August 21, 2015

Dr. Stephen Smith
President
Eastern Oklahoma State College
1301 West Main
Wilburton, OK 74578-4999

Certified Mail
Return Receipt Requested
7015 0640 0006 9387 0235

RE: **Final Program Review Determination**
OPE ID: 00315500
PRCN: 201420628561

Dear Dr. Smith:

The U.S. Department of Education's (Department's) Dallas School Participation Division issued a program review report on July 14, 2014, covering Eastern Oklahoma State College's (EOSC'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 2012-2013 and 2013-2014 award years. EOSC's final response was received on March 30, 2015. A copy of the program review report (and related attachments) and EOSC's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by EOSC 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. EOSC failed to address adequately 1 of the 21 findings, as detailed in the attached 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 (4) notify EOSC of a possible adverse action. Due to the serious nature of one or more of the enclosed findings, this FPRD is being referred to the Department's Administrative Actions and Appeals Service Group (AAASG) for its consideration of possible adverse action. Such action may include a fine, or the limitation, suspension or termination of the eligibility of the institution. Such action may also include the revocation of the institution's program participation agreement (if provisional), or, if the institution has an application pending for renewal of its certification, denial of that application. If AAASG initiates any action, a separate notification will be provided which will include information on institutional appeal rights and procedures to file an appeal.

This FPRD contains one or more findings regarding EOSC'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 $1,086,608.70.

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. The findings in the attached report contains student PII. Each finding references students only by a student number created by Federal Student Aid. The student numbers were assigned in Appendix A.

Appeal Procedures:

This constitutes the Department's FPRD with respect to the liabilities identified from the July 14, 2014, program review report. If EOSC wishes to appeal to the Secretary for a review of monetary liabilities established by the FPRD, the institution must file a written request for an administrative hearing. The Department must receive the request no later than 45 days from the date EOSC receives this FPRD. An original and four copies of the information EOSC 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

EOSC'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 EOSC'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 MaEsther Francis at 214-661-9456. Questions relating to any appeal of the FPRD should be directed to the address noted in the Appeal Procedures section of this letter.

[redacted]

Cynthia Thornton, Director
Dallas School Participation Division

Enclosures:
Protection of Personally Identifiable Information
Final Program Review Determination (including appendices)

cc: Mimi Kelly, Financial Aid Administrator
Oklahoma State Regents for Higher Education

Higher Learning Commission
Department of Defense
Department of Veterans Affairs
Consumer Financial Protection Bureau

Prepared for

Eastern Oklahoma State College

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

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OPE ID 00315500
PRCN 201420628561

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

Final Program Review Determination
August 21, 2015

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A. Institutional Information

Eastern Oklahoma State College
1301 West Main
Wilburton, OK 74578

Type: Public

Highest Level of Offering: Associate Degree

Accrediting Agency: Southern Association of Colleges and Schools Commission on Colleges

Current Student Enrollment: 1763 (Fall 2013)

% of Students Receiving Title IV: 75% (2012-2013)

Title IV Participation: School Participation Team School Funding Report

	2012-2013
Federal Pell Grant Program	$4,886,467
William D. Ford Federal Direct Loan Program (DL or Direct Loan)	$4,486,354
Federal Supplemental Educational Opportunity Grant Program (FSEOG)	$ 34,000
Federal College Work-Study Program (FWS)	$ 97,059

Cohort Default Rate (Direct Loans):	2011	25.4%
(3-Year Rates)	2010	31.8%
	2009	30.0%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Eastern Oklahoma State College (EOSC) from March 24 through 28, 2014. The review was conducted by Ms. MaEsther Francis and Ms. Crystal Brennan.

The focus of the review was to determine EOSC'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 EOSC'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 2012-2013 and 2013-2014 award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for the 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 July 14, 2014.

Disclaimer:

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning EOSC'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 EOSC 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

<u>Findings 5, 8, 9, 10 11, 12, 13, 14, 16, 17, 18, 19, 20, and 21</u>:

EOSC has provided documentation or taken the corrective actions necessary to resolve these findings, therefore, the findings may be considered closed.

<u>Lack of Administrative Capability:</u>

As set forth in the program review report, the Department found that the violations uncovered during the review indicated a lack of administrative capability. EOSC's responses to the program review report, including changes to policies and procedures, indicate that the institution has made demonstrable progress in bringing its administration of the Title IV, HEA programs into compliance with statutory and federal requirements. Therefore, since EOSC has addressed all the findings in the program review report, this specific finding may be considered closed.

Appendix C contains the institution's written response. Findings requiring further action by EOSC are discussed below.

Findings with Final Determinations

The program review report findings requiring further action are summarized below. At the conclusion of each finding is a summary of EOSC's response to the finding, and the Department's final determination for that finding. A copy of the program review report issued July 14, 2014, is attached as Appendix B.

Finding 2. Crime Awareness Requirements Not Met - Failure to Publish and Distribute a Comprehensive Annual Security Report

Noncompliance:

The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (*Clery Act*) and the Department's regulations require that all institutions that receive Title IV, HEA funds must, by October 1 of each year, publish and distribute to its current students and employees through appropriate publications and mailing, a comprehensive Annual Security Report (ASR) that contains, at a minimum, all of the statistical and policy elements described in 34 C.F.R. § 668.46(b). The ASR must be prepared and actively distributed as a single document and a notice must be provided to all prospective students and employees that includes a statement about the ASR's availability, its contents, and its exact electronic address if posted to a website. This notice must also advise interested parties of their right to request a paper copy of the ASR and to have it furnished upon request. 34 C.F.R. § 668.41(e)(4).

The institution's ASR must include statistics for incidents of crimes reported during the three most-recent calendar years. The covered categories include criminal homicide (murder and non-negligent manslaughter), forcible and non-forcible sex offenses, robbery, aggravated assaults, burglary, motor vehicle theft, and arson. Statistics for certain hates crimes as well as arrest and disciplinary referral statistics for violations of certain laws pertaining to illegal drugs; illegal usage of controlled substances, liquor, and weapons also must be disclosed in the ASR. These crime statistics must be published for the following geographical categories: 1) on campus; 2) on-campus student residential facilities; 3) certain non-campus buildings and property; and, 4) certain adjacent and accessible public property. 34 C.F.R. § 668.46(c)(1).

Also, institutions with a police or campus security department must maintain a written, easily understood daily crime log listing all crimes that occurred in the above geographical areas as well as those that occur within the campus police or security department's patrol area that it either becomes aware of or are reported to it. The crime log must be kept up to date and be freely accessible to any requestor. 34 C.F.R. § 668.46(f).

The ASR also must include several policy statements. In general, these policies include topics such as the law enforcement authority and practices of campus police and security forces, incident reporting procedures for students and employees, and policies that govern the preparation of the ASR itself. Institutions are also required to disclose alcohol and drug policies and educational programs. Policies pertaining to sexual assault education, prevention, and adjudication must also be disclosed. An institution that provides on-campus housing must include a statement of policy regarding missing student notification procedures. Institutions also must provide detailed policies of the issuance of timely warnings, emergency notifications, and evacuation procedures. All required information referenced in 34 C.F.R. § 668.46(b) must be published in the ASR. With the exception of certain drug and alcohol program information, cross-referencing to other publications is not sufficient to meet the publication and distribution requirements of the Act. 34 C.F.R. § 668.46(b).

Finally, each institution must also submit campus crime statistics to the Secretary for inclusion in the Department's "Campus Safety and Security Data Analysis Cutting Tool." 34 C.F.R. § 668.41(e)(5).

EOSC violated multiple provisions of the *Clery Act*. The most serious of these violations pertain to the institution's persistent failure to prepare and publish a materially complete ASR and the resultant failure to actively distribute such a report to all enrolled students and current employees. Specifically, EOSC's ASR did not include the following required statistical disclosures and policy statements:

- Report by category of prejudice (actual or perceived race, gender, religion, sexual orientation, ethnicity or disability).
- Timely Warning provisions - A list of the titles of each person or organization to whom students and employees should report the criminal offenses for the purpose of making timely warning reports and the annual statistical disclosure. This statement must also disclose whether the institution has any policies or procedures that allow victims or witnesses to report crimes on a voluntary, confidential basis.
- Emergency Notification - A statement that the institution will, without delay, and taking into account the safety of the community, determine the content of the notification and initiate the notification system, unless issuing a notification will, in the professional judgment of responsible authorities, compromise efforts to assist a victim or to contain, respond to, or otherwise mitigate the emergency.
- A description of programs designed to inform students and employees about the prevention of crimes.
- A statement of policy concerning the monitoring and recording through local police agencies of criminal activity in which students engaged at off-campus locations of student organizations officially recognized by the institution, including student organizations with off-campus housing facilities.
- A description of any drug or alcohol-abuse education programs, as required under section 120(a) through (d) of the HEA. For the purpose of meeting this requirement, an

institution may cross-reference the materials the institution uses to comply with section 120(a) through (d) of the HEA.

- Notification to students that the institution will change a *victim's* academic and living situations after an alleged sex offense and of the options for those changes, if those changes are requested by the victim and are reasonably available.
- Sexual Assault - Information on a student's option to notify appropriate law enforcement authorities, including on-campus and local police, and a statement that institutional personnel will assist the student in notifying these authorities, if the student requests assistance.
- A statement advising the campus community where law enforcement agency information provided by a State under section 170101(j) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14071(j)), concerning registered sex offenders may be obtained, such as the law enforcement office of the institution, a local law enforcement agency with jurisdiction for the campus, or a computer network address.
- A description of educational programs to promote the awareness of rape, acquaintance rape, and other forcible and non-forcible sex offenses
- Sanctions the institution may impose following a final determination of an institutional disciplinary proceeding regarding rape, acquaintance rape, or other forcible or non-forcible sex offenses.
- Missing Student Policy - Advise students that their contact information will be registered confidentially, that this information will be accessible only to authorized campus officials, and that it may not be disclosed, except to law enforcement personnel in furtherance of a missing person investigation.
- Procedures, if any, that encourage pastoral counselors and professional counselors, if and when they deem it appropriate, to inform the persons they are counseling of any procedures to report crimes on a voluntary, confidential basis for inclusion in the annual disclosure of crime statistics.
- Notification that the ASR and Annual Fire Safety Report (AFSR) are combined within a single document.

During the site visit, the review team requested hardcopies of EOSC's ASR. The team also inquired as to the ASRs availability on EOSC's website. In response, EOSC directed the review team to a webpage titled "Campus Security Report" (referred to in this report as the ASR). Documentation of notice of the ASR's availability, exact electronic address, a description of the content, and provision to provide a paper copy was requested but not provided. Although some campus safety information was located on the institution's website, it appears that EOSC failed to publish an actual ASR as a comprehensive document.

Directives From Program Review Report:

EOSC was required to develop and implement substantive policies and procedures to ensure that its ASRs are prepared, published, and distributed in accordance with the *Clery Act* and the Department's regulations. EOSC was also required to use its new policies to review its 2013

ASR to determine if it was accurate and materially-complete, meaning that the report contained all of the statistical, policy, procedure and programmatic disclosures required by 34 C.F.R. §668.46(b). If EOSC determined that the 2013 report was in fact materially complete and that it was actively distributed as required, it was to submit a copy of that report along with evidence that clearly showed that the active distribution and active notification requirements were met. If EOSC identified any deficiencies during its review, the institution was required to notify the Department of those deficiencies in its response to the program review report. In addition, EOSC was required to prepare a modified 2013 ASR (in draft form) that addressed those deficiencies and include a copy with the response.

Once the modified draft ASR was evaluated by the review team for accuracy and completeness, EOSC was required to actively distribute it to all enrolled students and current employees in accordance with 34 C.F.R. §668.41(e). Once the new ASR was distributed, EOSC was required to provide documentation to the Department evidencing the distribution along with a certification statement attesting to the fact that the materials were distributed in accordance with the *Clery Act*.

Final Determination:

EOSC stated that it took remedial action to address the deficiencies noted in the finding. Specifically, EOSC:

- Included previously omitted disclosures in the revised 2013 ASR (EOSC also stated that some required content had been available in other documents);
- Relabled the report to reflect that it is a combined ASR and ASFR;
- Asserted that future reports will be reviewed by the Chief of Police, the Dean of Students, and the Vice President for Student Affairs to ensure that all the required crime statistics and policy information are included and are accurate, and up-to-date prior to distribution;
- Will notify all students and employees of the report's location and that paper copies are available; and
- Will include notice of the reports availability, its location and where paper copies can be obtained in its admission and employment application sites.

Finding 2 of the program review report cited EOSC for its persistent failure to produce an accurate and complete ASR. Specifically, the College omitted the 14 required policy disclosures listed in the noncompliance section above from the 2012 ASR. As a result, EOSC was required to develop and implement substantive policies and procedures to ensure that its ASRs are prepared, published, and distributed in accordance with the *Clery Act* and the Department's regulations. Finally, EOSC also was required to prepare a modified 2013 ASR that addressed the deficiencies identified and include a copy with the response. In its response, EOSC concurred with the finding and claimed that required remedial actions were taken. The College also submitted documents that purported to support its corrective action claims.

The Department carefully examined EOSC's narrative response and supporting documentation. Based on that review and the College's admission of noncompliance, the violations identified in the initial finding and the additional and continuing violations outlined below are sustained. The Department received EOSC's initial program review report response on August 18, 2014. Because the institution's response was deficient, the Department instructed EOSC to revise the combined ASR/AFSR on November 14, 2014, to address the following ongoing deficiencies:

- Timely Warning provisions - A list of the titles of each person or organization to whom students and employees should report the criminal offenses for the purpose of making timely warning reports and the annual statistical disclosure. This statement must also disclose whether the institution has any policies or procedures that allow victims or witnesses to report crimes on a voluntary, confidential basis for inclusion in the annual disclosure of crime statistics, and, if so, a description of those policies and procedures.
- A description of programs designed to inform students and employees about the prevention of crimes.
- A statement of policy concerning the monitoring and recording through local police agencies of criminal activity in which students engaged at off-campus locations of student organizations officially recognized by the institution, including student organizations with off-campus housing facilities.
- A description of any drug or alcohol-abuse education programs, as required under section 120(a) through (d) of the HEA. For the purpose of meeting this requirement, an institution may cross-reference the materials the institution uses to comply with section 120(a) through (d) of the HEA.
- A description of educational programs to promote the awareness of rape, acquaintance rape, and other forcible and non-forcible sex offenses.
- Procedures, if any, that encourage pastoral counselors and professional counselors, if and when they deem it appropriate, to inform the persons they are counseling of any procedures to report crimes on a voluntary, confidential basis for inclusion in the annual disclosure of crime statistics.

