



April 8, 2015

Dr. Guthrie Veech, President
St. Louis Christian College
1360 Grandview Drive
Florissant, MO 63033-6499

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RE: Final Program Review Determination
OPE ID: 01258000
PRCN: 201340728377

Dear Dr. Veech:

The U.S. Department of Education's (Department) School Participation Division – Kansas City issued a program review report on November 4, 2013 covering St. Louis Christian College's (SLC), administration of programs authorized by Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs), for the 2012-2013 and 2013-2014 award years. SLC's final response was received on November 3, 2014. A copy of the program review report (and related attachments) and SLC's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by SLC 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 notify SLC of the Department's final determinations and to notify SLC of a possible adverse action. Due to the serious nature of Findings 1, 2 and 3, this FPRD is being referred to the Department's Administrative Actions and Appeals Service Group (AAASG) for its consideration of possible adverse administrative action pursuant to 34 C.F.R. § 668, Subpart G. Such action may include a fine, or the limitation, suspension or termination of the eligibility of the institution.

This FPRD contains one or more findings regarding SLC'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 in *34 C.F.R. §§ 668.41, 668.46, and 668.49*. Because *Clery Act* findings do not result in financial liabilities, such findings may not be appealed. If an adverse

Federal Student Aid

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School Participation Division – Kansas City

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administrative action is initiated, additional information about SLC's appeal rights will be provided under separate cover.

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 program review 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 the report's Appendices.

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. SLC has provided assurances that the appropriate corrective actions have been taken to resolve and prevent future occurrences of all findings. If the institution has any questions regarding this letter, please contact Mr. Rick Moore at 816-268-0421 or via email at richard.moore@ed.gov.

Sincerely,

(b)(6)


Ralph A. LoBosco
Division Director

Enclosure: Protection of Personally Identifiable Information
Final Program Review Determination
Program Review Report
SLC's Response

cc: Chris Cable, Dean of Students
Cathi Wilhoit, Financial Aid Director
Missouri Coordinating Board for Higher Education
Association for Biblical Higher Education

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, flash drive, DVD) must be encrypted. The data must be submitted in a .zip file encrypted with Advanced Encryption Standard (AES) encryption (256-bit is preferred). The Department uses WinZip. However, files created with other encryption software are also acceptable, provided that they are compatible with WinZip (Version 9.0) and are encrypted with AES encryption. Zipped files using WinZip must be saved as Legacy compression (Zip 2.0 compatible).

The Department must receive an access password to view the encrypted information. The password must be e-mailed separately from the encrypted data. The password must be 12 characters in length and use three of the following: upper case letter, lower case letter, number, special character. A manifest must be included with the e-mail that lists the types of files being sent (a copy of the manifest must be retained by the sender).

Hard copy files and media containing PII must be:

- sent via a shipping method that can be tracked with signature required upon delivery
- double packaged in packaging that is approved by the shipping agent (FedEx, DHL, UPS, USPS)
- labeled with both the "To" and "From" addresses on both the inner and outer packages
- identified by a manifest included in the inner package that lists the types of files in the shipment (a copy of the manifest must be retained by the sender).

PII data cannot be sent via fax.

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St. Louis Christian College

OPE ID: 01258000
PRCN 201340728377

Prepared by:
U.S. Department of Education
Federal Student Aid
School Participation Division – Kansas City

Final Program Review Determination

April 8, 2015

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A. Institutional Information

St. Louis Christian College
1360 Grandview Drive
Florissant, MO 63033-6499

Type: Private, Non-profit

Highest Level of Offering: Bachelor's Degree, Four year

Accrediting Agency: Association for Biblical Higher Education

Current Student Enrollment: 311 for 2012-2013

% of Students Receiving Title IV: 73.9%

Title IV Participation (Source: G5, PEPS, Institutional Disbursement Records)

	<u>2011-2012</u>
Federal Pell Grant	\$746,448.00
William D. Ford Federal Direct Loan	\$1,794,870.00
Federal Supplement Education Opportunity Grant (FSEOG)	\$18,391.00
Federal Work Study	\$15,264.00

Default Rate FFEL/DL:	2010	10.0%
	2009	9.7%
	2008	7.2%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at St. Louis Christian College (SLC) from August 26th, 2013 to August 29th, 2013. The review was conducted by Rick Moore, Bridget Johnston and Holly Wolfe-Walkenbach.

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

A sample of 30 files was identified for review from the 2012-2013 and 2013-2014 (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. The Program Review report appendix 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 SLC'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 SLC 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

SLC has taken the corrective actions necessary to resolve findings 4, 5, 6, 7, 8 and 9 of the program review report. Therefore, these findings may be considered closed.

Resolved Finding with Comments

The following program review findings have been resolved by the institution and may be considered closed. These findings are included here solely for the purpose of discussing resolution of the finding.

Finding 1: Crime Awareness Requirements Not Met – Failure to Publish and Distribute an Annual Security Report/Multiple Violations

***Citation Summary:** The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (Clery Act) and the Department's regulations require that all institutions that receive Title IV, HEA funds must, by October 1 of each year, publish and distribute to its current students and employees, a comprehensive Annual Security Report (ASR) that contains, at a minimum, all of the statistical and policy elements enumerated in 34 C.F.R. §668.46(b). With the exception of certain drug and alcohol program information, cross referencing to other publications is not sufficient to meet the publication and distribution requirements. §485(f) of the HEA; 34 C.F.R. §668.46(b).*

The ASR must be published and actively distributed as a single document. Acceptable means of delivery include regular U.S. Mail, hand delivery, or campus mail distribution to the individual or posting on the institution's website. If an institution chooses to distribute its report by posting to an internet or intranet site, the institution must, by October 1 of each year, distribute a notice to all students and employees that includes a statement of the report's availability and its exact electronic address, a description of its contents, as well as an advisement that a paper copy will be provided upon request. 34 C.F.R. §668.41(e)(1). These regulations also require institutions to provide a notice containing this information to all prospective students and employees. This notice must also advise interested parties of their right to request a paper copy of the ASR and to have it furnished upon request. 34 C.F.R. §668.41(e)(4).

An institution's ASR must include statistics for incidents of crimes reported during the three most recent calendar years. The covered categories include criminal homicide (murder and non-negligent manslaughter), forcible and non-forcible sex offenses, robbery, aggravated assaults, burglary, motor vehicle theft, and arson. Statistics for

certain hates crimes as well as arrest and disciplinary referral statistics for violations of certain laws pertaining to illegal drugs, illegal usage of controlled substances, liquor, and weapons also must be disclosed in the ASR. These crime statistics must be published for the following geographical categories: 1) on campus; 2) on-campus student residential facilities; 3) certain non-campus buildings and property; and, 4) certain adjacent and accessible public property. 34 C.F.R. §668.46(c)(1).

The ASR also must include several policy statements. These disclosures are intended to inform the campus community about the institution's security policies, procedures, and the availability of programs and resources as well as channels for victims of crime to seek recourse. In general, these policies include topics such as the law enforcement authority and practices of campus police and security forces, incident reporting procedures for students and employees, and policies that govern the preparation of the ASR itself. Institutions are also required to disclose alcohol and drug policies and educational programs. Policies pertaining to sexual assault education, prevention, and adjudication must also be disclosed. Institutions also must provide detailed policies of the issuance of timely warnings, emergency notifications, and evacuation procedures. As noted above, all required statistics and policies must be included in a single comprehensive document.

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

Noncompliance Summary: *SLC violated multiple provisions of the Clery Act's campus safety requirements. Specifically, the College failed to prepare and publish a materially-complete ASR and distribute it to all current students and employees in the required manner.*

Department officials were able to confirm that SLC did in fact develop some of the required campus safety policies and procedures and also directed students and staff to the crime statistics submitted to the Department, as required by the Clery Act; however, this material was never incorporated into a single publication containing all of the campus crime statistical data and policy disclosures required by 34 C.F.R. §668.46(b). The ASR distribution violation logically follows from SLC's persistent failure to publish an ASR as required by the Clery Act and the institution's Program Participation Agreement (PPA). In fact, College officials were unable to provide any documentation or even verbal assurances that the institution had ever actively distributed its ASRs to students and employees in the required manner. Moreover, SLC also failed to actively notify prospective students and employees about the availability of ASR as required by the Clery Act, thereby resulting in an additional violation.

