



December 17, 2014

Dr. Garrey Carruthers  
President  
New Mexico State University  
University Avenue, MSC 5100  
Las Cruces, NM 88003-8001

Certified Mail  
Return Receipt Requested  
7014 1200 0001 7275 5163

RE: Final Program Review Determination  
OPE ID: 00265700  
PRCN: 201220627799

Dear Dr. Carruthers:

The U.S. Department of Education's (Department's) Dallas School Participation Division issued a program review report on March 15, 2012 covering New Mexico State University's (NMSU'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 2000-2001 through 2011-2012 award years. NMSU's final response was received on March 29, 2014. A copy of the program review report (and related attachments) and NMSU's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by NMSU 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 the finding in the program review report. The purpose of this letter is to: (1) identify liabilities resulting from the finding of the program review report, (2) provide instructions for payment of liabilities to the Department, and (3) notify the institution of its right to appeal.

The total liability due from the institution from this program review is \$946,994.65. This final program review determination contains detailed information about the liability determination for the finding.

**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

**Federal Student**

Financial Aid Office  
1000 University Avenue, Suite 100  
Las Cruces, NM 88003-8001  
Phone: (505) 647-2222  
Fax: (505) 647-2223

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. In addition, Appendix F, Ineligible Student Disbursement List, also contains PII. These appendices were encrypted and sent separately to the institution via e-mail.

### **Appeal Procedures:**

This constitutes the Department's FPRD with respect to the liabilities identified from the March 15, 2012 program review report. If NMSU wishes to appeal to the Secretary for a review of the financial liabilities established by the FPRD, the institution must file a written request for an administrative hearing. Please note that institutions may appeal financial liabilities only. The Department must receive the request no later than 45 days from the date NMSU receives this FPRD. An original and four copies of the information NMSU submits must be attached to the request. The request for an appeal must be sent to:

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

NMSU'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 NMSU'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 Ms. Dalinda Lasater at 214-661-9578. Questions relating to any appeal of the FPRD should be directed to the address noted in the Appeal Procedures section of this letter.

Sincerely,

(b)(6)

Cynthia Thornton, Director  
Dallas School Participation Division

Enclosures:

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

cc: Ms. Janie Merchant, Financial Aid Director  
Dr. Bernadette Montoya, Vice President for Student Affairs & Enrollment Management  
North Central Association - Higher Learning Commission  
New Mexico Higher Education Department  
Department of Defense (DOD)  
Department of Veterans Affairs (VA)  
Consumer Financial Protection Bureau (CFPB)

## 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 and are encrypted with AES encryption.

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  
**New Mexico State University**

**Federal Student**  
AID PROGRAM OF THE U.S. DEPARTMENT OF EDUCATION

PROUD SPONSOR of  
*the AMERICAN MIND™*

**OPE ID 00265700**  
**PRCN 201220627799**

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

# Final Program Review Determination

## December 17, 2014

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**A. Institutional Information**

New Mexico State University  
University Avenue, MSC 5100, Educational Services Building  
Las Cruces, NM 88003-8001

Type: Public

Highest Level of Offering: Master's Degree or Doctor's Degree

Accrediting Agency: North Central Association of Colleges and Schools – CIHE (Higher Education)

Current Student Enrollment: 17,651

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

Title IV, HEA Program Participation (PCNet Website):

2012-2013

Federal Pell Grant (Pell Grant)	\$ 52,243,863.00
William D. Ford Federal Direct Loan Program (Direct Loan)	\$ 83,659,258.00
Federal Perkins Loan	\$ 1,364,622.00
Federal Supplemental Educational Opportunity Grant (FSEOG)	\$ 1,123,175.00
Federal Work Study	\$ 1,104,084.00

Default Rate FFEL/DL:	2011	15.3%
	2010	12.8%
	2009	9.9%

Default Rate Perkins:	2012	13.0%
	2011	13.0%
	2010	15.6%

## **B. Scope of Review**

The U.S. Department of Education (the Department) conducted an off-site program review of New Mexico State University (NMSU) from January 17, 2012 to January 20, 2012. The review was conducted by Ms. Shebony Foster.

NMSU notified the Department in a letter dated July 5, 2011, that it failed to obtain the Department's approval of its Corrections Training Officer, Machinist Apprentice, Dental Assistant, Diagnostic Sonography, and Pre-Nursing programs prior to disbursing Title IV, HEA funds to students enrolled in these programs.

