



July 21, 2014

Dr. Steven E. Tucker
President
Conemaugh Valley Memorial Hospital
1086 Franklin Street
Johnstown, PA 15905-4398

UPS Tracking#
1ZA879640298567019

RE: **Final Program Review Determination**
OPE ID: 00653700
PRCN: 201330328341

Dear Dr. Tucker:

The U.S. Department of Education's (Department's) School Participation Team - Philadelphia issued a program review report on August 12, 2013 covering Conemaugh Valley Memorial Hospital's (Conemaugh) administration of programs authorized by Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 *et seq.* (Title IV, HEA programs), for the 2001-20012 through 2012-2013 award years. Conemaugh's response was received on August 29, 2013. A copy of the program review report (and related attachments) and the institution's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by Conemaugh upon request. The Department has made final determinations based on information obtained during the program review and from documentation already submitted by Conemaugh. 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.

Purpose:

Final determinations have been made concerning all of the outstanding findings of the program review report. The purpose of this letter is to: (1) identify liabilities resulting from the findings of this program review report, (2) provide instructions for payment of liabilities to the Department; (3) notify the institution of its right to appeal; and close the program review.

The total liabilities due from the institution from this program review are \$ 79,816.77.

This final program review determination contains detailed information about the liability determination for all findings.

Federal Student Aid

An OFFICE of the U.S. DEPARTMENT of EDUCATION
School Participation Division - Philadelphia

100 Penn Square East, Suite 511, Philadelphia, PA 19107

StudentAid.gov

Protection of Personally Identifiable Information (PII):

PII is any information about an individual which can be used to distinguish or trace an individual's identity (some examples are name, social security number, date and place of birth). The loss of PII can result in substantial harm, embarrassment, and inconvenience to individuals and may lead to identity theft or other fraudulent use of the information. To protect PII, the finding in the attached report does not contain any student PII. Instead, the finding references students only by a student number created by Federal Student Aid. The student numbers were assigned in Appendix A, Program Review Report (to include the student sample). The appendices were encrypted and sent separately to the institution via e-mail.

Appeal Procedures:

This constitutes the Department's FPRD with respect to the liabilities identified from the August 12, 2013 program review report. If Conemaugh wishes to appeal to the Secretary for a review of financial liabilities established by the FPRD, the institution must file a written request for an administrative hearing. Please note that institutions may appeal financial liabilities only. The Department must receive the request no later than 45 days from the date Conemaugh receives this FPRD. An original and four copies of the information Conemaugh submits must be attached to the request. The request for an appeal must be sent to:

Ms. Mary E. Gust, Director
Administrative Actions and Appeals Service Group
U.S. Department of Education
Federal Student Aid/PC
830 First Street, NE - UCP3, Room 84F2
Washington, DC 20002-8019

Conemaugh's appeal request must:

- (1) indicate the findings, issues and facts being disputed;
- (2) state the institution's position, together with pertinent facts and reasons supporting its position;
- (3) include all documentation it believes the Department should consider in support of the appeal. An institution may provide detailed liability information from a complete file review to appeal a projected liability amount. Any documents relative to the appeal that include PII data must be redacted except the student's name and last four digits of his / her social security number (please see the attached document, "Protection of Personally Identifiable Information," for instructions on how to mail "hard copy" records containing PII); and
- (4) include a copy of the FPRD. The program review control number (PRCN) must also accompany the request for review.

If the appeal request is complete and timely, the Department will schedule an administrative hearing in accordance with § 487(b)(2) of the HEA, 20 U.S.C. § 1094(b)(2). The procedures followed with respect to Conemaugh's appeal will be those provided in 34 C.F.R. Part 668, Subpart H. Interest on the appealed liabilities shall continue to accrue at the applicable value of funds rate, as established by the United States Department of Treasury, or if the liabilities are for refunds, at the interest rate set forth in the loan promissory note(s).

Record Retention:

Program records relating to the period covered by the program review must be retained until the later of: resolution of the loans, claims or expenditures questioned in the program review; or the end of the retention period otherwise applicable to the record under 34 C.F.R. §§ 668.24(e)(1), (e)(2), and (e)(3).

The Department expresses its appreciation for the courtesy and cooperation extended during the review. If the institution has any questions regarding this letter, please contact Carmen L. Austin at (215) 656-8582.. Questions relating to any appeal of the FPRD should be directed to the address noted in the Appeal Procedures section of this letter.

