



September 6, 2016

Dr. David Viar
Superintendent/President
Glendale Community College
1500 North Verdugo Road
Glendale, CA 91208-2894

Certified Mail
Return Receipt Requested
#: 7011 1150 0000 5736 5578

RE: **Program Review Report**
OPE ID: 00120300
PRCN: 201630929377

Dear Dr. Viar:

From June 27, 2016 through July 1, 2016, Robin Reid and Lana Walter conducted a review of Glendale Community College's (GCC's) 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 GCC. The response should include a brief, written narrative for each finding that clearly states GCC's position regarding the finding and the corrective action taken to resolve the finding. Separate from the written narrative, GCC 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 report¹ 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.

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 GCC 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

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).

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50 United Nations Plaza, Mail Box 1200, Suite 1273, San Francisco, CA 94102
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Information Act (FOIA) and may be provided to other oversight entities after the FPRD is issued.

The institution's response should be sent directly to Robin Reid of this office within **30** calendar days of receipt of this letter.

Protection of Personally Identifiable Information (PII):

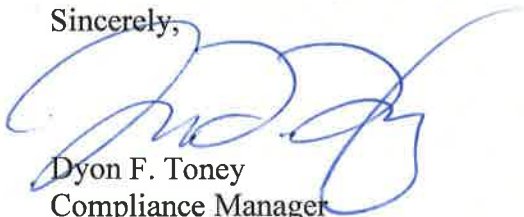
PII is any information about an individual that can be used to distinguish or trace an individual's identity (e.g., name, social security number, date and place of birth). The loss of PII can result in substantial harm, embarrassment, and inconvenience to individuals and may lead to identity theft or other fraudulent use of the information. To protect PII, the findings in the attached report do not contain any student PII. Instead, the findings reference students only by a student number created by Federal Student Aid. The student numbers were assigned in Appendix A, Student Sample. The appendix was encrypted and sent separately to the institution via e-mail. 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: the 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 Program Review Control Number (PRCN) at the top of this letter in all correspondence relating to this report. If you have any questions concerning this report, please contact Robin Reid, Institutional Review Specialist, at 206-615-2647 or at robin.reid@ed.gov.

Sincerely,



Dyon F. Toney
Compliance Manager
San Francisco/Seattle School Participation Division

Enclosures: Protection of Personally Identifiable Information
Program Review Report

cc: Ara Najarian, Acting Associate Dean for Student Financial Aid

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
Glendale Community College

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OPE ID: 00120300
PRCN: 201630929377

Prepared by
U.S. Department of Education
Federal Student Aid
San Francisco/Seattle School Participation Division

Program Review Report

September 6, 2016

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A. Institutional Information

Glendale Community College
1500 North Verdugo Road
Glendale, CA 91208-2894

Type: Public

Highest Level of Offering: Associate's Degree

Accrediting Agency: Western Association of Schools and Colleges - Community/Jr. Colleges

Current Student Enrollment: 15,842 (2015–2016)

% of Students Receiving Title IV: 33.4% (2015–2016)

Title IV Participation according to Department of Education records:

	<u>2014-2015 Award Year</u>
Federal Pell Grant (Pell Grant) Program	\$ 24,760,082
Federal Supplemental Educational Opportunity Grant (FSEOG) Program	\$ 285,333
Federal Work Study (FWS) Program	\$ 447,296
William D. Ford Federal Direct Loan (Direct Loan) Program	\$ 1,613,992

Default Rate Direct Loans:	2012	9.5%
	2011	6.6%
	2010	10.5%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Glendale Community College (GCC) from June 27 through July 1, 2016. The review was conducted by Robin Reid and Lana Walter, Institutional Review Specialists.

The focus of the review was to determine GCC's compliance with the statutes and federal regulations as they pertain to the institution's administration of the programs authorized under Title IV of the Higher Education Act of 1965, as amended (Title IV, HEA programs). The review consisted of, but was not limited to, an examination of GCC's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, student account ledgers, and distance education policies, procedures, and systems.

A sample of 30 files was identified for review from the 2014-2015 and 2015-2016 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 GCC'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 GCC 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 GCC to bring operations of the financial aid programs into compliance with these statutes and regulations.

Finding 1. 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.