The review consisted of an examination of NMSU's Title IV, HEA funds recipients in non-degree programs not approved by the Department. NMSU provided a detailed roster of all the Title IV recipients and amounts awarded in the Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (FSEOG), Federal Work-Study, Federal Family Educational Loan Program (FFEL) and the William D. Ford Federal Direct Loan (Direct Loan) programs. A list of names and the last four digits of social security numbers of the students reviewed as a result of the program review is included in Appendix A. A program review report was issued on March 15, 2012. A copy of this report is included in Appendix B.

### **Disclaimer:**

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

## **C. Findings and Final Determinations**

### **Findings with Final Determinations**

The program review report finding requiring further action is summarized below. At the conclusion of the finding is a summary of NMSU's response to the finding, and the Department's final determination for that finding.

### **Finding 1. Ineligible Programs – Approval Requirements Not Met**

**Citation:** *If an eligible institution adds an educational program after it has been designated as an eligible institution, the institution must apply to the secretary to have that additional program designated as an eligible program.*

*An eligible institution that wishes to expand the scope of its eligibility and certification and disburse Title IV, HEA program funds to students enrolled in that expanded scope must apply to the Secretary and wait for approval to add an educational program if the institution is required to have that additional program approved by the Secretary. If an institution does not apply to the Secretary to obtain the Secretary's approval of a new program, the institution is liable for all Title IV HEA program funds it disburses to students enrolled in that program. 34 C.F.R. §§ 600.10(c); 600.20; 668.3(d) and 668.8(c)(3)*

**Noncompliance:** *NMSU notified the Department in a letter dated July 5, 2011, that it failed to obtain the Department's approval of its Corrections Training Officer, Machinist Apprentice, Dental Assistant, Diagnostic Sonography, and Pre-Nursing programs prior to disbursing Title IV, HEA funds to students enrolled in these programs.*

*NMSU failed to include these programs on its 2007 recertification application, and provide copies of the state and accreditor approvals. NMSU reported the total amount of Title IV, HEA funds disbursed to students enrolled in the unreported programs as \$345,486.85*

**Required Action:** *Because the liability determination must be calculated by the Department, please provide the following information for each student enrolled in the Corrections Training Officer, Machinist Apprentice, Dental Assistant, Diagnostic Sonography, and Pre-Nursing programs who received Title IV, HEA program funds prior to the approval date of the program. The information must be provided in a spreadsheet format and must include the following information, by award year:*

- 1. Student's name;*
- 2. Last four digits of the Social Security Number; and*
- 3. Amount of Title IV funds disbursed, by program*

**NMSU's Response:** The program review response submitted by NMSU on October 31, 2012, satisfactorily addressed the finding identified in the program review report. However, during the course of reviewing NMSU's response, two additional programs were identified as not meeting the Department's minimum eligibility requirements. The programs are: AL-Emergency Medical Services and DA-Nursing Assistant. Specifically, these programs did not meet the minimum hours and weeks necessary for students



**E. Payment Instructions**

NMSU owes \$946,994.65. Of this amount, \$941,769.65 must be repaid to the Department and \$5,225.00 must be repaid to NMSU's Perkins loan account. This liability must be paid using an electronic transfer of funds through the Treasury Financial Communications System, which is known as FEDWIRE. NMSU 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 NMSU'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 findings 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 awards (if applicable).**

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

**Federal Family Education Loan (FFEL) Liabilities:**

**FFEL Estimated Actual Loss**

Appendix: D

<b>FFEL – Estimated Actual Loss</b>	
<b>Award Year</b>	<b>Amount</b>
2000-2001	\$ 1,148.58
2002-2003	\$ 783.17
2003-2004	\$ 1,155.13
2004-2005	\$ 713.18
2005-2006	\$ 933.00
2006-2007	\$ 272.50
2007-2008	\$ 92.22
2008-2009	\$ 162.70
2009-2010	\$ 582.95
	<b>Total: \$5,843.43</b>

NMSU must pay this amount in FFEL estimated actual loss liabilities.

**William D. Ford Federal Direct Loan (Direct Loan) Liabilities:**

**Direct Loan Estimated Actual Loss**

Appendix: D

<b>DL Estimated Actual Loss</b>	
Award Year	Amount
2010-2011	\$ 4,889.35
2011-2012	\$ 6,973.79
	<b>Total: \$11,863.14</b>

NMSU must pay the amount reflected above in Direct Loan estimated loss liabilities for the award years reflected above. The liabilities will be applied to the general Direct Loan fund.