Sincerely,

(b)(6)

Nancy Paula Gifford
Division Director

Enclosures:

Protection of Personally Identifiable Information
Program Review Report (and appendices)
Final Program Review Determination Report (and appendices)

cc: Steve Miller, Financial Aid Administrator
National League of Nursing Accrediting Commission
PA State Board of Nursing

Prepared for
Conemaugh Valley Memorial Hospital

Federal Student Aid
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OPE ID: 00653700
PRCN: 201330328341

Prepared by:
U.S. Department of Education
Federal Student Aid
School Participation Division - Philadelphia

Final Program Review Determination

July 21, 2014

School Participation Division - Philadelphia
The Wanamaker Building, 100 Penn Square East, Suite 511, Philadelphia, PA 19107
StudentAid.gov

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Conemaugh Valley Memorial Hospital
OPE ID: 00653700
PRCN: 201330328341

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A. Institutional Information

Conemaugh Valley Memorial Hospital
1086 Franklin Street
Johnstown, PA 15905-4398

Type: Private, Nonprofit

Highest Level of Offering: Non-Degree 2-Year Programs

Accrediting Agency: National League for Nursing Accrediting Commission

Current Student Enrollment: 188 (2011-2012)

% of Students Receiving Title IV: 78.2% (2011-2012)

Title IV Participation:

2011-2012 Award Years	
Federal Pell Grant	\$308,142.00
William D. Ford Federal Direct Loan Program	\$1,087,300.00

Default Rate FFEL/DL: 2010: 2.0%
 2009: 3.2%
 2008: 0.0%

B. Scope of Review

The U.S. Department of Education (the Department) conducted an off-site program review at Conemaugh Valley Memorial Hospital (Conemaugh) from June 10, 2013 to July 1, 2013. The review was conducted by Ms. Carmen L. Austin and Ms. Tara Johnston.

The focus of the review was Conemaugh Valley Memorial Hospital's self-reported Title IV compliance issue regarding its administration of Title IV, HEA program funds awarded to students who were enrolled in two programs of study offered by the institution that did not have program specific accreditation.

The review consisted of an examination of Conemaugh's awarding of Title IV funds for students enrolled in its Medical Technology and Histotechnology programs during the 2001-2002 through the 2012-2013 award years. Appendix A lists the names and social security numbers of the students who were examined during the off-site program review.

Disclaimer:

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning Conemaugh Valley Memorial Hospital'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 Conemaugh Valley Memorial Hospital of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

C. Findings and Final Determinations

Findings with Final Determinations

The program review report finding(s) requiring further action are summarized below. At the conclusion of each finding is a summary of Conemaugh Valley Memorial Hospital's response to the finding, and the Department's final determination for that finding. A copy of the program review report issued on August 12, 2013 is attached as Appendix A.

Note: Any additional costs to the Department, including interest, special allowances, cost of funds, unearned administrative cost allowance, etc., are not included in individual findings, but instead are included in the summary of liabilities table in Section D of the report.

Finding 1: Title IV Funds Disbursed to Students Enrolled in Ineligible Programs

Noncompliance:

A student is eligible to receive assistance under Title IV of the Higher Education Act of 1965, as amended (Title IV), if the student is a regular student enrolled in an eligible program at an eligible institution. 34 C.F.R. § 668.32(a)(1)(i).

An institution must meet several requirements to be eligible to participate in the Title IV programs as institution of higher education. See 34 C.F.R. § 600.4. Among other things, the institution must be legally authorized by the state where it offers postsecondary education and it must be accredited by an accrediting agency recognized by the Secretary or have met the alternative requirements. 34 C.F.R. §§ 600.4(a)(3),(5). Title IV eligibility of an institution extends to only those programs and locations that also meet these requirements. See 34 C.F.R. § 600.10(b).

The Secretary recognizes accrediting agencies to ensure that these agencies are, for the purposes of Title IV, or for other Federal purposes, reliable authorities regarding the quality of education or training offered by the institutions or programs they accredit. 34 C.F.R. § 602.1(a). In this regard, the Secretary publishes a list of recognized agencies in the FEDERAL REGISTER, together with each agency's scope of recognition. An institution may obtain a copy of the list from the Department at any time. The list is also available on the Department's web site. If the Secretary denies continued recognition to a previously recognized agency, or if the Secretary limits, suspends, or terminates the agency's recognition before the end of its recognition period, the Secretary publishes a notice of that action in the FEDERAL REGISTER. The Secretary also makes the reasons for the action available to the public, on request. 34 C.F.R. § 602.2.

If an institution fails to meet Title IV eligibility standards as a result of an accrediting agency action not related to the institution's adherence to accrediting standards, such as the accrediting agency withdrawing from, or losing, Department recognition, the institution is provided a reasonable time to obtain alternate accreditation. 20 U.S.C. § 1099b(k)(2); 34 C.F.R. § 600.11(d). This additional time period may not exceed 18 months. 34 C.F.R. § 600.11(d)(2).

