June 1, 2015

Ronnie Booth, President
Tri-County Technical College
7900 Highway 76
Pendleton, SC 29670-9133

UPS Tracking #: 1ZA87964NY96768348

RE: **Final Program Review Determination**
OPE ID: 00492600
PRCN: 201510428838

Dear President Booth:

The U.S. Department of Education's (Department's) School Participation Division - Atlanta issued a program review report on March 16, 2015 covering Tri-County Technical College's (TCTC) administration of programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs), for the 2012-2013 and 2013-2014 award years. The institution's final response was received on April 15, 2015.

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

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

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

If you have any questions please call Vinita Simpson at (404) 974-9260.

Sincerely,

[redacted]

Chris Miller
Division Director

Enclosure: *Program Review Report (with attachments)*
TCTC Response to the Program Review Report

cc: Cathy Cole, Financial Aid Administrator
SC Commission on Higher Education
Southern Association of Colleges and Schools
Department of Defense
Department of Veterans Affairs
Consumer Financial Protection Bureau

FYI

March 16, 2015

Ronnie Booth, President
Tri-County Technical College
7900 Highway 76
Pendleton, SC 29670-9133

UPS Tracking #: 1ZA879640294799320

RE: Program Review Report
OPE ID: 00492600
PRCN: 201510428838

Dear President Booth:

From October 27, 2014 through October 31, 2014, Vinita Simpson and Angelique James of the U.S. Department of Education (Department) conducted a Program Review of Tri-County Technical College's (TCTC) administration of the programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs). The findings of that review are presented in the enclosed report.

Findings of noncompliance are referenced to the applicable statutes and regulations and specify the action required to comply with the statute and regulations. Please review the report and respond to each finding, indicating the corrective actions taken by TCTC. The response should include a brief, written narrative for each finding that clearly states TCTC's position regarding the finding and the corrective action taken to resolve the finding. Separate from the written narrative, TCTC must provide supporting documentation as required in each finding.

Please note that pursuant to HEA section 498A(b), the Department is required to:

(1) provide to the institution an adequate opportunity to review and respond to any preliminary program review report[1] and relevant materials related to the report before any final program review report is issued;
(2) review and take into consideration an institution's response in any final program review report or audit determination, and include in the report or determination –
    a. A written statement addressing the institution's response;
    b. A written statement of the basis for such report or determination; and
    c. A copy of the institution's response.

[1] A "preliminary" program review report is the program review report. The Department's final program review report is the Final Program Review Determination (FPRD).

The Department considers the institution's response to be the written narrative (to include e-mail communication). Any supporting documentation submitted with the institution's written response will not be attached to the FPRD. However, it will be retained and available for inspection by TCTC upon request. Copies of the program review report, the institution's response, and any supporting documentation may be subject to release under the Freedom of Information Act (FOIA) and can be provided to other oversight entities after the FPRD is issued.

The institution's response should be sent directly to Vinita Simpson of this office 30 calendar days of receipt of this letter.

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

Record Retention:
Program records relating to the period covered by the program review must be retained until the later of: resolution of the loans, claims or expenditures questioned in the program review; or the end of the retention period otherwise applicable to the record under 34 C.F.R. § 668.24(e).

We would like to express our appreciation for the courtesy and cooperation extended during the review. Please refer to the above Program Review Control Number (PRCN) in all correspondence relating to this report. If you have any questions concerning this report, please contact Vinita Simpson at 404-974-9260 or Vinita.Simpson@ed.gov.

Sincerely,

[redacted]

David Smittick
Compliance Manager

cc: Cathy Cole, Financial Aid Administrator

Enclosure:
Program Review Report (and appendices)
Protection of Personally Identifiable Information

PROTECTION OF PERSONALLY IDENTIFIABLE INFORMATION

Personally Identifiable Information (PII) being submitted to the Department must be protected. PII is any information about an individual which can be used to distinguish or trace an individual's identity (some examples are name, social security number, date and place of birth).

PII being submitted electronically or on media (e.g., CD-ROM, floppy disk, DVD) must be encrypted. The data must be submitted in a .zip file encrypted with Advanced Encryption Standard (AES) encryption (256-bit is preferred). The Department uses WinZip. However, files created with other encryption software are also acceptable, provided that they are compatible with WinZip (Version 9.0) and are encrypted with AES encryption. Zipped files using WinZip must be saved as Legacy compression (Zip 2.0 compatible).

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

Hard copy files and media containing PII must be:

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

PII data cannot be sent via fax.

