BREAKOUT SESSION #20

Program Review Essentials

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U.S. Department of Education

2020 Virtual FSA Training Conference for Financial Aid Professionals
01  Program Review: What and Why
02  Selection criteria for Program Reviews
03  ED’s Program Review preparation process
04  Detailed overview of Program Review process
05  Best practices in preparing for Program Review
INTRODUCTION TO PROGRAM REVIEWS
WHAT IS A PROGRAM REVIEW?

Method of oversight to evaluate compliance with *Title IV, Higher Education Act of 1965, as amended* (HEA) statute and regulations

- Examine financial aid, fiscal, and academic records
- Interview institutional staff and students
- Review consumer information requirements
- Identify errors in compliance and liabilities owed
- Provide tools to improve future institutional capabilities
WHY CONDUCT PROGRAM REVIEWS?

The Secretary of Education is mandated by law under Section 498A of the Higher Education Act of 1965, as amended (HEA), 20 U.S.C. §1099c-1, to conduct program reviews at institutions of higher education participating in the Title IV, HEA programs:

(a) General authority

In order to strengthen the administrative capability and financial responsibility provisions of this subchapter and part C of subchapter I of chapter 34 of title 42, the Secretary –

(1) shall provide for the conduct of program reviews on a systematic basis designed to include all institutions of higher education participating in programs authorized by this subchapter and part C of subchapter I of chapter 34 of title 42;
PROGRAM REVIEW SELECTION CRITERIA

20 U.S.C. § 1099c-1(a)(2): (The Secretary) shall give priority for program review to institutions of higher education that are institutions with:

- High cohort default rate or dollar volume of default (25%+)
- Significant fluctuations in Federal Pell Grant or Federal Direct Loan volume
- Deficiencies or financial aid problems reported by state licensing or accrediting agency
- High annual dropout rates
- Significant risk of failure to comply with administrative capability or financial responsibility provisions of this subchapter and part C of subchapter I of chapter 34 of Title 42 (as determined by the Secretary)
WHO CONDUCTS PROGRAM REVIEWS?

- Federal Student Aid
  - Office of Partner Participation and Oversight
    - Partner Eligibility and Oversight Services Directorate
    - School Eligibility and Oversight Service Group
    - School Participation Division
    - Program Review Team

Secretary of Education has delegated responsibility for conducting program reviews
PROGRAM REVIEW PREPARATION
DEPARTMENT PREPARATION

• Research institutional structure
• Review ED systems and reports
• Review external agency information
• Prepare Program Review Work Plan
INSTITUTION PREPARATION

- Receive ED's Announcement Letter
- On-site vs. Off-site
  - Advance Notice vs. Short Notice Review
- Notify Third Party Servicer(s)
- Respond to Announcement Letter
PROGRAM REVIEW BEGINS
ENTRANCE CONFERENCE

- Introductions
- Reason for Program Review and scope
- Overview of Program Review process
- Title IV processing/staff responsibilities
- Required documents and submission timeframe(s)
- Set tentative schedule for exit conference/status meeting
- Get started
REVIEW INSTITUTIONAL DATA AND PROCESSES
REVIEW INSTITUTIONAL DATA & PROCESSES

INSTITUTIONAL CRITICAL ELEMENTS

- Institutional eligibility
- Administrative capability
- Consumer information
- Campus security
- Financial responsibility
- Fiscal review

- FISAP
- Excess cash
- Incentive compensation
- Distance education
- Reporting institutional changes to ED
REVIEW INSTITUTIONAL DATA & PROCESSES

INSTITUTIONAL MATERIALS

• Catalog/brochure/handbook
• Policies and procedures
• Published campus security information
• Student consumer publications
• Online student consumer information
• Institutional forms, applications, and worksheets
• Current total enrollment and percentage of Title IV recipients
REVIEW INSTITUTIONAL DATA & PROCESSES

STAFF INTERVIEWS

- Academic/Registrar
- Admissions
- Financial Aid
- Student Accounts/Bursar/Fiscal Office
- Placement
- Campus Security
REVIEW STUDENT-LEVEL INFORMATION
REVIEW STUDENT-LEVEL INFORMATION

STUDENT CRITICAL ELEMENTS

- Student eligibility
- Ability to Benefit (ATB)
- Attendance
- Enrollment status
- Cost of Attendance (COA)
- Verification

- Dependency overrides/Professional judgment
- Satisfactory Academic Progress (SAP)
- Title IV aid calculations/disbursements
- Credit balances
- Return to Title IV Funds (R2T4)
- Entrance and Exit Counseling
REVIEW STUDENT-LEVEL INFORMATION

STUDENT RECORDS

• Admissions
• Academic
• Financial Aid
• Student Account Ledger

DEPARTMENT RECORDS

• National Student Loan Data System (NSLDS®)
• Common Origination & Disbursement (COD)
• Central Processing System (CPS)