Taken together, the violations have caused the Department to find that SLC has systemically failed to develop and implement a Clery Act-compliant campus safety program and that such failures have persisted since the Clery Act (and its forerunner, the Student-Right-To-Know and Campus Security Act of 1990) was enacted.

Required Action Summary: *As a result of the above violations, SLC was required to develop and implement new policies and procedures that will govern the preparation, publication, and distribution of a modified 2013 ASR and all future reports to ensure that all facets of the process are carried out in a manner that meets Federal regulations. The procedures were required to specially articulate how prospective students and employees will be notified of the report's availability. Using its new policies as a guide, SLC was required to prepare and publish an accurate and complete a modified 2013 ASR (in draft form) that included all of the statistical disclosures and policy, procedure and programmatic information required under 34 C.F.R. §668.46(b). A copy of the institution's new policies and procedures and its draft ASR were required to accompany SLC's response to the program review report. Once the new ASR is evaluated by the review team for accuracy and completeness, SLC was required to actively distribute it to all current students and employees in accordance with 34 C.F.R. §668.41(e)(1).*

Finally, upon review of the draft ASR, SLC was required to provide documentation to the Department evidencing the distribution as well as a statement of certification attesting to the fact that the materials were distributed in accordance with the Clery Act. This certification must also affirm that SLC understands its Clery Act obligations and that it will take all necessary corrective actions to ensure that the violation does not recur.

SLC's Response: In its response, SLC concurred with the finding and stated that remedial action was taken as directed in the program review report. In support of its claims, SLC submitted copies of a draft 2012 ASR that was never distributed and its initial 2013 ASR. In addition, the College submitted copies of its new and revised internal policies and procedures regarding campus safety operations and *Clery Act* compliance.

Final Determination: Finding 1 of the program review report cited SLC for multiple *Clery Act* violations. Specifically, SLC did not produce and distribute complete 2011 and 2012 ASRs. Department officials were able to confirm that SLC did in fact develop some of the required campus safety policies and procedures and also directed students and staff to the crime statistics submitted to the Department, as required by the Clery Act; however, this material was never incorporated into a single publication containing all of the campus crime statistical data and policy disclosures required by 34 C.F.R. §668.46(b). As a result of this failure, the College was unable to actively distribute such a report to enrolled students and current employees or actively notify prospective students and employees of its availability. These violations were identified during a site visit that

began on August 26, 2013. At that time, SLC's 2013 ASR was not yet due and was not available. The 2013 report was issued several weeks later and was examined by the review team in advance of issuing the program review report. The Department's report was issued on November 4, 2013. The review team identified several omissions and other deficiencies. As a result, the "required action" section of the finding directed the College to revise and enhance the contents of the report and produce a modified 2013 ASR. The SLC also was required to review and revise its internal policies and procedures related to campus safety and *Clery Act* compliance and submit the draft report and its revised internal guidance to the Department for review. In its response, the College concurred with the finding, stated that remedial action was taken, and submitted documents in support of its claims.

The Department carefully reviewed all available information including SLC's initial response and its draft 2012 ASR and its initial and modified 2013 ASRs. Based on that review, the Department has determined that SLC did not produce a 2012 ASR and therefore could not distribute this required report to enrolled students and current employees. As such, the violations identified in the initial finding are sustained. The Department also determined that SLC continued to violate the *Clery Act* throughout 2013 as a result of its failure to produce an accurate and complete 2013 ASR. Also, as part of the Department's ongoing efforts to work with the College, the review team reached out to institutional officials again in November 2014 to assess SLC's progress on remedial actions as reflected in its 2014 ASR. While the review team's analysis of the 2014 ASRs evidenced some improvements, significant *Clery Act* deficiencies were identified. Specifically, SLC failed to include the following required elements of a compliant sexual assault awareness, prevention, and response program in the 2014 ASR:

- 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;
- A clear statement that institutional personnel will assist the student in notifying these authorities, if the student requests in notifying these authorities, if the student requests the assistance of these personnel;
- A clear statement to students that the institution will change a victim's academic situation after an alleged sex offense and of the options for those changes, if those changes are requested by the victim and are reasonably available;
- A clear statement that the accuser and the accused are entitled to the same opportunities to have others present during a disciplinary proceeding;
- A clear statement that both the accuser and the accused must be informed of the outcome of any institutional disciplinary proceeding brought alleging a sex offense;
- Information about sanctions that may be imposed following a final determination of an institutional disciplinary proceeding regarding rape, acquaintance rape, or other forcible or non-forcible sex offenses;

- A statement advising where law enforcement agency information provided by a State under section 170101(j) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. §14071(j)), concerning registered sex offenders may be obtained, such as the law enforcement office of the institution, a local law enforcement agency with jurisdiction for the campus, or a computer network address.
- A statement of policy regarding missing student notification procedures; and,
- SLC's emergency evacuation and response procedures. The 2014 ASR advised interested parties to see another publication for information that addressed some of the *Clery Act* requirements in this area. An institution must include information in the ASR that is specifically required by Federal regulations and may then advise readers to see other publications for additional information on its emergency management program.

As noted above, the Kansas City School Participation Division has made a concerted, good-faith effort to assist SLC toward full compliance with the *Clery Act*; however, as indicated by the persistent violations noted above, these efforts were not successful. For these reasons, the Department has determined that this finding is now closed for purposes of this program review and is referred to the Department's Clery Act Compliance Team (CACT). The CACT will oversee the College's development and implementation of its final remedial actions regarding this finding. As part of that referral, the College is directed to take immediate action to finally and fully address the noted deficiencies and submit creditable evidence to substantiate its claims of remedial action.

Specifically, upon receipt of this FPRD, SLC must immediately conduct a full review and then make all necessary revisions to the 2014 ASR to specifically address the ongoing violations outlined above. Once these deficiencies are corrected, the College must actively distribute the revised 2014 ASR to all enrolled students and current employees. This distribution must be completed within 30 days of SLC's receipt of this FPRD. It is the Department's understanding that SLC has chosen to produce its ASR and its annual fire safety report (AFSR) as a single document. The College is reminded that if it elects to continue this practice, all required statistical and policy disclosures must be included therein and the cover page must clearly indicate that both reports are included in the single publication. Within 35 days of receipt of this FPRD, the College must submit copies of the following: 1) the initial and revised 2013 and 2014 ASRs; 2) the initial and revised 2013 and 2014 AFSRs; and 3) credible evidence showing that each reports of these reports was actively distributed to each mandatory recipient. Suitable evidence of distribution may include a copy of an e-mail used to transmit the report or other similar documentation. These materials must be submitted via electronic mail to Mr. Rick Moore at richard.moore@ed.gov and to the CACT at clery@ed.gov.

SLC's submission must reference the Program Review Control Number noted on the cover letter in the subject line of its e-mail submission. If any of the requested records were not produced or do not exist, SLC officials must clearly communicate that fact to

the Department in writing via electronic mail. In this context, SLC officials are advised that no new documents are to be created at this time for the purpose of demonstrating compliance with any *Clery Act* requirement for past periods (except for the required revisions to the 2014 ASR/AFSR). The College is also advised that a failure to respond to this request for document production will result in a referral for the imposition of administrative actions in addition to any referrals that may be made to address the original violations identified in Findings 1 and 2 of the program review report.

Although this finding is now closed, SLC 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. SLC was required to initiate all necessary remedial measures; however, the institution failed to do so, as required by the terms and conditions of its Program Participation Agreement (PPA). SLC’s failure to take adequate remedial action calls its ability and/or willingness to properly administer the Title IV, FSA Programs into serious question. By way of the aforementioned referral, the Department is renewing its order that SLC finally take the necessary steps to demonstrate full compliance with the *Clery Act*. Notwithstanding this requirement, the institution is advised that remedial actions including those undertaken pursuant to the Department’s instructions above 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 SLC re-examine its campus security and general Title IV policies and procedures on an annual basis to ensure that they continue to reflect current institutional practices and are compliant with Federal regulations. As part of these periodic reviews, SLC officials are encouraged to consult the Department’s “Handbook for Campus Safety and Security Reporting” (2011) as a reference guide for *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. SLC 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.

