



September 16, 2015

Dr. Dan Jones
University of Mississippi
123 Lyceum Building
University, MS 38677

UPS Next Day Tracking#:
1ZA87964NY92168833

RE: Final Program Review Determination
OPE ID: 002440-00
PRCN: 2015-2-04-28906

Dear President Jones:

The U.S. Department of Education's (Department's) Atlanta School Participation Division issued a program review report on April 15, 2015 covering University of Mississippi's administration of programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 *et seq.* (Title IV, HEA programs), for the 2013-2014 and 2014-2015 award years. The institution's final response was received on July 13, 2015.

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

University of Mississippi's responses have resolved all findings. In addition University of Mississippi has provided assurances that the appropriate corrective actions have been taken to resolve and prevent future occurrences of all findings. Therefore, University of Mississippi 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)].

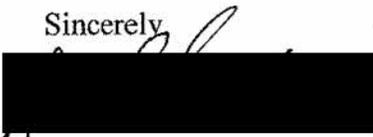
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Atlanta School Participation Division
61 Forsyth Street SW, Suite 18T40, Atlanta, GA 30303

If you have any questions please contact Toyoko Cunningham at (404) 974-9448 or toyoko.woodard@ed.gov.

Sincerely,




Christopher Miller
Division Director

Enclosure: Program Review Report (with attachments)
University of Mississippi Response to the Program Review Report

cc: Laura Diven-Brown, Financial Aid Administrator
Southern Association of Colleges and Schools Commission on Colleges
MS Board of Trustees of State Institutions of Higher
Department of Defense
Department of Veterans Affairs
Consumer Financial Protection Bureau

Prepared for

University of Mississippi

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OPE ID: 002440-00

PRCN: 2015-2-04-28906

Prepared by: Toyoko Woodard

U.S. Department of Education

Federal Student Aid

Atlanta School Participation Division

Program Review Report

April 15, 2015

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A. Institutional Information

University of Mississippi
123 Lyceum Building
University, MS 38677

Type: Public

Highest Level of Offering: Doctorate

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

Current Student Enrollment: 23,096 (2014-2015)

% of Students Receiving Title IV: 59% (2014-2015)

<u>Title IV Programs</u>	<u>2013-2014</u>
Federal Pell Grant (PELL)	\$ 22,405,745
Federal Supplemental Educational Opportunity Grant (SEOG)	\$ 532,166
TEACH Grant	\$
Federal Work Study (FWS)	\$ 806,181
Federal Direct Loan (DL)	\$130,789,830
Federal Perkins Loan	\$ 1,922,891

Three Year Default Rates FFEL/DL:	2011 – 7.5%
	2010 – 8.8%
	2009 – 9.1%

Default Rates Perkins:	2014 – 17.1%
	2013 – 12.6%
	2012 – 11.4%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at University of Mississippi from January 26, 2015 to January 29, 2015. The review was conducted by Toyoko Woodard, Alicia Scott and Daniel Thompson.

The focus of the review was to determine University of Mississippi's compliance with the statutes and federal regulations as they pertain to the institution's administration of Title IV programs. The review consisted of, but was not limited to, an examination of University of Mississippi'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 2013-2014 and 2014-2015 (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 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 University of Mississippi'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 University of Mississippi 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 University of Mississippi to bring operations of the financial aid programs into compliance with the statutes and regulations.

Finding 1: No Show Policy Inadequate

Citation:

34 C.F.R. § 668.22 (c) states, the withdrawal date for schools that are not required to take attendance is the midpoint of the payment period or period of enrollment, as applicable. For a student who withdraws without providing notification to the school, the school must determine the withdrawal date no later than 30 days after the end of the payment period or period of enrollment. Good indicators for students that have unofficially withdrawn are students that have F grades in all classes or had a grade point average of zero for that semester and are no longer attending classes.

34 C.F.R. § 690.75 indicates, that for each payment period, an institution may pay a Federal Pell Grant to an eligible student only after it determines that the student—

- (1) Qualifies as an eligible student under 34 CFR Part 668, Subpart C;
- (2) Is enrolled in an eligible program as an undergraduate student; and
- (3) If enrolled in a credit hour program without terms or a clock hour program, has completed the payment period as defined in § 668.4 for which he or she has been paid a Federal Pell Grant.

To be eligible for Title IV student financial assistance, a student must be enrolled or accepted for enrollment in an eligible program. Institutions must verify student eligibility, including the student's enrollment status, before making Title IV disbursements. The student's enrollment status determines the student's eligibility for each Title IV program. The regulations specify minimum enrollment standards for each program.

Furthermore, 2014-2015 FSA Handbook Vol. 3, Ch. 3, Page 69 states, if the student doesn't begin attendance in *all* of his or her classes, resulting in a change in the student's enrollment status, you must recalculate the student's award based on the lower enrollment status. A student is considered to have begun attendance in all of his or her classes if the student attends at least one day of class for each course in which that student's enrollment status was determined for Federal Pell Grant eligibility. Your school must have a procedure in place to know whether a student has begun attendance in all classes for purposes of the Federal Pell Grant Program. The Department does not dictate the method a school uses to document that a student has begun attendance. However, a student is considered not to have begun attendance in any class in which the school is unable to document that attendance.

In addition, the FSA Handbook Vol. 3, Ch.3 states, you must report changes to a student's enrollment status to NSLDS in a timely manner. Any change requiring a recalculation of award may also require an update to the student's enrollment status.

Noncompliance:

The University of Mississippi disbursed Title IV funds to students without verifying their enrollment status. An institution that fails to establish a student's eligibility for Title IV, HEA funds may deprive other needy students of funds and create a financial burden for the U.S. Department of Education.

The University of Mississippi is not required to take attendance according to interviews with officials of the institution. A review of the files and conversation with institution officials revealed that the institution does not have an adequate system in place to identify students who never attend any of their courses during a specific term once classes have begun, and/or unofficially withdraw/drop from the institution.

Without documentation to substantiate a student's enrollment status during a given period, The University of Mississippi cannot prove that a student was enrolled, began attending courses enrolled in and eligible to receive Title IV aid.

In addition, it was advised by the institution that students who never attended any courses during a semester they registered for would receive an "F" that is included in the cumulative GPA for Title IV quantitative and qualitative satisfactory academic progress (SAP) purposes.

Required Action:

The University of Mississippi must conduct a file review of all Title IV recipients who never attended any of the courses they were enrolled for each semester for the 2013-2014 and 2014-2015 award years. The purpose of the review is to identify any students that were inadvertently identified as not making SAP.

The results of the file review must include students who failed to attend any courses, received all non-passing grades and/or received all "F's" during a semester. The results must be forwarded to this office in an electronic spreadsheet format with the following information:

- Student name (first and last names)
- SSN (last four digits only)
- Last day of attendance (LDA)
- SAP status before the file review
- SAP status after the file review
- Award year and applicable semester
- Title IV disbursed by program and date disbursed

Your review must include any Title IV recipients who received all "F's" (for a semester) on his/her academic transcript.

In addition, The University of Mississippi must also develop an adequate unofficial withdrawal (no-show) policy that has the ability to distinguish an "F" that was earned after attendance versus an "F" that given for failure to attend a course to ensure the latter is not included for Title IV SAP purposes and submit a copy for review with its response to this finding. The institution's response must also provide a description of the steps that will be taken to prevent a repeat finding in the future.

Further instructions, if any, will be provided in the Final Program Review Determination Letter.

D. Appendices

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