

Program Reviews

Understanding ED Program Review Process



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What is a Program Review?

- Method of oversight
- Evaluates compliance with Title IV, HEA statute and regulations
 - Examination of financial aid, fiscal, and academic records
 - Interviews with institutional staff and students
 - Review of consumer information requirements

Program Reviews

What is a Program Review?

- Identifies errors in compliance and liabilities owed
- Tool to improve future institutional capabilities
- A program review is NOT a compliance audit
 - Different parts of the statute
 - One is conducted by ED and the other is a process leading to an ED review and possible resolution

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Why are Program Reviews Conducted?

Secretary of Education *mandated* by law under **Section 498A** of the Higher Education Act of 1965, as amended (HEA), **20 U.S.C. § 1099c** to conduct program reviews at institutions of higher education participating in the Title IV, HEA programs:

(a) GENERAL AUTHORITY - In order to strengthen the administrative capability and financial responsibility provisions of this title, the Secretary -

*(1) shall provide for the **conduct of program reviews** on a systematic basis designed to **include all institutions** of higher education **participating in programs authorized by this title...***

4

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Program Reviews

Who Conducts Program Reviews?

- Federal Student Aid
 - Program Compliance
 - School Eligibility Service Group (SESG)
 - School Participation Division
 - Program Review Team
 - e.g. Atlanta School Participation Division

Secretary of Education has delegated responsibility of conducting program reviews

5

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How Are Institutions Selected?

20 U.S.C. 1099c-1 (a)(2): (The Secretary) shall give priority for program review to institutions of higher education that are institutions with-

- High cohort default rate or dollar volume of default (25%+)
- Significant fluctuations in Federal Pell Grant or loan volume
- Reported deficiencies or financial aid concerns by the state or accrediting agency
- High annual dropout rates, or
- *Any other institution the Department determines may pose significant risk of failure to comply with administrative capability or financial responsibility requirements*

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Department Preparation for Program Review

- Institutional Structure Research
- Systems Research
- Other Research
- Program Review Plan



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Scope of Program Reviews

- General assessment review
 - Various areas addressed
 - Will do a general review of processes
- Focused program review
 - Specific compliance issues or process
- Joint program review
 - Adverse action or significant liabilities
- Compliance Assistance Review (CAR)
 - Low risk



8

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The Program Review Process

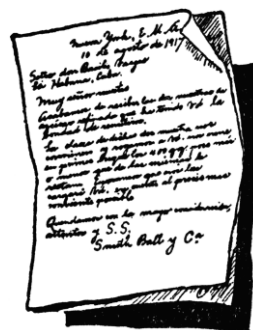
- School selected for a program review
 - Off-site or onsite
 - Announced or unannounced
- Review conducted
 - Typically 5 days; review files, policies, and fiscal procedures/records

9



Preparation for Program Review

- Receiving Notification of Program Review
 - Advance Notice Review
 - Short Notice Review
- Third-Party Servicer Notification
 - if applicable
- Responding to Announcement Letter



10



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The Reviewers are Coming...

- Announcement letter will include a request for information to be provided before the review or at review
- If you have any questions about what is requested, call and talk to the reviewer immediately
- Inform all the administrators at your school about the review
- Impress upon administration and staff the importance of the review
- Ensure they will be available



11

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Entrance Conference

- On-Site Program Review
 - Outline activities for the week
 - Provide random student sample for review
 - Explain scope and purpose of the review
 - Clarify what is needed and from whom
 - Required Documents and Time Frames
 - Schedule Exit Conference
- Off-Site Program Review
 - Conference Call
 - Usually Limited Scope
 - Program Review Process



12

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Entrance Interview

- Who should attend?
 - Financial Aid
 - Business Office
 - Admissions
 - Registrar
 - Systems/IT
 - Senior Management*



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Assisting the Reviewers

- Help the reviewers understand your institution's processes
- Arrange for staff to be available/provide requested documents
- *Provide review team with space to work, preferably a private space, and access to copier*



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Access to Staff/Students

- Designate a knowledgeable contact person in each appropriate office
- Never restrict access to any staff member or student
- Ensure that a 3rd-party servicer contact is available (if applicable)



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Review of Institutional Processes and Data

- Staff Interviews
 - Academic/Registrar
 - Admissions
 - Financial Aid
 - Student Accounts/Bursar/Fiscal Office
 - Placement
 - Campus Security
 - Others as needed...



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Facilitate Access to Records

- Academic records for student sample
- Student financial aid files
- Admission files
- Accounting records
- Records in the possession of a servicer
- Course descriptions
- Budgets/cost of attendance

17

Program Review Areas

1. Institutional eligibility/issues
2. Student eligibility/issues
3. Fiscal records/financial management
4. Electronic reporting



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Institutional Eligibility

- Eligible programs
 - Clock-to-credit hour conversion
- Eligible locations
- Campus security
- Contractual/consortium agreements
- Consumer Information
- Separation of duties
- Administrative Capability
- Catalog/Brochure/Handbook
- *Policies and Procedures*



Student Eligibility

- | | |
|--|---|
| <ul style="list-style-type: none"> • Award documentation • Enrollment status • Verification • Professional judgment • Conflicting information • Attendance | <ul style="list-style-type: none"> • Calculation of aid • Satisfactory academic progress • Disbursements of aid • Credit balances • Return of Title IV Funds |
|--|---|

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Review of Student Level Information

- Records Reviewed in Student Files
 - Admissions
 - Academic
 - Financial Aid
 - Student Account Ledger
- Student Records Compared to Department Data
 - NSLDS
 - COD
 - CPS
- Student and Staff Interviews

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Fiscal Review-Where's the Money?