On an annual basis, each IHE must provide the following information in writing to all current students (enrolled for any type of academic credit except for continuing education units) and all current employees:

- 1) A written statement about its standards of conduct that prohibits the unlawful possession, use or distribution of illicit drugs and alcohol by students and employees;
- 2) 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;
- 3) A description of the health risks associated with the use of illicit drugs and alcohol abuse;
- 4) A description of any drug or alcohol counseling, treatment, and rehabilitation/re-entry programs that are available to students and employees; and
- 5) 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 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 biennial reviews 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 biennial review materials must be maintained by the IHE and made available to the Department upon request. 34 C.F.R. §§ 86.3 and 86.100.

Noncompliance: GCC violated multiple provisions of the DFSCA and the Department's Part 86 regulations. Specifically, the College failed to include a written description of the legal sanctions imposed under federal, state, and local laws for the unlawful possession or distribution of illicit drugs in its DAAPP. GCC also failed to provide any assurances and/or provide any documentation to show that an annual DAAPP disclosure was ever actively distributed to all employees and all students enrolled for any academic credit. Finally, the College failed to produce documentation that it has ever conducted a biennial review to evaluate the effectiveness of its DAAPP and assess the consistency of sanctions imposed for violations of its disciplinary standards and codes of conduct, or prepared a report of its findings.

The 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. Moreover, noncompliance with the biennial review requirements deprives the institution of important information about the effectiveness of its 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: As a result of these violations, GCC is required to take all necessary corrective actions to resolve these violations and all others identified during the preparation of its

responses to this program review report (PRR). At a minimum, the College must take the following actions:

- Develop and implement a comprehensive DAAPP that includes all of the required elements and summarizes the program. A copy of the DAAPP document must accompany GCC's response to this PRR;
- Distribute a materially-complete DAAPP disclosure in accordance with the Part 86 regulations. The College must provide documentation evidencing the distribution of the disclosure in response to this PRR;
- Develop policies and procedures for ensuring that the DAAPP disclosure is actively distributed annually to every student who is currently enrolled for academic credit and all employees. GCC must provide a copy of its new distribution policy with its response to this PRR;
- Conduct a biennial review to assess the effectiveness of the DAAPP and the consistency of sanctions imposed for violations of its disciplinary standards and codes of conduct, and prepare a report of its findings. In the report, the College must describe the research methods and data analysis tools that it used in the biennial review and identify the responsible official(s) and office(s) who conducted the review. The biennial review report must be approved by the institution's chief executive and/or its board. GCC must provide a copy of its new biennial review report with its response to this PRR;
- Develop and implement policies and procedures that will ensure that each future biennial review of the College's DAAPP is well-documented and conducted in a timely manner. GCC must provide a copy of its new biennial review policy with its response to this PRR; and,
- Provide a statement of certification attesting to the fact that the materials were distributed in accordance with the DFSCA. This certification must also affirm that the College understands all of its DFSCA obligations and that it has taken all necessary corrective actions to ensure that these violations do not recur.

GCC must also submit copies of the two most-recent biennial review reports that the College has produced with its response to this PRR. If it has never produced these reports, GCC officials must clearly state that fact. In this context, College officials are advised that no new documents are to be created for the purpose of demonstrating compliance with the biennial review report requirement for past periods.

GCC is reminded that the exceptions identified above constitute serious violations of the DFSCA that, by their nature, cannot be cured. GCC will be given an opportunity to develop and distribute an accurate and complete DAAPP disclosure, complete a biennial review report, and finally bring its drug and alcohol programs into compliance with the DFSCA 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.

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

Finding 2. Crime Awareness Requirements Not Met – Statistical Discrepancies between ASR and Campus Safety and Security Data Analysis Cutting Tool

Citation: The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (Clery Act) and the Department's regulations require that each institution that receives Title IV, HEA program funds must, by October 1 of each year, publish and distribute to its current students and employees through appropriate publications and mailing, a comprehensive Annual Security Report (ASR) that contains, at a minimum, all of the statistical and policy elements described in 34 C.F.R. § 668.46(b).

The ASR must be prepared and actively distributed as a single document. 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 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).

The Department's regulations also require participating institutions to provide a notice to all prospective students and employees that includes a statement about the ASR's availability, its contents, and its exact electronic address if posted to a website. 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).

The Clery Act and the Department's regulations require institutions to 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), sex offenses (rape, fondling, incest and statutory rape), robbery, aggravated assault, burglary, motor vehicle theft, and arson. Statistics for certain hate 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 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 report 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. All required statistics and policies must be included in a single comprehensive document, known as an ASR. 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 of the Act. § 485(f) of the HEA; 34 C.F.R. § 668.46(b).