Finally, SLC management is also reminded that Section 304 of the Violence Against Women Reauthorization Act of 2013 (VAWA) amended the *Clery Act* to require

institutions to compile and disclose statistics for incidents of domestic violence, dating violence, sexual assault, and stalking. VAWA also requires institutions to include new policy, procedural, and programmatic disclosures regarding sexual assault prevention and response in their ASRs. Institutions are already obligated to make a documented good-faith effort to comply with the statutory requirements of VAWA and were required to include all new required content in the 2014 ASR. The Department issued Final Rules on the VAWA amendments on October 20, 2014 and therefore, these regulations will go into effect on July 1, 2015, per the Department's Master Calendar. College officials may access the text of the Final Rule at:

<http://ifap.ed.gov/fregisters/attachments/FR102014FinalRuleViolenceAgainstWomenAct.pdf>.

Finding 2: Fire Safety Requirements Not Met – Failure to Publish and Distribute an Annual Fire Safety Report/Multiple Violations

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

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

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

Finally, an institution is required to submit its fire statistics to the Secretary on an annual basis. 34 C.F.R. §668.41(e)(1)-(6).

Noncompliance Summary: *SLC violated multiple provisions of the Clery Act fire safety requirements. Specifically, the College failed to prepare and publish an AFSR and as a result, also failed to actively distribute such a report to current students and employees. In addition, SLC failed to actively notify prospective students and employees about the availability of an ASR as required by the Clery Act, thereby resulting in an additional violation. The Department notes that SLC did submit fire statistics to the Department and merely directed students and parents to the Department's online database for information.*

As a result of these systemic violations, the Department found that SLC failed to meet the AFSR publication, active distribution, and notification requirements since the implementing regulations went into effect on October 1, 2010.

Required Action Summary: *As a result of this violation, SLC was required to develop and implement policies and procedures that will govern the preparation, publication, and distribution of the AFSR and ensure that all facets of the process are carried out in a manner that meets Federal regulations. The procedures were required to specifically articulate how prospective students and employees would be notified of the report's availability. Using its new policies as a guide, SLC was required to prepare and publish an accurate and complete a modified 2013 AFSR (in draft form) that includes all of the statistical disclosures and policy, procedure and programmatic information required under 34 C.F.R. §668.49(b).*

A copy of the College's new policies and procedures and its draft AFSR were required to accompany SLC's response to this program review report. Once the new AFSR has

evaluated by the review team for accuracy and completeness, SLC will be required actively distribute it to all current students and employees in accordance with 34 C.F.R. §668.41(e)(1). Finally, SLC will be required to provide documentation to the Department evidencing the distribution as well as a statement of certification attesting to the fact that the materials were distributed in accordance with the Clery Act. This certification must also affirm that SLC understands its Clery Act fire safety obligations and that it will take all necessary corrective actions to ensure that this violation does not recur.

SLC's Response: In its response, SLC concurred with the finding and stated that remedial action was taken as directed in the program review report. In support of its claims, SLC submitted copies of a draft 2012 ASSR that was never distributed and its initial 2013 ASR/AFSR. In addition, the College submitted copies of its new and revised internal policies and procedures regarding fire safety operations. SLC also represented that the ASR and AFSR will be produced as a single publication that will contain all required campus crime and fire safety disclosures.

Final Determination: Finding 2 of the program review report cited SLC for not producing an AFSR for 2011 and 2012 as well as for its corresponding failure to distribute such reports to students and employees. The Department notes that SLC did submit fire statistics to the Department and merely directed students and parents to the Department's online database for information. As a result of these violations, SLC was required to review and revise its internal policies and procedures related to *Clery Act* compliance and develop and implement new policies and procedures to ensure that all future AFSRs are produced and distributed, as required. Then using its new policies and procedures as a guide, the College was required to produce an accurate and complete 2013 AFSR. In its response, the College concurred with the finding, stated that remedial action was taken, and submitted documents in support of its claims.

The Department carefully reviewed all available documentation including SLC's response and supporting documents. The review team's examination showed that the identified violations were, for the most part, satisfactorily addressed by the College's inaugural AFSR and new internal policies and procedures. Based on that review and SLC's admission of noncompliance, the violations identified in the finding are sustained, namely that SLC did not produce a 2011 or 2012 AFSR. The Department also determined that SLC's remedial action plan met minimum requirements. For these reasons, the Department has accepted SLC's response and considers this finding to be closed for the purposes of this program review. For the record, the Department takes notice of SLC's representation that the College was not aware that it had to comply with the fire safety requirement prior to the program review. Nevertheless, SLC is advised that it must continue to develop its fire safety program and must also take any additional action that may be needed to fully address the deficiencies and weaknesses identified by the Department as well as any deficiencies that were detected during the preparation of

the SLC's response to the Department's report and as may otherwise be needed to ensure that these violations do not recur. In this regard, the Department calls attention to the fact that the 2013 AFSR did not include all required disclosures. For example, the report did not contain any information about fire or other safety drills. To address the Department's ongoing concerns, SLC must produce the records requested (or fully explain their absence) as part of the referral to the CACT described under Finding 1.

Although the finding is now closed, SLC 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" violations of this type once they occur. The requirement to develop and implement a comprehensive fire safety program and to publish and distribute an AFSR containing accurate and complete fire statistics, policies and procedures are fundamental goals of the *Clery Act*. SLC was required to initiate remedial measures and as a result of its efforts do far, has begun to address the conditions that led to these violations. SLC has stated that it has brought its overall campus fire safety program into compliance with the *Clery Act* as required by its PPA. Nevertheless, SLC 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.

Finding 3: Required Drug and Alcohol Abuse Prevention Program Requirements Not Met - Multiple Violations

Citation: The Drug-Free Schools and Communities Act (DFSCA) and Part 86 of the Department's General Administrative Regulations require each institution of higher education (IHE) to certify that it has developed and implemented a drug and alcohol abuse prevention program (DAAPP). The program must be designed to prevent the unlawful possession, use, and distribution of drugs and alcohol on campus and at recognized events and activities.

The DAAPP disclosure must include all of the following elements:

- *A written statement about an institution's standards of conduct that prohibits the unlawful possession, use or distribution of illicit drugs and alcohol by students and employees;*
- *A written description of legal sanctions imposed under Federal, state, and local laws and ordinances for unlawful possession or distribution of illicit drugs and alcohol;*

- *A description of the health risks associated with the use of illicit drugs and alcohol abuse;*
- *A description of any drug or alcohol counseling, treatment, and rehabilitation/re-entry programs that are available to students and employees; and,*
- *A statement that the IHE will impose disciplinary sanctions on students and employees for violations of the institution's codes of conduct and a description of such sanctions.*

The DAAPP disclosure must be actively distributed to all employees and students enrolled for academic credit (except for continuing education credits) on an annual basis. The distribution plan must make provisions for providing the DAAPP disclosure annually to students who enroll at a date after the initial distribution and for employees who are hired at different points throughout the year.

In addition, each IHE must conduct a biennial review to determine the effectiveness of its DAAPP and to ensure consistent enforcement of applicable drug and alcohol-related statutes, ordinances, and institutional policies against students and employees found to be in violation. The IHE must also produce a report of findings, maintain its supporting materials, and provide them to the Department upon request. 34 C.F.R. §§86.3 and 86.100.

Noncompliance: *SLC violated multiple provisions of the DFSCA and the Department's Part 86 regulations. The College failed to develop and implement a comprehensive DAAPP.*

Specifically, SLC's DAAPP does not contain the following required component:

1. *A fully developed description of any drug or alcohol counseling, treatment, or rehabilitation or re-entry programs that are available to students and employees.*

In addition, SLC was also unable to provide any assurances or produce any documentation that the DAAAP was ever distributed on an annual basis to all employees and all students enrolled for academic credit.