The Department is very concerned about EOSC's failure to take adequate action to address all deficiencies and weaknesses noted in its campus safety and *Clery Act* compliance programs. In light of these continuing violations, the Department has determined that this finding is now closed for the purposes of this program review and is hereby referred to the Department's Clery Act Compliance Team (CACT). The CACT will oversee the EOSC's final remedial actions that are needed to address the remaining violations. As part of that referral, EOSC is hereby directed to take all necessary action to finally and fully address these deficiencies and submit creditable evidence to substantiate its claims of remedial action.

Specifically, EOSC must conduct a full review of its 2014 ASR to identify all omitted disclosures and other deficiencies. Once all deficiencies are identified, the College must develop and implement new policies and procedures and consumer information to address the identified deficiencies, discrepancies, and omissions and produce an accurate and complete 2015 ASR and

AFSR. Both reports (or a properly-labeled combined report) must be actively distributed to all enrolled students and current employees on or before October 1, 2015. No later than October 15, 2015, EOSC must submit copies of the following to the Department: 1) the 2014 ASR/AFSR; 2) 2015 ASR/AFSR; and, 3) credible evidence showing that the 2014 and 2015 reports were actively distributed to mandatory recipients. Suitable evidence of distribution may include a copy of an e-mail used to transmit the report or other similar documentation. These materials must be submitted via electronic mail to Ms. MaEsther Francis at maesther.francis@ed.gov and to the CACT at clery@ed.gov.

EOSC's submission must reference the Program Review Control Number noted on the cover letter in the subject line of its e-mail submission. If any of the requested records were not produced or do not exist, EOSC officials must clearly communicate that fact to the Department in writing via electronic mail. In this context, EOSC officials are advised that no new documents are to be created at this time for the purpose of demonstrating compliance with any *Clery Act* requirement for past periods. The College is also advised that a failure to respond to this request for document production will result in a referral for the imposition of administrative actions in addition to any such referrals that may be made to address the original violations identified in Findings #2 and 3 of the program review report.

Although the finding is closed for the purposes of this program review[1], the officers and directors of EOSC are put on notice that the College must take whatever steps may be needed to address the violations identified above as well as any other deficiencies and weaknesses that were detected during the preparation of the College's responses and as may otherwise be needed to ensure that these violations do not recur. EOSC is also reminded that the exceptions identified above constitute serious and persistent violations of the *Clery Act* that by their nature cannot be cured. There is no way to truly "correct" violations of this type once they occur. EOSC asserted that it took adequate remedial action but in fact, failed to do so, as required by its Program Participation Agreement (PPA). Pursuant to the referral explained above, the College will be given another opportunity to get into compliance. Nevertheless, EOSC is advised that its remedial actions, whether already taken or planned for the future, cannot and do not diminish the seriousness of these violations nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or require additional corrective actions as a result.

Because of the serious consequences of *Clery Act* violations, the Department strongly recommends that EOSC re-examine its campus security and general Title IV policies and procedures on an annual basis to ensure that they continue to reflect current institutional practices and are compliant with Federal regulations. EOSC officials are encouraged to consult the Department's "Handbook for Campus Safety and Security Reporting" (2013) as a reference guide on *Clery Act* compliance. The Handbook is online at: www2.ed.gov/admins/lead/safety/handbook.pdf. The Department also provides a number of other *Clery Act* training resources. College officials can access these materials at:

[1] Subject to EOSC's full and timely production of the requested documentation.

www2.ed.gov/admins/lead/safety/campus.html. The regulations governing the *Clery Act* can be found at 34 C.F.R. §§668.14, 668.41, 668.46, 668.49.

EOSC management is also reminded that Section 304 of the Violence Against Women Reauthorization Act of 2013 (VAWA) amended the *Clery Act* to require institutions to compile and disclose statistics for incidents of sexual assault, dating violence, domestic violence, and stalking. VAWA also requires institutions to include new policy, procedural, and programmatic disclosures regarding sexual assault prevention, response, and adjudication in their ASRs. All institutions are currently obligated to make a documented good-faith effort to comply with the statutory requirements of VAWA and were required to include all new required content in the 2014 ASR. The Department issued Final Rules on the VAWA amendments on October 20, 2014 and therefore, these regulations went into effect on July 1, 2015, per the Department's Master Calendar. In light of the violations documented above, EOSC is advised to bring its sexual assault policies up to the standard required by VAWA now. EOSC officials may access the text of the Final Rule at:
http://ifap.ed.gov/fregisters/attachments/FR102014FinalRuleViolenceAgainstWomenAct.pdf. In addition, the Department published Dear Colleague Letter GEN-15-15, *Implementation of the VAWA Final Regulations* on July 22, 2015.

Finally, EOSC officials are strongly advised to review the accuracy and completeness of its Drug and Alcohol Abuse Prevention Program (DAAPP) as required by the Drug-Free Schools and Communities Act (*DFSCA*) and Part 86 of the Department's General Administrative Regulations. FSA is now responsible for monitoring compliance with the *DFSCA*. Therefore, it is essential that the College makes sure that it has developed and implemented a comprehensive DAAPP, has produced and distributed accurate and complete program materials to the campus community, and has and continues to conduct substantive biennial reviews to assess the effectiveness of its program and produces detailed biennial review reports. For more information about the *Clery Act* and/or the *DFSCA*, please contact your program review team or another member of the Dallas School Participation Division.

Finding 3. Fire Awareness Requirements Not Met - Failure to Publish and Distribute a Comprehensive Annual Fire Safety Report

Noncompliance:

As of October 1, 2010, the *Clery Act* and the Department's regulations require that all institutions that receive Title IV, HEA funds and maintain an on-campus student housing facility must, by October 1 of each year, prepare, publish and distribute to its current students and employees through appropriate publications and mailings, an AFSR that contains, at a minimum, all of the statistical and policy elements described in 34 C.F R. § 668.49(b). These institutions must disclose fire statistics for each on-campus student residential facility for the three most recent calendar years. An institution's statistics must accurately and completely identify the number of on-campus fires and the cause of each fire, the number of persons who sustained fire-related injuries that resulted in treatment at a medical facility (including on-campus health centers), the number of fire-related deaths, and the dollar value of property damage caused by such fires. 34 C.F. R. § 668.49(c).

In addition, the AFSR must include several fire safety information disclosures covering topics such as the type(s) of fire safety systems that are used in each student housing facility, the number of fire drills that were conducted during the previous calendar year, any institutional policies, procedures, and programs regarding: 1) the use and/or possession of portable electrical appliances; 2) smoking and the use/presence of open flames in student housing facilities; 3) evacuation procedures to be followed in the case of a fire; 4) fire safety education and training programs; 5) the institutional official(s) and departments to whom students and employees should report the occurrence of fires so that those incidents can be included in the institution's annual fire statistics; and, 6) any plans for future improvements to the institution's fire safety program. 34 C.F.R. § 668.49(b).

The AFSR must be published and distributed as a materially complete, comprehensive publication. If an institution choses to combine the ASR and AFSR and publish them as a single document, then the title of both reports must conspicuously appear on the cover page (e.g., Annual Security and Fire Safety Report). The Department's regulations also require participating institutions to provide a notice to all prospective students and employees that includes a statement about the AFSR's availability, the content of each report, and the exact electronic address of each report, if posted to an internet or intranet site. This notice must also advise interested parties how to obtain a paper copy of the AFSR. Finally, an institution is required to submit its campus crime and fire statistics to the Secretary on an annual basis.

EOSC failed to report and publish an accurate fire statistics in its "Campus Security Report." (referred to in this report as the ASR). Specifically, the institution failed to publish an AFSR containing categories and mandated data for the three most-recent calendar years and actively distribute it to current students and employees.

During the site visit, the review team requested a hardcopy version of EOSC's AFSR. The team also inquired if the AFSR was available on EOSC's website. EOSC's officials informed the review team the AFSR was included in the ASR. Department officials determined that EOSC failed to inform students and employees that AFSR and ASR were contained within a single document, in accordance with the *Clery Act*. Furthermore, the Department's review indicates that this particular compliance failure has persisted since the fire safety requirements were added to the *Clery Act* in 2010. Specifically, the AFSR did not contain three years of fire statistics for each on-campus student residential facility, nor the following mandated safety information disclosures:

- Number of fire drills that were conducted during the previous calendar year.
- The AFSR did not include institutional policies and programs regarding the use and/or possession of portable electrical appliances;
- Fire safety education and training programs; and
- Plans for future improvements to the institution's fire safety program.

As a result of this systemic failure, the Department finds that EOSC has failed to ever meet the AFSR active distribution and notification requirements.

Directives From Program Review Report:

EOSC was required to develop and implement policies and procedures to govern the preparation, publication, and distribution of the AFSR and ensure that all facets of the process are carried out in a manner that meets Federal regulations, including an description of how prospective students and employees will be notified of the report's availability.

EOSC was also required to use its new policies to prepare and publish an accurate and complete AFSR that includes all of the statistical disclosures and policy, procedure and programmatic information required under 34 C.F.R. § 668.49(b). EOSC was required to provide its new and revised policies and procedures and its draft 2013 AFSR with its response to the program review report. After the AFSR was evaluated by the review team for accuracy and completeness, the institution was required to actively distribute it to all current students and employees in accordance with 34 C.F.R. § 668.41(e). In this case, EOSC was permitted to incorporate the required changes into its next regularly scheduled AFSR, which should have been actively distributed no later than October 1, 2014.

Finally, EOSC was required to provide documentation to the Department evidencing the distribution as well as a certification statement attesting to the fact that the materials were distributed in accordance with the *Clery Act*. The certification should have affirmed that the institution understands all of its *Clery Act* obligations and that it has taken all necessary corrective actions to ensure that these violations do not recur.

As noted above, the exceptions identified in this finding constitute serious violations of the *Clery Act's* fire safety requirements that by their nature cannot be cured. EOSC will be given an opportunity to publish and distribute an accurate and complete AFSR and in so doing, begin to bring its overall fire safety program into compliance with the *Clery Act* as required by its Program Participation Agreement (PPA). Nevertheless, EOSC is advised that these remedial measures cannot and do not diminish the seriousness of these violations nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or require additional corrective measures.

Final Determination:

EOSC stated that remedial action was taken as directed in the program review report. In relevant part, the College's response to Finding 3 was substantially the same as its response to Finding 2. Specifically, EOSC:

- Included previously omitted disclosures in the revised 2013 ASFR;
- Relabled the report to reflect that it is a combined ASR and ASFR;

- Asserted that future reports will be reviewed by the Chief of Police, the Dean of Students, and the Vice President for Student Affairs to ensure that all the required statistics and policy information are included and are accurate, and up-to-date;
- Will notify all students and employees of the report's location and that paper copies are available; and
- Will include notice of the reports availability, its location and where paper copies can be obtained in its admission and employment application sites.

Finding 3 of the program review report cited EOSC for its persistent failure to produce and distribute a comprehensive Annual Fire Safety Report (AFSR). Through its work, the review team determined that the College did not have an AFSR prior to 2013 and, as documented in the initial finding and below, the 2013 AFSR was lacking nearly all of the required content in terms of fire safety statistics and policy and information disclosures. As a result, EOSC was required to develop and implement substantive policies and procedures to ensure that its AFSRs are produced and distributed in accordance with the *Clery Act* and the Department's regulations. Finally, EOSC also was required to prepare a modified 2013 AFSR that addressed the deficiencies identified and include a copy with the response. In its response, EOSC concurred with the finding and claimed that required remedial actions were taken. The College also submitted documents that purported to support its corrective action claims.

The Department carefully examined EOSC's narrative response and supporting documentation. Based on that review and the College's admission of noncompliance, the violations identified in the initial finding and the additional and continuing violations outlined below are sustained. The Department received EOSC's program review report response on August 18, 2014. Because the College's response was deficient, the Department requested EOSC revise the combined ASR/AFSR on November 14, 2014, due to the following missing items:

- The ASR/AFSR did not include institutional policies and programs regarding the use and/or possession of portable electrical appliances;
- Fire safety education and training programs; and
- Plans for future improvements to the institution's fire safety program.

As noted in the Final Determination for Finding 2, this matter has been referred to the CACT for additional action. As part of that referral, EOSC is required to take all necessary action to finally and fully address this pattern of noncompliance by taking the remedial actions noted under Findings 2 and 3.

Although this program review finding is now closed for the purposes of this program review[2] the College's officers and directors are on notice that the institution must take all additional actions that may be necessary to address the violations identified above as well as any other deficiencies and weaknesses were detected during the preparation of the College's response and/or as may

[2] Subject to EOSC's full and timely production of the requested documentation.

otherwise be needed to ensure that these violations do not recur. EOSC is also reminded that the exception identified above constituted a serious violation of the *Clery Act* that by its nature cannot be cured. EOSC officials must understand that compliance with the *Clery Act* fire safety requirements is essential to maintaining a safe and healthy learning environment, especially for those living in campus housing. Violations of the type documented in this case deprived students and employees of important fire safety information to which they were entitled. EOSC asserted that it has taken adequate remedial actions and is now in compliance with the *Clery Act* as required by its PPA. For these reasons, the College is advised that its past and future remedial actions cannot and do not diminish the seriousness of these violations nor do these efforts eliminate the possibility that the Department will impose an adverse administrative action and/or additional corrective measures as a result.