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

Noncompliance: GCC violated the Clery Act. Specifically, the College failed to report crime statistics to the Department that match those that were published in GCC's 2014 and 2015 ASRs. The College reported one incident of Motor Vehicle Theft for calendar year 2012 to the Department; however, this incident was not included in GCC's 2014 and 2015 ASRs. While on site, the reviewers obtained a copy of the 2013 ASR and noted that it contained the Motor Vehicle Theft in the statistics. The College indicated that a typographical error resulted in the removal of the statistic from the 2014 ASR and that this error was carried forward to the 2015 ASR.

Any failure to disclose in the ASR and/or report to the Department accurate and complete crime statistics violates the Clery Act and the Department's regulations. Discrepancies between the crime statistics that are disclosed in the ASR and those reported to the Department create confusion for users of the ASR and the online campus crime statistics database and deprive the campus community and the public of important campus crime information.

Required Action: As a result of this violation, GCC is required to review and improve its existing internal policies, procedures, internal controls, and training programs to ensure that all crime statistics are accurate and complete, both in the ASR and in its data submission to the Department. In addition, the College must develop and implement any new policies and procedures that are needed to ensure that all of GCC's campus security operations will be carried out in accordance with the Clery Act going forward. As part of this review, the College must review the crime statistics that were included in its 2014 and 2015 ASRs and reported to the Department for calendar year 2012 and verify that all statistics are accurate and complete. If additional reporting errors are identified during this internal review, GCC must take immediate action to correct those data discrepancies by amending its ASR and/or its data submission to the Department. GCC will be permitted to incorporate the required changes into its next data submission and its next regularly scheduled ASR distribution. (The 2016 ASR must be actively distributed no later than October 1, 2016.) Finally, the College must submit a copy of its new and revised policies and procedures as well as a list of any additional statistical discrepancies that were identified during the internal review with its

response to this PRR. A copy of GCC's 2016 ASR must accompany its response to this PRR.

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 cure a violation of this type once it occurs. GCC is now required to initiate corrective actions and bring its campus security operations into full 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.

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

GCC officials may wish to review the Department's recently updated "Handbook for Campus Safety and Security Reporting" (2016) during the preparation of its response. The Handbook and other Clery Act resources are available online at:

<http://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, and 668.46.

GCC is also reminded that the Violence Against Women Reauthorization Act of 2013 (VAWA) (Pub. Law 113-4), among other provisions, amended the Clery Act to require institutions to compile statistics for incidents of domestic violence, dating violence, sexual assault, and stalking and to include certain policies, procedures, and programs pertaining to these incidents in the school's ASR.

On October 20, 2014, the Department's final regulations were published in the Federal Register (Vol. 79, No. 202). The changes to the regulations at 34 C.F.R. § 668.46, which governs the Clery Act requirements went into effect July 1, 2015. The Department amended 34 C.F.R. § 668.46 to implement the VAWA statutory changes and updated this section by incorporating provisions added to the Clery Act by the Higher Education Opportunity Act. For information about the modifications to 34 C.F.R. § 668.46, please see the following electronic announcement: <http://ifap.ed.gov/eannouncements/102014ViolenceAgainstWomenAct.html>. The announcement includes a link to the Federal Register (Vol. 79, No. 202). An institution's ASR must incorporate the changes made to 34 C.F.R. § 668.46.

Finding 3. Pell Grant Underpayment

Citation: The Pell Grant for a payment period, for a student in a program using standard terms with at least 30 weeks of instructional time in two semesters, is calculated by determining the student's enrollment status for the term. Based upon that enrollment status, the student's annual award is determined from the Pell Grant Payment Schedule for full-time students or the Disbursement Schedule for three-quarter-time, half-time, or less-than-half-time students. The

resulting annual award amount is then divided by two to determine the Pell Grant award for the payment period. 34 C.F.R. § 690.63(b).

Noncompliance: For Student #16, GCC awarded and disbursed Pell Grant funds during the Spring 2016 term based on a less-than half-time enrollment status; however, the student was enrolled at a half-time enrollment status. As a result, the amount of Pell Grant funds disbursed to this student was incorrect. The Pell Grant award for the payment period should have been \$1444; however, only \$266 of Pell Grant funds was awarded and disbursed to the student.

