



April 30, 2015

Mr. Dustin Rubeck
President
Dallas Christian College
2700 Christian Parkway
Dallas, TX 75234-7229

Certified Mail
Return Receipt Requested
7011 2970 0002 0470 1566

RE: Final Program Review Determination
OPE ID: **00694100**
PRCN: **2001120627415**

Dear Mr. Rubeck:

The U.S. Department of Education's (Department's) Dallas School Participation Division issued a program review report on January 13, 2012, covering Dallas Christian College's (DCC's) 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 2009-2010 and 2010-2011 award years. DCC's final response was received on May 9, 2014. A copy of the program review report (and related attachments) and DCC's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by DCC 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.

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, and (3) notify the institution of its right to appeal.

This FPRD contains one or more findings regarding DCC's failure to comply with the requirements of the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (the Clery Act) in Section 485(f) of the HEA, 20 U.S.C. § 1092(f), and the Department's regulations in 34 C.F.R. §§ 668.41 and 668.46. Since a Clery Act finding does not result in a financial liability, such a finding may not be appealed.

The total liabilities due from the institution from this program review are \$102,867.01.

Federal Student Aid

An OFFICE of the U.S. DEPARTMENT of EDUCATION

Dallas School Participation Division

1999 Bryan Street, Suite 1410, Dallas, TX 75201-6817

StudentAid.gov

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

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 findings in the attached report do not contain any student PII. Instead, each finding references students only by a student number created by Federal Student Aid. The student numbers were assigned in Appendix A, Student Sample. Appendix A was 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 January 13, 2012, program review report. If DCC 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 DCC receives this FPRD. An original and four copies of the information DCC submits must be attached to the request. The request for an appeal must be sent to:

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

DCC'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 DCC'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 Mrs. Stephanie Akon at 214-661-9508. Questions relating to any appeal of the FPRD should be directed to the address noted in the Appeal Procedures section of this letter.

Sincerely,

A large black rectangular redaction box covers the signature of Cynthia Thornton.

Cynthia Thornton, Director
Dallas School Participation Division

Enclosure:
Protection of Personally Identifiable Information

cc: Dana Mingo, Financial Aid Administrator
Texas Higher Education Coordinating Board, Texas College and University System
Association For Biblical Higher Education

Prepared for

Dallas Christian College

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OPE ID 00694100
PRCN 201120627415

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

Final Program Review Determination

April 30, 2015

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A. Institutional Information

Dallas Christian College
 2700 Christian Parkway
 Dallas, TX 75234-7229

Type: Private nonprofit

Highest Level of Offering: Bachelor's Degree

Accrediting Agency: Association for Biblical Higher Education

Current Student Enrollment: 303 (2010-2011)

% of Students Receiving Title IV, HEA funds: 83% (2010-2011)

Title IV, HEA Program Participation School Funding Report:

	2009-2010	2013-2014
Federal Pell Grant Program	\$ 631,681	\$ 682,591
Federal Family Education Loan Program (FFEL)		
Subsidized	\$ 891,263	--
Unsubsidized	\$1,396,922	--
PLUS	\$ 224,207	--
William D. Ford Federal Direct Loan Program (Direct Loan)		
Subsidized	\$ 11,119	\$ 718,747
Subsidized (Subsidized Usage Limit Applies)	--	\$ 165,124
Unsubsidized	\$ 8,720	\$1,087,987
PLUS	--	\$ 433,964

Default Rate FFEL/DL: 2011 6.1%
 2010 7.0%
 2009 5.8%

Default Rate Perkins: NONE

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Dallas Christian College (DCC) from January 24, 2011 to January 28, 2011. The review was conducted by Mrs. Stephanie Akon, Mr. Bruce Anderson, and Mrs. Dalinda Lasater.

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

A sample of 30 files was identified for review from the 2009-2010 and 2010-2011 (year to date) award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. Appendix A lists the names and social security numbers of the students whose files were examined during the program review. A program review report was issued on January 13, 2012.