Finding 4. Ineligible Additional Location

Noncompliance:

In order for students to be eligible to receive Title IV funds, they must be enrolled in an eligible educational program at a Title IV eligible institution. 34 C.F.R. § 668.32(a) (1). An institution's programs and locations must be approved by its licensing body, accreditor, and the Department. See 34 C.F.R. §§ 600.2, 600.10(b). Institutional Title IV eligibility does not automatically extend to any location an institution establishes after the initial eligibility determination where it provides at least 50% of an educational program. 34 C.F.R. § 600.10(b)(3).

An eligible institution must report to the Secretary no later than 10 days after the change occurs if it establishes an accredited and licensed additional location at which will be offered 50 percent or more of an educational program if the institution wants to disburse Title IV, HEA program funds to students enrolled at that location. 34 C.F.R. § 600.2l(a). Once the institution properly reports the location, it may disburse Title IV funds to students at the location so long as the location is licensed and accredited. 34 C.F.R. § 600.21(d).

EOSC disbursed funds at an additional location in Antlers, Oklahoma, where more than 50 percent of an education program was offered. EOSC did not obtain accrediting agency or report the location to the Department. Therefore, EOSC disbursed funds to students at the Antlers, Oklahoma additional location during a period in which it was ineligible.

Directives From Program Review Report:

EOSC was required to immediately cease awarding Title IV funds to students enrolled at the Antlers, Oklahoma location. EOSC was also directed to disclose to the Department when it began offering more than 50 percent of an educational program at the Antlers location as well provide information regarding all Title IV funds disbursed to students enrolled at that location. Further, EOSC was required to comply with required regulations regarding reporting and disbursing at additional locations.

Final Determination:

EOSC's August 14, 2014, response stated that it had increased the course offerings in the Fall 2008 semester at the Antlers, Oklahoma, location to at least 50 percent of a general studies program. EOSC also stated that it had ceased awarding Title IV funds to students enrolled at the Antlers site and had submitted a substantive change request for approval of an additional location to the Higher Learning Commission. EOSC also provided data regarding the Title IV funds disbursed to students enrolled at the Antlers additional location since at least 50 percent of an educational program was offered at that location.

EOSC did not have accreditation agency approval for the Antlers, Oklahoma additional location when it began offering more than 50 percent of an educational program at that location. In addition, EOSC did not report the Antlers location to the Department.

After the program review, EOSC obtained accrediting agency approval for the Antlers location. Since EOSC was placed on the Heightened Cash Monitoring (HCM) method of payment after the program review, it was then required to also obtain Department approval for the additional location. See 34 C.F.R. 600.20(c). EOSC obtained the required Department approval. The Department's subsequent approval of the Antlers location does not grant retroactive eligibility to Title IV disbursements made *before* EOSC obtained the necessary accrediting agency and Department approvals.

Therefore, all Title IV, HEA funds disbursed to students enrolled at the Antlers, Oklahoma, additional location since EOSC began offering at least 50 percent of an educational program until it obtained the necessary approvals are a liability. EOSC reported the following ineligible disbursements:

Award Year	Pell Grant Funds Disbursed[3]	FSEOG Funds Disbursed	Total Funds Disbursed
2008-2009	$80,932.00		$80,932.00
2009-2010	$156,159.00	$1,500.00	$157,659.00
2010-2011	$171,759.00	$900.00	$172,659.00
2011-2012	$142,323.00	$500.00	$142,823.00
2012-2013	$177,050.00		$177,050.00
2013-2014	$116,141.65		$116,141.65
Totals	$844,364.65	$2,900.00	$847,264.65

The total amount of Title IV, HEA funds to be returned from award year 2008-2009 through award year 2013-2014, inclusive, is $847,264.65.

In addition, the amount of interest, known as the Cost of Funds (COF), due on the Federal Pell Grant and FSEOG funds is $38,162.80.

[3] The award year amounts listed above treat summer as a trailer.

Award Year	COF-Pell	COF-FSEOG	COF-Total
2008-2009	$12,931.46		$12,931.46
2009-2010	$13,151.09	$62.51	$13,213.60
2010-2011	$5,759.63	$32.23	$5,791.86
2011-2012	$3,337.72	$10.19	$3,347.91
2012-2013	$2,392.73		$2,392.73
2013-2014	$485.24		$485.24
Totals	$38,057.87	$104.93	$38,162.80

Therefore, the total liability for this finding is $885,427.45. The COF calculation is included as Appendix D.

The instructions for repayment of this liability can be found in Section E of this final determination.

Finding 6. Admission Policy Regarding Basis of Admission Not Followed

A student is eligible to receive Title IV, HEA program funds if the student is a regular student enrolled in an eligible program and meets all other eligibility requirements. 34 C.F.R. § 668.32. As relevant here, the student must have a high school diploma or its equivalent in order to be eligible for Title IV funding. 34 C.F.R. § 668.32(e)(1).

EOSC had an Admission's Policy that required students to provide a high school transcript, college transcript, or GED. This documentation was then used to establish that students met Title IV basis of admission requirements. EOSC failed to adhere to its Admission Policy by accepting Students 1, 2, 3, 4, 6, 7, 9, 12, 16, 18, 19, 20, 23, 25, 26, 27, 29 and 30 for admission without documentation of a high school transcript, college transcript, or GED. Consequently, EOSC improperly disbursed Title IV, HEA program funds to these students even though they did not meet Title IV eligibility requirements.

Directives From Program Review Report:

EOSC was required to provide documentation that Students 1, 2, 3, 4, 6, 7, 9, 12, 16, 18, 19, 20, 23, 25, 26, 27, 29 and 30 submitted an official high school transcript, official college transcript or GED. In addition, EOSC was required to either revise its admission policy to reflect its actual practice or to provide written assurance that it will follow its current admissions policy and collect the high school diplomas, college transcripts, GED certificates or other documents necessary to demonstrate high school curricular requirements were met.

Final Determination:

EOSC concurred with the finding and stated,

> "Eastern Oklahoma State College is making a dedicated effort to follow our admission policy by collecting high school transcripts, college transcripts, GED certificates and any other documentation necessary to determine that a student has met high school curricular requirements. Students failing to submit necessary documents will be placed on 'Admission Hold' until such documents are received in the Registrar's Office."

In addition, EOSC provided documentation (high school transcripts and/or GED scores) for 12 of the 18 students in the finding (Students 2, 3, 6, 7, 12, 16, 19, 23, 26, 27, 29, and 30).

EOSC provided supporting documents necessary to demonstrate high school curricular requirements were met for students 2, 3, 6, 7, 12, 16, 19, 23, 26, 27, 29, and 30. However, EOSC failed to provide supporting documents in its response for Students 1, 4/18, 9, 20, and 25. Consequently, these students do not meet Title IV basis of admission requirements. The following is the Department's determination for the remaining students.

Student 1: The student was enrolled from Spring 2011 thru Fall 2013. The student received ineligible disbursements totaling $46,198.

Award Year	Pell Grant	DL Sub / Unsub	FSEOG
2010-2011	$2,775	$1,750 / $3,000	
2011-2012	$5,550	$3,500 / $6,000	
2012-2013	$5,550	$4,500 / $6,000	$1,500
2013-2014	$2,823	$2,250 / $1,000	
Sub-totals	$16,698	$28,000	$1,500
Total	$46,198		

Student 4/18: The student was enrolled from Fall 2010 through Spring 2015. The student received ineligible disbursements totaling $38,728.

Award Year	Pell Grant	DL Sub / Unsub
2010-2011	$4,162	
2011-2012	$2,775	$1,750 / $2,000
2012-2013	$2,775	$4,500 / $6,000
2013-2014	$2,117	$2,250 / $3,000
2014-2015	$2,149	$2,250 / $3,000
Sub-totals	$13,978	$24,750
Total	$38,728	

Student 9: The student began enrollment in Fall 2012 and received ineligible disbursements totaling $7,525.

Award Year	Pell Grant	DL Sub / Unsub
2012-2013	$2,775	$1750 / $3000
Sub-totals	$2,775	$4,750
Total	$7,525	

Student 20: This student began enrollment in Spring 2014 and received ineligible disbursements totaling $7,448.

Award Year	Pell Grant	DL Sub / Unsub
2013-2014	$2,698	$1750 / $3000
Sub-totals	$2,698	$4,750
Total	$7,448	

Student 25: This student began enrollment in Spring 2002 and returned in Fall 2013. The student received ineligible disbursements totaling $7,448.

Award Year	Pell Grant	DL Sub / Unsub
2001-2002[4]	$1,875	
2013-2014	$2,823	$1750 / $1000
Sub-totals	$2,823	$2,750
Total	$5,573	

The total amount of ineligible funds disbursed for this finding is $105,472.

Federal Pell	$38,972
Federal Direct Loan	$65,000
FSEOG	$1,500
Total	$105,472

The cost of funds (interest) for the Federal Pell Grant and FSEOG programs is $676.76. The calculations are provided in the Cost of Funds worksheet in Appendix D.

Award Year	COF-Pell	COF-FSEOG	Totals
2010-2011	$224.52		$224.52
2011-2012	$194.65		$194.65
2012-2013	$172.83	$16.28	$172.83
2013-2014	$68.48		$68.48
2014-2015	$0.00		$0.00
Total	$660.48	$16.28	$676.76

[4] Although the student is ineligible, the Pell Grant amount is not included in the Sub-Total, Total, or Cost of Funds as a liability due to the number of years that have lapsed at the time of the Program Review.

With respect to the $65,000 in ineligible Direct Loan funds (subsidized and unsubsidized), the Department has estimated the loss that has resulted or will result from those ineligible loans. As a result, the estimated loss that EOSC must pay to the Department for the ineligible loans is $3,555.62. A copy of the results of that calculation is included as Appendix E.

Award Year	Estimated Loss
2010-2011	$222.23
2011-2012	$666.68
2012-2013	$1,365.10
2013-2014	$1,015.89
2014-2015	$285.72
Total	$3,555.62

Therefore, the total amount of funds due directly to the Department for this finding is $44,704.38.

Federal Pell	$38,972.00
COF-Pell	$660.48
FSEOG	$1,500.00
COF-FSEOG	$16.28
Direct Loan Est. Loss	$3,555.62
Total	$44,704.38

Finding 7. Return of Title IV Funds Not Made

Noncompliance:

Institution must determine the amount of Title IV, HEA assistance a student earned as of his or her withdrawal date from the institution. If the amount of Title IV, HEA assistance the student earned is less than the amount disbursed to that student, the difference between these amounts must be returned to the Title IV, HEA programs. 34 C.F.R. § 668.22(a). A return must be paid to the applicable Title IV, HEA program within 45 days after the date of determination that the student withdrew. 34 C.F.R § 668.22(j).

EOSC did not perform Return of Title IV (R2T4) calculations for withdrawn students. Consequently, EOSC did not determine how much Title IV, HEA funds withdrawn students earned and did not return unearned funds to the Title IV, HEA programs, as required.

Directives From Program Review Report:

EOSC was required to perform a 100% file review of all students who enrolled in the 2012-2013 and 2013-2014 award years and who withdrew officially, unofficially, or otherwise ceased attendance before completing their program of study.

Noncompliance:

EOSC provided an initial response, a revised response, R2T4 calculations and transcripts for the students in Finding 7, as well as Excel spreadsheets. EOSC's final support for this finding was received on March 30, 2015.

EOSC's response discussed a change to its policy regarding the treatment of students who received "F" grades. Specifically, EOSC stated that it had made it clearer that "final grades of F are earned grades." Previously, EOSC's financial aid officials had presumed that a final grade of "F" was earned because faculty are able to give a grade of "AW" (administrative withdraw) for students who stopped attending class.

EOSC failed to make required returns to the Title IV programs during the 2012-2013 and 2013-2014 award years. EOSC identified unmade returns totaling $80,801.33 for 116 students in the 2012-2013 award year and unmade returns totaling $72,946.99 for 93 students in the 2013-2014 award years. Appendix C lists the names and social security numbers of the students identified as a result of the file review. The cost of funds (interest) for the unmade returns totals $1,162.09. The calculations are provided in the Cost of Funds worksheet in Appendix D.

2012-2013 Unmade R2T4	Pell Grant	DL Sub	DL Unsub
R2T4 Liability	$30,674.00	$7,224.35	$ 42,902.98
COF Interest R2T4	$ 385.57	$ 79.00	$ 524.00
Totals	$31,059.57	$7,303.35	$ 43,426.98

2013-2014 Unmade R2T4	Pell Grant	DL Sub	DL Unsub
R2T4 Liability	$34,736.56	$6,304.05	$31,906.38
COF Interest R2T4	$ 84.52	$ 13.00	$ 76.00
Totals	$34,821.08	$6,317.05	$31,982.38

In addition, late returns were made for 12 students in the 2012-2013 award year and for 17 students in 2013-2014 award year. The cost of funds (interest) for the late returns totals $165.13. The calculations are provided in the Cost of Funds worksheet in Appendix D.

2012-2013 Late R2T4	Pell Grant	DL Sub	DL Unsub
COF Interest Late R2T4	$70.05	$35.00	$29.00
2013-2014 Late R2T4	Pell Grant	DL Sub	DL Unsub
COF Interest Late R2T4	$17.08	$0.00	$14.00

Therefore, the total liability to be repaid to the Department as a result of this finding is $155,075.54.

Finding 15. Verification Violations

Noncompliance:

An institution must establish procedures to request, receive, and verify applicant data for students selected by the Central Processing System (CPS) each award year. See 34 C.F.R. § 668.53. The purpose of verification is to ensure that Title IV funds are awarded to student applicants in the correct amount. Students are selected for verification on the basis of application edits specified by the Secretary. 34 C.F.R. § 668.54.