Required Action: As noted in Finding 4, GCC used the incorrect Pell Grant amount in the “Amount Disbursed” and “Amount that Could Have Been Disbursed” fields of the Return to Title IV (R2T4) funds calculation for Student #16. For this reason, the resulting amount of Pell Grant funds that the school returned is incorrect. GCC must adjust Student #16’s Pell Grant disbursement records for the Spring 2016 term to reflect half-time status enrollment and then use this corrected Pell Grant amount in the student’s revised R2T4 calculation. GCC must submit proof of the student’s revised Pell Grant disbursement records with its response to this PRR.

Finding 4. Return to Title IV (R2T4) Funds Calculation Error

Citation: The federal regulations require that if a Title IV recipient withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV assistance the student earned as of the student’s withdrawal date. 34 C.F.R. § 668.22(a). The institution must also return the correct amount(s) of Title IV funds for which it is responsible to the appropriate Title IV, HEA program accounts within 45 days of the date of the institution’s determination that the student withdrew. 34 C.F.R. § 668.22(j).

For a credit hour program, the percentage of Title IV grant or loan assistance that has been earned by the student is equal to the percentage of the payment period or period of enrollment that the student completed, if the student completed 60% or less of the period as of the student’s withdrawal date, or 100%, if the student completed more than 60% of the period as of the date the student withdrew. In the case of a program that is measured in credit hours, the percentage of the payment period or period of enrollment that the student completed is determined by dividing the total number of calendar days in the payment period or period of enrollment by the number of calendar days completed in that period by the student. 34 C.F.R. §§ 668.22(e) and (f).

The amount of Title IV funds that is earned by the student is calculated by determining the percentage of Title IV funds that has been earned by the student and applying this percentage to the total amount of Title IV funds that was disbursed (and that could have been disbursed) to the student, or on the student’s behalf, for the payment period or period of enrollment as of the student’s withdrawal date. 34 C.F.R. § 668.22 (e)(1).

Noncompliance: GCC used the incorrect Pell Grant amount in the “Amount Disbursed” and “Amount that Could Have Been Disbursed” fields of the R2T4 calculation for Student #16. As noted in Finding 3, GCC did not pay Student #16 the full amount of Pell Grant funds for which

he was eligible. This Pell Grant disbursement error was carried over to the student's R2T4 calculation. As a result, GCC did not return the correct amount of Title IV, HEA program funds to the Department.

Required Action: GCC is required to correct this student's R2T4 calculation and adjust the student's Title IV award accordingly. In response to this PRR, GCC must submit proof that the R2T4 calculation has been corrected along with supporting documentation that shows that the funds returned by the school have been adjusted as well.

Finding 5. Return to Title IV Policy Inadequate

Citation: For an institution that is not required to take attendance, the institution must determine the withdrawal dates for students who withdraw without providing notification to the institution no later than 30 days after the end of the earlier of: the payment period, the academic year in which the student withdrew, or the educational program from which the student withdrew. 34 C.F.R. § 668.22(j)(2).

The withdrawal date for a student at an institution that is not required to take attendance is defined in 34 C.F.R. § 668.22(c) as:

- The date that the student began the withdrawal process prescribed by the institution;
- The date that the student otherwise provided official notification to the institution, in writing or orally, of his or her intent to withdraw;
- The mid-point of the payment period (or period of enrollment, if applicable), if the student ceases attendance without providing official notification to the institution of his or her withdrawal;
- The date that the institution determines is related to a circumstance that precluded the student from beginning the institution's withdrawal process or otherwise providing official notification to the institution of his or her intent to withdraw, such as illness, accident, grievous personal loss, or other such circumstances beyond the student's control;
- The date that the institution determines the student began a leave of absence, if a student does not return from an approved leave of absence;
- The date the student began a leave of absence, if the leave of absence does not meet the requirements for an approved leave of absence; or
- The student's last date of attendance at an academically-related activity, if the institution documents that the activity is academically related and can document the student's attendance at the activity.

34 C.F.R. § 668.22(c)(3).

An "academically-related activity" includes, but is not limited to, submitting an assignment; taking an exam, a tutorial, or computer-assisted instruction; participating in an online discussion

about academic matters; or initiating contact with a faculty member to ask a question about the academic subject studied in the course. 34 C.F.R. § 668.22(1)(7).

If an institution is unable to document the student's attendance at any class during the payment period or period of enrollment, the student is considered to have not begun attendance. When a student does not begin attendance, any Title IV aid that has been disbursed must be returned to the Department. 34 C.F.R. § 668.21.