Disclaimer:

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

C. Findings and Final Determinations

Resolved Findings

Findings 1, 2, 3, 13, 15, 16, 17, 18, 19, 21 and 22

DCC has taken the corrective actions necessary to resolve findings 1, 2, 3, 13, 15, 16, 17, 18, 19, 21, and 22 of the program review report. Therefore, these findings may be considered closed.

Findings requiring further action by DCC are discussed below.

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 DCC's response to the finding, and the Department's final determination for that finding. A copy of the program review report issued on January 13, 2012, is attached as Appendix B.

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 4 Verification Deficiencies

Citation Summary: An institution is responsible for verifying the information used to calculate an applicant's Expected Family Contribution (EFC) as part of the determination of need for student financial assistance for students selected for verification.
34 C.F.R. § § 668.51 through 34 C.F.R 668.61

Non-compliance Summary: DCC failed to properly document and complete the verification of applicant information for four students (#3, #23, #25 and #26) who were selected for verification.

Required Action Summary: DCC was required to resolve the verification deficiencies and demonstrate that verification was properly completed for the students identified by providing documentation that resolved the inconsistencies or by providing a copy of the students' recalculated ISIR. DCC was also required to conduct a file review of every student selected for verification for the 2009-2010 and 2010-2011 award years and provide documentation that all identified verification inconsistencies were resolved for each student in the file review.

DCC's Institutional Response Summary: DCC's second response submitted on March 29, 2013, provided verification information for two of the four students selected. In addition, the response provided the results of the student file review for award years 2009-2010 and 2010-2011.

Final Determination: DCC failed to properly complete verification for students selected for verification during the award years 2009-2010 and 2010-2011.

For the four students cited in the program review report, DCC did not provide any documentation for students #23 and #25 and provided unsatisfactory verification documentation for students #3 and #26.

Student #3 – The student’s 2009-2010 ISIR reported 5 in the household and the 2009-2010 verification worksheet reported 4 in the household. DCC provided one page of the 2010-2011 verification worksheet (incorrect verification year) as documentation of the resolution of the household discrepancy for award year 2009-2010; therefore, verification was not properly completed. All Title IV funds awarded and disbursed to the student for award year 2009-2010 are ineligible disbursements. The student received \$2,600.00 in Federal Pell Grant funds, \$1,750.00 in subsidized Federal Family Education Loan (FFEL) funds, and \$1,000.00 in unsubsidized FFEL funds for award year 2009-2010. Therefore, the Title IV program liabilities for student #3 are:

Federal Pell Grant	\$2,600.00
FFEL (Sub)	\$1,750.00
FFEL (Unsub)	<u>\$1,000.00</u>
Total Liability	\$5,350.00

Student #23 – The student’s 2010-2011 Institutional Student Information Record (ISIR) reported \$1,763.00 in taxes paid and the 2009 income tax return reported zero taxes paid. DCC failed to resubmit the ISIR for recalculation of the Expected Family Contribution (EFC). The student’s EFC is zero; therefore, a recalculation with the correct taxes paid would not have changed the EFC. However, DCC was required to recalculate the EFC with the correct amount of taxes paid. No further action is required for this student.

Student #25 – The student was selected for verification for the 2010-2011 award year. However, DCC failed to complete the verification process and did not provide any documentation with the institutional response. Therefore, all Title IV funds awarded and disbursed to the student for award year 2010-2011 are ineligible disbursements. The student received \$700.00 In Federal Pell Grant funds for award year 2010-2100. Therefore, the Title IV program liability is:

Federal Pell Grant	<u>\$700.00</u>
Total Liability	\$700.00

Student #26 – The student was selected for verification for the 2010-2011 award year. However, DCC failed to complete the verification process. Therefore, all Title IV funds awarded and disbursed to the student are ineligible disbursements. The student received \$4,025.00 in Federal Pell Grant funds, \$2,750.00 in subsidized Federal Direct Loan funds, and \$4,233.00 in unsubsidized Federal Direct Loan Funds. Therefore, the Title IV program liabilities are:

