April 17, 2015

Dr. Robert Zeigler
President
San Antonio College
1300 San Pedro Avenue
San Antonio, TX 78212-4299

Certified Mail
Return Receipt Requested
7013 2630 0001 8220 8333

RE: **Final Program Review Determination**
OPE ID: 00916300
PRCN: 201230627901

Dear Dr. Zeigler:

The U.S. Department of Education's (Department's) Dallas School Participation Division issued a program review report on July 25, 2012 covering San Antonio College's (SAC'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 2010-2011 and 2011-2012 award years reviewed. SAC's final response was received on December 1, 2012. A copy of the program review report (and related attachments) and SAC's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by SAC upon request. Additionally, this Final Program Review Determination (FPRD), related attachments, and any supporting documentation may be subject to release under the Freedom of Information Act (FOIA) and can be provided to other oversight entities after this FPRD is issued.

Purpose:

Final determinations have been made concerning all of the outstanding findings of the program review report. The purpose of this letter is to: (1) identify liabilities resulting from the findings of this program review report, (2) provide instructions for payment of liabilities to the Department, (3) notify the institution of its right to appeal, and (4) notify SAC 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 SAC's failure to comply with the requirements of the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (*Clery Act*) in Section 485(f) of the HEA, 20 U.S.C. § 1092(f), and the Department's regulations at 34 C.F.R. §§ 668.41, 668.46, and 668.49. Because a *Clery Act* finding does not result in a financial liability, such a finding may not be appealed. If an adverse administrative action is initiated, additional information about SAC's appeal rights will be provided under separate cover.

The total liabilities due from the institution from this program review are $356,423.32.

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

Protection of Personally Identifiable Information (PII):

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

Appeal Procedures:

This constitutes the Department's FPRD with respect to the liabilities identified from the July 25, 2012 program review report. If SAC wishes to appeal to the Secretary for a review of financial liabilities established by the FPRD, the institution must file a written request for an administrative hearing. Please note that institutions may appeal financial liabilities only. The Department must receive the request no later than 45 days from the date SAC receives this FPRD. An original and four copies of the information SAC 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

SAC'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 SAC'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 notes.**

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

Enclosure:
Protection of Personally Identifiable Information

cc: Mr. Tomas Campos, Financial Aid Administrator
Texas Higher Education Coordinating Board
Southern Associatiation of Colleges and Schools Commisison on Colleges
Texas Guranteed Student Loan Corporation

Prepared for

San Antonio College

Federal Student Aid
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OPE ID 00916300
PRCN 201230627901

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

Final Program Review Determination
April 17, 2015

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A. Institutional Information

San Antonio College
1300 San Pedro Avenue
San Antonio, Texas 78212

Type: Public

Highest Level of Offering: Associate's Degree

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

Student Enrollment: 25,478 (2012)

% of Students Receiving Title IV: 97% (2012)

Title IV Participation: School Participation Team Funding Report and Institutional Records

	2010-2011
Federal Pell Grant Program	$ 49,213,770
Academic Competiveness Grant (ACG)	$ 403,746
Federal Supplemental Educational Opportunity Grant (FSEOG)	$ 1,193,720
Federal Work Study (FWS)	$ 871,201
William D. Ford Federal Direct Loan Program (Subsidized)	$ 7,578,548
William D. Ford Federal Direct Loan Program (Unsubsidized)	$ 6,881,538
William D. Ford Federal Direct Loan Program (PLUS)	$ 36,308

Default Rate FFEL/DL:	2011	16.1%
(3-Year Rates)	2010	19.3%
	2009	18.9%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at San Antonio College (SAC) from May 7, 2012, to May 11, 2012. The review was conducted by Dr. Alicia Harris and Ms. Dalinda Lasater.

The focus of the review was to determine SAC'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 SAC'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 2010-2011 and 2011-2012 (year to date) award years. The files were selected randomly from a sample of the total population receiving Title IV, HEA program funds for each award year. Appendix A lists the names and social security numbers of the students whose files were examined during the program review. A program review report (PRR) was issued on July 25, 2012.

Disclaimer:

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

C. Findings and Final Determinations

Resolved Findings

Findings 2, 3, 4, 5, 6 and 7.

SAC has provided supporting documentation and taken the corrective actions necessary to resolve findings 2, 3, 4, 5, 6 and 7 of the program review report. Therefore, these findings may be considered closed. Findings requiring further action by SAC 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 SAC's response to the finding and the

Department's final determination for that finding. A copy of the program review report issued on July 25, 2012 is attached as Appendix B.

Finding 1 Student Credit Balance Deficiencies

Citation: *If an institution cannot locate a student to whom an FSA credit balance must be paid (i.e., the institution has made a reasonable effort and failed to find the student), the institution must exercise its fiduciary responsibility to the student and to the Title IV, HEA financial aid programs, and return credit balances to the appropriate programs.*

The institution has a fiduciary responsibility to:

- *Safeguard Title IV, HEA funds;*
- *Ensure that Title IV, HEA funds are used for the purpose intended;*
- *Act on the student's behalf to repay a student's educational loan debt when the institution is unable to pay a credit balance directly to the student, and*
- *Return to the Department any Title IV, HEA funds that cannot be used as intended.*

34 C.F.R § 668.164(h)

Noncompliance: *SAC has been returning undeliverable student credit balance funds to the Texas State Treasury.*

Required Action: *SAC must determine the amount of undeliverable credit balance funds that was returned to the Texas State Treasury from July 1, 2008 to the date of this report. The total amount of Title IV, HEA program funds returned, by each Title IV, HEA program, must be reported in the institutional response to this program review report. The total amount of the unreturned credit balances will be considered a liability to the Department. Instructions for repayment will be in the Final Program Review Determination letter.*

SAC's Response: In a response dated August 30, 2012, SAC reported that it identified 19 checks totaling $7,575.60 in Title IV funds that had been escheated to the State of Texas for the July and August 2008 period. In a subsequent response from Richard V. Silva, Director of Student Financial Services at Alamo Colleges dated November 29, 2012, SAC stated that it had reviewed unclaimed checks for SAC for the period July 1, 2008 through July 25, 2012, and identified 535 student checks totaling $333,754.17 that were unclaimed past 240 days, but were escheated to the State of Texas.

