



July 16, 2015

Dr. Denvy A. Bowman
President
Capital University
1 College and Main
Columbus, OH 43209-2394

Certified Mail Return Receipt Requested
Domestic Return Receipt:
7012 1640 0000 0217 1077

RE: **Final Program Review Determination**
OPE ID: 00302300
PRCN: 2015-2-05-28942

Dear Dr. Bowman:

The U.S. Department of Education's (Department's) Chicago/Denver School Participation Division issued a Program Review Report (PRR) on April 20, 2015 covering Capital University's (Capital's) administration of programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs), for the 2013-2014 award year. Capital's final response was received on June 22, 2015.

The Chicago/Denver School Participation Division reviewed Capital's response to the PRR. A copy of the PRR (and related attachments) and Capital's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by Capital upon request. Additionally, this Final Program Review Determination (FPRD), related attachments, and any supporting documentation may be subject to release under the Freedom of Information Act (FOIA) and can be provided to other oversight entities after this FPRD is issued.

Capital's response resolved all findings. In addition, Capital provided assurances that the appropriate corrective actions have been taken to resolve and prevent future occurrences of all findings. Therefore, Capital may consider the program review closed with no further action required.

Appendix A, Student Sample, contains personally identifiable information and will be emailed to Capital as an encrypted WinZip file using Advanced Encryption Standard, 256-bit. The password needed to open the encrypted WinZip file(s) will be sent in a separate email.

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

Chicago/Denver School Participation Division
500 West Madison Street, Room 1576, Chicago, IL 60661
StudentAid.gov

Program records relating to the period covered by this program review must be retained until the later of: the resolution of the loan(s), claim(s) or expenditure(s) questioned in the program review [34 C.F.R. § 668.24(e)(3)(i)] or the end of the retention period applicable to the record [34 C.F.R. § 668.24(e)(1) and (e)(2)].

If you have any questions please call Clare Barger at 312-730-1595.

Sincerely,



Douglas A. Parrott
Division Director

Enclosure: Program Review Report (Appendix A sent via email)
Capital University's Response to the Program Review Report

cc: Mrs. Susan Kannenwischer, Financial Aid Administrator
Tanya J. Poteet, J.D., Ph.D., University Counsel
Ohio Board of Regents
Higher Learning Commission
Department of Defense
Department of Veterans Affairs
Consumer Financial Protection Bureau

Prepared for
Capital University

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Prepared by
U.S. Department of Education
Federal Student Aid
School Participation Division – Chicago/Denver

Program Review Report

April 30, 2015

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A. Institutional Information

Capital College
1 College and Main
Columbus, OH 73209-2394

Type: Private

Highest Level of Offering: Master/Doctoral

Accrediting Agency: Higher Learning Commission

Current Student Enrollment: 3494 (Fall 2014)

Percent of Students Receiving Title IV: 79.77% (Fall 2014)

Title IV Participation – PCNet:

| | <u>2013-2014 Award Year</u> |
|-----------------------------------|-----------------------------|
| Pell Grants: | \$3,573,537 |
| FDLP Stafford Subsidized Loans: | \$5,568,810 |
| FDLP Stafford Unsubsidized Loans: | \$17,783,083 |
| FDLP PLUS Loans: | \$6,977,929 |
| FDLP Graduate PLUS Loans: | \$7,336,572 |
| Federal Perkins Loans: | \$650,847 |
| FSEOG Grants: | \$361,709 |
| Federal Work Study: | \$504,226 |

Default Rate DL: 2011: 3.5%
 2010: 2.9%
 2009: 3.4%

Default Rate Perkins: 2014: 11.1%
 2013: 12.6%
 2012: 13.8%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Capital University (Capital) from January 27 to January 29, 2015. The review was conducted by Clare Barger, Derita Hall and Mary Murray.

The focus of the review was to determine Capital's compliance with the statutes and federal regulations as they pertain to the institution's administration of Title IV programs. The review consisted of, but was not limited to, an examination of Capital's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, student account ledgers, and consumer information requirements.

A sample of 15 files was identified for review from the 2013-2014 award year. The student files were selected randomly from the list of students who 1) withdrew or ceased attendance for any reason other than graduation; 2) were selected for verification; and 3) received all non-passing grades ("0" GPA) for any term within the award year being reviewed. Off-site 5 additional withdrawn students' information was reviewed solely to determine if all Title IV funds were properly returned due to 1 partially unmade return in the original sample. Appendix A identifies the students whose files were examined during the program review.

Disclaimer:

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning Capital's specific practices and procedures must not be construed as acceptance, approval, or endorsement of those specific practices and procedures. Furthermore, it does not relieve Capital of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

This report reflects initial findings. These findings are not final. The Department will issue its final findings in a subsequent Final Program Review Determination letter.

C. Findings

During the review, several areas of noncompliance were noted. Findings of noncompliance are referenced to the applicable statutes and regulations and specify the actions to be taken by Capital to bring operations of the financial aid programs into compliance with the statutes and regulations.

Finding #1: Return of Title IV (R2T4) Funds Not Made or Late

Citation: The amount of Title IV grant or loan assistance that is earned by the student is calculated by determining the percentage of Title IV grant or loan assistance that has been earned by the student, and applying this percentage to the total amount of Title IV grant or loan assistance that was disbursed to the student, or on the student's behalf, for the payment period as of the student's withdrawal date. *34 C.F.R. § 668.22(e)(1)*.