The Department found that Conemaugh disbursed Title IV Funds to 101 students enrolled in the Medical Technology and Histotechnology programs offered by the institution that did not have program specific accreditation by a U.S. Department of Education recognized agency from the 2001-2002 award years through the 2012-2013 award years.

The Medical Technology and Histotechnology programs were accredited by the National Accrediting Agency for Clinical Lab Sciences (NAACLS). On August 31, 2001, NAACLS chose to relinquish its U.S. Department of Education recognition. Conemaugh did not obtain other accreditation for these programs.

Based on the Title IV requirements, the Medical Technology and Histotechnology programs of study were no longer eligible Title IV programs effective January 31, 2003.

On September 14, 2012, Conemaugh self-reported to the Department that it continued to disburse Title IV funds to students enrolled in the Medical Technology and Histotechnology programs even though NAACLS had chosen to relinquish its U.S. Department of Education recognition as of August 31, 2001.

Directives From Program Review Report:

On June 27, 2013, Conemaugh provided the Department with a list of all students who were awarded Title IV funds while enrolled in the Medical Technology and Histotechnology programs during the 2001-2002 through the 2012-2013 award years. The Department did not require any additional information at that time.

Appendix A details the students who received Title IV funds while enrolled in the Medical Technology and Histotechnology programs during unaccredited periods.

Final Determination:

In its response submitted on August 29, 2013, Conemaugh concurred with the Department that Title IV Funds were disbursed to students enrolled in the ineligible programs.

Conemaugh noted that it immediately self-reported that Title IV aid was disbursed to students enrolled in the aforementioned ineligible programs on the date that the information was discovered. Upon discovering that NAACLS was not on the approved list of accrediting agencies recognized for Title IV purposes, Conemaugh immediately stopped disbursing Title IV aid to students enrolled in the ineligible programs, and all future disbursements were cancelled.

Additionally, since Conemaugh's initial self-report, the Medical Technology and Histotechnology programs have been removed from the Eligibility and Certification Approval Report, and Title IV funds are no longer offered for these programs.

Conemaugh also noted that it made an effort to ensure that the students who were enrolled in the ineligible programs did not have an interruption to the pursuit of their educational goals. Additionally, all twelve students enrolled in the programs as of September 14, 2012 have since successfully completed their course of study without any further debt. Conemaugh's response is included as Appendix B.

The Department has reviewed Conemaugh's response and conducted a detailed analysis of the 101 students who received Title IV funds while enrolled in the Medical Technology and Histotechnology Programs.

Due to the length of time that has elapsed, the Department will only require repayment of funds disbursed for the 2007-2008 through 2012-2013 award years. The total Pell disbursed for those years was \$ 59,348.00. The Department's analysis is included as Appendix C. In addition, the Department incurs a cost when it makes funds available to an institution because it borrows those funds from the U.S. Treasury and must pay interest on those funds. The Department has determined that the cost to the government of Federal Pell Grants disbursed to students enrolled in the ineligible programs is \$10,481.62.

Conemaugh disbursed a total of \$343,173.00 in Federal loans during the time period in question. In lieu of requiring the institution to assume the risk of default by purchasing the ineligible loan from the holder, the Department has asserted a liability not for the loan amount, but rather for the estimated loss that may occur as a result of these ineligible loans. The Department has calculated \$ 9,987.15 as the estimated loss the Department may incur on these improper loans. For the 2007-2008 and 2008-2009 award years, the Department used Conemaugh's default rate at the time the student was scheduled to go into repayment. The most recent cohort default rate available was used for the 2010-2011 to 2012-2013 award years. The results of those calculations are included in Appendices D.

D. Summary of Liabilities

The total amount calculated as liabilities from the finding in the program review determination is as follows.

Liabilities	Pell (Closed Award year)	DL / FFEL	EAL/ DL	EAL/ FFEL	
Finding #1	\$59,348.00	\$343,173.00	\$9,524.30	\$462.85	
Sub-total	\$59,348.00	\$343,173.00	\$9,524.30	\$462.85	
Interest/ACA	\$10,481.62				
TOTAL	\$69,829.62	\$343,173.00	\$9,524.30	\$462.85	
Payable To:					Totals
Department	\$69,829.62		\$9,524.30	\$462.85	\$79,816.77

E. Payment Instructions

Liabilities Owed to the Department:

Conemaugh Valley Memorial Hospital owes to the Department \$ 79,816.77. Payment must be made by forwarding a check made payable to the "U.S. Department of Education" to the following address within 45 days of the date of this letter:

*U.S. Department of Education
P.O. Box 979026
St. Louis, MO 63197-9000*

Remit checks only. Do not send correspondence to this address.