The following table displays the total amount of unreturned credit balances, which SAC has acknowledged were "to be returned" to the Department:

SAC	PELL	SEOG	LOANS	ACG	TOTAL
FY 07	7,575.60				7,575.60
FY 08	53,846.86	800.00	9,616.11	2,913.00	67,175.97
FY 09	10,942.93		340.00		11,282.93
FY 10	62,716.65	363.50	3,959.62	5,557.50	72,597.27
FY 11	119,414.67	1,600.00	6,819.75	675.00	128,509.42
FY 12	29,335.68	8,271.00	9,006.30		46,612.98
TOTAL	**283,832.39**	**11,034.50**	**29,741.78**	**9,145.50**	**333,754.17**

In the November 2012 letter from Mr. Silva, SAC also requested that the Department "provide disbursement instructions for returning the funds to each program," as the Department had, in the PRR, stated would be required.

Final Determination: SAC is liable for the $333,754.17 of credit balance funds from July 1, 2008 to July 25, 2012.

In addition, SAC is also required to pay interest on these funds for the period commencing on the date the funds were disbursed to the school through December 1, 2012. A calculation has been computed to determine the amount of this interest, known as the Cost of Funds (COF), due on the total of $304,012.39 in Federal Pell Grant, FSEOG and ACG funds. The amount of interest is $18,999.42. The COF due on the total of $29,741.78 in FFEL and Direct Loan funds is $3,669.73. The COF calculation is included as Appendix D. Please Note: In Appendix D, the date in the Disbursement Date and Return Paid Date columns represent the period of time as to which the Department is interest.

Therefore, the total liability to be remitted for this finding is $356,423.32. Specific payment instructions, by Title IV program, are in Section E, Payment Instructions.

With respect to the loan amounts attributable to SAC's participation in the FFEL program, SAC must identify the students whose balances comprise the FFEL loan amounts of $9,616.11 for FY 2008 (2007-2008 award year), $340.00 for FY 2009 (2008-2009 award year) and $3,959.62 for FY 2010 (2009-2010 award year), and, as detailed below in the section on payment instructions, return these funds and interest to the lender to reduce the respective students' loan debts. SAC must also notify all students and/or borrowers in writing regarding payments made on their behalf. This notification must include the amount and date of the payments.

We also wish to remind SAC of its obligations under 34 C.F.R § 668.164(h), which specifically provides that, "[n]otwithstanding any State law (such as a law that allows funds to escheat to the State), an institution must return to the Secretary, lender, or guaranty agency, any Title IV, HEA program funds, except FWS program funds, that it

attempts to disburse directly to a student or parent but the student or parent does not receive or negotiate those funds." Unclaimed Title IV, HEA program funds must be returned no later than 240 days after the date of the initial attempt to disburse the funds (regardless of whether the disbursement is attempted by check or EFT).

Finding 8 Annual Security Report (ASR) Does Not Meet Requirement: Inaccurate Reporting of Crime Statistics and Missing and/or Inadequate Required Policies

Citation: *By October 1 of each year, institutions are required to publish and distribute an annual security report that contains required crime statistics, as well as required statements and policies, to its current students and employees. Institutions must also inform prospective students and employees of the report's availability and provide a copy upon request.*

The crime statistics must cover the three most recent calendar years concerning the occurrence on campus, in or on non-campus buildings or property, and on public property of the following offenses:

- *Criminal homicide (murder and non-negligent manslaughter and negligent manslaughter)*
- *Sex offenses (forcible sex offenses and non-forcible sex offenses)*
- *Robbery*
- *Aggravated assault*
- *Burglary*
- *Motor vehicle theft*
- *Arson*
- *Arrests for liquor law violations, drug law violations, and illegal weapons possession*
- *Persons not included in the above category who were referred for campus disciplinary action for liquor law violations, drug law violations, and illegal weapons possession*

34 C.F.R. § 668.46

Noncompliance: *SAC provided inconsistent or incorrect crime statistics to its students and staff or to the Department. Specifically, in its 2011 Annual Security Report (ASR) provided to students and staff, SAC reported one instance under the category of Criminal Offenses on Campus: Sex Offense Non-Forcible for the 2009 calendar year. However, SAC did not report any such instances to the Department for the 2009 calendar year. Also, SAC reported 12 instances under the category of Criminal Offenses Non Campus: Aggravated Assault for the 2008 calendar year. However, SAC reported only two such instances to the Department for the 2008 calendar year.*

Required Action: *SAC must review its crime statistics for the 2008 and 2009 calendar years and determine whether the crime statistics reported in its 2011 Annual Security Report or the crime statistics reported to the Department are incorrect.*

If the crime statistics reported to the Department were inaccurate, SAC must contact the Department's Campus Crime Help Desk at (800) 435-5985 and request that its crime statistics for the appropriate calendar years be amended and reflected on the Department's public website,

If the crime statistics provided to students and staff in the 2011 Annual Security Report were incorrect, SAC must amend its 2011 Annual Security Report to include the correct crime statistics and provide the report to its students and staff.

In addition, SAC must provide this office with the results of its review of the crime statistics, a copy of the revised 2011 Annual Security Report or a link to corrected crime statistics in the Department's public website, and describe the method for distributing the amended Annual Security Report to its students and staff.

SAC's Response: SAC submitted its official response on August 30, 2012. In its response, SAC concurred with the finding and submitted a revised 2011 ASR with corrected crime statistics. In addition, the College provided documentation showing that the corrected crime statistics were submitted to the Department as well. Regarding the required policy statements component of the finding, the College referred the Department to the Alamo College District's policy book for information on these areas of mandatory disclosure.