Regarding the distribution aspects of this violation, the College chose to publish its DAAPP disclosure information in its "Guide to Student Life." The College asserted that all perspective students and financial aid applicants are supposed to receive a "Financial Aid Information" brochure that directs students to the Guide for DAAPP information; however, College officials were unable to verify that this undocumented policy and process is routinely followed and actually results in the required dissemination.

Furthermore, the College was unable to provide any evidence or assurances that the disclosure information had ever been actively distributed to students who did not apply for financial aid on an annual basis. Moreover, the College could not provide any evidence or assurances that the annual DAAPP information has ever been actively distributed to employees in any form. Taken together, these facts indicate a general failure on the part of SLC to comply with the annual DAAPP disclosure distribution requirement,

Finally, SLC failed to conduct a biennial review of the effectiveness of its DAAPP and of the consistency of sanctions imposed for violations of its disciplinary standards and codes of conduct and therefore, also failed to prepare a biennial review report of findings. In fact, the institution was unable to produce suitable records to show that a biennial review was ever conducted at SLC. Based on the violations outlined above, the Department finds that SLC has substantially failed to implement the DFSCA during its participation in the Title IV, FSA programs.

Required Action Summary: *SLC was required to take all necessary corrective actions to address the violations identified above and all others identified during the preparation of its response to this program review report. In addition, SLC must, at a minimum, take the following actions:*

- *Develop and implement a substantive drug and alcohol abuse prevention program and publish a materially-complete DAPP disclosure that includes all of the required elements and summarizes the program. A copy of this draft document must accompany the College's response to this program review report;*
- *Develop procedures for ensuring that the DAAPP disclosure is distributed to every current student who is enrolled for academic credit as well as every employee of SLC on an annual basis. SLC was required to submit a copy of its new and revised DAAPP policies with its response to this program review report. Once the new DAAPP disclosure is evaluated by the review team for accuracy and completeness, SLC will be required to actively distribute the document in the manner set forth in the "Citation" section above and its own policy. Once the new DAAPP disclosure is distributed, SLC will be required to provide documentation to the Department evidencing the distribution along with a certification statement attesting to the fact that the materials were distributed in accordance with the DFSCA. This certification must also affirm that SLC understands its DFSCA obligations and that it has taken all necessary corrective actions to ensure that these violations do not recur;*
- *Conduct a biennial review to measure the effectiveness of its existing drug and alcohol programs and its new DAAPP. SLC must describe the research methods*

and data analysis tools that will be used to determine the effectiveness of the program. In addition, the report must identify the responsible official(s) who conducted the review. Finally, the report must be approved by the College's chief executive and/or its Board;

- *SLC must also submit copies of the two most-recent biennial review reports that the College has produced (if any) with its response to this program review report. If no such reports were ever produced, College officials must clearly state that fact. In this context, SLC officials are specifically advised that no new documents are to be created for the purpose of demonstrating compliance with the biennial review report requirement for past periods; and,*
- *SLC must establish policies and procedures to ensure that all subsequent biennial reviews are conducted in a timely manner and are fully documented and to take all other necessary action to ensure that this violation does not recur. A copy of these policies and procedures must accompany the College's submission of its biennial review report.*

SLC Response: In its response, SLC concurred with the finding and stated that remedial action was taken as directed in the program review report. In support of its claims, SLC submitted an updated DAAPP and its new annual disclosure. In addition, College officials represented that program materials were distributed to all students and staff in December 2013. Finally, SLC provided a plan that will govern the conduct of its first biennial review.

Final Determination: Finding 3 cited SLC for multiple violations of the *DFSCA* and 34 C.F.R. Part 86. Specifically, the review team found that SLC failed to include all required policy statements in its drug and alcohol abuse prevention program (DAAPP). Specifically, the program did not include any information about counseling or treatment options offered by SLC or that are available in the near-campus community. In addition, SLC failed to produce an annual disclosure that summarized the program and therefore, was unable to distribute such program materials, as required. Finally, SLC failed to conduct a biennial review of the DAAPP's effectiveness at any point prior to the on-site program review. These separate and distinct violations necessarily follow from each other because the biennial review is primarily a study of the DAAPP's effectiveness. Therefore, an institution cannot conduct a proper biennial review until it has a fully-functional DAAPP in place and program requirements are communicated to all members of the campus community. As a result of these violations, SLC was required to enhance its DAAPP, produce and distribute an annual disclosure, and conduct a substantive biennial review as soon as initial program data was available. In its response, the College concurred with the finding, described the remedial actions taken in an attempt to address the violations, and submitted documents in support of its claims.

The Department carefully examined SLC's narrative response and supporting documentation. The review team's examination showed that the identified violations were, for the most part, satisfactorily addressed by the College's response and its revised DAAPP, new annual disclosure, new biennial review plan, and its new internal policies and procedures. Based on the Department's review and SLC's admission of noncompliance, the violations identified in the initial finding are sustained. The Department also determined that the College's remedial action plan meets minimum requirements. For these reasons, the Department has accepted the response and considers this finding to be closed for purposes of this program review. Notwithstanding this closure, the officials and directors of SLC are put on notice that the College must take all other action 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 the Department's report and as may otherwise be needed to ensure that these violations do not recur.

In this regard, SLC officials are reminded that the College must continue to develop its DAAPP and must immediately conduct a biennial review in accordance with its new policies and procedures. The Department is aware that SLC requires students to sign a pledge that they will not ingest illegal substances during their enrollment; however, the College must understand that it is still required to comply with these Federal regulations as a condition of its participation in the Title IV programs and that compliance with these requirements cannot be achieved merely through the execution of lifestyle covenants by students or employees.

Regarding the biennial review requirement, SLC's report of findings and recommendations must include specific information about the actual conduct of the review including details about the research methods used during the evaluation. The report also must identify the official(s) who conducted the review and address how the College analyzed whether or not its disciplinary standards and codes of conduct regarding drug use and alcohol abuse were enforced consistently. Care also must be taken to ensure that all findings and recommendations are supported by valid evidentiary data. Finally, the report must indicate that it was approved by the College's President and/or its board. SLC's review must be completed by May 15, 2015 and its report be submitted to the Department by June 1, 2015. These documents must be transmitted via electronic mail to Mr. Moore at richard.moore@ed.gov and to the CACT at clery@ed.gov.

Although this finding is now closed, SLC is specifically reminded that the exceptions identified above constitute serious and persistent violations of the *DFSCA* that by their nature cannot be cured. There is no way to truly "correct" violations of this type once they occur. SLC asserted that it has taken adequate remedial actions and by doing so, has taken steps to finally comply with the *DFSCA* as required by its PPA. Notwithstanding the remedial efforts taken thus far, SLC officials must understand that compliance with the *DFSCA* is essential to maintaining a safe and healthy learning environment. Data

compiled by the Department shows that the use of illicit drugs and alcohol abuse is highly correlated to increased incidents of violent crime on campus. *DFSCA* violations deprive students and employees of important information regarding the educational, financial, health, and legal consequences of alcohol abuse and illicit drug use and deprive institutions of important information about the effectiveness of any drug and alcohol policies or programs that may have been in place during the review period. For these reasons, SLC is advised that its remedial measures cannot and do not diminish the seriousness of these violations nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or additional remedial measures as a result.

In light of the serious consequences associated with compliance failures of this type, the Department strongly recommends that SLC re-examine its DAAPP policies and procedures 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 policies and procedures.