The items to be verified are set forth by the Secretary each award year, and cover general areas such as household size, number enrolled in college, adjusted gross income, U.S. income tax paid, and certain untaxed income and benefits. See 34 C.F.R. § 668.56. Supporting documentation obtained from the student (and parents or spouse) is compared to the information reported on the Institutional Student Information Record (ISIR). If the initial information submitted on the financial aid application is incorrect, the institution must have the student resubmit his/her application with the correct information. 34 C.F.R. § 668.59. If all steps of the verification process are not properly completed and/or all required documentation is not submitted, the student is ineligible to receive Title IV funds. See 34 C.F.R. § 668.60. Documentation must be retained in the student's file as evidence that the verification process was completed. 34 C.F.R. §§ 668.24(c)(1)(i),(ii).

EOSC did not properly complete the verification process for students 3 and 28.

> Student 3: EOSC failed to collect IRS transcripts for verification and did not resolve a household discrepancy.
>
> Student 28: EOSC failed to verify if student had a qualifying dependent to qualify as an independent student.

Directives From Program Review Report:

EOSC was required to complete verification for students 3 and 28. EOSC was also required to submit written procedures and control mechanisms that describe the process it will use to ensure that all required verification documentation is collected and reviewed and all ISIR corrections are processed prior to the disbursement of Title IV, HEA funds.

Final Determination:

In its August 14, 2014, response, EOSC concurred with this finding, in part. EOSC stated that,

> "[EOSC] follows the information provided in the Student Handbook as a compilation of requirements (34 CFR 668.51-61) for verification. Every attempt is made to make sure that every item is reviewed and documented in each file that is chosen for Federal Verification by the Central Processor, as well as reviewing all comments and any conflicting information."

EOSC also stated that its policy is that no student is awarded until all verification issues are resolved.

EOSC submitted documentation for Student 3. However, EOSC acknowledged that it was unable to provide documentation for Student 28.

EOSC did not properly verify Students 3 or 28.

With respect to Student 3, there was no documentation to establish that the student provided more than half of the support for the two children listed on Section D of the 2012-2013 Verification Worksheet (Independent Student). However, if the student was providing more than half of the support for both children, the student was required to certify such by including them in Section B of the worksheet. EOSC provided an internal memorandum describing that "special consideration" was made to allow the student to count the children as part of the household. Institutions are not permitted to use professional judgement regarding household size. See 20 U.S.C. § 1087tt.

Student 3 received $1,387 in Pell Grant funds that must be returned. The interest on the ineligible funds is $14.33.

With respect to student 28, EOSC provided no verification documentation so all funds disbursed to the student are ineligible. All ineligible funds for this student have already been returned.

Therefore, the total liability for this finding is $1,401.33

D. Liabilities

The total amount calculated as liabilities from the findings in the program review determination is as follows. Payment instructions are in Section E.

Liabilities	Pell	FSEOG	Direct Loan	Est. Loss	Total
Finding 4	$844,364.65	$2,900.00	$0.00		
Finding 6	$38,972.00	$1,500.00	$65,000.00[5]	$3,555.62	
Finding 7	$65,410.56	$0.00	$88,337.76		
Finding 15	$1,387.00	$0.00	$0.00		
Subtotal 1	$950,134.21	$4,400.00	$88,337.76	$3,555.62	$1,046,427.59
Finding 4-COF	$38,057.87	$104.93	$0.00		
Finding 6-COF	$660.48	$16.28	$0.00		
Finding 7-COF	$557.22	0.00	$770.00		
Finding 15-COF	$14.33	$0.00	$0.00		
Subtotal 2	$39,289.90	$121.21	$770.00		$40,181.11
TOTALS	$989,424.11	$4,521.21	$89,107.76	$3,555.62	$1,086,608.70

E. Payment Instructions

EOSC owes to the Department **$1,086,608.70.** This liability must be paid using an electronic transfer of funds through the Treasury Financial Communications System, which is known as FEDWIRE. EOSC must make this transfer within **45 days of the date of this letter**. This repayment through FEDWIRE is made via the Federal Reserve Bank in New York. If EOSC's bank does not maintain an account at the Federal Reserve Bank, it must use the services of a correspondent bank when making the payments through FEDWIRE.

Any liability of $100,000 or more identified through a program review must be repaid to the Department via FEDWIRE. The Department is unable to accept any other method of payment in satisfaction of these liabilities.

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 the 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 applicable).

Instructions for completing the electronic fund transfer message format are included on the attached FEDWIRE form (Appendix G).

[5] This loan amount is subject to the estimated loss formula. The amount will be replaced by the estimated loss amount calculated.

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. EOSC is also responsible for repaying any interest that accrues. If you have any questions regarding interest accruals or payment credits, contacts the Department's Accounts Receivable Group at (202) 245-8080 and ask to speak to EOSC's account representative.

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, EOSC 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 EOSC from the Federal Government. **EOSC may object to the collection by offset only by challenging the existence or amount of the debt**. To challenge the debt, EOSC 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.

<u>Direct Loan Closed Award Year – Payment Instructions</u>

Finding #7
Appendix D

EOSC must repay the following Direct Loan liabilities:

DL Closed Award Year		
Amount (Principal)	Amount (COF Interest)	Award Year
$50,127.33	$667.00	2012-2013
$38,210.43	$103.00	2013-2014
Total Principal	Total Interest	
$88,337.76	$770.00	

The disbursement record for each student identified in the appendices listed above must be adjusted in the Common Origination and Disbursement (COD) system based on the recalculated amount identified in the/these appendix/appendices. A copy of the adjustment to each student's COD record must be sent to Ms. MaEsther Francis **within 45 days of the date of this letter**.

Adjustments in COD must be completed <u>prior to remitting payment to the Department</u>. Payment cannot be accepted via G5. Once the Department receives payment via FEDWIRE, the Department will apply the principal payment to the applicable G5 award. Interest is applied to the general program account.

<u>Closed Award Years - Extended Processing</u>

The DL program year closes 13 months after the award year ends (on the last business day in July of the following year). For example, 2014-2015 closed on July 31, 2015.

COD adjustments are necessary for the closed award years listed above. Before any student level adjustments can be processed, EOSC must request extended processing through the COD Website (http://cod.ed.gov). The students with unmade R2T4 returns listed in Final Determination #7 must have their outstanding Direct Loan balances of $88,337.76 in principal adjusted in COD through extended processing.

- Click on the Request Post Deadline/Extended Processing link under the School menu.
- On the request screen, the institution should indicate in their explanation that the request is based on a program review and provide the applicable program review control number.
- The institution will be notified of the status of the request at the time of submission, and will also be notified by email to the FAA and President when extended processing has been authorized. At that time, the school must transmit student/borrower level adjustments to COD for the closed award year.

Direct Loan Estimated Loss Formula – Payment Instructions

Finding: 6
Appendix: E

DL Estimated Loss Formula	
Amount	Award Year
$222.23	2010-2011
$666.68	2011-2012
$1,365.10	2012-2013
$1,015.89	2013-2014
$285.72	2014-2015
Total	
$3,555.62	

EOSC must pay $3,555.62 in Direct Loan estimated loss liabilities for award years 2010-2011 through 2014-2015, inclusive. The liabilities will be applied to the general Direct Loan fund.

Pell Grant Current Award Year – Payment Instructions

Finding: 6
Appendix: D

Pell Grant Current Award Year			
Amount (Principal)	Amount (Interest)	Title IV Grant	Award Year
$2,149.00	$0.00	Pell	2014-2015
Total Principal	Total Interest		
$2,149.00	$0.00		

The disbursement record for each student must be adjusted in the Common Origination and Disbursement (COD) system based on the amount identified in the appendix D applicable to the finding.

If the adjustment to the disbursement record(s) creates a negative balance, the difference (principal) must be returned to G5 electronically. Note that the Department collects a liability via G5 only for Pell or TEACH liabilities owed for the currently **open** award year. A copy of the adjustment to each student's COD record, as well as proof that the funds were returned through G5 must be sent to Ms. MaEsther Francis **within 45 days of the date of this letter**.

Pell Grant Closed Award Year – Payment Instructions

Findings: 4, 6, and 7
Appendix: D

EOSC must repay:

Pell Grant Closed Award Year			
Amount (Principal)	Amount (Interest)	Title IV Grant	Award Year
$156,159.00	$13,151.09	Pell	2009-2010
$178,696.00	$5,984.15	Pell	2010-2011
$150,648.00	$3,532.37	Pell	2011-2012
$220,211.00	$3,035.51	Pell	2012-2013
$161,339.21	$655.32	Pell	2013-2014
Total Principal	Total Interest		
$867,053.21	$26,358.44		

The disbursement record for each student identified in the appendices to the applicable findings must be adjusted in the Common Origination and Disbursement (COD) system based on the recalculated amount identified in the appendices.

Adjustments in COD must be completed prior to remitting payment to the Department. **Payment cannot be accepted via G5. Once the Department receives payment via FEDWIRE, the Department will apply the principal payment to the applicable G5 award. The interest will be applied to the general program account.**

A copy of the adjustment to each student's COD record must be sent to Ms. MaEsther Francis **within 45 days of the date of this letter**.

Pell Grant Cancelled Award Years – Payment Instructions

Finding: 4
Appendix: D

EOSC must repay:

Pell Grant Cancelled Award Years			
Total Amount (Principal)	Total Amount (Interest)	Title IV Grant	Award Year
$80,932.00	$12,931.46	Pell	2008-2009
Total Principal	Total Interest		
$80,932.00	$12,931.46		

The liabilities above are for award years 5 years or older and student adjustments in the Common Origination and Disbursement (COD) system are no longer possible. Instead, the funds (principal and interest) will be returned to the general program fund for the applicable Title IV program.

Campus Based Programs

FISAP Corrections

Findings: 4 and 6
Appendix D

EOSC must repay:

SEOG Closed Award Year			
Amount (Principal)	Amount (Interest)	Title IV Grant	Award Year
$1,500.00	$62.51	SEOG	2009-2010
$900.00	$32.23	SEOG	2010-2011
$500.00	$10.19	SEOG	2011-2012
$1,500.00	$16.28	SEOG	2012-2013
Total Principal	Total Interest		
$4,400.00	$121.21		

EOSC must make corrections to its FISAP for award year(s) 2009-2010 through 2012-2013, as follows:

- Log into eCB and make change(s) to the Working Copy, click on Submit and choose "Change Request". Provide the justification for the changes in the comments box, including that the changes are a result of a program review and include the Program Review Control Number.

- Once the request is approved, submit the changes within 5 days.

- Changes to the FISAP may result in changes to subsequent FISAPS. Contact the eCB Call Center at (877) 801-7168 for assistance in making this determination.

FSEOG

- If the recalculation of the school's funding results in an unprocessed deobligation (negative balance) because the school has drawn down its full authorization, return those funds via G5 in accordance with the automated notification from eCB. If the school has not drawn down its full authorization, the authorization will be reduced.

EOSC must submit proof of the FISAP corrections and payment via G5 for any unprocessed deobligation (if applicable) to Ms. MaEsther Francis **within 45 days of the date of this letter**.

F. Appendices

Appendix A – Student Sample
Appendix B – Program Review Report
Appendix C – Institution's Response
Appendix D – Cost of Funds Worksheets
Appendix E – Estimated Actual Loss Worksheets
Appendix F – FEDWIRE Form

July 14, 2014

Dr. Stephen Smith
President
Eastern Oklahoma State College
1301 West Main
Wilburton, OK 74578-4999

Certified Mail
Return Receipt Requested
No. 7012 3460 0003 2479 4343

RE: Program Review Report
OPE ID: 00315500
PRCN: 201420628561

Dear Dr. Smith:

From March 24, 2014, through March 28, 2014, Ms. MaEsther Francis and Ms. Crystal Brennan conducted a review of Eastern Oklahoma State College's (EOSC) 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 each finding, indicating the corrective actions taken by EOSC. The response should include a brief, written narrative for each finding that clearly states EOSC's position regarding the finding and the corrective action taken to resolve the finding. Separate from the written narrative, EOSC must provide supporting documentation as required in each 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 report[1] 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). Any supporting documentation submitted with the institution's written

[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).

response will not be attached to the FPRD. However, it will be retained and available for inspection by EOSC 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 Ms. MaEsther Francis 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 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. The appendix was encrypted and sent separately to the institution via e-mail. 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 Ms. MaEsther Francis at (214) 661-9456 or maesther.francis@ed.gov.

Sincerely,

[redacted]

Jesus Moya
Compliance Manager

cc: Mimi Kelly, Financial Aid Administrator

Enclosure:
Protection of Personally Identifiable Information

Protection of Personally Identifiable Information

Personally Identifiable Information (PII) being submitted to the Department must be protected. 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).

PII being 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 upon delivery
- double packaged in packaging that is approved by the shipping agent (FedEx, DHL, UPS, USPS)
- labeled with both the "To" and "From" addresses on both the 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.

Prepared for

Eastern Oklahoma State College

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

PROUD SPONSOR of the AMERICAN MIND™

OPE ID 00315500
PRCN 201420628561

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

Program Review Report

July 14, 2014

1999 Bryan Street, Suite 1410, Dallas, TX 75201
StudentAid.gov

Table of Contents

A. Institutional Information

Eastern Oklahoma State College
1301 West Main
Wilburton, OK 74578

Type: Public

Highest Level of Offering: Associate Degree

Accrediting Agency: Southern Association of Colleges and Schools Commission on Colleges

Current Student Enrollment: 1763 (Fall 2013)

% of Students Receiving Title IV: 75% (2012-2013)

Title IV Participation: School Participation Team School Funding Report

	2012-2013
Federal Pell Grant Program	$4,886,467
William D. Ford Federal Direct Loan Program (FDLP or Direct Loan)	$4,486,354
Federal Supplemental Educational Opportunity Grant Program (FSEOG)	$ 34,000
Federal College Work-Study Program (FWS)	$ 97,059

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Eastern Oklahoma State College (EOSC) from March 24 – 28, 2014. The review was conducted by Ms. MaEsther Francis and Ms. Crystal Brennan.