Final Determination: By its own admission, SAC provided incorrect crime statistics in its 2011 ASR. The 2011 ASR provided to students and staff reported one crime incident under the category of Criminal Offenses on Campus: Sex Offense Non-Forcible for calendar year 2009; however, SAC did not report any crime statistics under that category in its statistical data submitted to the Department for calendar year 2009. Additionally, in its 2011 ASR, SAC reported 12 crime statistics under the category of Criminal Offenses Non Campus: Aggravated Assault for calendar year 2008; however, SAC's statistical data submitted to the Department for calendar year 2008 did not include those 12 crime statistics. In its August 2012 response to the PRR, SAC confirmed that "[t]he statistics reported to the Department of Education are correct." As a result, the Department has concluded that SAC failed to disclose accurate campus crime statistics in the 2011 ASR, causing the school to also submit discrepant crime statistics to the Department's Campus Safety and Security Data Analysis Cutting Tool. In addition, the Department identified that certain required policies and procedures were omitted from the 2011 ASR during a review of the other three institutions in the Alamo College District (Palo Alto College, Northwest Vista College and St. Philip's College). SAC officials acknowledged that all four institutions use a common ASR and also share other standard policies and

publications. As a result, it was determined that all four institutions failed to publish the following campus safety policies and procedures:

- A statement of policy regarding emergency response and evacuation procedures including a clear notice 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 clear statement regarding the College's emergency response and evacuation procedures. An institution must include a statement of policy regarding its emergency response and evacuation procedures in the annual security report. This statement must include a description of the process the institution will use to confirm that there is a significant emergency or dangerous situation:

    - Determine the appropriate segment or segments of the campus community to receive a notification;
    - Determine the content of the notification;
    - Initiate the notification system;
    - A list of the titles of the person or persons or organization or organizations responsible for carrying out the actions; and,
    - The institution's procedures for disseminating emergency information to the larger community:

        - The institution's procedures to test the emergency response and evacuation procedures on at least an annual basis, including
        - Tests that may be announced or unannounced;
        - Publicizing its emergency response and evacuation procedures in conjunction with at least one test per calendar year; and
        - Documenting, for each test, a description of the exercise, the date, time, and whether it was announced or unannounced.

During the response analysis, the Department determined that the College also failed to comply with the certain sexual assault education, prevention, and adjudication policy provisions. Specifically, SAC failed to include the following information in its 2011 ASR:

- A statement of policy regarding the institution's campus sexual assault programs to prevent sex offenses, and procedures to follow when a sex offense occurs. The statement must include:

- A description of educational programs to promote the awareness of rape, acquaintance rape, and other forcible and non-forcible sex offenses;
- Procedures students should follow if a sex offense occurs, including procedures concerning who should be contacted, the importance of preserving evidence for the proof of a criminal offense, and to whom the alleged offense should be reported;
- 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;
- Notification to students of existing on-and off-campus counseling, mental health, or other student services for victims of sex offenses;
- Procedures for campus disciplinary action in cases of an alleged sexual offense, including a clear statement that the accuser and the accused are entitled to the same opportunities to have others present during a disciplinary hearing and that both the accuser and the accused must be informed of the outcome of any institutional disciplinary proceeding brought alleging a sex offense; and,
- 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.

As a result of these violations, SAC was required to review and revise its 2011 ASR and also take all other necessary action to ensure that its 2012 ASR was accurate and complete and was actively distributed in the required manner. In its response, the College concurred with the finding and stated that the statistical aspects of the violation were addressed and provided documentation is support of its claims. As for the policy components, the College acknowledged that the required disclosures were not included in the 2011 ASR and directed the Department to other consumer information published by the Alamo College District.

The Department carefully examined SAC's narrative response and supporting documentation. Based on that review and the College's admission of noncompliance, the violations identified in the finding are sustained. In this regard, SAC is reminded that the ASR must be published and distributed as a single comprehensive document and that with one exception (drug and alcohol abuse prevention information), cross-references to the other publications is not an acceptable means of complying with any of the *Clery Act's* policy provisions. Nevertheless, the review team's examination showed that the identified violations were, for the most part, satisfactorily addressed in the College's response and that the corrective actions meets minimum requirements. For these reasons, the Department has accepted SAC's response and considers this program review finding to be closed for the purposes of the program review; however, the officials and directors

of SAC are put on notice that the College must take all additional actions that may be necessary to address the deficiencies and weaknesses identified by the Department as well as those that were detected during the preparation of the response to this report and as may otherwise be needed to ensure that these violations do not recur.

To that end, additional post-review testing will be conducted to verify these remedial actions. SAC must submit the following documentation to the Department: 1) A copy of its 2012, and 2013 ASRs with proof of active distribution to all required recipients; 2) A complete set of the College's 2009-2012 campus crime statistics as originally published in its ASRs and all revisions to these statistics that were made in response to this violation; 3) A copy of its 2014 ASR with proof of active distribution to all required recipients; and, 4) A certification statement attesting to the fact that the 2012, 2013, and 2014 ASRs (as applicable) were distributed in accordance with the *Clery Act* (unless one or more reports were not distributed properly). This certification must also affirm that the College understands its *Clery Act* obligations and that it has taken all necessary corrective actions to ensure that these violations do not recur.

SAC's response to items #1 and 2 must be submitted via electronic mail to Ms. Dalinda Lasater at Dalinda.Lasater@ed.gov within 15 days of receipt of this FPRD. The College's response to items #3 and 4 must be submitted to Ms. Lasater on or before May 18, 2015. In addition, all responses also must be sent to the Clery Act Compliance Division at clery@ed.gov. SAC's submission must reference its Program Review Control Number (PRCN) in the subject line of its e-mail message. If any of the requested records were not produced or do not exist, SAC officials must clearly communicate that fact to the Department in writing. In this context, College officials are advised that no new documents are to be created for the purpose of demonstrating compliance with the ASR requirement for past periods. SAC is also advised that any failure to respond to the supplemental request for document production will result in a referral for the imposition of adverse administrative actions in addition to any such referral that may be made to address the original violations identified in Finding 8 of the program review report.

Although the finding is now closed, SAC is reminded that the exceptions identified above constitute serious violations of the *Clery Act* that by their nature cannot be cured. There is no way to truly "correct" a violation of this type once it occurs. The College was required to take remedial action and in doing so, has begun to address the conditions that led to these violations. SAC has stated that it has brought its overall campus safety program into compliance with the *Clery Act* as required by its Program Participation Agreement (PPA). Nevertheless, SAC officials must understand that any failure to publish and distribute an accurate and complete ASR deprives students and employees of important campus safety information to which they are entitled. For these reasons, the College is advised that its remedial actions, whether already completed 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 such violations, the Department strongly recommends that SAC officials re-examine its campus safety 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 requirements. To that end, College officials are encouraged to consult the Department's "Handbook for Campus Safety and Security Reporting" (2011) 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. The College can access these materials at: 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, and 668.49*.