D. Appendices

Appendix A: Program Review Report

Prepared for

St. Louis Christian College

OPE ID: 01258000
PRCN: 201340728377

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

Program Review Report

November 4, 2013

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A. Institutional Information

St. Louis Christian College
1360 Grandview Drive
Florissant, MO 63033-6499

Type: Private, Non-profit

Highest Level of Offering: Bachelor's Degree, Four year

Accrediting Agency: Association for Biblical Higher Education

Current Student Enrollment: 311 for 2012-2013

% of Students Receiving Title IV: 73.9%

Title IV Participation (Source: G5, PEPS, Institutional Disbursement Records)

	<u>2011-2012</u>
Federal Pell Grant	\$746,448.00
William D. Ford Federal Direct Loan	\$1,794,870.00
Federal Supplement Education Opportunity Grant (FSEOG)	\$18,391.00
Federal Work Study	\$15,264.00

Default Rate FFEL/DL:	2010	10.0%
	2009	9.7%
	2008	7.2%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at St. Louis Christian College (SLC) from August 26th, 2013 to August 29th, 2013. The review was conducted by Rick Moore, Bridget Johnston and Holly Wolfe-Walkenbach.

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

A sample of 30 files was identified for review from the 2012-2013 and 2013-2014 (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 SLC'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 SLC 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 (FPRD) 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 SLC to bring operations of the financial aid programs into compliance with the statutes and regulations.

Finding 1: Crime Awareness Requirements Not Met – Failure to Publish and Distribute an Annual Security Report/Multiple Violations

Citation: The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (*Clery Act*) and the Department's regulations require that all institutions that receive Title IV, HEA funds must, by October 1 of each year, publish and distribute to its current students and employees, a comprehensive Annual Security Report (ASR) that contains, at a minimum, all of the statistical and policy elements enumerated in *34 C.F.R. § 668.46(b)*. With the exception of certain drug and alcohol program information, cross referencing to other publications is not sufficient to meet the publication and distribution requirements. *§ 485(f) of the HEA; 34 C.F.R. § 668.46(b)*.

The ASR must be published and actively distributed as a single document. Acceptable means of delivery include regular U.S. Mail, hand delivery, or campus mail distribution to the individual or posting on the institution's website. If an institution chooses to distribute its report by posting to an internet or intranet site, the institution must, by October 1 of each year, distribute a notice to all students and employees that includes a statement of the report's availability and its exact electronic address, a description of its contents, as well as an advisement that a paper copy will be provided upon request. *34 C.F.R. § 668.41(e)(1)*. These regulations also require institutions to provide a notice containing this information to all prospective students and employees. This notice must also advise interested parties of their right to request a paper copy of the ASR and to have it furnished upon request. *34 C.F.R. § 668.41 (e)(4)*.

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

The ASR also must include several policy statements. These disclosures are intended to inform the campus community about the institution's security policies, procedures, and the availability of programs and resources as well as channels for victims of crime to seek recourse. In general, these policies include topics such as the law enforcement authority and practices of campus police and security forces, incident reporting procedures for students and employees, and policies that govern the preparation of the ASR itself. Institutions are also required to disclose alcohol and drug policies and educational programs. Policies pertaining to sexual assault education, prevention, and adjudication must also be disclosed. Institutions also must provide detailed policies of the issuance of timely warnings, emergency notifications, and evacuation procedures. As noted above, all required statistics and policies must be included in a single comprehensive document.

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

Noncompliance: SLC violated multiple provisions of the *Clery Act's* campus safety requirements. Specifically, the College failed to prepare and publish a materially-complete ASR and distribute it to all current students and employees in the required manner.

Department officials were able to confirm that SLC did in fact develop some of the required campus safety policies and procedures and also directed students and staff to the crime statistics submitted to the Department, as required by the *Clery Act*; however, this material was never incorporated into a single publication containing all of the campus crime statistical data and policy disclosures required by *34 C.F.R. § 668.46(b)*. The ASR distribution violation logically follows from SLC's persistent failure to publish an ASR as required by the *Clery Act* and the institution's Program Participation Agreement (PPA). In fact, College officials were unable to provide any documentation or even verbal assurances that the institution had ever actively distributed its ASRs to students and employees in the required manner. Moreover, SLC also failed to actively notify prospective students and employees about the availability of ASR as required by the *Clery Act*, thereby resulting in an additional violation.

Taken together, the violations have caused the Department to find that SLC has systemically failed to develop and implement a *Clery Act*-compliant campus safety program and that such failures have persisted since the *Clery Act* (and its forerunner, the Student-Right-To-Know and Campus Security Act of 1990) was enacted.

Failure to publish an accurate and complete ASR and to actively distribute them in accordance with Federal regulations deprives the campus community of important security information that can empower its members to be informed and play an active role in their own safety and security.

Required Action: As a result of the above violations, SLC must develop and implement new policies and procedures that will govern the preparation, publication, and distribution of a modified 2013 ASR and all future reports to ensure that all facets of the process are carried out in a manner that meets Federal regulations. The procedures must also specially articulate how prospective students and employees will be notified of the report's availability. Using its new policies as a guide, SLC must prepare and publish an accurate and complete a modified 2013 ASR (in draft form) that includes all of the statistical disclosures and policy, procedure and programmatic information required under 34 C.F.R. § 668.46(b). A copy of the institution's new policies and procedures and its draft ASR must accompany SLC's response to this program review report. Once the new ASR is evaluated by the review team for accuracy and completeness, SLC must actively distribute it to all current students and employees in accordance with 34 C.F.R. § 668.41(e)(1).

Finally, SLC must provide documentation to the Department evidencing the distribution as well as a statement of certification attesting to the fact that the materials were distributed in accordance with the *Clery Act*. This certification must also affirm that SLC understands its *Clery Act* obligations and that it will take all necessary corrective actions to ensure that this violation does not recur.

As noted above, the exceptions identified in this finding constitute serious violations of the *Clery Act* that by their nature cannot be cured. There is no way to truly "correct" a violation of this type once it occurs. SLC will be given an opportunity to develop and distribute an accurate and complete ASR, and in so doing, will finally begin to bring its overall campus security program into compliance with the *Clery Act* as required by its Program Participation Agreement (PPA). However, the College is advised that these remedial measures cannot and do not diminish the seriousness of these violations nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or require additional corrective measures as a result.

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

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

Finding 2: Fire Safety Requirements Not Met – Failure to Publish and Distribute an Annual Fire Safety Report/Multiple Violations

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

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

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

Finally, an institution is required to submit its campus crime and fire statistics to the Secretary on an annual basis. *34 C.F.R. § 668.41(e)(1)-(6)*.

Noncompliance: SLC violated multiple provisions of the *Clery Act* fire safety requirements. Specifically, the College failed to prepare and publish an AFSR and as a result, also failed to actively distribute such a report to current students and employees. In addition, SLC failed to actively notify prospective students and employees about the availability of an ASR as required by the *Clery Act*, thereby resulting in an additional violation. The Department notes that SLC did submit fire statistics to the Department and merely directed students and parents to the Department's online database for information.

As a result of these systemic violations, the Department finds that SLC has failed to meet the AFSR publication, active distribution, and notification requirements since the implementing regulations went into effect on October 1, 2010.

Failure to publish an accurate and complete AFSR and to actively distribute it to students and employees deprives interested persons of important fire safety information to which they are entitled. Access to this information permits campus community members, especially those who live in campus housing, to make well-informed decisions about where to work and study and empowers them to play a more active role in their own safety and security.

Required Action: As a result of this violation, SLC must develop and implement policies and procedures that will govern the preparation, publication, and distribution of the AFSR and ensure that all facets of the process are carried out in a manner that meets Federal regulations. The procedures must also specifically articulate how prospective students and employees will be notified of the report's availability. Using its new policies as a guide, SLC must prepare and publish an accurate and complete a modified 2013 AFSR (in draft form) that includes all of the statistical disclosures and policy, procedure and programmatic information required under *34 C.F.R. § 668.49(b)*.

A copy of the College's new policies and procedures and its draft AFSR must accompany SLC's response to this program review report. Once the new AFSR is evaluated by the review team for accuracy and completeness, SLC must actively distribute it to all current students and employees in accordance with *34 C.F.R. § 668.41(e)(1)*. Finally, SLC must provide documentation to the Department evidencing the distribution as well as a statement of certification attesting to the fact that the materials were distributed in accordance with the *Clery Act*. This certification must also affirm that SLC understands its *Clery Act* fire safety obligations and that it will take all necessary corrective actions to ensure that this violation does not recur.

