



October 24, 2014

Dr. Mary Spilde, President  
Lane Community College  
4000 East 30<sup>th</sup> Avenue  
Eugene, OR 97405-0640

Certified Mail  
Return Receipt Requested  
#: 70070710000106758098

**RE: Final Program Review Determination**  
OPE ID: 00319600  
PRCN: 201340928401

Dear Dr. Spilde:

The U.S. Department of Education's (Department's) San Francisco/Seattle School Participation Division issued a program review report on February 7, 2014 covering Lane Community College's (LCC's) administration of programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 *et seq.* (Title IV, HEA programs), for the 2011-2012 and 2012-2013 award years. The institution's final response was received on March 13, 2014.

The San Francisco/Seattle School Participation Division has reviewed LCC's response to the Program Review Report. A copy of the program review report (and related attachments) and LCC's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by LCC 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.

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

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

**Federal Student Aid**  
An OFFICE of the U.S. DEPARTMENT of EDUCATION  
50 Beale Street, San Francisco, CA 94105  
StudentAid.gov

Lane Community College  
OPE ID Number: 00319600  
PRCN: 201340928401  
Page 2 of 2

If you have any questions, please call Lana Walter at (206)615-3690.

Sincerely,

(b)(6)

  
Martina Fernandez-Rosario  
Division Director  
San Francisco/Seattle School Participation Division

Enclosures: Program Review Report  
LCC's Response to the Program Review Report

cc: Helen Faith, Financial Aid Administrator  
Northwest Commission on Colleges and Universities



February 7, 2014

Dr. Mary Spilde, President  
Lane Community College  
4000 East 30<sup>th</sup> Avenue  
Eugene, OR 97405-0640

Certified Mail  
Return Receipt Requested  
#: 70070710000106750566

RE: Program Review Report  
OPE ID: 00319600  
PRCN: 201340928401

Dear Dr. Spilde:

From September 9, 2013 through September 13, 2014, Lana Walter and Glenda Despenza conducted a review of Lane Community College's (LCC's) administration of the programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs). The findings of that review are presented in the enclosed report.

Findings of noncompliance are referenced to the applicable statutes and regulations and specify the action required to comply with the statute and regulations. Please review the report and respond to each finding, indicating the corrective actions taken by LCC. The response should include a brief, written narrative for each finding that clearly states LCC's position regarding the finding and the corrective action taken to resolve the finding. Separate from the written narrative, LCC 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<sup>1</sup> 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 response will not be attached to the FPRD. However, it will be retained and available for inspection by LCC 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.

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

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

**Protection of Personally Identifiable Information (PII):**

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

**Record Retention:**

Program records relating to the period covered by the program review must be retained until the later of: resolution of 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 Lana Walter at (206)615-3690 or lana.walter@ed.gov.

Sincerely,

(b)(6)

  
Gayle E. Palumbo, Ed.D.  
Compliance Manager  
San Francisco/Seattle School Participation Division

cc: Helen Faith, Financial Aid Administrator

Enclosures:

Protection of Personally Identifiable Information  
Program Review Report

## **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  
**Lane Community College**

**Federal Student Aid**  
AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION

PROUD SPONSOR of  
"the AMERICAN MIND"

**OPE ID: 00319600**  
**PRCN: 201340928401**

Prepared by  
U.S. Department of Education  
Federal Student Aid  
School Participation Division-San Francisco/Seattle

## **Program Review Report**

### **February 7, 2014**

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**A. Institutional Information**

Lane Community College  
4000 East 30<sup>th</sup> Avenue  
Eugene, OR 97405-0640

Type: Public

Highest Level of Offering: Associate Degree

Accrediting Agency: Northwest Commission on Colleges and Universities

State Agency: Oregon Department of Community Colleges

Current Student Enrollment: 16,981 (2012-2013)

% of Students Receiving Title IV: 66% (2012-2013)

Title IV Participation (from U.S. Department of Education records):

	<u>2012-2013</u>
Federal Pell Grant (FPell) program	\$31,184,769
Federal Supplemental Educational Opportunity Grant (FSEOG) Program	\$ 566,119
Federal Work Study Program	\$ 530,346
Federal Direct Subsidized Loan Program	\$26,492,825
Federal Direct Unsubsidized Loan Program	\$29,131,954
Federal Direct PLUS Program	\$ 1,251,457

Default Rate FFEL/DL:	2011	21.6%
	2010	16.9%
	2009	11.3%

Default Rate Perkins:	06/30/2012	9.7%
	06/30/2011	29.8%
	06/30/2010	26.8%

## **B. Scope of Review**

The U.S. Department of Education (the Department) conducted a program review at Lane Community College (LCC) from September 9, 2013 to September 13, 2014. The review was conducted by Lana Walter and Glenda Despenza.

The focus of the review was on LCC's high cohort default rates and fluctuations in Title IV funding. The review consisted of an examination of LCC's student files, including financial aid, admissions, and academic files.