Finding 9 Failure to Comply with Drug and Alcohol Abuse Prevention Program Requirements

Citation: *To be eligible to receive funds or any other form of financial assistance under any Federal program, including participation in any federally funded or guaranteed student loan program, an institution of higher education must certify to the Secretary that the institution has adopted and has implemented a program to prevent the use of illicit drugs and the abuse of alcohol by students and employees that, at a minimum, includes the annual distribution to each student and employee of standards of conduct that clearly prohibit, at a minimum, the unlawful possession, use, or distribution of illicit drugs and alcohol by students and employees on the institution's property or as part of any of the institution's activities.*

In addition, an institution must perform a biennial review of the program to determine its effectiveness and implement changes to the program if they are needed, and to ensure that the disciplinary sanctions are consistently enforced. 34 C.F.R. §§ 86.3 and 86.100

Noncompliance: *SAC does not conduct a biennial review of its drug prevention program to determine its effectiveness or to ensure the consistent enforcement of its disciplinary sanctions. SAC was unable to provide a copy of the biennial review report. In addition, SAC does not have an annual distribution to all students of information concerning drug and alcohol abuse and the school's prevention program. Information regarding drug and alcohol abuse is listed in the school catalog under Student Code of Conduct which can be accessed electronically. No annual notice is sent to students, faculty, and staff.*

Required Action: *SAC must develop procedures for a biennial review that measures the effectiveness of its drug prevention program in order to determine if changes need to be made as to its implementation. SAC must determine the number of drug and alcohol-related violations and fatalities that are reported to campus officials, which occur on the institution's campus or as part of any of the institution's activities, and determine the*

number and type of sanctions that are imposed by the institution as a result, and ensure that the sanctions are consistently enforced. In its response, SAC must describe how the effectiveness of its program will be measured. A copy of the procedures must be submitted in response to this finding.

SAC's Response: SAC submitted its official response on August 30, 2012. In its response, SAC concurred with the finding and stated that the Vice Chancellor for Student Success is leading an inter-College team to design a review process to measure the effectiveness of the DAAPP at each of the institutions in the Alamo College District. The College conceded that it had not conducted a biennial review or prepared a report of finding as of the date of the response.

Final Determination: Finding 9 of the program review report cited SAC for its failure to conduct biennial reviews. As a result of this finding, the College was required to develop a review plan and then conduct a substantive review and produce a report of findings and recommendations. In its response, SAC concurred with the finding and stated that the Vice Chancellor for Student Success had convened a team to create a review plan and conduct the required reviews.

The Department carefully examined SAC's narrative response and supporting documentation. The review team's examination showed that the College developed a plan but failed to actually conduct the required reviews at each campus by the due date of the response. Based on that review and the College's admission of noncompliance, the violations identified in the finding are sustained. SAC acknowledged that at the time of the review, it did not conduct a biennial review of its drug prevention program to determine its effectiveness or to ensure the consistent enforcement of its disciplinary sanctions. As a result, SAC was not able to provide any biennial review reports for evaluation by the Department. In addition, SAC conceded did not comply with the DAAPP disclosure distribution requirement. Information regarding drug and alcohol abuse was included in the College's catalog and was posted to the District's website; however, annual notices were not sent to students and employees in violation of the *DFSCA*. The Department has reviewed SAC's and the District's remedial action plans and determined that the plans meet minimum requirements. For these reasons, the Department has accepted the College's response and considers this finding to be conditionally closed, for the purposes of the program review, subject to the satisfactory submission of documentation showing that appropriate actions were taken.

Notwithstanding the closure of this finding, the officials and directors of SAC are put on notice that the College must take all additional actions that may be necessary to address the deficiencies and weaknesses identified by the Department as well as those that were detected during the preparation of the response to this report and as may otherwise be needed to ensure that these violations do not recur. To document its remedial actions thus far, SAC must submit its 2012 and 2014 biennial review reports and documentation showing that an annual DAAPP disclosure was actively distributed in the required

manner during each term of the 2012-2013 and 2013-2014 academic years. Within 15 days of receipt of this FPRD, the College must submit this information via electronic mail to Ms. Dalinda Lasater at Dalinda.Lasater@ed.gov and to the CACD at clery@ed.gov. SAC's submission must indicate the Program Review Control Number (PRCN) referenced on the cover letter of this FPRD in the subject line of its e-mail message. If any of the requested records were not produced or do not exist, SAC officials must clearly communicate that fact to the Department in writing. In this context, these officials are advised that no new documents are to be created for the purpose of demonstrating compliance with the DAAPP requirement for past periods. The College is also advised that any failure to respond to the supplemental request for production of documents will result in a referral for the imposition of administrative actions in addition to any such referral that may be made to address the original violations identified in Finding 9 of the program review report.

As noted above, if either the 2012 and/or the 2014 biennial reviews were not completed, SAC must immediately notify the Department of that fact in writing. In that event, the College also must immediately conduct a substantive biennial review to measure the effectiveness of its DAAPP, to assess the consistency of its enforcement programs for students and employees, and to identify areas for improvement. All biennial review reports must describe the research methods and data analysis tools that were used in the conduct of the review and do so with specificity. The official(s) who conducted the review must be identified clearly in the narrative. In addition, the biennial review report must indicate that it was presented to and accepted by the College's President and/or its Board of Trustees. SAC's biennial review must be completed by May 18, 2015, and the biennial review report must be submitted via electronic mail to Ms. Lasater and the CACD by June 1, 2015.

Although the finding is now conditionally closed, SAC is reminded that the exceptions identified above constitute very serious and persistent violations of the *DFSCA* that by their nature cannot be cured. There is no way to truly "correct" a violation of this type once it occurs. The College was required to take remedial action. The College has initiated some such actions and is required to take immediate steps to implement the rest of its remedial action plan as directed above and as required by its Program Participation Agreement. While this is an important first step, SAC officials must understand that compliance with the *DFSCA* and the *Clery Act* are essential to maintaining a safe and healthy learning environment, especially in light of the fact that more than 90% of all violent campus crimes are drug and/or alcohol-related. The compliance failures documented by the Department deprived the College of important information about the effectiveness of any drug and alcohol programs that were in place during the review period. For these reasons, the College 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.