Payment must be made via check and sent to the above Post Office Box. Payment and/or adjustments made via G5 will not be accepted as payment of this liability. Instead, the school must first make any required adjustments in COD as required by the applicable finding(s) and Section II – Instructions by Title IV, HEA Program (below), remit payment, and upon receipt of payment the Department will apply the funds to the appropriate G5 award (if necessary).

The following identification data must be provided with the payment:

Amount: \$79,816.77
DUNS: 068717966
TIN: 250965307
Program Review Control Number: 201330328341

Terms of Payment

As a result of this final determination, the Department has created a receivable for this liability and payment must be received by the Department within **45 days of the date of this letter**. If payment is not received within the 45-day period, interest will accrue in monthly increments from the date of this determination, on the amounts owed to the Department, at the current value of funds rate in effect as established by the Treasury Department, until the date of receipt of the payment. Conemaugh Valley Memorial Hospital is also responsible for repaying any interest that accrues. If you have any questions regarding interest accruals or payment credits, contact the Department's Accounts Receivable Group at (202) 245-8080 and ask to speak to Conemaugh Memorial Hospital's account representative.

Conemaugh Valley Memorial Hospital

OPE ID: 00653700

PRCN: 201330328341

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If full payment cannot be made within **45** days of the date of this letter, contact the Department's Accounts Receivable Group to apply for a payment plan. Interest charges and other conditions apply. Written request may be sent to:

U.S. Department of Education
OCFO Financial Management Operations
Accounts Receivable Group
550 12th Street, S.W., Room 6114
Washington, DC 20202-4461

If within 45 days of the date of this letter, Conemaugh Valley Memorial Hospital has neither made payment in accordance with these instructions nor entered into an arrangement to repay the liability under terms satisfactory to the Department, the Department intends to collect the amount due and payable by administrative offset against payments due Conemaugh Valley Memorial Hospital from the Federal Government. Conemaugh Valley Memorial Hospital **may object to the collection by offset only by challenging the existence or amount of the debt.** To challenge the debt, Conemaugh Valley Memorial Hospital must **timely appeal** this determination under the procedures described in the "Appeal Procedures" section of the cover letter. The Department will use those procedures to consider any objection to offset. **No separate appeal opportunity will be provided.** If a timely appeal is filed, the Department will defer offset until completion of the appeal, unless the Department determines that offset is necessary as provided at 34 C.F.R. § 30.28. This debt may also be referred to the Department of the Treasury for further action as authorized by the Debt Collection Improvement Act of 1996.

F. Appendices

Appendix A, Conemaugh's Program Review Report, Appendix B, Conemaugh's Written Program Review Response, Appendix C, Cost of Funds Worksheet and Appendix D: Estimated Actual Loss Worksheets. Appendix A contains personally identifiable information and will be emailed to Conemaugh 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.



August 12, 2013

Dr. Steven E. Tucker, President
Conemaugh Valley Memorial Hospital
1086 Franklin Street
Johnstown, PA 15905-4398

UPS Tracking Number:
1ZA5467Y0194896744

RE: **Program Review Report**
OPE ID: 00653700
PRCN: 201330328341

Dear Dr. Tucker:

From June 10, 2013 through July 1, 2013, Carmen L. Austin and Tara Johnston conducted a review of Conemaugh Valley Memorial Hospital's administration of the 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). The findings of that review are presented in the enclosed report.

Findings of noncompliance are referenced to the applicable statutes and regulations and specify the action required to comply with the statute and regulations. Please review the report and respond to the finding, indicating the corrective actions taken by Conemaugh Valley Memorial Hospital. The response should include a brief, written narrative for the finding that clearly states Conemaugh Valley Memorial Hospital's position regarding the finding and the corrective action taken to resolve the finding. Separate from the written narrative, Conemaugh Valley Memorial Hospital may provide any additional information it would like the Department to review as noted in the finding.

Please note that pursuant to HEA section 498A(b), the Department is required to:

- (1) provide to the institution an adequate opportunity to review and respond to any preliminary program review report¹ and relevant materials related to the report before any final program review report is issued;
- (2) review and take into consideration an institution's response in any final program review report or audit determination, and include in the report or determination –
 - a. A written statement addressing the institution's response;
 - b. A written statement of the basis for such report or determination; and
 - c. A copy of the institution's response.

The Department considers the institution's response to be the written narrative (to include e-mail communication).