Prepared for

Tri-County Technical College

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

PROUD SPONSOR of the AMERICAN MIND™

OPE ID 00492600
PRCN 201510428838

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

Program Review Report

March 16, 2015

61 Forsyth Street, SW, Room 18T40, Atlanta GA 30303-8918
StudentAid.gov

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A. School Information

Tri-County Technical College
7900 Highway 76
Pendleton, SC 29670-9133

Type: Public

Highest Level of Offering: Associates Degree

Accrediting Agency: Southern Association of Colleges and Schools

Current Student Enrollment: 7727 (2013)

% of Students Receiving Title IV: 77.1% (2013)

Title IV Participation; Funding Summary Report

	2013-2014
Federal Pell Grant Program (Pell Grant)	$11,264.111
William D. Ford Federal Direct Loan Program (Direct Loan)	$ 7,838,260
Federal Work Study	$ 169,513
Federal Supplemental Education Opportunity Grant	$ 128,625

Default Rate FFEL/DL:		
	2011	24.4%
	2010	17%
	2009	10.1%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Tri-County Technical College (TCTC) from October 27, 2014 to October 31, 2014. The review was conducted by Vinita Simpson and Angelique James.

The focus of the review was the school's compliance with National Student Loan Data System (NSLDS) Enrollment Reporting and the effects of any inaccuracies on the high reported student dropout rate. The Department has examined NSLDS enrollment status reporting, as well as other data systems such as Integrated Postsecondary Education Data System (IPEDS) and through this examination the school was identified as having a high dropout rate and possible NSLDS enrollment status code reporting errors. The review consisted of an examination TCTC's Financial Aid and Academic policies, procedures and student files.

A sample of 30 files was identified for review from the 2012-2013 and 2013-2014 award years. The files were selected randomly from a statistical sample of the total population of students receiving Title IV, HEA program funds for each award year. Appendix A lists the names 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 TCTC'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 TCTC of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

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

C. Findings

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

Finding #1: **Verification Violations/Conflicting Information**

Citation:

34 C.F.R. § 668.54(a)(2)(i) of the General Provisions regulation states that an institution is required to verify all recipients selected for verification by the Central Processing System, as described, unless one of the following reasons is applicable:

1) *A recipient is exempt from verification in accordance with the exclusions from verification provided for in the regulations at 34 C.F.R. § 668.54(b). These exclusions are outlined in the "Application and Verification Guide" of the "Federal Student Aid Handbook" (FSA HB) posted on the Information for Financial Aid Professionals (IFAP) website.*
2) *The institution participates in the Quality Assurance Program, and a recipient's application did not meet its verification criteria established in accordance with the waiver of verification requirements in the Quality Assurance Program.*

The purpose of verification is to ensure that Title IV funds are awarded to student applicants in the correct amount. Students are selected for verification on the basis of application edits specified by the Secretary. A school must establish procedures to request, receive, and verify applicant data for each award year. Schools are also responsible for resolving conflicting information related to a student's application for Title IV aid.

In general, a school must have correct data before it can pay the student. If a school has conflicting information concerning a student's eligibility or has any reason to believe a student's application information is incorrect, the school must resolve the discrepancies before disbursing Title IV funds. If a school discovers discrepancies after disbursing Title IV funds, the school must still reconcile the conflicting information and take appropriate action under the specific program requirements.

Failure to comply with the verification requirements, including proper disbursements and reporting and resolution of conflicting information, could result in a school being subject to sanctions, including possible administrative action pursuant to 34 C.F.R. § 668, Subpart G – Fine, Limitation, Suspension, and Termination Proceedings.

Noncompliance:

TCTC did not accurately complete verification or resolve conflicting information for the following students:

Student #15: The student was independent and selected for verification for the 2012-2013 award year. This is noted on transaction 01 of the Institutional Student Information Record (ISIR). The student listed child support in the amount of $8,376 on the verification worksheet. However, this amount is not captured on the ISIR on line 44 as required.

Student #28: This student was dependent and selected for verification on transaction 02 of the 2013-2014 ISIR. Under the parent section of the ISIR, the household number is listed as 4. However, the verification worksheet shows 2 in the household, student and mother.

Required Action:

The school must make the appropriate corrections for the students above. The school must then determine if those corrections would have constituted a change to the students Estimated Family Contribution (EFC) and/or award amounts. Results of this review, including the updated EFC and/or award amounts, must be submitted with the response to this report.

In addition to the corrections required, the institution must also update its procedures on requesting and maintaining verification documents, the processing of verification, and the resolution of conflicting information help prevent future errors. The school must also review the letter of notification given to students selected for verification and ensure all required items are listed. A copy of the institution's revised policies, procedures, and letter to students selected for verification should also be included with the institution's response to this report. Any liabilities for this finding will be addressed in the Final Program Review Determination (FPRD) letter.