In light of the serious consequences associated with compliance failures of this type, the Department strongly recommends that SAC re-examine its drug and alcohol policies, procedures, and programs on at least an annual basis and revise them as needed to ensure that they continue to reflect current institutional policy and are in full compliance with the *DFSCA*. Please be advised that the Department may request information on a periodic basis to test the effectiveness of the College's new DAAPP policies and procedures.

D. Summary of Liabilities

Established Liabilities					
Liabilities	Pell (Closed Award Year)	FSEOG	ACG	DL/FFEL	Totals
Finding 1	$283,832.39	$11,034.50	$9,145.50	$29,741.78	
Interest – Finding 1	$18,027.94	$182.63	$788.85	$3,669.73	
TOTAL	$301,860.33	$11,217.13	$9,934.35	$33,411.51	$356,423.32
Payable To:					
Department	$301,860.33	$11,217.13	$9,934.35	$15,961.05	$338,972.86
Lenders				$17,450.46	$17,450.46

E. Payment Instructions

1. Liabilities Owed to the Department

Liabilities Owed to the Department $100,000 or More

SAC owes to the Department $338,972.86. This liability must be paid using an electronic transfer of funds through the Treasury Financial Communications System, which is known as FEDWIRE. SAC 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 SAC'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 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. See Appendix E.

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

2. Liabilities Owed to FFEL Lenders and the Department in the case of Direct Loans

Federal Family Education Loan (FFEL) Liabilities

Finding 1: Student Credit Balance Deficiencies
Appendix: D

FFEL		
Amount (Principal)	Amount (Interest)	Award Year
$9,616.11	$2,927.25	2007-2008
$340.00	$69.86	2008-2009
$3,959.62	$537.62	2009-2010
Total Principal	Total Interest	
$13,915.73	$3,534.73	

SAC must pay the amount above to the holder(s) of the FFEL loans on behalf of the students identified in SAC's review of unclaimed checks, plus any interest that has accrued since the date of this letter and the day the school pays the holder. SAC must access NSLDS to determine if the FFEL loan(s) have been purchased and/or are serviced by the Department. See Chapter 4, Volume 4 (Returning funds from FFEL loans purchased/serviced by the Department) of the FSA Handbook for additional guidance.

As proof of payment, a copy of the front and back of the canceled checks, or proof of electronic transfer of the funds, must be provided to Dalinda Lasater **within 45 days of the date of this letter**.

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

Direct Loan Closed Award Years (Request Extended Processing)

Finding 1: Student Credit Balance Deficiencies
Appendix: D

SAC must repay the following Direct Loan liabilities:

DL Closed Award Year		
Amount (Principal)	Amount (Interest)	Award Year
$9,006.30	$38.00	2011-2012
Total Principal	Total Interest	
$9,006.30	$38.00	

The disbursement record for each student identified in SAC's review of unclaimed checks must be adjusted in the Common Origination and Disbursement (COD) system. 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**.

Request Extended Processing

COD adjustments are necessary for the closed award year(s) listed above. Before any student level adjustments can be processed, SAC must immediately request extended processing through the COD Website (http://cod.ed.gov).

- 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 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(s).

Direct Loan Archived Award Year

Finding 1: Student Credit Balance Deficiencies
Appendix: D

SAC must repay the following Direct Loan liabilities:

DL Archived Award Year		
Amount (Principal)	Amount (Interest)	Award Year
$6,819.75	$97.00	2010-2011
Total Principal	Total Interest	
$6,819.75	$97.00	

The disbursement record for each student identified in SAC's review of unclaimed checks must be adjusted in the Common Origination and Disbursement (COD) system. 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**.

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 check, the Department will apply the principal payment to the applicable G5 award. The interest will be applied to the general program account.

The Direct Loan records for award years prior to 2011-2012 are archived, please contact the Internal Controls Division's School Reconciliation Team, Lisa Howell at (202) 377-3290 or Constance Daly at (202) 377-3119, or send an email to SchoolReconciliation@ed.gov, for assistance in making the adjustments. When contacting the Internal Control Division School Reconciliation Team the following information must be provided:

DL Award ID
School Name
Year Requested: 2010-2011
Reason: Program Review
Program Review Control Number: 201230627901

3. Liabilities Owed to the Department in the Case of Title IV Grants

Pell, ACG, and FSEOG – Closed Award Years

Finding 1: Student Credit Balance Deficiencies
Appendix: D

SAC must repay:

Pell, ACG, and FSEOG Closed Award Years			
Amount (Principal)	Amount (Interest)	Title IV Grant	Award Year
$10,942.93	$1,124.25	Pell Grant	2008-2009
$62,716.65	$1,520.82	Pell Grant	2009-2010
$119,414.67	$1,701.42	Pell Grant	2010-2011
$29,335.68	$123.78	Pell Grant	2011-2012
$5,557.50	$134.76	ACG	2009-2010
$675.00	$9.62	ACG	2010-2011
$363.50	$6.61	FSEOG	2009-2010
$1,600.00	$17.10	FSEOG	2010-2011
$8,271.00	$26.18	FSEOG	2011-2012
Total Principal	Total Interest		
$238,876.93	$4,664.54		

For **Pell and ACG only**, the disbursement record for each student identified in SAC's review of unclaimed checks must be adjusted in the Common Origination and Disbursement (COD) system.

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

Pell Grant – Cancelled Award Years

Finding 1: Student Credit Balance Deficiencies
Appendix: D

SAC must repay:

Pell, FSEOG and ACG Archived Award Years			
Amount (Principal)	Amount (Interest)	Title IV Grant	Award Year
$7,575.60	$1,644.65	Pell Grant	2006-2007
$800.00	$132.74	FSEOG	2006-2007
$53,846.86	$11,913.02	Pell Grant	2007-2008
$2,913.00	$644.47	ACG	2007-2008
Total Principal	Total Interest		
$65,135.46	$14,334.88		

The liability above is 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 will be returned to the general program fund for the applicable Title IV program.