¹ A "preliminary" program review report is the program review report. The Department's final program review report is the Final Program Review Determination (FPRD).

Federal Student Aid

An OFFICE of the U.S. DEPARTMENT of EDUCATION
School Participation Division -- Philadelphia

100 Penn Square East, Suite 511 Philadelphia, PA 19107

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Conemaugh Valley Memorial Hospital
OPE ID: 00653700
PRCN: 201330328341
Page 2 of 3

Any supporting documentation submitted with the institution's written response will not be attached to the FPRD. However, it will be retained and available for inspection by Conemaugh Valley Memorial Hospital upon request.

Copies of the program review report, the institution's response, 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 the FPRD is issued.

The institution's response should be sent directly to Carmen L. Austin of this office within 30 calendar days of receipt of this letter.

Protection of Personally Identifiable Information (PII):

PII is any information about an individual which can be used to distinguish or trace an individual's identity (some examples are name, social security number, date and place of birth). The loss of PII can result in substantial harm, embarrassment, and inconvenience to individuals and may lead to identity theft or other fraudulent use of the information. To protect PII, the finding in the attached report does not contain any student PII. Instead, the finding references students only by a student number created by Federal Student Aid. The student numbers were assigned in Appendix A, Student Sample. Please see the enclosure Protection of Personally Identifiable Information for instructions regarding submission to the Department of required data / documents containing PII.

Record Retention:

Program records relating to the period covered by the program review must be retained until the later of: resolution of the loans, claims or expenditures questioned in the program review; or the end of the retention period otherwise applicable to the record under 34 C.F.R. § 668.24(e).

We would like to express our appreciation for the courtesy and cooperation extended during the review. Please refer to the above Program Review Control Number (PRCN) in all correspondence relating to this report. If you have any questions concerning this report, please contact Carmen L. Austin at (215) 656-8582 or carmen.austin@ed.gov.

Sincerely,

(b)(6)

John S. Loreng
Compliance Manager

cc: Steve Miller, Financial Aid Administrator

Enclosure:
Protection of Personally Identifiable Information

Prepared for
Conemaugh Valley Memorial Hospital

Federal Student Aid
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OPE ID: 00653700
PRCN: 201330328341

Prepared by
U.S. Department of Education
Federal Student Aid
School Participation Division- Philadelphia

Program Review Report

August 12, 2013

U.S. Department of Education
The Wanamaker Building
100 Penn Square East, Suite 511
Philadelphia, PA 19107
www.StudentAid.gov

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A. Institutional Information

Conemaugh Valley Memorial Hospital
1086 Franklin Street
Johnstown, PA 15905-4398

Type: Private, Nonprofit

Highest Level of Offering: Non-Degree 2 Year Programs

Accrediting Agency: National League for Nursing Accrediting Commission

Current Student Enrollment: 188 (2011-2012)

% of Students Receiving Title IV: 78.2% (2011-2012)

Title IV Participation:

2011-2012 Award Years	
Federal Pell Grant	\$308,142.00
William D. Ford Federal Direct Loan Program	\$1,087,300.00

Default Rate FFEL/DL: 2010: 2.0%
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 2008: 0.0%

B. Scope of Review

The U.S. Department of Education (the Department) conducted an off-site program review at Conemaugh Valley Memorial Hospital (Conemaugh) from June 10, 2013 to July 1, 2013. The review was conducted by Ms. Carmen L. Austin and Ms. Tara Johnston.

The focus of the review was Conemaugh Valley Memorial Hospital's self-reported Title IV compliance issue regarding its administration of Title IV, HEA program funds awarded to students who were enrolled in two programs of study offered by the institution that did not have program specific accreditation.

The review consisted of an examination of Conemaugh's awarding of Title IV funds for students enrolled in its Medical Technology and Histotechnology programs during the 2001-2002 through the 2012-2013 award years. Appendix A list the names and social security numbers of the students who were examined during the off-site program review.

Disclaimer:

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning Conemaugh'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 Conemaugh 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, one area of noncompliance was noted. Findings of noncompliance are referenced to the applicable statutes and regulations and specify the actions to be taken by Conemaugh to bring operations of the financial aid programs into compliance with the statutes and regulations.

Finding #1: Title IV Funds Disbursed to Students Enrolled in Ineligible Programs

Citation: In order to participate in the Title IV, HEA programs, an institution must qualify as an institution of higher education, as defined in 34 C.F.R. § 600.4. The institution must be legally authorized by the state where it offers postsecondary education and it must be accredited by a recognized accrediting agency or have met the alternative requirements.