As noted above, the exceptions identified in this finding constitute serious violations of the *Clery Act's* fire safety requirements that by their nature cannot be cured. There is no

way to truly “correct” a violation of this type once it occurs. SLC will be given an opportunity to develop a substantive fire safety program and to publish and distribute an accurate and complete AFSR, and in so doing, will finally begin to bring its overall fire security program into compliance with the *Clery Act* as required by its PPA. However, the College is advised that these remedial measures cannot and do not diminish the seriousness of these violations nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or require additional corrective measures as a result.

Based on an evaluation of all available information including SLC’s response, the Department will determine if additional actions will be required and will advise the College accordingly in the FPRD.

Finding 3: Required Drug and Alcohol Abuse Prevention Program Requirements Not Met – Multiple Violations

Citation: The Drug-Free Schools and Communities Act (*DFSCA*) and Part 86 of the Department’s General Administrative Regulations require each institution of higher education (IHE) to certify that it has developed and implemented a drug and alcohol abuse prevention program (DAAPP). The program must be designed to prevent the unlawful possession, use, and distribution of drugs and alcohol on campus and at recognized events and activities.

The DAAPP disclosure must include all of the following elements:

- A written statement about an institution’s standards of conduct that prohibits the unlawful possession, use or distribution of illicit drugs and alcohol by students and employees;
- A written description of legal sanctions imposed under Federal, state, and local laws and ordinances for unlawful possession or distribution of illicit drugs and alcohol;
- A description of the health risks associated with the use of illicit drugs and alcohol abuse;
- A description of any drug or alcohol counseling, treatment, and rehabilitation/re-entry programs that are available to students and employees; and,
- A statement that the IHE will impose disciplinary sanctions on students and employees for violations of the institution’s codes of conduct and a description of such sanctions.

The DAAPP disclosure must be actively distributed to all employees and students enrolled for academic credit (except for continuing education credits) on an annual basis. The distribution plan must make provisions for providing the DAAPP disclosure annually to students who enroll at a date after the initial distribution and for employees who are hired at different points throughout the year.

In addition, each IHE must conduct a biennial review to determine the effectiveness of its DAAPP and to ensure consistent enforcement of applicable drug and alcohol-related statutes, ordinances, and institutional policies against students and employees found to be in violation. The IHE must also produce a report of findings, maintain its supporting materials, and provide them to the Department upon request. *34 C.F.R. §§ 86.3 and 86.100.*

Noncompliance: SLC violated multiple provisions of the *DFSCA* and the Department's Part 86 regulations. The College failed to develop and implement a comprehensive DAAPP.

Specifically, SLC's DAAPP does not contain the following required component:

1. A fully developed description of any drug or alcohol counseling, treatment, or rehabilitation or re-entry programs that are available to students and employees.

In addition, SLC was also unable to provide any assurances or produce any documentation that the DAAAP was ever distributed on an annual basis to all employees and all students enrolled for academic credit.

Regarding the distribution aspects of this violation, the College chose to publish its DAAPP disclosure information in its "Guide to Student Life." The College asserted that all perspective students and financial aid applicants are supposed to receive a "Financial Aid Information" brochure that directs students to the Guide for DAAPP information; however, College officials were unable to verify that this undocumented policy and process is routinely followed and actually results in the required dissemination.

Furthermore, the College was unable to provide any evidence or assurances that the disclosure information had ever been actively distributed to students who did not apply for financial aid on an annual basis. Moreover, the College could not provide any evidence or assurances that the annual DAAPP information has ever been actively distributed to employees in any form. Taken together, these facts indicate a general failure on the part of SLC to comply with the annual DAAPP disclosure distribution requirement,

Finally, SLC failed to conduct a biennial review of the effectiveness of its DAAPP and of the consistency of sanctions imposed for violations of its disciplinary standards and codes of conduct and therefore, also failed to prepare a biennial review report of findings. In

fact, the institution was unable to produce suitable records to show that a biennial review was ever conducted at SLC. Based on the violations outlined above, the Department finds that SLC has substantially failed to implement the *DFSCA* during its participation in the Title IV, FSA programs.

Failure to comply with the *DFSCA*'s DAAPP requirements deprives students and employees of important information regarding the educational, disciplinary, health, and legal consequences of illegal drug use and alcohol abuse. Failure to comply with the biennial review requirements also deprives the institution of important information about the effectiveness of its own drug and alcohol programs. Such failures may contribute to increased drug and alcohol abuse as well as an increase in drug and alcohol-related violent crime.

Required Action: SLC is required to take all necessary corrective actions to address the violations identified above and all others identified during the preparation of its response to this program review report. In addition, SLC must, at a minimum, take the following actions:

- Develop and implement a substantive drug and alcohol abuse prevention program and publish a materially-complete DAPP disclosure that includes all of the required elements and summarizes the program. A copy of this draft document must accompany the College's response to this program review report;
- Develop procedures for ensuring that the DAAPP disclosure is distributed to every current student who is enrolled for academic credit as well as every employee of SLC on an annual basis. SLC must submit a copy of its new and revised DAAPP policies with its response to this program review report. Once the new DAAPP disclosure is evaluated by the review team for accuracy and completeness, SLC will be required to actively distribute the document in the manner set forth in the "Citation" section above and its own policy. Once the new DAAPP disclosure is distributed, SLC will be required to provide documentation to the Department evidencing the distribution along with a certification statement attesting to the fact that the materials were distributed in accordance with the *DFSCA*. This certification must also affirm that SLC understands its *DFSCA* obligations and that it has taken all necessary corrective actions to ensure that these violations do not recur;
- Conduct a biennial review to measure the effectiveness of its existing drug and alcohol programs and its new DAAPP. SLC must describe the research methods and data analysis tools that will be used to determine the effectiveness of the program. In addition, the report must identify the responsible official(s) who conducted the review. Finally, the report must be approved by the College's chief executive and/or its Board;

- SLC must also submit copies of the two most-recent biennial review reports that the College has produced (if any) with its response to this program review report. If no such reports were ever produced, College officials must clearly state that fact. In this context, SLC officials are specifically advised that no new documents are to be created for the purpose of demonstrating compliance with the biennial review report requirement for past periods; and,
- SLC must establish policies and procedures to ensure that all subsequent biennial reviews are conducted in a timely manner and are fully documented and to take all other necessary action to ensure that this violation does not recur. A copy of these policies and procedures must accompany the College's submission of its biennial review report.

Because the *DFSCA* went into effect in 1990, longstanding practice dictates that the biennial review is normally conducted in even-numbered years. However, given SLC's longstanding failures in this regard, the Department must require that a biennial review be initiated immediately. Therefore, SLC's biennial review must commence immediately upon receipt of this program review report and be completed by December 31, 2013. The College must submit its biennial review report of findings to the review team by January 15, 2014.

As noted above, the exceptions identified in this finding constitute serious 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. SLC will be given an opportunity to develop and implement a comprehensive DAAPP, to design and distribute an accurate and complete DAAPP disclosure, and to conduct a substantive biennial review and in so doing, will finally bring its overall drug and alcohol programs into compliance with the *DFSCA* as required by its PPA. However, SLC is advised that these remedial measures cannot and do not diminish the seriousness of these violations nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or additional corrective measures as a result.

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

Finding 4: Consumer Information Requirements Not Met

Citation: The Higher Education Act of 1965 (HEA), as amended by the Higher Education Opportunity Act of 2008 (HEOA), includes many disclosure and reporting requirements. A disclosure requirement is information that a postsecondary education institution is required to distribute or make available to another party, such as students or

employees. Additionally, the Code of Federal Regulations outlines required consumer disclosures in multiple areas, including 34 C.F.R. § 668 and others.