Finding 2: **Entrance/Exit Counseling Deficiencies**

Citation:

34 C.F.R. § 685.304, Exit Counseling, states that a school must ensure that exit counseling is conducted with each Direct Subsidized Loan or Direct Unsubsidized Loan borrower and graduate or professional student Direct PLUS Loan borrower shortly before the student borrower ceases at least half-time study at the school.

The exit counseling must be in person, by audiovisual presentation, or by interactive electronic means. In each case, the school must ensure that an individual with expertise in the title IV programs is reasonably available shortly after the counseling to answer the student borrower's questions. As an alternative, in the case of a student borrower enrolled in a correspondence program or a study-abroad program approved for credit at the home school, the student

borrower may be provided with written counseling materials within 30 days after the student borrower completes the program.

If a student borrower withdraws from school without the school's prior knowledge or fails to complete the exit counseling as required, exit counseling must be provided either through interactive electronic means or by mailing written counseling materials to the student borrower at the student borrower's last known address within 30 days after the school learns that the student borrower has withdrawn from school or failed to complete the exit counseling as required.

Noncompliance:

TCTC failed to properly and/or timely document the required exit counseling for students who ceased at least half time enrollment. During the review, the Interim Financial Aid Director clearly stated that this process has not been completed as it should have been. The school has procedures in place to ensure that this process is completed timely and accurately going forward. The following instances of missing exit counseling were determined.

Student #2 – This student had a withdrawal date of 04/29/2013. No exit documents were in the file.

Student #3 – This student had a withdrawal date of 04/29/2013. No exit documents were in the file.

Student #7 - This student had a withdrawal date of 04/25/2014. No exit documents were in the file.

Student #13 – This student had a withdrawal date of 12/03/2012. No exit documents were in the file.

Student #14 - This student had a withdrawal date of 04/29/2014. No exit documents were in the file

Student #15 – This student had a withdrawal date of 04/29/2013. No exit documents were in the file.

Student #16 - This student had a withdrawal date of 04/29/2014. No exit documents were in the file.

Student #17 - This student had a withdrawal date of 04/29/2014. No exit documents were in the file.

Student #24 – This student had a withdrawal date of 04/29/2014. No exit documents were in the file.

Student #26 – This student had a withdrawal date of 04/29/2014. No exit documents were in the file.

Required Action:

Exit counseling is an effective way to prevent defaults and is often the last opportunity that borrowers have to work with someone at school regarding their loans. The school should have a written procedure that ensures that exit counseling is conducted within the timeframe for all

students who withdraw, graduate or whose enrollment status drops below half time. TCTC must create and write this procedure to ensure that all students are properly and timely conducting exit counseling. In its response to this Program Review Report, TCTC must submit a written exit counseling policy and procedure document. In addition, the school must send the required exit counseling documents to the students listed above.

Due to the error rate, the school must also send the required exit counseling documents to all of all Title IV Loan recipients for 2012-2013 and 2013-2014. In response to this report, TCTC must confirm that these have been mailed.

Finding 3: **Student Status – Inaccurate/Untimely Reporting**

Citation:

34 C.F.R. § 682.610(c) indicates that upon receipt of the Roster file or similar student status confirmation report form from the Secretary or any guaranty agency, the Institution must complete and return that report within 30 days of receipt to the Secretary or guaranty agency as appropriate, unless it expects to submit its next student status confirmation report within the next 60 days.

In addition, 34 C.F.R. § 668.14, Program Participation Agreement, specifies that the school will establish and maintain such administrative and fiscal procedures and records as may be necessary to ensure proper and efficient administration of funds received from the Secretary or from students under the Title IV, HEA programs, together with assurances that the institution will provide, upon request and in a timely manner, information relating to the administrative capability and financial responsibility of the institution to various agencies.

Student information is extremely important because it is used to determine if the student is still considered in school, must be moved into repayment, or is eligible for an in school deferment. For students moving into repayment, the out of school status effective date determines when the grace period begins and how soon a student must begin repaying loan funds.

It is also recommended that the school review GEN-14-07 for the most recent changes to the NSLDS enrollment reporting process. (http://ifap.ed.gov/dpcletters/GEN1407.html)

Noncompliance:

TCTC failed to report to NSLDS student enrollment status updates timely or accurately for the following students:

Student # 19: The school indicates a last date of attendance as 10/16/2014. However, the effective date of the withdrawn enrollment status is 12/02/2014.

Student #26: The school indicates a last date of attendance as 03/07/2014. However, the effective date of the withdrawn enrollment status is 04/25/2014.

