# BREAKOUT SESSION #20

Program Review Essentials

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*U.S. Department of Education*

*2020 Virtual FSA Training Conference for Financial Aid Professionals*

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

# AGENDA

**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

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## 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

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## 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/collected 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
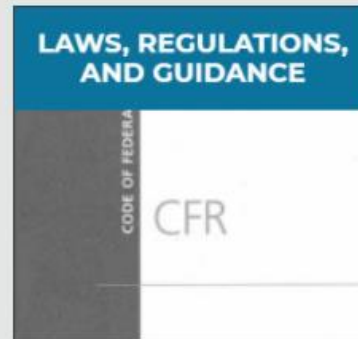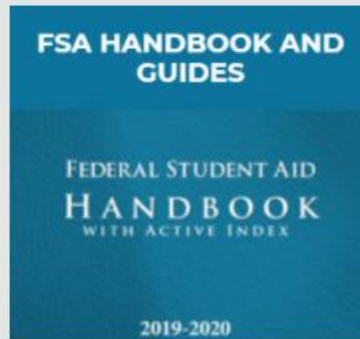


Tool Box 4: Institutional Self-Assessment and Monitoring Tools

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

# FSA ASSESSMENTS

# CREATING A POLICY AND PROCEDURE MANUAL

Tools for Building Policies and Procedures

> Creating A Policy and Procedures Manual (Video)    > A Guide to Creating a Policies and Procedures Manual
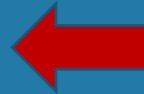
FSA Coach Fundamentals
2019-2020

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# PROGRAM REVIEW GUIDE

Preparing for Audits and Program Reviews

∨ **Program Review Guide**

∨ **Audit Guide**

∨ **Circular A-133 Single Audit Compliance Supplement**

# 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 Uhlir – 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
FSAPC3rdpartyserviceroversight@ed.gov
**Dvak Corwin, Division Chief** 816-268-0420
**Angie Beam – Kansas City** 816-268-0534
**Kathy Feith – Kansas City** 816-268-0406

## 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
*American Samoa, Arizona, California, Guam, Hawaii, Nevada, Palau, Marshall Islands, North Marianas, State of Micronesia, Alaska, Idaho, Oregon, Washington*
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

# CONTACT INFORMATION

- We appreciate your feedback and comments.

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  - Email: Arva.Thomas@ed.gov

# QUESTIONS & ANSWERS