STUDENT INTERVIEWS
PROGRAM REVIEW CONCLUDES
RESOLVING FINDINGS

• Review team may discuss finding(s) with institution
  • Institutional process finding(s)
  • Student-level finding(s)
• Institution may resolve finding(s)
  • While review team is on-site
  • Before report is issued
• Review team will include resolved finding(s) in report
  • Resolution is noted
EXIT CONFERENCE

- Field work substantially completed
  - Required actions
  - Outstanding items and submission timeframe(s)
  - Preliminary findings
  - Next steps
STATUS MEETING

• Field work not complete or data not yet analyzed
  • Meeting provides status of fieldwork
  • Required actions
  • Outstanding items and submission timeframe(s)
  • Next steps
REFERRALS

• Administrative Actions and Appeals Service Group
• Technical assistance
• State licensing and accrediting agencies
• Office of Inspector General
PROGRAM REVIEW COMMUNICATION & REPORT
COMPLETE DATA ANALYSIS

• Possible Outcomes
  • Request additional information
  • Issue Expedited Determination Letter (EDL)
  • Issue Program Review Report (PRR)
REQUEST ADDITIONAL INFORMATION

- ED may request school send documentation
- Timeframe generally 30 days
- If school does not provide requested information
  - ED may schedule onsite review of documents
  - PRR may include findings otherwise omitted
  - PRR may include finding for Lack of Administrative Capability
EXPEDITED DETERMINATION LETTER (EDL)

• Serves as both preliminary report and final determination letter
• Typically issued when
  • No findings or minor (non-systemic) findings identified
  • Findings identified and corrected prior to issuing EDL
  • Liabilities identified and paid/colleced prior to issuing EDL
• Three standard sections
  • Scope of Review and Disclaimer
  • Findings (if applicable)
  • Recommendations (if applicable)
• Sample template in Program Review Guide
PROGRAM REVIEW REPORT (PRR)

• Preliminary report of findings discovered during review
• Includes applicable statutes and regulations
• Specifies required action(s) by the institution
• Standard sections
  • Cover page
  • Table of Contents
  • Institutional Information
  • Scope of Review and Disclaimer
  • Findings
  • Recommendations, if applicable
  • Appendices and Enclosures
• Sample template in Program Review Guide
PRR FINDINGS

• Student-specific finding(s)
  • With or without potential or actual liability
  • Low vs. high error rate

• Institutional finding(s)
  • Incomplete or unacceptable policy/procedure
    • May be reflected in student files
  • Problems in institutional eligibility, financial responsibility, financial reporting, other institutional actions
    • With or without potential or actual liability
PROGRAM REVIEW REPORT RESPONSE
INSTITUTION RESPONSE TO PRR

• Provide written response by due date
• Document required actions completed from PRR
  • Correct policy/procedure/practice
  • Correct student-specific error(s) from sample
  • Provide results of required file review(s)
  • Provide information to quantify liability
• Submit documentation to refute PRR conclusions
• Request time extension for good cause
DEPARTMENT FOLLOW-UP TO PRR RESPONSE

• Follow-up if PRR response not received by due date
• Obtain missing information or clarification
• Reject finding response
  • Documents received are problematic for several files
  • Institution may be placed on restricted method of payment if majority of documents reviewed have significant problems
• Provide school additional 30 days to correct response (typically)
FINAL DETERMINATION AND FOLLOW UP
FINAL PROGRAM REVIEW DETERMINATION LETTER (FPRD)

• ED’s final determination for each finding
• Identifies any liabilities and provides instructions for appeal of liabilities
• Closes program review, if appropriate
• Addressed to President/CEO/Owner
  • Copy sent to Financial Aid Administrator
• Copies sent to state authorizing and accrediting agencies
• Subject to Freedom of Information Act (FOIA)
FINAL PROGRAM REVIEW DETERMINATION LETTER (FPRD)

- Standard sections of FPRD
  - Cover page
  - Table of Contents
  - Institutional Information
  - Scope of Review and Disclaimer
  - Findings and Final Determinations
  - Summary of Liabilities
  - Repayment Instructions
  - Appendices and Enclosures

- Sample template in Program Review Guide
FPRD CLOSEOUT LETTER OR APPEAL

• FPRD Closeout Letter
  • Issued by SPD after satisfactory response to FPRD
  • Not issued by SPD if institution files appeal

• Appeal of Monetary Liabilities
  • Must file appeal within 45 days
  • Collection efforts deferred on appealed liability amount
  • Non-appealed liabilities must be paid
  • Billing resumes if decision in ED’s favor
  • Institution notified of appeal outcome in writing by appropriate entity
  • Cannot appeal Clery violations
HOW TO PREPARE FOR A PROGRAM REVIEW