The focus of the review was to determine EOSC's compliance with the statutes and federal regulations as they pertain to the institution's administration of the Title IV programs. The review consisted of, but was not limited to, an examination of RC'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 2012-2013 and 2013-2014 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 partial social security numbers of 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 EOSC'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 EOSC 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 EOSC to bring operations of the financial aid programs into compliance with the statutes and regulations.

Finding 1. Lack of Administrative Capability

Citation: To continue participation in any Title IV, HEA program, an institution must demonstrate that it is capable of adequately administering that program under standards established by the Secretary. *34 C.F.R. § 668.16*

The Secretary considers an institution to have administrative capability if the institution performs the following:

- Administers the Title IV, HEA programs in accordance with all statutory provisions of or applicable to the Title IV, HEA programs, all applicable regulatory provisions prescribed under that statutory authority, and all applicable special arrangements, agreements, and limitations entered into under the authority of statutes applicable to Title IV of the HEA;
- Designates a capable individual to be responsible for administrating all the Title IV, HEA programs in which it participates and for coordinating those programs with the institution's other Federal and non-Federal programs of student financial assistance;
- Uses an adequate number of qualified persons to administer the Title IV, HEA programs in which the institution participates;
- Communicates to the individual designated to be responsible for administering the Title IV, HEA programs, all the information received by any institutional office that bears on a student's eligibility for Title IV, HEA program assistance;
- Has written procedures for or written information indicating the responsibilities of the various offices with respect to the approval, disbursement, and delivery of Title IV, HEA program assistance and the preparation and submission of reports to the Secretary;
- Administers the Title IV, HEA programs with adequate checks and balances in the system of internal controls; and
- Divides the functions of authorizing payments and disbursing or delivering funds so that no office has responsibility for both functions with respect to any particular student aided under the program.

Noncompliance: The serious number of findings in this report indicates that EOSC has a lack of internal controls and impaired administrative capability in its administration of the Title IV, HEA programs. A review of the documents and student files provided during the program review along with interviews with school officials supports a lack of administrative capability.

Required Action: Each finding is addressed separately in this report, including the required actions that EOSC must take to satisfactorily resolve the finding.

Finding 2. Crime Awareness Requirements Not Met – Failure to Publish and Distribute A Comprehensive Annual Security Report

Citation: The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (*Clery Act*) and the Department's regulations require that all institutions that receive Title IV, HEA funds must, by October 1 of each year, publish and distribute to its current students and employees, a comprehensive Annual Security Report (ASR) that contains, at a minimum, all of the statistical and policy elements enumerated in *34 C.F.R. § 668.46(b).* The ASR must be published and actively distributed as a single document. Acceptable means of delivery include U.S. Mail, hand delivery, or campus mail distribution to the individual or posting on the institution's website. If an institution chooses to distribute its report by posting to an internet or intranet site, the institution must, by October 1 of each year, distribute a notice to all students and employees that includes a statement of the report's availability and its exact electronic address, a description of its contents, as well as an advisement that a paper copy will be provided upon request. *34 C.F.R. § 668.41(e)(1).* These regulations also require institutions to provide a notice containing this information to all prospective students and employees. This notice must also advise interested parties of their right to request a paper copy of the ASR and to have it furnished upon request. *34 C.F.R. § 668.41(e)(4)*

An institution's ASR must include statistics for incidents of crimes reported during the three most recent calendar years. The covered categories include criminal homicide (murder and non-negligent manslaughter), forcible and non-forcible sex offenses, robbery, aggravated assaults, burglary, motor vehicle theft, and arson. Statistics for certain hates crimes as well as arrest and disciplinary referral statistics for violations of certain laws pertaining to illegal drugs; illegal usage of controlled substances, liquor, and weapons also must be disclosed in the ASR. These crime statistics must be published for the following geographical categories: 1) on campus; 2) on-campus student residential facilities (as a subset of category # 1); 3) certain non-campus buildings and property; and, 4) certain adjacent and accessible public property. *34 C.F.R. § 668.46(c)(1).* When applicable, an institution must also compile, and publish separate crime statistic disclosures for each of its campuses. *34 C.F.R. § 668.46(d).*

Also, institutions with a police or campus security department must maintain a written, easily understood daily crime log listing all crimes that occurred in the above geographical areas as well as those that occur within the campus police or security department's patrol area that it either becomes aware of or are reported to it. This reporting requirement applies to all crimes, not merely those crimes listed in *34 C.F.R. § 668.46(c)(1) and (3).* The log must include the nature, date, time, general location, and disposition of each offense. The crime log must be kept up to date and be freely accessible to any requestor. *34 C.F.R. § 668.46(f).*

The ASR also must include several policy statements. These disclosures are intended to inform the campus community about the institution's security policies, procedures, and the availability of programs and resources as well as channels for victims of crime to seek recourse. In general, these policies include topics such as the law enforcement authority and practices of campus police and security forces, incident reporting procedures for students and employees, and policies

that govern the preparation of the ASR itself. Institutions are also required to disclose alcohol and drug policies and educational programs. Policies pertaining to sexual assault education, prevention, and adjudication must also be disclosed. An institution that provides on-campus housing must include a statement of policy regarding missing student notification procedures. Institutions also must provide detailed policies of the issuance of timely warnings, emergency notifications, and evacuation procedures. All required information referenced in *34 C.F.R. § 668.46(b)* must be published in the ASR. With the exception of certain drug and alcohol program information, cross-referencing to other publications is not sufficient to meet the publication and distribution requirements of the Act. *34 C.F.R. § 668.46(b).*
Finally, each institution must also submit campus crime statistics to the Secretary for inclusion in the Department's "Campus Safety and Security Data Analysis Cutting Tool." *34 C.F.R. § 668.41(e)(5).*

Noncompliance: EOSC violated multiple provisions of the *Clery Act.* The most serious of these violations pertain to the institution's persistent failure to prepare and publish a materially complete ASR and the resultant failure, to actively distribute such a report to all enrolled students and current employees. Specifically, EOSC's ASR did not include the following required statistical disclosures and policy statements:

- Report by category of prejudice, (actual or perceived race, gender, religion, sexual orientation, ethnicity or disability)
- Timely Warning provisions - A list of the titles of each person or organization to whom students and employees should report the criminal offenses for the purpose of making timely warning reports and the annual statistical disclosure. This statement must also disclose whether the institution has any policies or procedures that allow victims or witnesses to report crimes on a voluntary, confidential basis for inclusion in the annual disclosure of crime statistics, and, if so, a description of those policies and procedures.
- Emergency Notification - A statement that the institution will, without delay, and taking into account the safety of the community, determine the content of the notification and initiate the notification system, unless issuing a notification will, in the professional judgment of responsible authorities, compromise efforts to assist a victim or to contain, respond to, or otherwise mitigate the emergency.
- A description of programs designed to inform students and employees about the prevention of crimes.
- A statement of policy concerning the monitoring and recording through local police agencies of criminal activity in which students engaged at off-campus locations of student organizations officially recognized by the institution, including student organizations with off-campus housing facilities.
- A description of any drug or alcohol-abuse education programs, as required under section 120(a) through (d) of the HEA. For the purpose of meeting this requirement, an institution may cross-reference the materials the institution uses to comply with section 120(a) through (d) of the HEA.

- Notification to students that the institution will change a *victim's* academic and living situations after an alleged sex offense and of the options for those changes, if those changes are requested by the victim and are reasonably available.
- Sexual Assault - Information on a student's option to notify appropriate law enforcement authorities, including on-campus and local police, and a statement that institutional personnel will assist the student in notifying these authorities, if the student requests the assistance of these personnel.
- A statement advising the campus community where law enforcement agency information provided by a State under section 170101(j) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14071(j)), concerning registered sex offenders may be obtained, such as the law enforcement office of the institution, a local law enforcement agency with jurisdiction for the campus, or a computer network address.
- A description of educational programs to promote the awareness of rape, acquaintance rape, and other forcible and non-forcible sex offenses
- Sanctions the institution may impose following a final determination of an institutional disciplinary proceeding regarding rape, acquaintance rape, or other forcible or non-forcible sex offenses.
- Missing Student Policy - Advise students that their contact information will be registered confidentially, that this information will be accessible only to authorized campus officials, and that it may not be disclosed, except to law enforcement personnel in furtherance of a missing person investigation.
- Procedures, if any, that encourage pastoral counselors and professional counselors, if and when they deem it appropriate, to inform the persons they are counseling of any procedures to report crimes on a voluntary, confidential basis for inclusion in the annual disclosure of crime statistics.
- Notification that ASR and Annual Fire Safety Report (AFSR) are combined within a single document.

During the site visit, the review team requested hardcopies of EOSC's ASR. The team also inquired as to the ASRs availability on EOSC's website. In response, EOSC directed the review team to a webpage titled "Campus Security Report" (referred to in this report as the ASR). Documentation of notice of the ASR's availability, exact electronic address, a description of the content, and provision to provide a paper copy was requested but not provided. Although some campus safety information was located on the institution's website, it appears that EOSC failed to publish an actual ASR as a comprehensive document. Failure to publish accurate and complete ASRs and actively distribute these reports in accordance with federal regulations indicates a lack of administrative capability and deprives the campus community of important security information that can empower its members to be informed and play an active role in their own safety and security.

Required Action: As a result of this violation, EOSC must develop and implement substantive policies and procedures to ensure that its ASRs are prepared, published, and distributed in accordance with the *Clery Act* and the Department's regulations. Using its new policies as a guide, the institution must review its 2013 ASR to determine if it was accurate and materially-complete, meaning that the report contained all of the statistical, policy, procedure and programmatic disclosures required by *34 C.F.R. § 668.46(b)*. If EOSC determines that the 2013 report was in fact materially complete and that it was actively distributed as required, then the school must submit a copy of that report along with evidence that clearly shows that the active distribution and active notification requirements were met. If the institution identifies any deficiencies during this review, EOSC must advise the Department of those deficiencies in its response to this program review report. In addition, EOSC must prepare a modified 2013 ASR (in draft form) that addresses those deficiencies and include a copy with the response. In any case, a copy of EOSC's new and revised policies and procedures must accompany the school's response to this program review report.

Once the modified draft ASR is evaluated by the review team for accuracy and completeness, EOSC will be required to actively distribute it to all enrolled students and current employees in accordance with *34 C.F.R. § 668.41(e)*. Once the new ASR is distributed, EOSC also will be required to provide documentation to the Department evidencing the distribution along with a certification statement attesting to the fact that the materials were distributed in accordance with the *Clery Act*. This certification must also affirm that EOSC understands its *Clery Act* obligations and that it has taken all necessary corrective actions to ensure that these violations do not recur

As noted above, the exceptions identified in this finding constitute serious violations of the *Clery Act* that by their nature cannot be cured. EOSC will be given an opportunity to develop and distribute an accurate and complete ASR, and in doing so, EOSC may finally begin to bring its overall campus security program into compliance with the Clery Act as required by its Program Participation Agreement (PPA). However, EOSC is advised that these remedial measures cannot and do not diminish the seriousness of these violations nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or require additional corrective measures.

EOSC officials may wish to review the Department's "Handbook for Campus Safety and Security Reporting" (2011) during the preparation of its response. The handbook is available online at: http://www2.ed.gov/admins/lead/safety/handbook.pdf. The regulations governing the *Clery Act* can be found at *34 C.F.R. §§ 668.14, 668.41, 668.46, and 668.49.*

Based on an evaluation of all available information including EOSC's response, the Department will determine if additional actions will be required and will advise the institution accordingly in its FPRD.

Finding 3. Fire Awareness Requirements Not Met – Failure to Publish and Distribute a Compressive Annual Fire Safety Report

Citation: As of October 1, 2010, the *Clery Act* and the Department's regulations require that all institutions that receive Title IV, HEA funds and maintain an on-campus student housing facility must, by October 1 of each year, prepare, publish and distribute to its current students and employees through appropriate publications and mailings, an AFSR that contains, at a minimum, all of the statistical and policy elements described in *34 C.F.R. § 668.49(b)*. These institutions must disclose fire statistics for each on-campus student residential facility for the three most-recent calendar years. An institution's statistics must accurately and completely identify the number of on-campus fires and the cause of each fire, the number of persons who sustained fire-related injuries that resulted in treatment at a medical facility (including on-campus health centers), the number of fire-related deaths, and the dollar value of property damage caused by such fires. *34 C.F.R. § 668.49(c).*

In addition, the AFSR must include several fire safety information disclosures covering topics such as the type(s) of fire safety systems that are used in each student housing facility, the number of fire drills that were conducted during the previous calendar year, any institutional policies, procedures, and programs regarding: 1) the use and/or possession of portable electrical appliances; 2) smoking and the use/presence of open flames in student housing facilities; 3) evacuation procedures to be followed in the case of a fire; 4) fire safety education and training programs; 5) the institutional official(s) and departments to whom students and employees should report the occurrence of fires so that those incidents can be included in the institution's annual fire statistics; and, 6) any plans for future improvements to the institution's fire safety program. *34 C.F.R. § 668.49(b).*

The AFSR must be published and distributed as a materially complete, comprehensive publication. If an institution choses to combine the ASR and AFSR and publish them as a single document, then the title of both reports must conspicuously appear on the cover page (e.g., Annual Security and Fire Safety Report). Acceptable means of delivery include U.S. Mail, hand delivery, or campus mail distribution to the individual or posting on the institution's website. If an institution chooses to distribute its report by posting to an internet or intranet site, the institution must, by October 1 of each year, distribute a notice to all current students and employees that includes a direct link to each report (exact electronic address), a description of its contents, as well as an advisement that a paper copy will be provided upon request. The Department's regulations also require participating institutions to provide a notice to all prospective students and employees that includes a statement about the AFSR's availability, the content of each report, and the exact electronic address of each report, if posted to an internet or intranet site. This notice must also advise interested parties how to obtain a paper copy of the AFSR. Finally, an institution is required to submit its campus crime and fire statistics to the Secretary on an annual basis.

Noncompliance: EOSC failed to report and publish an accurate fire statistics in its "Campus Security Report." (referred to in this report as the ASR). Specifically, the institution failed to publish an AFSR containing categories and mandated data for the three most recent calendar years and actively distribute it to current students and employees.