Federal Pell Grant	\$4,025.00
Federal Direct Loan (sub)	\$2,750.00
Federal Direct Loan (unsub)	<u>\$4,233.00</u>
Total Liability	\$ 11,008.00

Award Year 2009-2010

DCC's student file review for award year 2009-2010 identified 23 students who were selected for verification; DCC was not able to locate verification documents for eight of these students. Therefore, all Title IV funds awarded and disbursed to these students for award year 2009-2010 are ineligible disbursements. The Title IV program liabilities by student number are:

	Federal Pell Grant	FFEL Sub	FFEL Unsub	Total
Student #34	0	5,500	0	5,500
Student #35	0	3,500	6,000	9,500
Student #36	2,675	1,750	3,000	7,425
Student #37	5,300	0	0	5,300
Student #38	2,675	2,250	833	5,758
Student #39	4,300	5,500	2,000	11,800
Student #40	3,215	4,500	3,522	11,237
Student #41	0	3,500	2,000	5,500
Total Liability	18,165	26,500	17,355	62,020

See Appendix D.

For the remaining 15 students, DCC reported that it recalculated the students' EFCs as a result of verification completion. This resulted in over-awards for 10 students. The Title IV program review liabilities by student number are:

	Federal Pell Grant Disbursement	Federal Pell Grant Over-award
Student #42	2,675	375
Student #43	500	500
Student #44	5,350	3,650
Student #45	5,350	2,150
Student #46	3,600	3,600
Student #47	4,462	462
Student #48	1,900	550
Student #49	3,343	743
Student #50	1,950	1,200
Student #51	2,000	2,000
Total Liability		15,230

See Appendix E.

Award Year 2010-2011

DCC's student file review for award year 2010-2011 identified 28 students who were selected for verification; DCC was not able to locate verification documents for 11 of these students. Therefore, all Title IV funds awarded and disbursed to these students for award 2010-2010 are ineligible disbursements. The Title IV program liabilities by student number are:

	Federal Pell Grant	FFEL Sub	FFEL Unsub	Total
Student #52	2,800	4,500	6,000	13,300
Student #53	2,000	3,500	3,657	9,157
Student #54	4,700	4,500	6,000	15,200
Student #55	1,600	0	0	1,600
Student #56	2,775	1,750	1,000	5,525
Student #57	4,162	4,500	0	8,662
Student #58	3,100	5,500	0	8,600
Student #59	1,800	2,750	0	4,550
Student #60	0	5,500	7,000	12,500
Student #61	5,500	3,500	6,000	15,000
Student #62	1,650	2,750	3,500	7,900
Total Liability	30,087	38,750	33,157	101,994

See Appendix F.

For the remaining 17 students, DCC reported that it recalculated the students' EFCs as a result of verification completion. This resulted in over-awards for 11 students. The Title IV program review liabilities by student number are:

	Federal Pell Grant Disbursement	Federal Pell Grant Over-award
Student #63	2,600	1,000
Student #64	3,500	500
Student #65	2,200	800
Student #66	3,900	900
Student #67	850	850
Student #68	1,176	1,176
Student #69*	600	600
Student #70	2,700	100
Student #71	4,500	1,500
Student #72	4,600	437
Student #73*	1,152	1,152
Total Liability		9,015

See Appendix G.

* DCC's file review summary contained two errors. DCC reported over-awards in excess of the disbursed amounts reported to the Department. Specifically, DCC reported 900 and \$1,300 for students #69 and #73, respectively.

The total liability for Finding 4 is **\$80,612.85**.

With regard to the FFEL program, the Department used the Estimated Loss Formula (ELF) to estimate the loss to the Department that has resulted or will result from the ineligible loans disbursed by DCC. The cost of the loans is based on the Department's loan subsidy data and DCC's most recent cohort default rate available. As a result, the estimated loss that DCC must pay to the Department for the \$125,495.00 in ineligible FFEL funds loans is \$254.40 using DCC's 2011 cohort default rate of 6.1%. See Appendix H.