Noncompliance: The following required disclosure components are incomplete or missing at SLC:

Notice of Availability of Institutional and Financial Aid Information

All institutions participating in Title IV, HEA student financial aid programs must annually distribute to all enrolled students a notice of the availability of the information that is required to be made available to students under the Family Educational Rights and Privacy Act of 1974 (FERPA). The notice must list and briefly describe the information and include a statement of the procedures required to obtain the information. For information listed in the notice that is disclosed on an institution's website, the notice must include the exact electronic address and a statement that the institution will provide a paper copy upon request. Institutions should also provide availability, upon reasonable notice, throughout normal administrative working hours of employees for information dissemination purposes, to prospective and enrolled students. *HEA Sec. 485(a)(1); 34 C.F.R. §668.41(c); 34 C.F.R. §668.43; 34 C.F.R. §668.44*

Notice of Federal Student Financial Aid Penalties for Drug Law Violations

All institutions participating in Title IV, HEA student financial aid programs must provide to each student, upon enrollment, a separate, clear, and conspicuous written notice that advises the student that a conviction for any offense, during a period of enrollment for which the student was receiving Title IV, HEA program funds, under any federal or state law involving the possession or sale of illegal drugs will result in the loss of eligibility for any Title IV, HEA grant, loan, or work-study assistance.

Each institution must provide a notice in a timely manner to each student who has lost eligibility for Title IV, HEA assistance as a result of the penalties under HEA Sec. 484(r)(1). The notice must be a separate, clear, and conspicuous written notification of the loss of eligibility and must advise the student of the ways in which the student can regain eligibility. *HEOA Sec. 488(g); amended HEA Sec. 485; Added HEA Sec. 485(k); 34 C.F.R. §668.40*

Vaccinations Policy

All institutions participating in Title IV, HEA student financial aid programs must annually make available to prospective and enrolled students, through appropriate publications, mailings, or electronic media, information about institutional policies regarding vaccinations. *HEOA Sec. 488(a)(1)(E); amended HEA Sec. 485(a)(1); Added HEA Sec. 485(a)(1)(V)*

Information for Crime Victims about Disciplinary Proceedings

All institutions participating in Title IV, HEA student financial aid programs must, upon written request, disclose to the alleged victim of any crime of violence or a nonforcible sex offense, the results of any disciplinary proceeding conducted by the institution against a student who is the alleged perpetrator of such crime or offense. If the alleged victim is deceased as a result of the crime or offense, the information shall be provided, upon request, to the next of kin of the alleged victim. **This provision applies to any disciplinary proceeding conducted by an institution on or after August 14, 2009.** *HEOA Sec. 493(a)(1)(A); amended HEA Sec. 487(a); Added HEA Sec. 487(a)(26)*

Disaggregated Completion/Graduation Rates:

All institutions participating in Title IV, HEA student financial aid programs that enroll first-time, full time undergraduate students, must annually make available to prospective and enrolled students, through appropriate publications, mailings, or electronic media, the following data:

The HEOA (Sec. 488(a)(3)) 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.

Students are to be considered to have received a grant or loan if they received it for the period used for determining the cohort fall term or full year. *HEOA Sec. 488(a)(2); amended HEA Sec. 485(a); New HEA Sec. 485(a)(4); HEOA Sec. 488(a)(3); amended HEA Sec. 485(a); New HEA Sec. 485(a)(7); 34 C.F.R. §668.41(a)-(d); 34 C.F.R. §668.45; 34 C.F.R. §668.8(b)(1)(ii)*

Types of Graduate and Professional Education in Which the Institution's Graduates Enroll

All institutions participating in Title IV, HEA student financial aid programs that have 4-year degree programs, must make available to prospective and enrolled students, through appropriate publications, mailings, or electronic media, information regarding the types of graduate and professional education in which graduates of the institution's 4-year degree programs enroll.

Institutions must identify the source of the information, and any timeframes and methodology associated with it. *HEOA Sec. 488(a)(1)(E) amended HEA Sec. 485(a)(1); Added HEA. Sec. 485(a)(1)(S); 34 C.F.R. §668.41(d)*

Required Action: SLC must immediately make missing information available to students and employees online. Copies of revised consumer information dissemination policies and procedures, plus evidence of all updates in SLC's publications, must accompany its response to this report.

Finding 5: Satisfactory Academic Progress Policy Not Adequately Developed

Citation: To begin and to continue to participate in any Title IV program, an institution shall demonstrate to the Department that it is capable of adequately administering that program under each of the standards established in 34 C.F.R. §668.16.

The Department considers an institution to have administrative capability if the institution for purposes of determining student eligibility for assistance under a Title IV program; establishes, publishes, and applies reasonable standards for measuring whether an otherwise eligible student is maintaining satisfactory progress in his or her educational program. The Department considers an institution's standards to be reasonable if the standards, in part, use the terminology of "SAP warning" and "SAP probation" in accordance with the definitions provided in federal regulation. *34 C.F.R. §668.34(b)*

If the institution places students on financial aid warning, or on financial aid probation, an institutions policy describes these statuses as:

- A student on financial aid warning may continue to receive assistance under the Title IV, HEA programs for one payment period despite a determination that the student is not making satisfactory academic progress. Financial aid warning status may be assigned without an appeal or other action by the student; and
- Financial aid probation means a status assigned by an institution to a student who fails to make satisfactory academic progress and who has appealed and has had eligibility for aid reinstated. A student on financial aid probation may receive Title IV, HEA program funds for one payment period. While a student is on financial aid probation, the institution may require the student to fulfill specific terms and conditions such as taking a reduced course load or enrolling in specific courses. At the end of one payment period on financial aid probation, the student must meet the institution's satisfactory academic progress standards or meet the requirements of the academic plan developed by the institution and the student to qualify for further Title IV, HEA program funds. *34 C.F.R. §668.16(e); 34 C.F.R. §668.34(a)(8); 34 C.F.R. §668.34(b)*

Noncompliance: Information obtained from the institution's catalog and review of student files indicates SLC's satisfactory academic progress policy is not compliant with federal regulations. SLC's satisfactory academic progress (SAP) policy states that a student's failure to achieve SAP standards will result in one semester of financial aid

probation. Failure to meet the SAP requirement by the end of the probationary period would result in the student being placed on SAP suspension, but a student is allowed to appeal an SAP suspension. SLC incorrectly defines SAP probation.

Required Action: In response to this program review report, SLC must revise its SAP policy to address the deficiency cited above as required by new regulatory requirements that became effective July 1, 2011. A copy of this policy must accompany SLC's response to this report.

Finding 6. Inconsistent Reporting of Disbursements on Student Ledger Cards and the Common Origination and Disbursement (COD) System

Citation: An institution makes a disbursement of Title IV funds on the date that the institution credits a student's account at the institution or pays a student or parent directly with:

- Funds received from the Secretary; or
- Institutional funds used in advance of receiving Title IV funds. *34 C.F.R § 668.164(a)*

A school participating in the Federal Direct Loan Program shall ensure that any information it provides to the Secretary in connection with loan origination is complete and accurate. A school shall originate a Federal Direct Loan while the student meets the borrower eligibility requirements of 34 C.F.R § 685.200. A school shall provide to the Department borrower information that includes but is not limited to:

- The borrower's eligibility for a loan; *34 C.F.R § 685.200 and 34 C.F.R § 685.203*
- The student's loan amount; and
- The anticipated and actual disbursement date or dates and disbursement amounts of the loan proceeds. *34 C.F.R § 685.301(a)*

34 C.F.R. § 690.83 requires institutions to submit a student's payment data (including disbursement dates) to the Secretary by the reporting deadlines published in the Federal Register. Institutions are required to submit Federal Pell Grant and/or Federal Direct Loan disbursement records to the COD system no later than 15¹ days after making a disbursement or becoming aware of the need to adjust a student's previously reported disbursement information. The disbursement date to be reported to COD is the date that the institution credits funds to a student's account or pays funds to a student or parent directly. The amounts reported in the COD system must also be consistent with the

¹ *Federal Register Volume 78, Number 40; February 28, 2013* changed the number of days to submit records from 30 to 15 for the 2012-2013 award year. Federal Student Aid notified the community via an Electronic Announcement on the Information for Financial Aid Professionals website on March 15, 2013.

amounts shown to students on their student account statements or student ledger cards. *COD Technical Reference, 2012-2013, Volume II.*

Noncompliance: SLC did not provide consistent disbursement information to COD in all cases. In some instances where the Federal Direct Loan amounts, subsidized and unsubsidized, may have changed after the initial award, SLC did not always provide updated information to COD and/or update the student's ledger card. For example, if a student had reached their aggregate limit of subsidized loans, part of the original Federal Direct Subsidized Loan amount may have been reclassified as a Federal Direct Unsubsidized Loan amount. These revised loan amounts were not always shown on the student ledger card.