Noncompliance: GCC does not have a process in place for determining whether a student has ceased attendance at the institution without providing official notification, i.e., unofficially withdraws. GCC's grading policy does not distinguish between a failing grade that is the result of non-attendance and a failing grade that a student earns because of substandard grades received on assignments and tests. When a GCC student receives all failing grades or a combination of failing grades and W grades for a term, GCC makes the assumption that the student earned the failing grades and does not make an assessment of whether an R2T4 calculation is required.

Required Action: GCC is required to immediately develop and implement a policy and procedure for completing R2T4 calculations for unofficially withdrawn students. The policy must address how the institution will determine whether a student has unofficially withdrawn and how the institution will determine whether an R2T4 calculation will be required for these students. Please be aware that if GCC uses the mid-point method for determining the withdrawal date, the institution must first make sure that the student was eligible for any Title IV disbursements by confirming and documenting that the student began attendance during the payment period. A copy of the new policies and procedures must be provided with GCC's response to this PRR.

Finding 6. Inaccurate Reporting to the Common Origination and Disbursement (COD) System

Citation: An institution makes a disbursement of Title IV, HEA program 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 Department or institutional funds used in advance of receiving Title IV, HEA program funds. 34 C.F.R. § 668.164(a).

In the program participation agreement, the school must promise to comply with the HEA and applicable regulations and must agree to provide timely and accurate information to the Secretary for the servicing and collecting of loans. 34 C.F.R. § 685.300(b)(6).

A school participating in the Direct Loan Program must ensure that any information it provides to the Department in connection with loan origination is complete and accurate. 34 C.F.R. § 685.301(a)(1).

34 C.F.R. § 685.301(a)(1) also explains that a school must provide to the Department borrower information that includes but is not limited to:

- The borrower's eligibility for a loan, as determined in accordance with 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.

Institutions are required to submit a student's payment data (including disbursement dates) to the Department by the reporting deadlines published in the Federal Register. 34 C.F.R. § 690.83. Institutions are required to submit Pell Grant and/or Direct Loan disbursement records to the COD system no later than 15 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. *COD Technical Reference, 2015-2016, Volume II.*

Noncompliance: GCC failed to report accurate information to COD for four students in the review sample. The student files containing inconsistent disbursement information between COD and the student ledgers include the following:

- **Student #4:** The account ledger for this student shows one Pell Grant disbursement of \$1,087 with a corresponding disbursement date of March 16, 2015; however, COD disbursement records indicate that \$217 of these Pell Grant funds were disbursed on February 9, 2015. More specifically, COD records show one Pell Grant disbursement of \$217 with a disbursement date of February 9, 2015 and a second Pell Grant disbursement of \$870 with a disbursement of March 16, 2015;
- **Student #14:** The account ledger for this student shows one Pell Grant disbursement of \$2,148 with a corresponding disbursement date of September 22, 2014; however, COD disbursement records indicate that \$716 of these Pell Grant funds were disbursed on September 2, 2014. More specifically, COD records show one Pell Grant disbursement of \$716 with a disbursement date of September 2, 2014 and a second Pell Grant disbursement of \$1,432 with a disbursement of September 22, 2014;
- **Student #18:** The account ledger for this student shows one Pell Grant disbursement of \$1,083 with a corresponding disbursement date of February 8, 2016; however, COD disbursement records indicate that only \$722 of Pell Grant funds were disbursed on this date. More specifically, COD records show one Pell Grant disbursement of \$722 with a disbursement date of February 8, 2016 and a second Pell Grant disbursement of \$722 with a disbursement of March 14, 2016; and
- **Student #26:** The account ledger for this student shows one Pell Grant disbursement of \$1,804 with a corresponding disbursement date of March 14, 2016; however, COD disbursement records indicate that \$361 of these Pell Grant funds were disbursed on February 8, 2016. More specifically, COD records show one Pell Grant disbursement of \$361 with a disbursement date of February 8, 2016 and a second Pell Grant disbursement of \$1,443 with a disbursement of March 14, 2016.

Required Action: For each student identified in this finding, GCC must correct its COD disbursement records so that they accurately reflect the student account ledger disbursement dates and disbursement amounts. In its response to this PRR, GCC must submit documentation that shows that the disbursement records in COD and the student account ledgers match for the students identified in this finding.