The Secretary recognizes accrediting agencies to ensure that these agencies are, for the purposes of the Higher Education Act of 1965, as amended (HEA), or for other Federal purposes, reliable

authorities regarding the quality of education or training offered by the institutions or programs they accredit. 34 C.F.R. § 602.1(a).

The Secretary publishes a list of recognized agencies in the FEDERAL REGISTER, together with each agency's scope of recognition. You may obtain a copy of the list from the Department at any time. The list is also available on the Department's web site. If the Secretary denies continued recognition to a previously recognized agency, or if the Secretary limits, suspends, or terminates the agency's recognition before the end of its recognition period, the Secretary publishes a notice of that action in the FEDERAL REGISTER. The Secretary also makes the reasons for the action available to the public, on request. 34 C.F.R. § 602.2.

A student is eligible to receive Title IV assistance if the student is a regular student enrolled in an eligible program at an eligible location. 34 C.F.R. § 668.32(a)(1)(i).

Noncompliance: Conemaugh disbursed Title IV Funds to 101 students enrolled in the Medical Technology and Histotechnology programs offered by the institution that did not have program specific accreditation by a U.S. Department of Education recognized agency from the 2001-2002 award years through the 2012-2013 award years.

The Medical Technology and Histotechnology programs are accredited by the National Accrediting Agency for Clinical Lab Sciences (NAACLS). However, on August 31, 2001, NAACLS chose to relinquish its U.S. Department of Education recognition. Therefore, effective August 31, 2001, the Medical Technology and Histotechnology programs of study were no longer eligible under the Title IV programs since NAACLS was no longer included on the U.S. Department of Education's list of recognized agencies, and all regular students enrolled in these two programs of study were not eligible for Title IV funding.

On September 14, 2012, Conemaugh self-reported to the Department that it continued to disburse Title IV funds to students enrolled in the Medical Technology and Histotechnology programs even though NAACLS had chosen to relinquish its U.S. Department of Education recognition as of August 31, 2001.

The following is an excerpt of Appendix A, which details the students who received Title IV funds while enrolled in the Medical Technology and Histotechnology programs during the 2001-2002 award years through the 2012-2013 award years:

Student #	Program of Study	Award year	PELL	FFEL SUB	FFEL UNSUB	FFEL PLUS	DIRECT SUB	DIRECT UNSUB	DIRECT PLUS
1	Histotechnology	0102	\$3,750		\$2,625	\$0	\$0	\$0	\$0
2	Histotechnology	0102	\$3,750	\$2,625	\$4,000	\$0	\$0	\$0	\$0
3	Histotechnology	0102	\$3,700	\$2,625	\$0	\$0	\$0	\$0	\$0
4	Histotechnology	0102	\$2,200	\$0	\$0	\$0	\$0	\$0	\$0
5	Histotechnology	0102	\$0	\$0	\$4,500	\$0	\$0	\$0	\$0
6	Histotechnology	0102	\$2,200	\$0	\$0	\$0	\$0	\$0	\$0

Lastly, Conemaugh stated that it immediately stopped awarding Title IV funds to students enrolled in its Medical Technology and Histotechnology programs as soon as the institution became aware that the programs were ineligible. The institution also stated that it did not disburse any Title IV funds effective September 14, 2012.

Conemaugh's failure to properly disburse Title IV funds resulted in students receiving Title IV funds to which they were not entitled. Disbursements to students enrolled in ineligible programs can deprive other eligible students of need-based aid and may create a financial burden for the U.S. Department of Education.

Required Action: On June 27, 2013, Conemaugh provided the Department with a list of all students who were awarded Title IV funds while enrolled in the Medical Technology and Histotechnology programs during the 2001-2002 award years through the 2012-2013 award years. The Department will not require any additional information at this time; however, Conemaugh may provide any additional information it would like the Department to consider prior to issuing the final determination letter.

Instructions for the repayment of any determined liability will be provided in the Final Program Review Determination letter.

D. Appendices

Appendix A (Students Enrolled in the Medical Technology and Histotechnology programs from 2001-2002 to 2012-2013 award years) contain personally identifiable information and will be emailed to Conemaugh 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.

Appendix B: Protection of Personally Identifiable Information

Personally Identifiable Information (PII) being submitted to the Department must be protected. PII is any information about an individual that can be used to distinguish or trace an individual's identity (e.g., name, social security number, date and place of birth).

PII submitted electronically or on media (e.g., CD-ROM, floppy disk, DVD) must be encrypted. The data must be submitted in a .zip file encrypted with Advanced Encryption Standard (AES) encryption (256-bit is preferred). The Department uses WinZip. However, files created with other encryption software are also acceptable, provided that they are compatible with WinZip (Version 9.0) and are encrypted with AES encryption. Zipped files using WinZip must be saved as Legacy compression (Zip 2.0 compatible).