Student #3: A Federal Direct Unsubsidized Loan amount of \$915 was awarded and shown in COD as having two net disbursements of \$454 and \$453 being made on 10/25/12. The student also received a Federal Direct Subsidized Loan disbursement of \$83 on 10/25/12. However, the student ledger card did not show each these individual disbursements. The ledger card showed two loan disbursements of \$495 each on 10/25/12. The student received the correct amount of Federal Direct Loans, but the types and disbursements amounts in COD did not match what was on the student ledger card.

Student #12: A Federal Direct Subsidized Loan disbursement of \$495 was posted to the student's ledger card on 2/1/13. However, COD reports a Federal Direct Subsidized Loan disbursement of \$203 and a Federal Direct Unsubsidized Loan disbursement of \$292 being made on 2/1/13. The student received the correct amount of Federal Direct Loans but the types and disbursements amounts in COD did not match what was on the student ledger card.

Required Action: During the program review, SLC was advised to correct its COD reporting procedures to ensure that the institution accurately reports all disbursements to both COD and to students via their student ledger cards. The institution concurred with this finding. A copy of the updated procedures must accompany SLC's response to this report.

Finding 7: Federal Supplemental Educational Opportunity Grant Matching Deficiencies

Citation: The federal share of the Federal Supplemental Educational Opportunity Grant (FSEOG) awards made by an institution may not exceed 75 percent of the amount of FSEOG awards made by that institution. The non-federal share of FSEOG awards must be made from the institution's own resources, which include for this purpose—

- (1) Institutional grants and scholarships;
- (2) Tuition or fee waivers;
- (3) State scholarships; and

(4) Foundation or other charitable organization funds. *34 C.F.R. § 676.21*

The three methods a school may use to meet its nonfederal share follow:

- Individual FSEOG recipient basis—the school provides its share to an individual FSEOG recipient together with the federal share; that is, each student's total FSEOG would consist of 25% nonfederal resources and 75% federal dollars for the award year.
- Aggregate basis—the school ensures that the sum of all funds awarded to FSEOG recipients in an award year comprises 75% FSEOG federal funds and 25% nonfederal resources.
- Fund-specific basis—the school establishes an FSEOG fund into which it deposits FSEOG federal funds and the required 25% nonfederal share. Awards to FSEOG recipients are then made from the fund.

Also, by the time the FSEOGs are disbursed, the required match must have been accomplished; that is, the school's own resources must have been disbursed before or at the time the federal dollars are disbursed. However, institutions using the aggregate method may post FSEOG funds before the match, provided that the school has written information about funds that the non-institutional agency or organization is awarding to the student involved. The written information must be kept on file at the school. *2012-2013 FSA Handbook, Volume 6, Chapter 1*

Noncompliance: SLC is not appropriately documenting the awarding of its nonfederal share of FSEOG. The school's policy is to use institutional scholarship funds to meet its nonfederal share requirement. Although SLC disburses institutional funds in excess of the required 25% nonfederal share amount, the institution does not properly track the 25% matching share as disbursed FSEOG funds to students.

On its 2011-2012 Fiscal Operations Report and Application to Participate (FISAP) filed with the Department, SLC indicates that the total amount of FSEOG funds disbursed to students was \$21,867. However, the actual amount of funds disbursed to students as FSEOG funds only totaled the Federal share amount of FSEOG which was \$16,400.

On its 2012-2013 Fiscal Operations Report and Application to Participate (FISAP) filed with the Department, SLC indicates that the total amount of FSEOG funds disbursed to students was \$32,946. However, the actual amount of funds disbursed to students as FSEOG funds, only totaled the Federal share amount of FSEOG which was \$24,709.

The 25% that SLC considers to be their matching funds was not disbursed to students as FSEOG on their account cards but was only disbursed as institutional aid.

Required Action: In response to this finding, SLC must document that FSEOG recipients received \$8,237 in institutional funds for the 2012-2013 award year and \$5,467

in institutional funds for the 2011-2012 award year as reported on the FISAPs for those years.

In addition, SLC must ensure that student account cards reflect that FSEOG recipients receive the appropriate amount of nonfederal funds disbursed as FSEOG funds. SLC must ensure that the numbers reported on the FISAP accurately reflect the total amount of FSEOG funds disbursed to students on their student account cards. Revised policies and procedures explaining how SLC will award and account for the nonfederal share of FSEOG in the future must accompany SLC's response to this report.

Finding 8: Incorrect Federal Direct Loan Amount

Citation: Federal regulations state that to qualify for a subsidized loan, a student must have financial need. A borrower unable to qualify based on need for a subsidized loan may apply for an unsubsidized loan, which is not based on need. Also, a student able to qualify for only a part of the subsidized loan limit may apply for an unsubsidized loan to cover the EFC and any unmet financial need (up to the annual loan limit).

For all Title IV, HEA loans, institutions must document the student's cost of attendance, EFC, and estimated financial assistance in the student's file. Additionally, the institution must use the correct loan amounts requested by the student which are within their annual or aggregate loan limits. *34 C.F.R. § 685.200*

Noncompliance: In one instance, SLC awarded an incorrect Federal Direct unsubsidized loan amount based on what the student had requested.

Student #27: The student was awarded \$6,000 in Federal Direct Loan funds, \$4,500 Subsidized and \$1,500 Unsubsidized for the 2013-14 award year. However, the loan was incorrectly originated for \$4,500 Subsidized and \$6,000 Unsubsidized. Although the student was eligible for these amounts, the student had only requested \$1,500 in Unsubsidized loans. Reviewers notified the financial aid director of the error while on site. SLC contacted the student during the program review and confirmed that she only wanted \$1,500 in Unsubsidized loans. The financial aid director made the correction to the loan amount while reviewers were on site.

Required Action: SLC concurred with this finding and corrected the error while reviewers were on site so no further action is required for this student. However, SLC should strengthen its procedures to ensure that in the future, all loan amounts correctly match those amounts requested by the student or parent. A copy of the updated procedures must accompany SLC's response to this report.

Finding 9: Overaward – Financial Need Exceeded

Citation: An institution may only award and disburse Title IV, HEA funds to a student or parent if those funds, combined with other resources the student receives, are not in excess of the student's financial need. A student borrower must generally complete the FAFSA, and then an institution determines the student's eligibility for a Federal Direct Subsidized or Unsubsidized Loan. *34 C.F.R. § 685.201(a-b)*

A school may not certify a Federal Direct Subsidized loan for a student in an amount that exceeds the student's estimated cost of attendance, less-

- The student's estimated financial assistance for that period; and
- For a Federal Direct Subsidized loan, the borrower's expected family contribution (EFC) for that period. *34 C.F.R. § 685.301(a)(4)*

Noncompliance: In one instance, SLC awarded and disbursed a Federal Direct Subsidized loan to a student in excess of their need.

Student #30: For the 2013-14 award year, the student's cost of attendance was \$22,325. The student's EFC was 20417, leaving a need of \$1,908. The student received institutional aid in the amount of \$1,000 leaving a remaining need of \$908. SLC incorrectly awarded a Federal Direct Subsidized Loan in the amount of \$1,178 when the maximum amount should have been \$908. Reviewers notified the financial aid director of the error while on site. The financial aid director made the correction to the loan amount while reviewers were still on site.

Required Action: SLC concurred with this finding and corrected the error while reviewers were on site so no further action is required for this student. SLC should update its policies and procedures to ensure future need-based processing is performed accurately to ensure students do not receive more need-based assistance than which they are entitled. A copy of the updated procedures must accompany SLC's response to this report.