During the site visit, the review team requested a hardcopy version of EOSC's AFSR. The team also inquired if the AFSR was available on EOSC's website. EOSC's officials informed the review team the AFSR was included in the ASR. Department officials determined that EOSC failed to inform students and employees that AFSR and ASR were contained within a single document, in accordance with *the Clery Act.* Furthermore, the Department's review indicates that this particular compliance failure has persisted since the fire safety requirements were added to the *Clery Act* in 2010. Specifically, the AFSR did not contain three years of fire statistics for each on-campus student residential facility, nor the following mandated safety information disclosures:

- Number of fire drills that were conducted during the previous calendar year.
- The AFSR did not include institutional policies and programs regarding the use and/or possession of portable electrical appliances;
- Fire safety education and training programs; and
- Plans for future improvements to the institution's fire safety program.

As a result of this systemic failure, the Department finds that EOSC has failed to ever meet the AFSR active distribution and notification requirements. Failure to publish an accurate and complete AFSR and to actively distribute it to students and employees deprives interested persons of important fire safety information to which they are entitled. Access to this information permits campus community members, especially those who live in campus housing, to make well-informed decisions about where to work and study and empowers them to play a more active role in their own safety and security.

Required Action: As a result of this violation, EOSC must develop and implement policies and procedures that will govern the preparation, publication, and distribution of the AFSR and ensure that all facets of the process are carried out in a manner that meets Federal regulations. The procedures must also specifically articulate how prospective students and employees will be notified of the report's availability.

Using the policies as a guide, EOSC must prepare and publish an accurate and complete AFSR that includes all of the statistical disclosures and policy, procedure and programmatic information required under *34 C.F.R. § 668.49(b).* A copy of EOSC's new and revised policies and procedures and its draft 2013 AFSR must accompany its response to this program review report. Once the AFSR is evaluated by the review team for accuracy and completeness, the institution will be required to actively distribute it to all current students and employees in accordance with *34 C.F.R. § 668.41(e).* In this case, EOSC will be permitted to incorporate the required changes into its next regularly scheduled AFSR, which must be actively distributed no later than October 1, 2014.

Finally, EOSC will be required to provide documentation to the Department evidencing the distribution as well as a certification statement attesting to the fact that the materials were distributed in accordance with the *Clery Act*. This certification must also affirm that the institution understands all of its *Clery Act* obligations and that it has taken all necessary corrective actions to ensure that these violations do not recur.

As noted above, the exceptions identified in this finding constitute serious violations of the *Clery Act's* fire safety requirements that by their nature cannot be cured. EOSC will be given an opportunity to publish and distribute an accurate and complete AFSR and in so doing, begin to bring its overall fire safety program into compliance with the *Clery Act* as required by its Program Participation Agreement (PPA). Nevertheless, EOSC is advised that these remedial measures cannot and do not diminish the seriousness of these violations nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or require additional corrective measures.

Based on an evaluation of all available information including EOSC's response, the Department will determine if additional actions will be required and will advise the institution accordingly in its FPRD.

Finding 4. Ineligible Additional Location

Citation: Eligibility does not extend to any location that an institution establishes after it receives it eligibility designation if the institution provides at least 50 percent of an educational program at that location. *34 C.F.R. § 600.10(b)(3)*

An eligible institution must report to the Secretary in a manner prescribed by the Secretary no later than 10 days after the change occurs if it establishes an accredited and licensed additional location at which will be offered 50 percent or more of an educational program if the institution wants to disburse Title IV, HEA program funds to students enrolled at that location. *34 C.F.R. §§ 600.21(a) and 600.21(a)(3)*

The institution may not disburse Title IV, HEA funds to students at that location before it reports to the Secretary about that location. For institutions not subject to 34 C.F.R. § 600.20(c)(1), once an institution reports to the Secretary about that location, the institution may disburse those funds to those students if that location is licensed and accredited. An institution's failure to inform the Secretary of change within the stated time period may result in adverse action against the institution. *34 C.F.R. §§ 600.21(d) and (e)*

Noncompliance: EOSC offers the first year of two year degree programs, including developmental classes, at an additional location in Antlers, Oklahoma and awarded Title IV, HEA funds to enrolled students. The course offerings at this location constitute 50 percent or more of an educational program. EOSC did not obtain accrediting agency approval for this location and did not report the additional location to the Department through submission of an electronic application. Therefore, the Antlers, Oklahoma additional location is ineligible.

Required Action: EOSC must immediately cease awarding Title IV funds to students enrolled at the Antlers, Oklahoma location. The review team notified EOSC officials of this issue during the Exit Conference of the Program Review. Further, EOSC must comply with required regulations, including waiting for approval from the Department for institutions under the cash monitoring payment method before disbursing Title IV, HEA funds at the Antler, Oklahoma additional location. *34 C.F.R § 600.20(c)(1)(ii).*

EOSC must report to the Department the date it began offering at least 50 percent of any educational program at the Antlers, Oklahoma location. In addition, EOSC must report to the Department the amount of Title IV, HEA funds disbursed to students enrolled at the location since it began offering at least 50 percent of any educational program. EOSC must electronically submit a separate excel spreadsheet (encrypted and password protected) for each award year in the following format:

1. Student's Name (Last/First)
2. Social Security Number
3. Amount of Title IV funds disbursed, by Title IV program (i.e., Pell, FSEOG, FWS, subsidized Direct Loans, unsubsidized Direct Loans, Direct Loan PLUS)

After reviewing the information EOSC provides to the Department in response to the program review report, instructions for repayment of any identified liabilities will be provided in the Final Program Review Determination Letter.

Finding 5. Consortium Agreement Unavailable

Citation: If an eligible institution enters into a written arrangement with another eligible institution, or with a consortium of eligible institutions, under which the other eligible institution or consortium provides part of the educational program to students enrolled in the first institution, the Secretary considers that education program to be an eligible program if the educational program offered by the institution that grants the degree or certificate otherwise satisfies the requirements of § 668.8. *34 C.F.R. § 668.5*

In addition, the institution must make readily available a description of written arrangements the institution has entered into in accordance with § 668.5, including, but not limited to, information on: the portion of the educational program that the institution that grants the degree or certificate is not providing; the name and location of the other institutions or organizations that are providing the portion of the educational program that the institution that grants the degree or certificate is not providing; the method of delivery of the portion of the educational program that the institution that grants the degree or certificate is not providing; and estimated additional costs students may incur as the result of enrolling in an educational program that is provided, in part, under the written arrangement. *34 C.F.R. § 668.43(a)(12)*

Noncompliance: The institution failed to provide a copy of a Consortium agreement/written arrangement policy for students who enrolled at host institutions. EOSC failed to determine actual costs of attendance for tuition, fees, books, transportation, and any other additional expenses that were incurred at the host institution.

Students #16 and 29 were awarded and disbursed Title IV, HEA program funds based upon enrollment at EOSC and a host institution. However, EOSC failed to determine eligibility and monitor enrollment for students enrolled at the host institution.

Required Action: Because EOSC did not have a written policy of arrangements or Consortium agreement with host institutions and failed to monitor student eligibility, EOSC must conduct a review of every student who was disbursed Title IV, HEA program funds by EOSC for attending host institutions. EOSC must determine the amount of Title IV, HEA program funds awarded for students at host institutions who enrolled, dropped, or withdrew. Beginning with the initial disbursement of Title IV, HEA funds for students enrolled at a host institution, EOSC must electronically submit an Excel spreadsheet (encrypted and password protected) for each award year with the results of the file review in the following format:

1. Student's Name (Last/First)
2. Social Security Number
3. Name of Host Institution (Start date/Last Day of attendance)
4. Semester Hours Enrolled at EOSC
5. Amount of Title IV funds disbursed to the student, by Title IV program
6. Semester Hours Enrolled at Host Institution
7. Amount of Title IV funds disbursed to the student, by Title IV program
8. Amount of any Title IV funds returned due to student drop/withdrawal

EOSC must also submit a policy that includes the Consortium agreement and written arrangements for enrolled and prospective students who will attend host institutions to ensure that enrolled and prospective students are aware of and meet the requirements for Title IV, HEA program funds.

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

Finding 6. Admission Policy Not Followed

Citation: A student is eligible to receive Title IV, HEA program funds if the student is considered a regular student and meets the admission requirements of the institution. *34 C.F.R. § 668.32*

Noncompliance: According to EOSC's Admission Policy, each applicant is required to provide an official high school transcript; official college transcript; proof of General Equivalency Diploma (GED) certificate; or satisfy the high school curricular requirements set forth by the

Oklahoma State Regents, if home schooled or the high school is not accredited by a recognized accrediting agency. EOSC failed to adhere to its Admission Policy by accepting the following students for admission without documentation of a high school transcript; college transcript; or GED and disbursing Title IV, HEA program funds: #1, 2, 3, 4, 6, 7, 9, 12, 16, 18, 19, 20, 23, 25, 26, 27, 29 and 30.

Required Action: EOSC must provide documentation that students #1, 2, 3, 4, 6, 7, 9, 12, 16, 18, 19, 20, 23, 25, 26, 27, 29 and 30 submitted an official high school transcript, official college transcript or GED. In addition, EOSC must either revise its admission policy to reflect its actual practice or it must provide written assurance that it will follow its current admissions policy and collect the high school diplomas, college transcripts, GED certificates or other documents necessary to demonstrate high school curricular requirements were met.

If EOSC cannot provide documentation to demonstrate that the admission requirement was met for the students in the review sample, the Title IV, HEA funds disbursed to those students may be a liability. After reviewing the information EOSC provides to the Department in response to the program review report, instructions for repayment of any identified liabilities will be provided in the Final Program Review Determination Letter.

Finding 7. Return of Title IV Funds Not Made

Citation Summary: Federal regulations require that an institution determine the amount of Title IV, HEA assistance a student earned as of his or her withdrawal date from the institution. If the amount of Title IV, HEA assistance the student earned is less than the amount disbursed to that student, the difference between these amounts must be returned to the Title IV, HEA programs. The treatment of Title IV, HEA funds may be determined on either a payment period or period of enrollment basis. *34 C.F.R. § 668.22(a)*

An institution is required to return funds to the applicable Title IV, HEA program when a recipient withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance. Beginning July 1, 2006, a return must be paid to the applicable Title IV, HEA program within 45 days after the date of determination that the student withdrew. *34 C.F.R § 668.22(g)*

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. The institution must determine how much aid a recipient earned by determining the percentage of the payment period the student was scheduled to complete and then multiplying that percentage by the amount of Title IV, HEA funds the student received or could have received.

If the total amount of Title IV grant or loan assistance, or both, that the student earned is greater than the total amount of Title IV grant or loan assistance, or both, that was disbursed to the student or on behalf of the student in the case of a PLUS loan, as of the date of the institution's determination that the student withdrew, the difference between these amounts must be treated as a post-withdrawal disbursement.

If outstanding charges exist on the student's account, the institution may credit the student's account up to the amount of outstanding charges with all or a portion of any grant funds that make up the post-withdrawal disbursement, and loan funds only after obtaining confirmation from the student or parent in the case of a parent PLUS loan, that they still wish to have the loan funds disbursed. If the student, or parent in the case of a parent PLUS loan, submits a timely response that confirms that they wish to receive all or a portion of a direct disbursement of the post-withdrawal disbursement of loan funds, or confirms that a post-withdrawal disbursement of loan funds may be credited to the student's account, the institution must disburse the funds no later than 180 days after the date of the institution's determination that the student withdrew. *34 C.F.R. § 668.22(a)*

Noncompliance: EOSC did not perform Return of Title IV (R2T4) calculations for any withdrawn student. Consequently, EOSC did not determine how much Title IV, HEA funds withdrawn students earned and did not return unearned funds to the Title IV, HEA programs, as required. The review sample included the following students who withdrew from EOSC:

Student #6: A Return of Title IV Funds calculation was not completed for this student; he unofficially withdrew from two classes and received an F in one class. Since the student did not earn a passing grade, EOSC was required to determine whether the student was an unofficial withdrawal or if the F was earned. If the F was not earned, EOSC was required to determine the last date the student participated in any classroom activity.

Student #9: A Return of Title IV Funds calculation was not completed for this student. The student submitted an official withdrawal form with a last date of attendance (LDA) of 11/01/2012. EOSC failed to perform an R2T4 calculation or indicate that it had determined the student had attended past the 60% point of the payment period.

Required Action: EOSC must perform a 100% file review of all students who enrolled in the 2012-2013 and 2013-2014 award years and who withdrew officially, unofficially or otherwise ceased attendance before completing their program of study. EOSC must electronically submit an Excel spreadsheet (encrypted and password protected) with the results of the file review in the following format for each withdrawn student identified:

1. Student's Name (Last/First)
2. Social Security Number
3. Amount of the late ort unmade return, by Title IV program
4. Withdrawal Date
5. Institution's Determination Date
6. Calculation results, by amount and Title IV program
7. Date the return was due
8. Date the return was made.

EOSC must provide copies of the R2T4 calculations performed, and include academic transcripts for each student. Additionally, EOSC must provide written assurance that it will review and, if necessary, revise its internal procedures to ensure that future R2T4 calculations are performed on a timely basis and that returns and post withdrawal disbursements are made timely. Instructions for repayment of returns not previously paid will be provided in the Final Program Review Determination Letter.

Finding 8. Exit Counseling Deficiencies

Citation Summary: An institution must ensure that exit counseling is conducted with each loan borrower before the student borrower ceases at least half-time enrollment at the institution either in person, by audiovisual presentation, or by interactive electronic means. If a student borrower withdraws without the institution's prior knowledge or fails to complete an exit counseling session as required, the institution must ensure that exit counseling is provided through either electronic means or by mailing written counseling materials to the student borrower's last known address within 30 days of learning that the student failed to complete the required exit counseling. Exit counseling must provide comprehensive information on the terms and conditions of the loan and the responsibilities of the borrower with respect to the loan before and after the loan goes into repayment. *34 C.F.R. § 685.304(b)*

Noncompliance: EOSC failed to complete exit counseling for any student in the program review sample who withdrew, graduated or ceased attendance during the 2012-2013 and 2013-2014 award years. EOSC failed to complete exit counseling for students #1, 6, 9, 10, 11, 13, 17, 21, 22, 25, and 28.