F. Appendices

Appendix A, Student Sample, contains personally identifiable information and will be emailed to SAC's 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.

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

Appendix A: Student Sample
Appendix B: Program Review Report
Appendix C: Institution's Written Response to the Program Review Report
Appendix D: COF Worksheet
Appendix E: FEDWIRE Form

Appendix A: Student Sample

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San Antonio College
OPE ID 00916300
PRCN 201230627901

Appendix B: Program Review Report

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July 25, 2012

Dr. Robert Zeigler
President
San Antonio College
1300 San Pedro Avenue
San Antonio, TX 78212-4299

Certified Mail
Return Receipt Requested
7011 2970 0002 9830 6302

RE: **Program Review Report**
OPE ID: 00916300
PRCN: 201230627901

Dear President Zeigler:

From May 7, 2012 through May 11, 2012, Dr. Alicia Harris and Ms. Dalinda Lasater conducted a review of San Antonio College's (SAC'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 SAC. The response should include a brief, written narrative for each finding that clearly states SAC's position regarding the finding and the corrective action taken to resolve the finding. Separate from the written narrative, SAC 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.

[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).

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 SAC 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 Dr. Alicia Harris 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).

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 Dr. Alicia Harris at 214-661-9452 or alicia.harris@ed.gov.

Sincerely,

(b)(6)

Kim Peeler
Compliance Manager

Enclosure:
Protection of Personally Identifiable Information

cc: Tomas Campos, Financial Aid Administrator

Prepared for

San Antonio College

START HERE
GO FURTHER
FEDERAL STUDENT AID

OPE ID 00916300
PRCN 201230627901

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

Program Review Report

July 25, 2012

Federal Student Aid, Dallas School Participation Division
1999 Bryan Street, Suite 1410, Dallas, TX 75201
www.FederalStudentAid.ed.gov

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A. Institutional Information

San Antonio College
1300 San Pedro Avenue
San Antonio, Texas 78212

Type: Public

Highest Level of Offering: Associate's Degree

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

Current Student Enrollment: 25,478 (2012)

% of Students Receiving Title IV: 97% (2012)

Title IV Participation: School Participation Team Funding Report and Institutional Records

	2010-2011
Federal Pell Grant Program	$ 49,213,770
Federal Direct Loan Program (Subsidized)	$ 7,578,548
Federal Direct Loan Program (Unsubsidized)	$ 6,881,538
Federal Direct Loan Program (PLUS)	$ 36,308
Federal Supplemental Educational Opportunity Grant	$ 1,193,720
Federal Work Study	$ 871,201
Academic Competiveness Grant	$ 403,746

Default Rate FFEL/DL: 2009-11.2%
2008-11.4%
2007-12.5%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at San Antonio College (SAC) from May 7, 2012 to May 11, 2012. The review was conducted by Dr. Alicia Harris and Ms. Dalinda Lasater.

The focus of the review was to determine SAC's compliance with the statutes and federal regulations as they pertain to the institution's administration of Title IV programs. The review consisted of, but was not limited to, an examination of SAC'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 2010-2011 and 2011-2012 (year to date) award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. Appendix A lists the names and 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 SAC'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 SAC 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 SAC to bring operations of the financial aid programs into compliance with the statutes and regulations.

Finding 1. Student Credit Balance Deficiencies

Citation: If an institution cannot locate a student to whom an FSA credit balance must be paid (i.e., the institution has made a reasonable effort and failed to find the student), the institution must exercise its fiduciary responsibility to the student and to the Title IV, HEA financial aid programs, and return credit balances to the appropriate programs.

The institution has a fiduciary responsibility to:

- Safeguard Title IV, HEA funds;
- Ensure that Title IV, HEA funds are used for the purpose intended;
- Act on the student's behalf to repay a student's educational loan debt when the institution is unable to pay a credit balance directly to the student, and
- Return to the Department any Title IV, HEA funds that cannot be used as intended.

34 C.F.R § 668.164(h)

Noncompliance: SAC has been returning undeliverable student credit balance funds to the Texas State Treasury.

Required Action: SAC must determine the amount of undeliverable credit balance funds that was returned to the Texas State Treasury from July 1, 2008 to the date of this report. The total amount of Title IV, HEA program funds returned, by each Title IV, HEA program, must be reported in the institutional response to this program review report. The total amount of the unreturned credit balances will be considered a liability to the Department. Instructions for repayment will be in the Final Program Review Determination letter.

Finding 2. Return to Title IV Policy Not Adequately Developed

Citation: When a recipient of Title IV grant or loan 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 grant or loan assistance that the student earned as of the student's withdrawal date. The amount is calculated by determining the percentage earned as of the student's withdrawal date whether the date occurs on or before a completion of 60 percent of the payment period or period of enrollment. *34 C.F.R. §§ 668.22(a) and 668.22(e)*

Also, unearned funds returned by the institution or the student must be credited to outstanding balances on Title IV loans made to the student or on behalf of the student for the payment period or period of enrollment for which a return of funds is required. Those funds must be credited to outstanding balances for the payment period or period of enrollment for which a return of funds is required in the following order:

i. Unsubsidized Federal Stafford loans
ii. Subsidized Federal Stafford loans
iii. Unsubsidized Federal Direct Stafford loans
iv. Subsidized Federal Direct Stafford loans
v. Federal Perkins loans

vi. Federal PLUS loans received on behalf of the student
vii. Federal Direct PLUS received on behalf of the student

Unearned funds remaining to be returned after repayment of all outstanding loan amounts must be done in the following order:

i. Federal Pell Grants
ii. Academic Competitiveness Grants
iii. National SMART Grants
iv. FSEOG Program aid
v. Teach Grants

34 C.F.R. §§ 668.22(i)(1) and 668.22(i)(2)

Noncompliance: SAC's Student Financial Aid (SFA) Computer system calculates the percentage of an enrollment period completed, for a withdrawn student, and completes the R2T4 calculation if the percentage is less than 60%. However, a R2T4 calculation is not performed for those students who withdrew at 60% or more of the enrollment period. While the SFA system will flag these students as having withdrawn on or after completion of 60% of the enrollment period, the R2T4 calculation is not completed.