The percentage of Title IV grant or loan assistance that has been earned by the student is equal to the percentage of the payment period that the student completed as of the student's withdrawal date. *34 C.F.R. § 668.22(e)(2)(i)*. The percentage of Title IV grant or loan assistance that has not been earned by the student is calculated by determining the complement of the percentage of Title IV grant or loan assistance earned by the student. *34 C.F.R. § 668.22(e)(3)*. The unearned amount of Title IV assistance to be returned is calculated by subtracting the amount of Title IV assistance earned by the student from the amount of Title IV aid that was disbursed to the student as of the date of the institution's determination that the student withdrew. *34 C.F.R. § 668.22(e)(4)*.

An institution must return the amount of Title IV funds for which it is responsible as soon as possible but no later than 45 days after the date of the institution's determination that the student withdrew. *34 C.F.R. § 668.22(j)(1)*.

Noncompliance: For student #15, Capital completed the R2T4 calculation correctly and determined that they were required to return \$10,143.00 in Unsubsidized loan funds and \$4,775.97 in Graduate PLUS loans funds to the Department. Within the 45 day timeframe, Capital returned all of the Unsubsidized loan but only \$4,719.00 of PLUS loan funds, resulting in an underpayment of \$56.97. Subsequent to the on-site program review – on February 6, 2015 – Capital returned the remaining PLUS funds to the Department. Though the funds were received they are considered to be late.

Required Action: Since the original student sample for the program review contained five withdrawn files and an error resulting in financial harm to the Department occurred in one of them, the error rate for the withdrawn files was 20%. Therefore, in order to determine if a file review would be required of Capital, five additional students' information from the withdrawn population were reviewed to determine if Capital properly made all of the required returns for those students. The expanded review determined that the returns were properly made and as a result no file review will be required.

Capital must examine their policies and procedures regarding the treatment of Title IV funds when a student withdraws to ensure that all refunds are made accurately and timely as established by federal regulations. A copy of those policies and procedures must be submitted in response to this report.

Finding #2: Enrollment Reporting Requirements Not Met

Citation: Upon receipt of an enrollment report from the Secretary, a school must update all information included in the report and return the report to the Secretary in the manner and format prescribed by the Secretary; and within the timeframe prescribed by the Secretary. *34 C.F.R. § 685.309(b)(1)*. Unless it expects to submit its next updated enrollment report to the Secretary within the next 60 days, a school must notify the Secretary within 30 days after the date the school discovers that:

- A loan under title IV of the Act was made to or on behalf of a student who was enrolled or accepted for enrollment at the school, and the student has ceased to be enrolled on at least a half-time basis or failed to enroll on at least a half-time basis for the period for which the loan was intended; or
- A student who is enrolled at the school and who received a loan under Title IV has changed their permanent address.

Noncompliance: When reviewing enrollment status reporting in the National Student Loan Database (NSLDS), the Department counts 60 days from the Effective Date of the status change to determine if the Certification Date reflected in NSLDS is within that time frame.¹ Any receipt date greater than 60 days after the effective date was considered to be in error. The following student files contained such an error: #s 1, 3, 12 and 14.

Required Action: Capital must examine their policies and procedures regarding Enrollment Status Reporting in NSLDS to ensure that all status changes are reported accurately and timely as established by federal regulations. A copy of those policies and procedures must be submitted in response to this report.

Finding #3: Consumer Information Requirements Not Met

Citation: For certain programs offered by an institution, the institution must provide prospective students with the occupations (by names and SOC codes) that the program prepares students to enter, along with links to occupational profiles on O*NET or its successor site. If the number of occupations related to the program, as identified by entering the program's full six digit CIP code on the O*NET crosswalk at <http://online.onetcenter.org/crosswalk/> is more than ten, the institution may provide Web links to a representative sample of the identified occupations (by name and SOC code) for which its graduates typically find employment within a few years after completing the program. *34 C.F.R. § 668.6(b)(1)(i)*.

Institutions must make readily available certain types of financial consumer information to enrolled and prospective students and one such type is the cost of attendance (COA) at the institution that includes:

¹ The Department reviews the "Earliest Certified" records in NSLDS.

- Tuition and fees charged to full-time and part-time students;
- Estimates of costs for necessary books and supplies;
- Estimates of typical charges for room and board;
- Estimates of transportation costs for students; and
- Any additional cost of a program in which a student is enrolled or expresses a specific interest.

Noncompliance: For all of the law/legal programs offered by Capital, the Standard Occupational Classification (SOC) codes were not listed in the consumer information provided to students.

For the COA for the Paralegal, Legal Nurse Consultant and Life Care Planner programs, Capital listed the tuition and fees for the programs but did not break it down by full and part time attendance. In addition, Capital did not list the estimated costs for books and supplies, room and board, transportation costs any additional costs for those programs.

Required Action: Capital must provide a copy of the updated documentation of the missing consumer information noted above in response to this report. Capital must also ensure that all required consumer information is properly provided to current and prospective students.

D. Appendices

Appendix A (Student Sample) contains personally identifiable information and will be emailed to Capital as an encrypted WinZip file using Advanced Encryption Standard, 256-bit. The password needed to open the encrypted WinZip file(s) will be sent in a separate email.