- Total drawdowns vs. disbursements
- Bank accounts/statements
- Returns/refunds of cash
- Excess cash
- Reconciliation
 - G5-bank statements-ledgers-COD-FISAP



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Electronic Requirements

- NSLDS
 - (Enrollment reporting, Perkins loans, overpayments, Transfer Student Monitoring)
- eZ-Audit
- G5
- Campus crime statistics
- IPEDS
- Receipt of ISIRs
- COD reporting (Direct Loan, Pell)



23

Exit Conference

- Who should attend?
 - Financial aid
 - Business office
 - Admissions
 - Registrar
 - Systems/IT
 - Senior Management*



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Exit Conference



- Field Work Substantially Completed
- Preliminary findings
 - *Further research in office may add or subtract findings from report*
- Outstanding Items
- Timeframes for follow-up activities
- Next Steps

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Referrals

- Administrative Actions and Appeals Service Group
- Management Improvement Services
- Office of Inspector General
- State Authorizing and Accrediting Agencies

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Program Review Completed



- Possible Outcomes
 - Additional Information Requested
 - Expedited Determination Letter (EDL) Issued
 - Program Review Report (PRR) Issued

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Request For Additional Information

- Institution requested to send documentation
- Short time frame to provide information
- Possible outcomes if information not provided
 - Visit scheduled to review documents on-site
 - PRR includes findings otherwise omitted
 - PRR includes Lack of Administrative Capability finding

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Expedited Determination Letter

- *EDL issued*
 - No instances of non-compliance (findings) or only minor (non-systemic) findings identified
 - Any findings corrected prior to issuance of EDL
 - Any liabilities were paid/collected prior to issuance of EDL
- *Three standard sections*
 - Scope of Review and Disclaimer
 - Findings, if applicable
 - Recommendations, if applicable
- *Sample template in Program Review Guide - 2017*
 - <https://ifap.ed.gov/ifap/byYear.jsp?type=programrevguide>

29

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Program Review Report

- Identifies findings with regulatory citations
- Actions required by institution
- Standard sections
 - Cover page
 - Table of Contents
 - Institutional Information
 - Scope of Review and Disclaimer
 - Findings and Required Actions
 - Recommendations, if applicable
 - Appendices and Enclosures
- Sample template in 2017 Program Review Guide



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Program Review Report Findings

- Student-Specific
 - No potential or actual liability
 - Potential or actual liability
 - Small error rate
 - High error rate – may require file review
- School Finding
 - Incomplete or unacceptable policies or procedures
 - Problems related to institutional eligibility, program eligibility, location eligibility, financial responsibility, financial reporting, other actions
 - No potential or actual liability
 - Potential or actual liability

31

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Institution Responds to PRR

- Written response
- Submitted by due date
- Concern or disagree with any PRR conclusions
- Document Required Actions from PRR
 - Correct policy or procedure
 - Correct student-specific error
 - File review conducted
 - Provide information to quantify liability
- Request extension of time for good cause

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Department Follow Up to Response

- Response not received by due date
- Missing information or need clarification
- Response rejected
 - Problems with documents for several files
 - Typically given another 30 days to correct and respond



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Final Program Review Determination Letter (FPRD)

- Department's final determination for each finding
- Identifies liabilities and provides payment instructions
- Closes Program Review, if appropriate
- State authorizing and accrediting agencies get copies
- Subject to FOIA
- Two types:
 - No further action required
 - Further action required
 - Example - COD adjustments

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FPRD Closeout Letter or Appeal of Monetary Liabilities

- FPRD Closeout Letter
 - Issued after satisfactory response to FPRD
 - Not issued if institution files appeal
- Appeal of Monetary Liabilities
 - Filed within 45 days
 - Collection efforts deferred on appealed liability amount
 - Non-appealed liabilities must be paid
 - Billing resumes if decision in Department’s favor

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Top 10 *Program Review* Findings – by occurrences: FY2017

1. NSLDS Enrollment Report– inaccurate/untimely reporting
2. Crime Awareness Requirements not met
3. Return of Title IV (R2T4) Calculation Errors
4. Drug Abuse Prevention Program Criteria Not Met
5. Student Credit Balance Deficiencies
6. Consumer Information Requirements Not Met
7. Verification Violations
8. Entrance/Exit Counseling Deficiencies
9. Inaccurate Recordkeeping
10. Satisfactory Academic Progress - Not Developed/Monitored

Contacts

- *Atlanta* School Participation Team
 - MS, AL, FL, GA, NC, SC
 - Main Number: 404-974-9303
 - Arva Thomas (IIS) 404-974-9412
 - Cassandra Weems (IIS) 404-974-9305
- *Atlanta* Training Officers
 - MS, AL, FL, GA, NC, SC, KY, TN
 - David Bartnicki – 404-974-9312



Email: firstname.lastname@ed.gov

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Training Feedback

To ensure quality training we ask all participants to please fill out an online session evaluation

- Go to <http://s.zoomerang.com/s/DavidBartnicki>
 - Evaluation form is specific to David Bartnicki
- This feedback tool will provide a means to educate and inform areas for improvement and support an effective process for “listening” to our customers
- Additional feedback about training can be directed to mark.gerhard@ed.gov

39

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Questions about this Session?

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40

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