A sample of 30 files was identified for review from the 2011-2012 and 2012-2013 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 LCC'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 LCC of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

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

## **C. Findings**

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

### **Finding #1. Exit Counseling Deficiency**

**Citation:** A school is required to conduct exit counseling with each Direct Loan borrower before the borrower leaves school. Student borrowers must be advised to complete online exit counseling or attend a counseling session shortly before graduating. If the student borrower drops out without notifying the school, the school must confirm that the student has completed online counseling or mail counseling material to the borrower's last known address. The materials must be mailed within 30 days of learning that the borrower has withdrawn or failed to participate in an exit counseling session. Counseling may be provided in person, by audiovisual presentation, or by interactive electronic means. 34 C.F.R. § 685.304(b).

**Noncompliance:** During the review of LCC's files, it was identified that documentation of exit counseling was missing for the following student: Student #2. Student #2 ceased enrollment after the Spring 2012 term.

**Required Action:** LCC must strengthen its policies and procedures to ensure that all students are provided with exit counseling and that documentation of exit counseling is maintained in the files. LCC must provide documentation to confirm that exit counseling has been provided, or exit counseling materials have been mailed to the last known address of the student cited above. In addition, a copy of LCC's strengthened procedures for conducting exit counseling must be submitted in response to this Program Review Report (PRR).

**Finding #2. Failure to Provide Adequate Consumer Information**

**Citation:** Federal regulations at 34 C.F.R. §§ 668.41, 668.42, 668.43, 668.53, and the Higher Education Act of 1965, as amended, section 485(a)(1) specify that specific notifications, policies and procedures must be in place and be made available to the public in the form of consumer information.

**Noncompliance:** LCC failed to provide documentation as required by the above statute and regulations for the following:

Confirmation that the institution held an educational program commemorating the September 17, 1787 signing of the Constitution, to be held on September 17<sup>th</sup> of 2012 (or the preceding or following week if the 17<sup>th</sup> falls on a Saturday, Sunday, or holiday). LCC has a policy and has documentation for previous years of this program but no documentation to substantiate the conduct of this program from 2012 and later.

**Required Action:** LCC must continue with the Constitution Day program and keep documentation that this regulation was followed. In response to this finding, LCC must provide a description of its future actions.

**Finding #3. Inconsistent Information in Student File**

**Citation:** Per 34 C.F.R. § 668.16(f), the Secretary considers an institution to have administrative capability if, among other factors, the institution develops and applies an adequate system to identify and resolve discrepancies in the information that the institution receives from different sources with respect to a student's application for financial aid under the Title IV, HEA programs. In determining whether an institution's system is adequate, the Secretary considers whether the institution obtains and reviews (1) all student aid applications, need analysis documents, Statements of Educational Purpose, Statements of Registration Status, and eligibility notification documents presented by or on behalf of each applicant; (2) any documents, including any copies of state and federal income tax returns, that are normally collected by the institution to verify information received from the student or other sources; and (3) any other information normally available to the institution regarding a student's citizenship, previous educational

experience, documentation of the student's social security number, or other factors relating to the student's eligibility for funds under the Title IV, HEA programs.

**Noncompliance:** The institution collected federal income tax returns (2010) for students who were selected for verification for the 2011-2012 academic year. This information is used to verify information provided on the Free Application for Federal Student Aid (FAFSA). For Student #8 in the student sample, there was found conflicting information. In completing the verification process the school used the incorrect amount for wages for the father/parent. The school used \$53,377.64 from the 2010 W-2 form, number 5, Medicare wages and tips. The correct wages would have been \$50,233.32 from the 2010 W-2, number 1, wages, tips, other compensation.

**Required action:** LCC must determine whether Student #8's eligibility for Title IV disbursements would have changed by using the accurate information noted above. This determination may be made by recalculating the Expected Family Contribution (EFC) and need of the student using the correct wages for the parent. A description of the institution's actions must be submitted with the response to this PRR. Any overpayments will be liabilities due from LCC to the Department. Instructions on repayment, if required, will be issued with the FPRD.

#### **Finding 4. Federal Supplemental Educational Opportunity Grant (FSEOG) Award Selection Procedures Not Adequate**

**Citation:** To participate in the FSEOG program an institution of higher education shall enter into a Program Participation Agreement with the Secretary. The agreement provides that among other things, the institution shall administer the FSEOG program in accordance with the provisions under 34 C.F.R. Part 676. In selecting eligible students for FSEOG awards in each academic year an institution shall select those students with the lowest EFC who will also receive Federal Pell Grants in that same year. If the institution has FSEOG funds remaining after awarding FSEOG funds to those eligible students with the lowest EFC, then those students who will not receive Federal Pell Grant awards may be awarded FSEOG.

**Noncompliance:** LCC does not have an adequate policy to properly administer the FSEOG Program. LCC's policy calls for awarding FSEOG to those students with the highest need rather than to those students with the lowest EFC. By awarding FSEOG to the highest need students, the policy does not adequately ensure that students with the lowest EFCs are receiving FSEOG.

**Required action:** LCC must develop a policy that complies with the federal regulation and submit this policy in the response to the PRR.

#### **D. Appendix**

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