Additionally, the R2T4 information in the SAC catalogue lists College Access Loan funds being returned prior to Federal Pell Grant funds. Per the financial aid staff, this is a mistake in the catalogue and College Access Loan funds are not returned prior to any Title IV, HEA program funds or included in the R2T4 calculation process.

Required Action: SAC must begin completing the R2T4 calculation for students who withdraw after completing 60% or more of the enrollment period. It must revise its current R2T4 policy and procedure to indicate that R2T4 calculations will be completed for all Title IV eligible students who withdraw within an enrollment period regardless of the percentage completed. A copy of the revised policy must be submitted with the institutional response to this program review report.

Also, SAC must update the information in its catalogue regarding the order in which funds are returned.

Finding 3. Return to Title IV (R2T4) Calculations Not Made

Citation: If a student earns a passing grade in one or more of his/her classes, an institution may assume that the student completed the course and thus completed the payment period. If a student who began attendance and has not officially withdrawn fails to earn a passing grade in at least one course, the institution must assume, for Title IV, HEA assistance purposes, that the student has unofficially withdrawn, unless the

institution can document that the student completed the period. *Dear Colleague Letter Gen-04-03*

When a recipient of Title IV, HEA assistance officially or unofficially 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 received as of the date he/she withdraws. In addition, 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. The total number of days used in determining the percentage of the payment period the student completed must exclude scheduled breaks of at least five consecutive days. If the student withdrew from the institution during a payment period or period of enrollment, the institution must make any post-withdrawal disbursement required in the return of Title IV, HEA funds regulations. *34 C.F.R. § 668.22*

Noncompliance: Per the SAC academic transcript, Student #11 received all "F's" for the spring 2011 semester. SAC did not provide documentation that student #11 completed at least one of the courses for the spring 2011 payment period.

Required Action: The Institution must provide documentation to the Department that Student #11 earned at least one of the "F's" during the spring 2011 semester. If Student #11 earned at least one of the "F's" during the spring 2011 semester, then the student would have been eligible to receive 100% of the financial aid received during this payment period. If Student #11 did not earn at least one "F", then SAC must perform an R2T4 calculation to determine if funds need to be returned to the Department.

In response to this report, please submit a copy of documentation demonstrating that Student #11 earned the grade of "F" in at least one course, or a copy of the R2T4 calculation. If Title IV funds must be returned, repayment instructions will be included in the Final Program Review Determination letter.

Finding 4. Inaccurate Recordkeeping

An Institution must develop and apply an adequate system to identify and resolve discrepancies in the information it receives from different sources with respect to a student's application for financial aid. *34 C.F.R. § 668.16(f)*

Noncompliance: The institutional records in Student #1's file contained discrepancies. Specifically, the SAC academic transcript for Student #1 did not include any courses for the fall 2010 semester. However, the student account ledger had a disbursement of $338 in Federal Pell Grant funds. Common Origination Disbursement (COD) also reported a

disbursement of $338. The R2T4 documentation provided by SAC showed that the student attended 19.8% of the enrollment period.

Required Action: The Institution must submit with its response to this program review report an accurate SAC academic transcript and/or updated R2T4 worksheet for Student #1.

Finding 5. Selective Service "C" Code Not Resolved

Citation: To be eligible to receive Title IV, HEA program funds, a male student who is subject to registration with the Selective Service must register with the Selective Service. *34 C.F.R. § 668.37*

An institution may determine that a student who was required to register, but did not is still eligible to receive federal financial assistance. A student's claim that he was not aware of the requirement to register is not evidence that he did not knowingly and willfully fail to register. The student must demonstrate that he did not knowingly and willfully fail to register. The student must present clear and unambiguous evidence that he was unable to present himself for registration for reasons beyond his control. The student must provide documentation to the school if he is exempt from registering with the Selective Service. *FSA Handbook 2011-2012*

Non-compliance: Per SAC's policy for resolving Selective Service registration "C" codes, students are required to provide a copy of their registration form, or a Status Information Letter from the Selective Service Office if they did not register. Students are also required to submit a written explanation outlining the reasons why the required registration did not occur.

Student #20's 2011-2012 ISIR contained a "C" code for Selective Service. SAC failed to collect the required documentation to determine if student #20 did register for Selective Service or if he was exempt from registration.

Required action: The institution must provide the required documentation to the Department indicating whether or not student #20 registered for Selective Service or if he was exempt. If the institution is unable provide adequate documentation, Student #20 will not be considered eligible for Title IV, HEA program funds for the 2011-2012 award year. Repayment instructions, if any, will be provided in the Final Program Review Determination letter.

Finding 6. Exit Counseling Deficiency

Citation: An institution must ensure that exit counseling is conducted with each Federal Family Education Loan (FFEL) and Federal Direct Loan (FDL) borrower shortly 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. *34 C.F.R. §§ 682.604(g) and 685.304(b)*

Noncompliance: During the program review, it was determined that exit loan counseling is conducted for students who either graduate or withdraw during an enrollment period in accordance with the regulations. However, exit loan counseling is not conducted for those students who complete a period of enrollment and do not return for a subsequent period of enrollment (i.e. Fall, Spring, Summer). For example, a student will enroll and complete the Fall semester and does not return or re-enroll for the Spring semester. The institution explained that its computer system does not currently capture or identify students who are in this particular category.

Required Action: SAC must develop a policy and procedure, with control mechanisms, to ensure that exit loan counseling will be completed for those student borrowers who do not return to school after a period of enrollment. Please review the above referenced regulations in developing the policy and procedure and submit a copy with the institutional response to this program review report.

Finding 7. Consumer Information Requirement Not Met

Citation: An institution must annually make available to prospective and enrolled students the completion or graduation rate of certificate- or degree-seeking, first-time, full-time, undergraduate students. The data are to be available by July 1 each year for the most recent cohort that has had 150 percent of normal time for completion by August 31 of the prior year. Institutions may add other information to their completion/graduation rate disclosures but the Higher Education Opportunity Act (HEOA) required information must be identifiable and separate from any additional information. If the information is requested by a prospective student, it must be made available prior to the student's enrolling or entering into any financial obligation with the institution. A student shall be counted as a completion or graduation if the student earns a degree or certificate. The HEOA added a provision requiring that the completion or graduation rates must be disaggregated by

- gender;
- major racial and ethnic subgroup (as defined in IPEDS);
- recipients of a Federal Pell Grant;
- recipients of a subsidized Stafford Loan who did not receive a Pell Grant; and
- students who did not receive either a Pell Grant or a subsidized Stafford Loan.