Required Action: EOSC must perform a 100% file reviews for all student who received Direct Loan funds and graduated, withdrew, or ceased attendance during the 2012-2013 and 2013-2014 award years in order to identify those students for whom exit counseling was not performed. For those students identified as not having received exit counseling, EOSC must mail exit counseling information to them. EOSC must electronically submit an Excel spreadsheet (encrypted and password protected) with the results of the file review in the following format for each student identified.

1. Student's Name (Last/First)
2. Social Security Number
3. Last Date of Attendance
4. Date Exit Counseling was Mailed

Also, EOSC must submit documentation that exit loan counseling has been mailed to each student identified. In addition, EOSC must provide written assurance that it follows its own policies and procedures to ensure exit counseling is completed for all student loan borrowers.

Finding 9. Default Management Plan Not Fully Implemented

Citation Summary: Institutions with a cohort default rate equal to or greater than 30 percent must establish a default prevention task force that prepares a plan to: identify the factors causing the cohort default rate to exceed the threshold; establish measurable objective and the steps the institution will take to improve the cohort default rate; and specify the actions taken to improve student loan repayment, including counseling students on repayment options. *34 C.F.R § 668.217*

Noncompliance: EOSC was required to implement a Default Management Plan due to a cohort default rate of 30 percent for fiscal year 2009 (for fiscal year 2010, the cohort default rate is 31.8 percent). The Default Prevention and Management Plan (dated 11/27/2012 and revised 12/13/2013) contains several components that the institution could not document implementing. These components include but are not limited to: exit counseling; delinquency assistance; and withdrawals.

Required Action: EOSC must review its Default Prevention and Management Plan and document the actions and activities it has completed as part of its default prevention efforts. Documentation of these efforts must be maintained with the plan. EOSC must submit, as part of its response to this report, the steps that it has taken or will take to implement its Default Prevention and Management Plan.

Finding 10. Inaccurate Record Keeping

Citation Summary: An institution shall establish and maintain on a current basis records that document its administration of the Title IV programs in accordance with all applicable requirements, including its disbursement and delivery of Tile IV funds. In addition, an institution must account for the receipt and expenditures of Title IV funds and shall establish and maintain on a current basis financial records that reflect each transaction including, but not limited to, documentation related to the date and amount of each disbursement or delivery of funds. *34 C.F.R. §§ 668.16 and 668.24*

Noncompliance: EOSC failed to properly record Title IV transactions in student ledger accounts.

Student #20 has the spring Federal Pell Grant disbursement in the amount of $2,698.00 processed correctly for the 2013-2014 award year in the Common Origination and Disbursement (COD) system on 2/20/14, but this disbursement was never posted to the student's ledger, as of 3/25/14. Had this transaction been posted to the student's ledger, it would have resulted in a credit balance owed to the student.

Student #24 has incorrect Unsubsidized and Subsidized Direct Loans of $2969 and $2227, respectively, credited to the student's ledger on 2/11/14. However, for 2/11/14, COD has disbursements for Unsubsidized and Subsidized Direct loans of $1033 and $698, respectively, due to the student reaching lifetime loan limits.

Required Action: EOSC must post the Federal Pell Grant disbursement of $2,698 to the student ledger for Student #20 and issue any remaining credit balance. The incorrect Unsubsidized and Subsidized Direct Loan amounts on Student #20's ledger must be corrected by the institution. EOSC must provide copies of revised student ledgers for each student detailing the adjustments made.

In addition, EOSC must submit a policy detailing how it will accurately record the disbursement of Title IV, HEA program funds to students.

Finding 11. Unpaid Credit Balances

Citation: Whenever an institution disburses Title IV, HEA program funds by crediting a student's account and the total amount of all Title IV, HEA program funds credited exceeds the amount of tuition and fees, room and board, and other authorized charges the institution assessed the student, the institution must pay the resulting credit balance directly to the student or parent as soon as possible but (1) no later than 14 days after the balance occurred if the credit balance occurred after the first day of class of a payment period; or (2) no later than 14 days after the first day of class of a payment period if the credit balance occurred on or before the first day of class of that payment period. *34 C.F.R. § 668.164(e)*

Noncompliance: EOSC failed to pay a credit balances within the required timeframe for one student because a Federal Pell Grant disbursement was not posted to the student's account timely. EOSC received the Federal Pell Grant disbursement in the amount of $2,698.00 for student #20 on 2/20/14 but this disbursement was not posted to the student's ledger as of 3/25/14. Had this disbursement been timely posted to the student's ledger, it would have resulted in a credit balance due to the student.

Required Action: EOSC must submit the corrected ledger for Student #20 and must submit documentation that any resulting credit balance was paid.

Finding 12. FSEOG Funds Not Made Reasonably Available/Selection Policy Inadequate

Citation: In selecting among eligible students for Federal Supplemental Educational Opportunity Grant (FSEOG), an institution must select those students with the lowest expected family contribution (EFC) who will also receive Federal Pell Grants in that year. If an institution's allocation of FSEOG funds is directly or indirectly based in part on the financial need demonstrated by students attending the institution as less-than-full-time or independent students, a reasonable portion of the allocation must be offered to those students. *34 C.F.R. §§ 676.10(a) and (b)*

An institution shall pay in each payment period a portion of an FSEOG awarded for a full academic year. The amount paid each payment period shall be determined by the following fraction: FSEOG/N where FSEOG = the total FSEOG awarded for an academic year and N = the number of payment periods that the institution expects the student will attend in that year. *34 C.F.R. §§ 676.16(a)(1) and (2)*

Noncompliance: The institution failed to pay a portion of an FSEOG award in each payment period during a full academic year and awarded FSEOG funds during summer only. Furthermore, the institution has an FSEOG policy that does not allow FSEOG funds to be reasonably available to the neediest students. Instead, the institution's policy only allows for FSEOG funds to be awarded to students with a zero EFC. While Federal Pell Grant recipients must receive first consideration for FSEOG funds, recipients with low EFCs and non-Federal Pell Grant recipients must not be excluded from consideration as a matter of policy.

Required Action: EOSC must develop and submit to this office an FSEOG awarding policy which ensures that FSEOG funds are awarded in each payment period for a full academic year and remove "students who must have a zero EFC" from their FSEOG written policy. EOSC must submit a revised copy of the FSEOG policy that will ensure FSEOG funds are reasonably available to students with the lowest EFCs who will also receive Federal Pell Grants in that award year.

Finding 13. Incorrect Cost of Attendance Calculation

Citation: Information that the institution must make readily available to enrolled and prospective students includes, but is not limited to, the cost of attending the institution; tuition and fees charges to full-time and part time students; estimates of costs of 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 tis enrolled or expresses specific interests. *34 C.R.F. § 668.43(a)(1)*

Furthermore, the financial aid administrator has the authority, on the basis of adequate documentation, to make adjustments on a case-by-case basis to the cost of attendance to allow for treatment of an individual eligible applicant with special circumstances. Adequate documentation for such adjustments shall substantiate such special circumstance of individual students. *Section 472 of the HEA*

Noncompliance: EOSC failed to establish and publish the cost of attendance for enrolled and prospective students for summer courses. The institution only allocated 25 percent of the nine month full-time and half-time budgets for the summer courses for Students #1, 3, 5, 9, and 19.

Required Action: EOSC must develop, publish, and assign costs of attendance for enrolled and prospective student who will attend summer terms. EOSC must also submit a copy of the cost of attendance that it develops for future summer terms.

Finding 14. SAP Policy Not Adequately Developed/Monitored

Citation: Institutions are required to have a satisfactory academic progress (SAP) policy for purposes of determining student eligibility for assistance under a Title IV, HEA program. The institution must establish, publish, and apply reasonable standards for his or her educational program. The Secretary considers an institution's standards to be reasonable if the SAP policy is 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. The SAP policy must include the following components:

- A qualitative component which consists of grades, work projects completed, or comparable factors that are measurable against a norm: and
- A quantitative component that consists of a maximum timeframe in which a student must complete his or her educational program;
- Be divided into increments, not to exceed the lesser of one academic year or one-half the published length of the educational program; and
- Provide for a determination at the end of each increment as to whether the student has met the qualitative and quantitative components of the standards.

Institutions that check satisfactory progress at the end of each payment period may place students on either financial aid warning or financial aid probation as a consequence of not making SAP. Financial aid probation indicates a status assigned by an institution to a student who fails to make satisfactory academic progress and who has appealed and has had eligibility for aid reinstated. *34 C.F.R. §§ 668.16(e) and 668.34*

Noncompliance: EOSC failed to follow its own SAP Policy by awarding and disbursing Title IV, HEA funds. Student #24 completed 232 semester hours prior to the 2013-2014 award year and is pursuing a 71 semester hour A.A.S. in Nursing. EOSC's SAP Policy allows for 150% maximum time frame limit for degree completion before financial aid is suspended with procedures for the student to appeal by submitting the Satisfactory Academic Progress Appeal Form requesting continued eligibility. The maximum time frame for completing the degree is 107 semester hours, which Student #24 exceeded. The student did not appeal the suspension after notification about exceeding the maximum time frame limit for completion but was granted a SAP waiver.

Required Action: EOSC must provide adequate documentation that the student appealed the SAP suspension and the institution approved the request. In addition, EOSC must develop and submit in response to this report, policies and procedures, including control mechanisms, to ensure that the institution is adhering to and monitoring its SAP Policy. A determination of the student's eligibility will be given in the FPRD, along with any liability incurred by EOSC.

Finding 15. Verification Violations

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. The Student Assistance General Provisions regulations have incorporated a verification process as a part of the Title IV, HEA financial aid program requirements. Verification is required to determine the accuracy of the information submitted by applicants for need-based financial assistance. The regulations also require an institution to verify discrepancies in information received from different sources regarding a student's financial aid application. *34 C.F.R. §§ 668.51 through 668.61*

Independent students with no dependents other than a spouse do not qualify for an automatic zero EFC. *HEA Sec. 479(c)*

Noncompliance: EOSC did not properly complete the verification process for the following students:

Student #3: The number in the household was three on the ISIR but only one on the verification worksheet. Also, the student's IRS Request Flag was 01 which is "Presented with the option to use the IRS Data Retrieval Tool in FAFSA on the Web and elected to use it, but did not transfer IRS data into the FAFSA." EOSC failed to collect IRS transcripts for verification and did not resolve the household discrepancy.

Student #28: The student reported supporting a dependent child and having no dependents other than children/spouse on the FAFSA. However, the student listed four in the household size and two in college: self, fiancé, and two roommates (1 in college) on the V1 Standard Verification Worksheet. EOSC failed to determine if there was a dependent child and whether the household members were dependents. EOSC disbursed Title IV, HEA program funds but failed to verify the discrepancies on the ISIR; absent a dependent, the student would otherwise not qualify as an independent student.

Required Action: EOSC must resolve any discrepancies and complete the verification for Students #3 and 28.

For Student #3, EOSC must obtain the required IRS transcript and must resolve the household size discrepancy. If necessary, EOSC must perform a recalculation to determine if the student's EFC is impacted and if adjustments are required to the disbursed amounts.

For Student #28, EOSC must resolve the discrepancy regarding the dependent child and household size. If there is no dependent, the dependency status for the student must be corrected.

EOSC must submit the results of the completed verifications in response to this report. If the verification process cannot be completed for either student, please indicate that in the response.

EOSC will be liable for the funds disbursed to any student for whom verification cannot be completed. Instructions for the repayment of any identified liabilities will be provided in the Final Program review Determination letter.

In addition, EOSC must submit written procedures and control mechanisms that describe the process it will use to ensure that all required verification documentation is collected and reviewed and all ISIR corrections are processed prior to the disbursement of Title IV, HEA funds.

Finding 16. Over-Award Financial Need Exceeded

Citation Summary: An institution may not originate a Direct subsidized, unsubsidized or PLUS loan, or a combination of loans for an amount that exceeds the student's estimated cost of attendance less the student's estimated financial assistance for that period, and in the case of a Direct subsidized loan, the borrower's expected family contribution for that period. *34 C.F.R. § 685.301(a)(4)*

Non Compliance: EOSC failed to properly calculate the cost-of-attendance minus the EFC, which resulted in an over-award of Federal Direct Subsidized Loan funds.

Student #13 had a cost of attendance of $16,971 and an EFC of $11,984. This resulted in $4,987 available in need based aid. The student received $5,600 in subsidized loans, exceeding the $4,987 in need. This resulted in an over-award in the amount of $613.

Required Action: EOSC must reduce or reclassify the Federal Direct Subsidized loan amount by $613 and submit documentation of the reduction of the over-award in response to this report.

Finding 17. Failure to Disburse Federal Pell Grant to Eligible Student

Citation: Under the advance payment method the institution must disburse the funds requested as soon as administratively feasible but no later that three business days following the date the institution received those funds. *34 C.F.R. § 668.162 (b)(3)*

Non-Compliance: EOSC failed to disburse Federal Pell Grant funds to Student #20 in the amount of $2,698. EOSC requested and received Federal Pell Grants funds on February 20, 2014, according to COD. However, EOSC did not post Federal Pell Grant funds for disbursement to the student's account ledger.

Required Action: EOSC must credit Federal Pell Grant funds in the amount of $2,698 to the student account ledger for Student #20 and provide documentation that the funds have been disbursed on the student's behalf.

In addition, EOSC must submit written procedures and control mechanisms that describe the process it will use to ensure that all Federal Pell Grant Funds are properly processed and disbursed.