The amount of interest due from the ineligible Federal Pell Grants must be repaid to the Department. A calculation has been computed to determine the amount of the interest, known as the Cost of Funds (COF), due on the total of \$79,822.00 in unmade Pell returns. The amount of interest is \$790.85.

	Amount	Interest	Original FFEL
2009-2010 Federal Pell Grant	\$35,995.00	\$554.28	
2010-2011 Federal Pell Grant	\$43,827.00	\$236.57	
2009-2010 FFEL Sub	\$254.40		\$28,250.00
2009-2010 FFEL Unsub	\$0.00		\$18,355.00
2010-2011 FFEL Sub	\$0.00		\$41,500.00
2010-2011 FFEL Unsub	\$0.00		\$37,390.00
TOTAL	\$80,076.40	\$790.85	

Finally, although not a liability, DCC reported under-awards for award years 2009-2010 and 2010-2011. Specifically, for award year 2009-2010, under-awards totaling \$4,950 were made for 5 students and, for award year 2010-2011, under-awards totaling \$751 were made for 4 students.

Finding 5 Satisfactory Academic Progress Policy Not Adequately Developed/Monitored

Citation Summary: Institutions must have a satisfactory academic progress (SAP) policy that applies reasonable standards for measuring whether an otherwise eligible student is maintaining satisfactory progress in his or her educational program. An acceptable SAP policy for Title IV, HEA purposes must be the same or stricter than the institution's standards for a student enrolled in the same educational program who is not receiving Title IV, HEA program assistance. 34 C.F.R. § 668.16(e); 34 C.F.R. 668.34

Non-Compliance Summary: DCC failed to apply its Standards of Satisfactory Academic Progress Policy to three students (#6, #16, and #21) in the program review sample.

Institutional Response Summary: DCC's response stated that it had taken the necessary steps to revise and update its Financial Aid Satisfactory Academic Progress policy. Further, DCC stated that the policy will be applied to all students enrolled at Dallas Christian College. See Appendix C.

Final Determination: DCC failed to accurately apply its Standards of Satisfactory Academic Progress Policy to three students in the program review sample:

In response to the finding, DCC did not provide adequate documentation to support the eligibility of two students to continue to receive Title IV, HEA funds. Consequently, DCC did not follow its Standards of Satisfactory Academic Progress policy for two students in the program review sample.

Student #6 - In accordance with DCC's Financial Aid SAP policy, a student must complete at least 67% of all hours attempted in an academic year. The student's deficient SAP began with the 2007-2008 award year (completed 36% of all hours attempted). In accordance with DCC's policy, the student should have been placed on Financial Aid Suspension for the upcoming fall semester. However, there was no documentation that the student had been placed on probation or notified of a suspension status. The student received Title IV, HEA funds for the 2008-2009 award year; these are ineligible funds because the student was not meeting DCC's Financial Aid SAP policy. In addition, the student enrolled for the spring semester of the 2009-2010 award year and also received Title IV, HEA funds.

The student received \$4,731.00 in Federal Pell Grant funds, \$5,500 in subsidized FFEL funds, and \$2,325.00 in unsubsidized FFEL funds for award year 2008-2009. The student also received \$2,006.00 in Federal Pell Grant funds, \$2,750.00 in subsidized FFEL, and \$3,500.00 in unsubsidized FFEL for spring semester of the 2009-2010 award year. Therefore, the Title IV program liabilities are:

<u>2008-2009</u>	
Federal Pell Grant	\$4,731.00
FFEL (sub)	5,500.00
FFEL (unsub)	2,325.00
<u>2009-2010</u>	
Federal Pell Grant	\$2,006.00
FFEL (sub)	2,750.00
FFEL (unsub)	<u>3,500.00</u>
Total	\$20,812.00

Student #16 – In accordance with DCC’s Financial Aid SAP policy, a student must complete at least 67% of all hours attempted in an academic year. For award year 2009-2010, the student attempted 12 hours for the fall semester and completed 9 hours; the student also attempted 15 hours and completed 3 hours for the spring semester. Therefore, the student did not meet the 67% completion rate of all hours attempted for award year 2090-2010. In accordance with DCC’s policy, the student should have been placed on Financial Aid Suspension for the upcoming fall semester. However, there was no documentation that the student had been placed on probation or notified of a suspension status. The student was awarded Title IV, HEA funds for award year 2010-2011.