**Liabilities Owed to the Department in the case of Title IV Grants: Federal Pell Grant – Closed Award Years**

Appendix: E

Amount (Principal)	Amount (Interest)	Award Year
\$ 7,775.00	\$ 5,057.26	2000-2001
\$ 5,064.09	\$ 2,491.88	2001-2002
\$ 21,768.25	\$ 3,848.79	2002-2003
\$ 28,389.00	\$ 2,225.45	2003-2004
\$ 24,978.00	\$ 1,708.26	2004-2005
\$ 42,738.00	\$ 4,989.98	2005-2006
\$ 90,905.00	\$17,593.38	2006-2007
\$ 63,074.00	\$12,096.71	2007-2008
\$ 48,799.00	\$ 4,151.17	2008-2009
\$ 144,910.00	\$ 2,660.26	2009-2010
\$ 206,484.00	\$ 1,725.59	2010-2011
\$ 173,892.00	\$ 3,406.72	2011-2012
<b>Total Principal:</b>	<b>Total Interest:</b>	
\$ 858,776.34	\$ 61,955.45	

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

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. Dalinda Lasater **within 45 days of the date of this letter.**

**Campus Based Programs**  
 Appendix: E

NMSU must repay:

<b>SEOG and FWS Closed Award Year</b>			
Amount (Principal)	Amount (Interest)	Title IV Grant	Award Year
\$ 400.00	\$ 119.24	SEOG	2007-2008
\$ 750.00	\$ 29.72	SEOG	2009-2010
\$ 675.00	\$ 13.22	SEOG	2011-2012
\$ 1,035.45	\$ 308.66	FWS	2007-2008
Total Principal:	Total Interest:		
<b>\$ 2,860.45</b>	<b>\$ 470.84</b>		

As a result of ineligible disbursements, NMSU must repay a total of \$3,331.29 in Federal Supplemental Education Opportunity Grant (SEOG) and Federal Work Study (FWS) funds.

**Federal Perkins Loan**  
 Appendix: E

NMSU must repay:

<b>Perkins Student Loan Closed Award Year</b>	
Amount (Principal)	Award Year
\$ 1,000.00	2007-2008
\$ 1,225.00	2009-2010
\$ 3,000.00	2011-2012
Total Principal:	
<b>\$ 5,225.00</b>	

As a result of the ineligible disbursements, NMSU must pay the total amount of \$5,225.00 by crediting each borrower's Perkins loan for the amount identified in Appendix E. NMSU must deposit \$5,225.00 in its Federal Perkins Loan Revolving Fund and correct the National Student Loan Data System (NSLDS) record for each Perkins loan borrower.

NMSU must submit the following **within 45 days of the date of this letter** to Ms. Dalinda Lasater:

- A copy of the front and back of the cancelled check(s), or copies of an electronic transfer of funds, to verify that the payment has been made to the Federal Perkins Loan account;
- Documentation that each individual NSLDS loan record has been updated; and
- Documentation that the student's Perkins loan account at the school has been properly credited, as applicable.

#### **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. NMSU is also responsible for repaying any interest that accrues. If you have any questions regarding interest accruals or payment credits, contact the Department's Accounts Receivable Group at (202) 245-8080 and ask to speak to NMSU'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, NMSU 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 NMSU from the Federal

Government. NMSU **may object to the collection by offset only by challenging the existence or amount of the debt.** To challenge the debt, NMSU must **timely appeal** this determination under the procedures described in the "Appeal Procedures" section of the cover letter. The Department will use those procedures to consider any objection to offset. **No separate appeal opportunity will be provided.** If a timely appeal is filed, the Department will defer offset until completion of the appeal, unless the Department determines that offset is necessary as provided at 34 C.F.R. § 30.28. This debt may also be referred to the Department of the Treasury for further action as authorized by the Debt Collection Improvement Act of 1996.

#### **F. Appendices**

Appendix A, Student Sample, and Appendix F, Ineligible Student Disbursement List, contain personally identifiable information and will be emailed to NMSU as an encrypted WinZip file using Advanced Encryption Standard, 256-bit. The password needed to open the encrypted WinZip files will be sent in a separate email.

Appendices B, C, D, E, and G are attached to this report.

Appendix A: Student Sample (sent via e-mail)

Appendix B: Program Review Report



**COPY**

March 15, 2012

Dr. Barbara Couture  
President  
New Mexico State University  
University Avenue, MSC 5100  
Las Cruces, NM 88003-8001

Certified Mail  
Return Receipt Requested  
7011 2000 0000 8054 4257

RE: Program Review Report  
OPE ID: 00265700  
PRCN: 201220627799

Dear Dr. Couture:

From January 17, 2012 through January 20, 2012, Shebony Foster as representatives of the U.S. Department of Education conducted a review of New Mexico State University (NMSU'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 NMSU. The response should include a brief, written narrative for each finding that clearly states NMSU's position regarding the finding and the corrective action taken to resolve the finding. Separate from the written narrative, NMSU 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.

<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).

