject to recoupment and the total amount the Coast Guard will recoup.
 - (c) Initiate recoupment for separating Coast Guard members and cadets in accordance with procedures published in references (k) and (l).
 - (d) Notify Commandant (CG-8) when a member or former member disputes the recoupment amount.
 - (e) Notify Commandant (CG-8) when a member or former member requests a waiver of the recoupment amount.
 - (f) Liaise with Coast Guard Finance Center and Superintendent, U.S. Coast Guard Academy to develop policy and procedure to coordinate in-service and out-of-service recoupment.
- c. Assistant Commandant for Resources and Chief Financial Officer (CG-8) shall develop policy and procedure as follows:
 - (1) To enable Commanding Officer, Coast Guard Finance Center (FINCEN) to liaise with PPC to develop policy and procedure to coordinate in-service and out-of-service recoupment.
 - (2) To receive, investigate, and act as appropriate when members dispute recoupment amounts.
 - (3) To receive, consider, and approve or disapprove waiver requests.
 - (4) To forward all waiver requests greater than \$10,000.00 with any supporting advice Commandant (CG-8) deems appropriate, to the DHS Office of General Counsel for concurrence.
- d. Commander, Force Readiness Command (FORCECOM) shall review and update its policy and procedure as follows:

- (1) To ensure program managers of advanced education programs determine whether a member who is disenrolled from an advanced education program manager (AEPM) approved school has breached the terms and conditions of the member's Student Cost Share Agreement or any other applicable Coast Guard policy, including reference (a).
 - (2) To ensure AEPMs provide supporting documentation and member data to Commander, CG PSC if the program manager determines that a member who is disenrolled from an AEPM approved school has breached his or her Student Cost Share Agreement or any other applicable Coast Guard policy, including reference (a), and is not suitable for continued Coast Guard service.
- e. Assistant Commandant for Human Resources (CG-1), as chief executing agent of this policy, is charged with the duty to implement and execute the requirements set out in this Instruction. Assistant Commandant for Human Resources (CG-1) shall:
- (1) Review and update its policy and procedure to ensure Coast Guard-wide compliance with this Instruction.
 - (2) Taking into account the best interests of the Coast Guard and the Superintendent's recommendation, Commandant (CG-1) may authorize disenrolled cadets to serve in the Coast Guard Reserve in accordance with reference (c). This authority may be delegated in writing.

14. FORMS/REPORTS. None.

15. REQUEST FOR CHANGES. The Point of Contact is the Office of Military Personnel Policy, Commandant (CG-1331). Submit change requests via email to HQS-PolicyandProcedures@uscg.mil.

CHARLES D. MICHEL /s/
Vice Commandant