The requirement for disaggregation applies to 2-year degree-granting institutions beginning with the 2011-2012 academic year. *34 C.F.R. § 668.45*

Noncompliance: SAC does not have the required consumer information on its website and does not otherwise disseminate the information to students through appropriate publications, mailings, or electronic media sent directly to individuals. Specifically, SAC does not provide the following:

1. Graduation rates by category;
2. Placement rates and types of employment;
3. Institutional retention rates; and
4. Annual notice of the availability of information required to be disclosed.

Required Action: SAC must develop adequate policy and procedures for providing the required consumer information to current and prospective students. A copy of the policy and procedures must be submitted with the institutional response to this program review report. In addition, SAC must distribute the required consumer information to current and prospective students.

Finding 8. Annual Security Report Does Not Meet Requirement

Citation: By October 1 of each year, institutions are required to publish and distribute an annual security report that contains required crime statistics, as well as required statements and policies, to its current students and employees. Institutions must also inform prospective students and employees of the report's availability and provide a copy upon request.

The crime statistics must cover the three most recent calendar years concerning the occurrence on campus, in or on non-campus buildings or property, and on public property of the following offenses:

- Criminal homicide (murder and non-negligent manslaughter and negligent manslaughter)
- Sex offenses (forcible sex offenses and non-forcible sex offenses)
- Robbery
- Aggravated assault
- Burglary
- Motor vehicle theft
- Arson
- Arrests for liquor law violations, drug law violations, and illegal weapons possession

- Persons not included in the above category who were referred for campus disciplinary action for liquor law violations, drug law violations, and illegal weapons possession

34 C.F.R. § 668.46

Noncompliance: SAC provided inconsistent or incorrect crime statistics to its students and staff or to the Department. Specifically, in its 2011 Annual Security Report provided to students and staff, SAC reported one instance under the category of Criminal Offenses on Campus: Sex Offense Non-Forcible for the 2009 calendar year. However, SAC did not report any such instances to the Department for the 2009 calendar year. Also, SAC reported 12 instances under the category of Criminal Offenses Non Campus: Aggravated Assault for the 2008 calendar year. However, SAC reported only two such instances to the Department for the 2008 calendar year.

Required Action: SAC must review its crime statistics for the 2008 and 2009 calendar years and determine whether the crime statistics reported in its 2011 Annual Security Report or the crime statistics reported to the Department are incorrect.

If the crime statistics reported to the Department were inaccurate, SAC must contact the Department's Campus Crime Help Desk at (800) 435-5985 and request that its crime statistics for the appropriate calendar years be amended and reflected on the Department's public website,

If the crime statistics provided to students and staff in the 2011 Annual Security Report were incorrect, SAC must amend its 2011 Annual Security Report to include the correct crime statistics and provide the report to its students and staff.

In addition, SAC must provide this office with the results of its review of the crime statistics, a copy of the revised 2011 Annual Security Report or a link to corrected crime statistics in the Department's public website, and describe the method for distributing the amended Annual Security Report to its students and staff.

Finding 9. Drug and Alcohol Prevention Program Requirements Not Met

To be eligible to receive funds or any other form of financial assistance under any Federal program, including participation in any federally funded or guaranteed student loan program, an institution of higher education must certify to the Secretary that the institution has adopted and has implemented a program to prevent the use of illicit drugs and the abuse of alcohol by students and employees that, at a minimum, includes the annual distribution to each student and employee of standards of conduct that clearly prohibit, at a minimum, the unlawful possession, use, or distribution of illicit drugs and

alcohol by students and employees on the institution's property or as part of any of the institution's activities.

In addition, an institution must perform a biennial review of the program to determine its effectiveness and implement changes to the program if they are needed, and to ensure that the disciplinary sanctions are consistently enforced. *34 C.F.R. §§ 86.3 and 86.100*

Noncompliance: SAC does not conduct a biennial review of its drug prevention program to determine its effectiveness or to ensure the consistent enforcement of its disciplinary sanctions. SAC was unable to provide a copy of the biennial review report. In addition, SAC does not have an annual distribution to all students of information concerning drug and alcohol abuse and the school's prevention program. Information regarding drug and alcohol abuse is listed in the school catalog under Student Code of Conduct which can be accessed electronically. No annual notice is sent to students, faculty, and staff.

Required Action: SAC must develop procedures for a biennial review that measures the effectiveness of its drug prevention program in order to determine if changes need to be made as to its implementation. SAC must determine the number of drug and alcohol-related violations and fatalities that are reported to campus officials, which occur on the institution's campus or as part of any of the institution's activities, and determine the number and type of sanctions that are imposed by the institution as a result, and ensure that the sanctions are consistently enforced. In its response, SAC must describe how the effectiveness of its program will be measured. A copy of the procedures must be submitted in response to this finding.

D. Recommendations

The following are recommendations based upon observations made by the review team during the program review. SAC is not required to provide a response to, nor is SAC required to act upon, these recommendations. However, the review team believes that adoption of these recommendations will assist the institution in its administration of Title IV, HEA program funds.

SAC is part of the Alamo Colleges District. The Alamo Colleges District Administration should ensure that each college in the system includes all the required statements, policies and procedures required by 34 C.F.R. § 668.46. This will ensure that each college publishes an annual security report that is fully compliant with all campus security requirements.

In addition, the Alamo Colleges District Administration should ensure that each college in the system implements a drug prevention program as required by 34 C.F.R. §§ 86.1, 86.3 and 86.100, to include biennial reviews of the effectiveness of the program. This

will ensure that each college consistently applies the District's policies and procedures as they relate to the drug and alcohol prevention programs and fulfills the required review of the programs.

Also, SAC should maintain a staffing level that is sufficient enough to meet the demands of administering Title IV, HEA programs effectively.

E. Appendices

Appendix A (Student Sample) contain personally identifiable information and will be emailed to SAC 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.