The student received \$3,450.00 in Federal Pell Grant funds, \$2,750.00 in subsidized FFEL funds, and \$3,072.00 in unsubsidized FFEL funds for award year 2010-2011. Therefore, the Title IV program liabilities are:

<u>2010-2011</u>	
Federal Pell Grant	\$3,450.00
FFEL (sub)	\$2,750.00
FFEL (unsub)	<u>\$3,072.00</u>
Total	\$9,272.00

Student #21 – In accordance with DCC’s Academic SAP policy, “*any full time student whose semester GPA fails below 1.0 will be automatically placed on academic probation for the following semester regardless of the cumulative GPA*”. The student attempted 12 hours and failed 12 hours in the fall semester of award year 2010-2011 and should have been on academic probation for the following spring semester. The student did not enroll for the spring semester but the student’s COD and NSLDS records (dated 1-20-2011) reported disbursements of Title IV, HEA loan funds for that semester. However, a review of NSLDS records, dated 1-26-2015, indicates that adjustments for the spring semester disbursements for award year 2010-2011 were made. Therefore, no further action is required for this student.

The total liability for Finding 5 is **\$10,680.45**.

With regard to the FFEL program, the Department used the Estimated Loss Formula (ELF) to estimate the loss to the Department that has resulted or will result from the ineligible loans disbursed by DCC. The cost of the loans is based on the Department’s loan subsidy data and DCC’s most recent cohort default rate available. As a result, the estimated loss that DCC must pay to the Department for the \$19,897.00 in ineligible FFEL funds loans is \$83.48 using DCC’s 2011 cohort default rate of 6.1%. See Appendix H.

The amount of interest due from the ineligible Federal Pell Grants must be repaid to the Department. A calculation has been computed to determine the amount of the interest, known as the Cost of Funds (COF), due on the total of \$10,187.00 in ineligible Pell Grant disbursements. The amount of interest is \$409.97.

	Amount	Interest	Original FFEL
2008-2009 Federal Pell Grant	\$4,731.00	\$360.46	
2009-2010 Federal Pell Grant	\$2,006.00	\$30.89	
2010-2011 Federal Pell Grant	\$3,450.00	\$18.62	
2008-2009 FFEL Sub	\$58.72		\$5,500.00
2008-2009 FFEL Unsub	\$0.00		\$2,325.00
2009-2010 FFEL Sub	\$24.76		\$2,750.00
2009-2010 FFEL Unsub	\$0.00		\$3,500.00
2010-2011 FFEL Sub	\$0.00		\$2,750.00
2010-2011 FFEL Unsub	\$0.00		\$3,072.00
TOTAL	\$10,270.48	\$409.97	

Finding 6 Return To Title IV Funds (R2T4) Calculation Errors

Citation Summary: When a recipient of Title IV, HEA assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV, HEA assistance the recipient earned as of the date he/she withdraws. 34 C.F.R. § 668.22 and 34 C.F.R. § 668.164(g)

Noncompliance Summary: DCC did not properly calculate R2T4 returns for three students (#31, #32 and #33) who withdrew during the 2009-2010 and 2010-2011 award years.

Institutional Response Summary: DCC reviewed all R2T4 calculations for award years 2009-2010 and 2010-2011. DCC contracted a Financial Aid Outsourcing Firm to close out 2010-2011 and contracted with Weber & Associates to complete R2T4 calculations beginning with award year 2012-2013.