The Department must receive an access password to view the encrypted information. The password must be e-mailed separately from the encrypted data. The password must be 12 characters in length and use three of the following: upper case letter, lower case letter, number, special character. A manifest must be included with the e-mail that lists the types of files being sent (a copy of the manifest must be retained by the sender).

Hard copy files and media containing PII must be:

- sent via a shipping method that can be tracked with signature required at delivery
- double packaged in packaging approved by the shipping agent (FedEx, UPS, USPS)
- labeled with both the "To" and "From" addresses on both inner and outer packages
- identified by a manifest included in the inner package that lists the types of files in the shipment (a copy of the manifest must be retained by the sender).

PII data cannot be sent via fax.

Estimated Loss Formula

Enter Institution Name

Select Institution Type

Conemaugh Valley Memorial Hospital

Private Non Profit 2 Yrs or Less

Select Type of Loan	Select Award Year	Enter Ineligible Loan Amount	Enter School CDR	Total Subsidy Costs	Estimated Loss Liability
1 FFEL Subsidized	2007-2008	\$ 23,168.00	3.20%	-0.27%	\$ -
2 FFEL Unsubsidized	2007-2008	\$ 19,133.00	3.20%	-17.58%	\$ -
3 FFEL PLUS	2007-2008	\$ 3,500.00	3.20%	-21.61%	\$ -
Description		\$ 44,801.00			
4 FFEL Subsidized	2008-2009	\$ 27,396.00	2.00%	1.04%	\$ 284.25
5 FFEL Unsubsidized	2008-2009	\$ 28,604.00	2.00%	-10.12%	\$ -
Description		\$ 56,000.00			\$ 284.25
7 FFEL Subsidized	2009-2010	\$ 19,833.00	4.40%	0.90%	\$ 178.60
8 FFEL Unsubsidized	2009-2010	\$ 29,499.00	4.40%	-6.87%	\$ -
Description		\$ 49,332.00			\$ 178.60
10 FFEL Subsidized	2010-2011	\$ 2,100.00	4.40%	-40.11%	\$ -
11 FFEL Unsubsidized	2010-2011	\$ 1,000.00	4.40%	-40.11%	\$ -
Description		\$ 3,100.00			\$ -
Original Ineligible Loan Liability		\$ 153,233.00	Total Estimated Loss		\$ 452.85

To calculate estimated loss for a given ineligible loan amount, that amount is multiplied by the total subsidy rates calculated for the ineligible loans. Consolidation Loans will be obtained in the future to prepay some of the ineligible loans; the amount of Consolidation Loans divided by the ineligible Stafford/PLUS loans equals the "Consolidation prepayment rate" (H) for those loans.

The Department's Budget Office calculates, on an annual basis, the rate per dollar of loan of default subsidies (OSRs) and all other subsidies (OSRs) (D & F) for Stafford and PLUS loans, by cohort year, program, loan type, and risk group (note that 2008-2010 FFEL loan costs are calculated only by cohort year).

A	B	C	D	E	F	G	H	I	J
School CDR	Sector CDR*	Ratio**	DSR ***	Adjusted DSR	OSR ***	Avg Cons Prepay %	Cons Prepay %	Cons DSR ***	Cons OSR ***
1 3.20%	9.64%	0.33	0.32%	0.11%	-15.9%	2013	22.2%	2.65%	-2.79%
2 3.20%	9.64%	0.33	0.28%	-0.09%	-16.77%	2014	32.8%	2.99%	-5.74%
3 3.20%	9.64%	0.33	0.29%	-0.10%	-15.50%	2013	19.1%	2.01%	-34.49%
4 2.00%	9.64%	0.21	0.07%	-0.01%	-0.41%	2014	21.2%	-2.41%	-4.36%
5 2.00%	9.64%	0.21	0.07%	-0.01%	-6.00%	2015	31.3%	3.12%	-9.93%
6									
7 4.40%	9.64%	0.46	0.02%	0.01%	-0.16%	2015	19.4%	-2.48%	-1.29%
8 4.40%	9.64%	0.46	0.00%	0.00%	-4.83%	2015	28.7%	2.83%	-9.93%
9									
10 4.40%	9.64%	0.46	1.30%	0.60%	-35.16%	2014	18.2%	1.90%	-32.36%
11 4.40%	9.64%	0.46	1.30%	0.60%	-35.16%	2014	18.2%	1.90%	-32.36%
12									

Federal Student Aid (FSA) calculates the cohort default rates (CDRs) of the institution (A), and the average CDR for the sector for that institution (B). FSA applies the CDR comparison ratio (C), [(A/B = C)] against the Budget Office's cohort loan DSR (D) to determine the default subsidy rate for the institution (E). The Budget Office estimates the default subsidy rate and other subsidy rate for the Consolidation Loans that will prepay some of these Stafford and PLUS Loans (I & J).