Finding 18. Maximum Annual or Cumulative Direct Loan Award

Citation Summary: The aggregate unpaid principal amount of all Direct or Federal Family Educational Subsidized Loans made to a student may not exceed $23,000 for a student who has not earned an undergraduate degree. The total amount of Direct Unsubsidized or Federal SLS Loans for an independent undergraduate or a dependent, who qualifies for additional eligibility, may not exceed $57,500 minus any Direct Subsidized and Stafford Loans amounts. *34 C.F.R. §§ 685.203(d)(1) and (e)(2)*

Noncompliance: During the review, it was noted that Student #24 had a comment on her ISIR stating that she may have received a total amount of undergraduate student loans that exceeded the loan limits established for the federal student loan programs. EOSC awarded the student $4,043 for a Direct Unsubsidized Loan and $2,955 for a Direct Subsidized Loan in 2013-2014, which equaled the amount of remaining eligibility. The student account ledger is credited for $2,969 on 09/17/13 and $2,969 on 02/11/2014 for Direct Unsubsidized Loans for a total of $5,938. Direct Subsidized Loans were credited to the student account ledger for $2,227 on 9/17/13 and $2,227 on 02/11/14 for a total of $4,454. However, COD lists gross disbursements of $3,000 on 09/17/13 and $1,043 on 02/11/14 in Direct Unsubsidized Loans for a total of $4,002. COD lists gross disbursements of $2,250 on 09/17/13 and $705 on 02/11/14 in Direct Subsidized loans for a total of $2,925, due to the student reaching her aggregate lifetime limits. The National Student Loan Data System (NSLDS) records indicated that Student #24 borrowed $23,000 from the subsidized federal student loan programs and $29,488 in unsubsidized loans, with an additional $5,012 of unallocated consolidated loans for total loans of $57,500, including the 02/11/14 loan disbursements.

Required Action: EOSC must provide documentation that the C Code for Student #24 was resolved and Federal Direct Loan subsidized and unsubsidized disbursements credited to the student's account during 2013-2014 did not exceed the undergraduate subsidized aggregate loan limit. If EOSC is unable to provide such documentation, then it must, with the student's knowledge, adjust the amounts of the loans on the student account ledger so that the student does not exceed the maximum level for aggregate Direct Loans. Documentation of the adjustment, along with the student's acknowledgement of the transaction, must be submitted with the response.

In addition, EOSC must submit written procedures and control mechanisms that describe the process it will use to ensure that all Comment Codes are reviewed and loan amounts exceeding the aggregate lifetime limits are not credited to the student account ledger.

Finding 19. Failure to Implement Quality Assurance System

Citation Summary: An institution that participates in the Federal Direct Loan Program must implement and document a quality assurance system to ensure that the institution is complying with program requirements and meeting program objectives. *34 CFR § 685.300(b)(9)*

The system should document that the school is:

- Reporting loan records, disbursements, and adjustments to disbursements correctly to the Common Origination and disbursement (COD) System
- Disbursing and returning loan funds in accordance with regulatory requirements
- Disbursing the correct loan amount to the correct student
- Completing monthly reconciliation and Program Year Closeout

Noncompliance: EOSC was unable to provide documentation of a quality assurance system.

Requirement: EOSC must develop policies and procedures that describe how the institution will implement a quality assurance system. EOSC must identify which office is responsible for reviewing and updating the process to ensure the institution complies with the Direct Loan quality assurance process. Information regarding the Quality Assurance process can be found at http://ifap.ed.gov/qahome/qaassessments/directloans.html. A copy of the policy must be submitted in response to this report.

Finding 20. Improper Disbursement of Direct Loan Funds

Citation Summary: An institution must disburse title IV, HEA program funds on a payment period basis once each payment period. *34 CFR §§ 668.164(b)(1)*

If a loan is one payment period, the school must make at least two deliveries of loan proceeds during that payment period. *34 C.F.R. § 685.301(b)(3)(ii)*

Noncompliance: For Student #25, EOSC certified a Subsidized Direct Loan of $1,750 and an Unsubsidized Direct Loan of $1,000 for one payment period with the start date of 08/05/2013 and an end date of 12/13/2013. However, EOSC failed to disburse the loan in two payments, disbursing the loan proceeds for both loans on 09/27/2013.

Requirement: Required Action: EOSC must develop and submit, in response to this report, policies and procedures, including control mechanisms, to ensure that loans that are certified for one payment period are disbursed in two payments.

Finding 21. Improper/Undocumented Dependency Over-ride

Citation: A student may be independent if a financial aid administrator has made a documented determination of independence by reason of other unusual circumstances. *Section 480(d)(7) of the Higher Education Act (HEA), as amended*

Noncompliance: The ISIR for Student #27 indicated that EOSC approved a dependency override for the 2013-2014 award year. Student #27 received Title IV, HEA program funds totaling $10,347. The reason for the dependency override is unclear. EOSC failed to provide documentation supporting the unusual circumstances for the dependency override in the student's file.

Required Action: EOSC must submit a policy regarding requirements for the approval of dependency overrides in its response to the program review report. In addition, EOSC must provide documentation to support the unusual circumstances for the dependency override for student #27 in its response to the program review report. If documents cannot be provided, EOSC may be liable for the funds disbursed to the student.

After reviewing the information EOSC provides to the Department in response to the program review report, instructions for repayment of any identified liabilities will be provided in the Final Program Review Determination Letter.

D. Appendix

Appendix A (Student Sample) contains personally identifiable information and will be emailed to EOSC 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 A: Student Sample (provided under separate cover)

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EASTERN OKLAHOMA STATE COLLEGE (00315500)

	CURRENT SSN	LAST NAME	FIRST NAME
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	2012-2013		
1	[redacted]		
2	[redacted]		
3	[redacted]		
4	[redacted]		
5	[redacted]		
6	[redacted]		
7	[redacted]		
8	[redacted]		
9	[redacted]		
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27	[redacted]		
28	[redacted]		
29	[redacted]		
30	[redacted]		

Eastern Oklahoma State College
OPE ID 00315100
Appendix E - Estimated Loss Formula

Finding 6 - Admission Policy 2010-2011

Estimated Loss Formula 9/4/2014

Enter Institution Name Eastern Oklahoma State College

Select Institution Type Public 2 Yrs or Less

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

	Select Type of Loan	Select Award Year	Enter Ineligible Loan Amount	Enter School CDR	Total Subsidy Costs	Estimated Loss Liability
1	DL Unsubsidized	2010-2011	$ 3,000.00	25.40%	-24.39%	$ -
2	DL Subsidized	2010-2011	$ 1,750.00	25.40%	12.70%	$ 222.23
3						
	Description		$ 4,750.00			$ 222.23
4						
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6						
	Description		$ -			$ -
7						
8						
9						
	Description		$ -			$ -
10						
11						
12						
	Description		$ -			$ -
	Original Ineligible Loan Liability		$ 4,750.00	**Total Estimated Loss**		$ 222.23

	A	B	C	D	E	F	G	H	I	J
	School CDR	Sector CDR*	Ratio **	*DSR* ***	Adjusted DSR	*OSR* ***	Avg Cons Year	Cons Prepay %	*Cons DSR* ***	*Cons OS* ***
1	25.40%	13.37%	1.90	*3.39%*	6.44%	*-32.94%*	2020	23.3%	*2.96%*	*6.09%*
2	25.40%	13.37%	1.90	*1.06%*	2.01%	*7.70%*	2019	21.1%	*2.71%*	*11.46%*
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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.

Eastern Oklahoma State College
OPE ID 00315100
Appendix E - Estimated Loss Formula

Finding 6 - Admission Policy 2011-2012

Estimated Loss Formula 9/4/2014

Enter Institution Name Eastern Oklahoma State College

Select Institution Type Public 2 Yrs or Less

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

	Select Type of Loan	Select Award Year	Enter Ineligible Loan Amount	Enter School CDR	Total Subsidy Costs	Estimated Loss Liability
1	DL Unsubsidized	2011-2012	$ 8,000.00	25.40%	-24.39%	$ -
2	DL Subsidized	2011-2012	$ 5,250.00	25.40%	12.70%	$ 666.68
3						
	Description		$ 13,250.00			$ 666.68
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	Description		$ -			$ -
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	Description		$ -			$ -
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12						
	Description		$ -			$ -

Original Ineligible Loan Liability $ 13,250.00 **Total Estimated Loss** $ 666.68

	A School CDR	B Sector CDR*	C Ratio **	D *DSR* ***	E Adjusted DSR	F *OSR* ***	G Avg Cons Year	H Cons Prepay %	I *Cons DSR* ***	J *Cons OS* ***
1	25.40%	13.37%	1.90	*3.39%*	6.44%	*-32.94%*	2020	23.3%	*2.96%*	*6.09%*
2	25.40%	13.37%	1.90	*1.06%*	2.01%	*7.70%*	2019	21.1%	*2.71%*	*11.46%*
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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.

Eastern Oklahoma State College
OPE ID 00315100
Appendix E - Estimated Loss Formula

Finding 6 - Admission Policy 2012-2013

Estimated Loss Formula 9/4/2014

Enter Institution Name Eastern Oklahoma State College

Select Institution Type Public 2 Yrs or Less

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

	Select Type of Loan	Select Award Year	Enter Ineligible Loan Amount	Enter School CDR	Total Subsidy Costs	Estimated Loss Liability
1	DL Unsubsidized	2012-2013	$ 15,000.00	25.40%	-24.39%	$ -
2	DL Subsidized	2012-2013	$ 10,750.00	25.40%	12.70%	$ 1,365.10
3						
	Description		$ 25,750.00			$ 1,365.10
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	Description		$ -			$ -
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	Description		$ -			$ -
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12						
	Description		$ -			$ -

Original Ineligible Loan Liability $ 25,750.00 **Total Estimated Loss** $ 1,365.10

	A School CDR	B Sector CDR*	C Ratio **	D *DSR ****	E Adjusted DSR	F *OSR ****	G Avg Cons Year	H Cons Prepay %	I *Cons DSR ****	J *Cons OS ****
1	25.40%	13.37%	1.90	*3.39%*	6.44%	*-32.94%*	2020	23.3%	*2.96%*	*6.09%*
2	25.40%	13.37%	1.90	*1.06%*	2.01%	*7.70%*	2019	21.1%	*2.71%*	*11.46%*
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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.

Eastern Oklahoma State College
OPE ID 00315100
Appendix E - Estimated Loss Formula

Finding 6 - Admission Policy 2013-2014

Estimated Loss Formula 9/4/2014

Enter Institution Name Eastern Oklahoma State College

Select Institution Type Public 2 Yrs or Less

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

	Select Type of Loan	Select Award Year	Enter Ineligible Loan Amount	Enter School CDR	Total Subsidy Costs	Estimated Loss Liability
1	DL Unsubsidized	2013-2014	$ 8,000.00	25.40%	-24.39%	$ -
2	DL Subsidized	2013-2014	$ 8,000.00	25.40%	12.70%	$ 1,015.89
3						
	Description		$ 16,000.00			$ 1,015.89
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	Description		$ -			$ -
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	Description		$ -			$ -
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12						
	Description		$ -			$ -
	Original Ineligible Loan Liability		$ 16,000.00	**Total Estimated Loss**		$ 1,015.89

	A School CDR	B Sector CDR*	C Ratio **	D *DSR* ***	E Adjusted DSR	F *OSR* ***	G Avg Cons Year	H Cons Prepay %	I *Cons DSR* ***	J *Cons OS* ***
1	25.40%	13.37%	1.90	*3.39%*	6.44%	*-32.94%*	2020	23.3%	*2.96%*	*6.09%*
2	25.40%	13.37%	1.90	*1.06%*	2.01%	*7.70%*	2019	21.1%	*2.71%*	*11.46%*
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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.

Eastern Oklahoma State College
OPE ID 00315100
Appendix E - Estimated Loss Formula

Finding 6 - Admission Policy 2014-2015

Estimated Loss Formula 9/4/2014

Enter Institution Name Eastern Oklahoma State College

Select Institution Type Public 2 Yrs or Less

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

	Select Type of Loan	Select Award Year	Enter Ineligible Loan Amount	Enter School CDR	Total Subsidy Costs	Estimated Loss Liability
1	DL Unsubsidized	2014-2015	$ 3,000.00	25.40%	-24.39%	$ -
2	DL Subsidized	2014-2015	$ 2,250.00	25.40%	12.70%	$ 285.72
3						
	Description		$ 5,250.00			$ 285.72
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5						
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	Description		$ -			$ -
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9						
	Description		$ -			$ -
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12						
	Description		$ -			$ -
	Original Ineligible Loan Liability		$ 5,250.00	**Total Estimated Loss**		$ 285.72

	A School CDR	B Sector CDR*	C Ratio **	D *DSR* ***	E Adjusted DSR	F *OSR* ***	G Avg Cons Year	H Cons Prepay %	I *Cons DSR* ***	J *Cons OS* ***
1	25.40%	13.37%	1.90	*3.39%*	6.44%	*-32.94%*	2020	23.3%	*2.96%*	*6.09%*
2	25.40%	13.37%	1.90	*1.06%*	2.01%	*7.70%*	2019	21.1%	*2.71%*	*11.46%*
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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.

FEDWIRE Form

DEPARTMENT OF EDUCATION
FED-WIRE EFT MESSAGE FORMAT & INSTRUCTIONS

ABA Number 021030004	Type/Sub-Type	
Sender No.:	Sender Ref. No.	Amount ①

Sender Name (Automatically inserted by the Federal Reserve Bank)

Treasury Department Name/CTR/
TREAS NYC / CTR /

BNF=ED / AC - 91020001 OBI=

Name / City / State:
②

DUNS / TIN:
③

FOR:
④

INSTRUCTIONS

A. Complete circled items 1-4 above as follows:

① Indicate amount including cents digits.

② Indicate Name, City, and State.

③ Indicate DUNS Number and Taxpayer Identification Number (TIN).

④ Enter the reason for the remittance: Bill Number / Document Number / Other.

B. Provide the sending bank with a copy of the completed form. This form contains other information the bank will need to transmit the FEDWIRE message.