Federal Student Aid, School Participation Team - Dallas  
1999 Bryan Street, Suite 1410  
Dallas, TX 75201-6817  
[www.FederalStudentAid.ed.gov](http://www.FederalStudentAid.ed.gov)

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 NMSU 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 Shebony Foster 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. 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).

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 Shebony Foster at 214-661-9577 or [Shebony.foster@ed.gov](mailto:Shebony.foster@ed.gov).

Sincerely,

(b)(6)

Kim Peeler  
Team Leader

cc: Dr. Bernadette Montoya, Vice President for Student Affairs and Enrollment Management

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).

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PII data cannot be sent via fax.

Prepared for  
New Mexico State University



START HERE  
GO FURTHER  
FEDERAL STUDENT AID

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OPE ID 00265700  
PRCN 201220627799

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

# Program Review Report

March 15, 2012

Federal Student Aid, School Participation Team - Dallas  
1999 Bryan Street, Suite 1410, Dallas, Texas 75201-6817  
[www.FederalStudentAid.ed.gov](http://www.FederalStudentAid.ed.gov)

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**A. Institutional Information**

New Mexico State University  
University Avenue, MSC 5100  
Las Cruces, NM 88003-8001

Type: Public

Highest Level of Offering: Master's Degree or Doctor's Degree

Accrediting Agency: North Central Association of Colleges and Schools - CIHE (Higher Education)

Current Student Enrollment: 18,600

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

Title IV Participation(Postsecondary Education Participants System):

	<u>2010-2011</u>
Federal Pell Grant (Pell Grant)	\$61,937,768
Federal Family Education Loan (FFEL)	\$ 5,684
William D. Ford Federal Direct Loan Program (Direct Loan)	\$93,929,343
Federal Perkins Loan	\$ 1,517,356
Federal Supplemental Educational Opportunity Grant (FSEOG)	\$ 1,210,397
Federal Work Study	\$ 1,191,631

Default Rate FFEL/DL:	2009	9.9%
	2008	7.9%
	2007	7.1%

Default Rate Perkins:	2010	15.6%
	2009	5.5%
	2008	4.5%

## **B. Scope of Review**

The U.S. Department of Education (the Department) conducted an off-site program review for New Mexico State University (NMSU) from January 17, 2012 to January 20, 2012. The review was conducted by Shebony Foster.

The focus of the review was to determine the total amount of Title IV, HEA funds disbursed to students enrolled in the Corrections Training Officer, Machinist Apprentice, Dental Assistant, Diagnostic Sonography, and Pre-Nursing programs which were not approved by the Department.

### **Disclaimer:**

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

This report reflects the initial finding. The finding is not final. The Department will issue its final finding(s) in a subsequent Final Program Review Determination letter.

## **C. Finding**

During the review, one area of noncompliance was noted. The finding of noncompliance is referenced to the applicable statutes and regulations and specifies the action to be taken by NMSU to bring operations of the financial aid programs into compliance with the statutes and regulations.

### **Finding 1. Ineligible Programs – Approval Requirements Not Met**

**Citation:** If an eligible institution adds an educational program after it has been designated as an eligible institution, the institution must apply to the Secretary to have that additional program designated as an eligible program.

An eligible institution that wishes to expand the scope of its eligibility and certification and disburse Title IV, HEA programs funds to students enrolled in that expanded scope must apply to the Secretary and wait for approval to add an educational program if the institution is required to have that additional program approved by the Secretary. If an institution does not apply to the Secretary to obtain the Secretary's approval of a new program, the institution is liable for all Title IV, HEA program funds it disburses to students enrolled in that program. *34 C.F.R. §§ 600.10(c) and 600.20*

**Noncompliance:** NMSU notified the Department in a letter dated July 5, 2011 that it failed to obtain the Department's approval of its Corrections Training Officer, Machinist Apprentice, Dental Assistant, Diagnostic Sonography, and Pre-Nursing programs prior to disbursing Title IV, HEA funds to students enrolled in these programs.

NMSU failed to include these programs on its 2007 recertification application, and provide copies of the state and accreditor approvals.

**Required Action:** In the letter dated July 5, 2011, NMSU reported the total amount of Title IV, HEA funds disbursed to students enrolled in the unreported programs totaled \$345,486.85.

Because the liability determination must be calculated by Title IV program, please provide the following information for each student enrolled in the Corrections Training Officer, Machinist Apprentice, Dental Assistant, Diagnostic Sonography, and Pre-Nursing programs who received Title IV, HEA program funds prior to the approval date of the program. The information must be provided in a spreadsheet format and must include the following information, by award year:

1. Student's name;
2. Last four digits of the Social Security Number; and
3. Amount of Title IV funds disbursed, by program

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