• Maintain well-trained staff
  • Information for Financial Aid Professionals at ifap.ed.gov
  • FSA Learning Management System at fsatraining.ed.gov
  • FSA Training Conference at fsaconferences.ed.gov
  • Other financial aid conferences/resources

• Follow your written policies/procedures
• Establish robust communication between offices
• Conduct internal compliance reviews
• Resolve prior findings
• Be organized
FSATRAINING.ED.GOV: FAA TOOLKIT
INSTITUTIONAL SELF-ASSESSMENT & MONITORING TOOLS

Tool Box 4: Institutional Self-Assessment and Monitoring Tools

- FSA Assessments
- Tools for Building Policies and Procedures
- Direct Loan Tools
- Preparing for Audits and Program Reviews
FSA ASSESSMENTS

FSA Assessments

- Introduction to the FSA Assessments (video)
- How to Use the Assessments (video)
- SAP Assessment Activity
- Consumer Information at a Glance Document
- Go to FSA Assessments Now

Return to the Tool Kit Home Page
CREATING A POLICY AND PROCEDURE MANUAL

Tools for Building Policies and Procedures

- Creating A Policy and Procedures Manual (Video)

FSA Coach Fundamentals 2019-2020
Preparation for Audits and Program Reviews

- Program Review Guide
- Audit Guide
- Circular A-133 Single Audit Compliance Supplement
Program Review Guide for Institutions

Federal Student Aid (FSA) Programs
SCHOOL ELIGIBILITY AND OVERSIGHT SERVICE GROUP (SEOSG)

Nancy Gifford – Acting Director, School Eligibility and Oversight Service Group
215-656-6436

School Eligibility and Oversight Service Group General Number: 202-377-3173 or email: CaseTeams@ed.gov

Or call/email the appropriate School Participation Division below for information and guidance on audit resolution, financial analysis, program reviews, school and program eligibility/recertification, and school closure information.

New York/Boston School Participation Division
Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont, New Jersey, New York, Puerto Rico, Virgin Islands
E-mail Mailbox: NYBostonSPD@ed.gov
Betty Coughlin, Division Chief 646-428-3737
Chris Curry – New York 646-428-3738
Jennifer Uhler – Boston 617-289-0121
Teresa Martinez – New York 646-428-3748

Philadelphia School Participation Division
District of Columbia, Delaware, Maryland, Pennsylvania, Virginia, West Virginia
E-mail Mailbox: PhiladelphiaSPD@ed.gov
Sherrie Bell, Acting Division Chief 202-377-3349
Bronsdon Thompson – Philadelphia 202-377-3747

Multi-Regional and Foreign Schools Participation Division
E-mail Mailbox: Multi-RegionalSPD@ed.gov
FSA.Foreign.Schools.Team@ed.gov
Michael Frola, Division Chief 202-377-3364
Mark Busskohl – Washington, DC 202-377-4572
Michelle Allred – Dallas 214-661-9466
Julie Arthur – Seattle 206-615-2232
David Garza – Dallas 214-661-9694

Atlanta School Participation and Financial Analysis Division
Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina
E-mail Mailbox: AtlantaSPD@ed.gov
Christopher Miller, Division Chief 404-974-9297
Vanessa Dillard – Atlanta 404-974-9418
Vinita Simpson – Atlanta 404-974-9260

Dallas School Participation Division
Arkansas, Louisiana, New Mexico, Oklahoma, Texas
E-mail Mailbox: DallasSPD@ed.gov
Cynthia Thornton, Division Chief 214-661-9457
Jesus Moya – Dallas 214-661-9472
Kim Peeler – Dallas 214-661-9471

Kansas City School Participation and Third-Party Servicer Division
Iowa, Kansas, Kentucky, Missouri, Nebraska, Tennessee
E-mail Mailbox: KansasCitySPD@ed.gov
FSAPC3rdpartyservicercoversight@ed.gov
Dvak Corwin, Division Chief 816-288-0420
Angie Beam – Kansas City 816-288-0534
Kathy Feith – Kansas City 816-288-0406

Chicago/Denver School Participation Division
Illinois, Minnesota, Ohio, Wisconsin, Indiana, Colorado, Michigan, Montana, North Dakota, South Dakota, Utah, Wyoming
E-mail Mailbox: Chicago.Denver.SPD@ed.gov
Jeremy Early, Division Chief 312-730-1529
Jason Charlton – Chicago 312-730-1695
Tammi Sawyer – Chicago 312-730-1531
Brenda Yette – Chicago 312-730-1522

San Francisco/Seattle School Participation Division
E-mail Mailbox: SanFrancisco.Seattle.SPD@ed.gov
Martina Fernandez-Rosario, Division Chief 415-486-5605
Erik Fosker – San Francisco 415-486-5606
Kim Meadows – Washington, DC 202-377-3058

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CONTACT INFORMATION

• We appreciate your feedback and comments.

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• Email: Arva.Thomas@ed.gov
QUESTIONS & ANSWERS