The total subsidy rate for the ineligible Stafford and PLUS Loans is [(E+F) * (I+J) x H].

The total subsidy cost for these loans is the ineligible loan amount multiplied by the total subsidy rate.

Estimated Loss Formula

Enter Institution Name

Conemaugh Valley Memorial Hospital

Select Institution Type

Private Non Profit 2 Yrs or Less

Select Type of Loan	Select Award Year	Enter Ineligible Loan Amount	Enter School CDR	Total Subsidy Costs	Estimated Loss Liability
1 DL Subsidized	2010-2011	\$ 32,933.00	4.40%	11.18%	\$ 3,681.46
2 DL Unsubsidized	2010-2011	\$ 35,567.00	4.40%	-29.27%	\$ -
3 DL PLUS	2010-2011	\$ 20,340.00	4.40%	-40.11%	\$ -
Description		\$ 88,840.00			\$ 3,681.46
4 DL Subsidized	2011-2012	\$ 32,680.00	4.40%	16.11%	\$ 5,263.92
5 DL Unsubsidized	2011-2012	\$ 33,320.00	4.40%	-23.90%	\$ -
6 DL PLUS	2011-2012	\$ 10,600.00	4.40%	-37.27%	\$ -
Description		\$ 76,600.00			\$ 5,263.92
7 DL Subsidized	2012-2013	\$ 10,250.00	4.40%	5.65%	\$ 578.92
8 DL Unsubsidized	2012-2013	\$ 14,250.00	4.40%	-24.98%	\$ -
9 Description		\$ 24,500.00			\$ 578.92
10					
11					
12					
Original Ineligible Loan Liability					\$ 189,940.00
Total Estimated Loss					\$ 9,524.30

To calculate estimated loss for a given ineligible loan amount, that amount is multiplied by the total subsidy rates calculated for the ineligible loans. Consolidation Loans will be obtained in the future to prepay some of the ineligible loans; the amount of Consolidation Loans divided by the ineligible Stafford/PLUS loans equals the "Consolidation prepayment rate" (H) for those loans.

The Department's Budget Office calculates, on an annual basis, the rate per dollar of loan of default subsidies (DSRs) and all other subsidies (OSRs) (D & F) for Stafford and PLUS Loans, by cohort year, program, loan type, and risk group (note that 2008-2010 FFEL loan costs are calculated only by cohort year).

A	B	C	D	E	F	G	H	I	J
School CDR	Sector CDR*	Ratio**	DSR ***	Adjusted DSR	DSR ***	Avg Cons Year	Cons Prepay %	Cons DSR ***	Cons OS ***
1 4.40%	9.64%	0.46	1.06%	0.49%	7.70%	2019	21.1%	2.71%	11.46%
2 4.40%	9.64%	0.46	3.39%	1.56%	-32.94%	2020	23.3%	2.96%	6.09%
3 4.40%	9.64%	0.46	1.30%	-0.60%	-35.16%	2014	18.2%	1.90%	-32.38%
4 4.40%	9.64%	0.46	0.59%	0.27%	12.64%	2020	21.1%	2.63%	12.53%
5 4.40%	9.64%	0.46	3.12%	1.44%	-27.66%	2021	23.7%	2.84%	6.93%
6 4.40%	9.64%	0.46	1.25%	0.58%	-30.58%	2015	21.4%	1.54%	-35.46%
7 4.40%	9.64%	0.46	1.81%	0.83%	1.61%	2021	21.1%	2.56%	12.65%
8 4.40%	9.64%	0.46	3.13%	1.44%	-29.30%	2022	23.7%	3.04%	9.10%
9									
10									
11									
12									

Federal Student Aid (FSA) calculates the cohort default rates (CDRs) of the institution (A), and the average CDR for the sector for that institution (B). FSA applies the CDR comparison ratio (C), (A/B = C) against the Budget Office's cohort loan DSR (D) to determine the default subsidy rate for the institution (E). The Budget Office estimates the default subsidy rate and other subsidy rate for the Consolidation Loans that will prepay some of these Stafford and PLUS Loans (I & J).

The total subsidy rate for the ineligible Stafford and PLUS Loans is ((E+F) + ((I+J) x H)).

The total subsidy cost for these loans is the ineligible loan amount multiplied by the total subsidy rate.