Required Action:

The school must provide correct data reported for the affected students cited in this report. Additionally, the school must develop policies and procedures on NSLDS enrollment reporting to include when to report and the correct data to use in the reporting. These new policies and procedures must be submitted in response to this report.

Finding 4: **Failure to Award Full Direct Loan Eligibility**

Citation:

34 C.F.R. § 685.301 (a) (8) states a school may refuse to originate a Federal Direct Subsidized, Federal Direct Unsubsidized, or Direct PLUS Loan or may reduce the borrower's determination of need for the loan if the reason for that action is documented and provided to the borrower in writing, and if—

(i) The determination is made on a case-by-case basis;

(ii) The documentation supporting the determination is retained in the student's file; and

(iii) The school does not engage in any pattern or practice that results in a denial of a borrower's access to Federal Direct Loans because of the borrower's race, gender, color, religion, national origin, age, disability status, or income.

The 2013-2014 Federal Student Aid Handbook, Volume 3, Chapter 7, pp. 130 states your school cannot originate Federal Direct Loans only in the amount needed to cover the school charges, nor limit Direct Unsubsidized borrowing by independent students.

DCL GEN 11-07 Section 479A(c) of the Higher Education Act, as amended (HEA), and the Federal Direct Loan Program regulations at 34 CFR 685.301(a)(8) give schools the authority to refuse to originate a Federal Direct Loan or to reduce the amount of an individual borrower's eligibility for a Direct Loan. Any such determination must be made on a case-by-case basis. The decision must be provided to the student or parent borrower in writing and documentation supporting the determination must be retained in the student's file at the school.

The Free Application for Federal Student Aid (FAFSA) is the only form that is a student is required to complete to be considered for any Title IV, HEA programs. The school cannot require any additional forms or information expect those needed for determining student eligibility for Title IV funds. Schools were reminded of this process in http://ifap.ed.gov/eannouncements/031814ApplicationProcessforFederalStudentAid.html.

Noncompliance:

TCTC failed to provide documentation to support the requirement to disclose full Federal Direct loan eligibility amounts to students. TCTC appears to also have an internal policy that requires an additional form (Direct Stafford Student Loan Request Form) in order for students to receive their loans.

Required Action:

TCTC must revise its current packaging, notification and required documents policy and procedure to meet Federal Student Aid regulatory requirements and announcements. The revised policy must be included in response to this report.

Finding #5: **Unofficial Withdrawals /No System in Place to Determine Last Date of Attendance (LDA) Return To Title IV (R2T4)**

Citation:

An institution is required to take attendance if, an outside entity (such as the institution's accrediting agency or a State agency) has a requirement that the institution take attendance; or the institution itself has a requirement that its instructors take attendance. Without documentation to substantiate a student's enrollment status during a given period, the institution cannot prove that a student was enrolled and eligible to receive Title IV aid. When an FSA recipient withdraws from all classes after establishing eligibility and receiving Title IV funds, a portion of his or her aid may have to be returned. 34 C. F. R. § 668.22

Section 34 CFR 668.22(j)(2) requires that a school have a mechanism in place for identifying and resolving instances where a student's attendance through the end of the period cannot be confirmed.

An institution must have a procedure for determining whether a Title IV recipient who began attendance during a period completed the period or should be treated as a withdrawal. We do not require that an institution use a specific procedure for making this determination.

If a student earns a passing grade in one or more of his or her classes offered over an entire period, for that class, an institution may presume that the student completed the course and thus completed the period. If a student who began attendance and has not officially withdrawn fails to earn a passing grade in at least one course offered over an entire period, the institution must assume, for Title IV purposes, that the student has unofficially withdrawn, unless the institution can document that the student completed the period.

Noncompliance:

Based on the required procedures of TCTC, the school is considered an attendance taking institution. TCTC confirmed during the entrance conference of the program review that there is a requirement that its instructors take attendance. TCTC does not have a system in place to identify students who unofficially withdraw/drop from the institution and they did not have a written policy for students who unofficially withdraw/drop from the institution. Specifically, the school does not have a policy to address students who do not receive any passing grades for a given term.

Required Action:

Review of the files indicates that the school is reviewing each student with non-passing grades and does appear to be calculating return of funds for unofficial withdrawals. However, the school will need to develop a written policy that outlines the process and how these situations are handled. The policy for processing unofficial withdrawals, including those with all non-passing grades, will need to be submitted in response to this report.

D. Recommendations

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

Based on the school's reported default and dropout rates, it is recommended that the school closely monitor the use of entrance/exit counseling and NSLDS and IPEDS reporting. Review of the regulations and requirements regarding these actions is recommended for all staff in all areas/departments that could be involved.