Additionally, GCC must revise and submit a copy of its COD reporting procedures to the Department. The updated policies and procedures must indicate how GCC will address this problem to ensure that the institution accurately reports Title IV disbursement information to COD. A copy of the policies and procedures must be provided with GCC's response to this PRR.

Finding 7. Failure to Provide Adequate Consumer Information

Citation: Institutions must publish and make readily available certain consumer information to current students, prospective students, current employees, prospective employees, and other parties, as applicable. These disclosures broadly include information about the availability of institutional and financial aid information, student financial assistance information, general institutional information, health and safety information, student outcomes information, and intercollegiate athletics program information. Title I and Part F of Title IV of the HEA. 34 C.F.R. Part 99 and Part 668 Subpart D.

Below are the specific disclosure requirements relevant to this report.

Gainful Employment (GE) Program Disclosures

Under 34 C.F.R. § 668.6(b), for each GE program offered, institutions must provide prospective students with the following information:

- (1) Occupations (by names and Standard Occupational Classification Codes) that the program prepares students to enter;
- (2) Normal time to complete the program (e.g., one year certificate program);
- (3) On-time graduation rate, as defined in 34 C.F.R. § 668.6(c), for program completers;
- (4) Tuition and fees for completing the program in the normal time, costs for books and supplies, and costs for room and board, if applicable;
- (5) Placement rate for program completers, if required by the institution's state or accreditor; and
- (6) Median educational loan debt incurred by program completers, disclosed in three separate categories: Title IV, HEA program loans, private loans, and institutional financing plans.

Institutions must use the disclosure form (i.e., the GE Disclosure Template) to provide this information, and institutions are expected to update their GE Disclosure Templates each year when the updated version of the Template is released. (Note: Final regulations published on October 31, 2014 amended the disclosure requirements for GE programs. The new disclosure requirements, located at 34 C.F.R. § 668.412, go into effect January 1, 2017. Among other provisions, the new regulations specify that the information contained in the GE Disclosure Templates must be updated at least annually with the most recent data available. 34 C.F.R.

§ 668.412(b.)

Annual Notice Requirement

An institution must provide an annual notice to enrolled students of the availability of several required consumer information disclosures. The notice must briefly describe the disclosures and how the student can obtain the information. If this information is disclosed on the web site, the school must provide the exact electronic address and a statement that the institution will provide a paper copy upon request. Furthermore, information must be available upon reasonable notice throughout normal administrative working hours, along with the names of employees responsible for information dissemination purposes. 34 C.F.R. § 668.41(c).

34 C.F.R. § 668.41(c) further explains that the annual notice must inform students of the availability of the following consumer information disclosures:

- (1) General disclosures (pursuant to 34 C.F.R. § 668.41(d)) for enrolled or prospective students concerning the following:
 - Financial assistance available to students enrolled in the institution (pursuant to 34 C.F.R. § 668.42);
 - The institution (pursuant to 34 C.F.R. § 668.43);
 - The institution's retention rate as reported to the Integrated Postsecondary Education Data System (IPEDS);
 - The institution's completion or graduation rate and, if applicable, its transfer-out rate (pursuant to 34 C.F.R. § 668.45);
 - The placement of and types of employment obtained by graduates of the institution's degree or certificate programs; and
 - The types of graduate and professional education in which graduates of the institution's four-year degree programs enroll;
- (2) Annual security report and annual fire safety report disclosures (pursuant to 34 C.F.R. §§ 668.46(b) and 668.49(b));
- (3) Equity in Athletics Report disclosures (pursuant to 34 C.F.R. § 668.47) for enrolled students, prospective students, and the public; and
- (4) Family Educational Rights and Privacy (FERPA) disclosures (pursuant to 34 C.F.R. § 99.7).

Noncompliance: GCC did not disclose adequate consumer information in the following areas:

- GCC failed to document that the institution distributed an annual notice to enrolled students regarding the availability of consumer information required to be disclosed.
- GCC failed to provide current information on its GE Disclosure Templates. GE Disclosure Templates were provided on the school's website, but the information had not been updated for the appropriate award year.

Required Action: GCC must review its current consumer information to ensure that all of the required statements, disclosures and reports are up-to-date and have been distributed or made available to the proper parties in accordance with the statute and regulations. GCC must

distribute a notice to all enrolled students regarding the availability of the required consumer information disclosures. Proof of the distribution of the notice must be submitted in the response to this PRR. Additionally, documentation of the updated GE Disclosure Templates must be submitted in response to this PRR.

Finding 8. Federal Funds Not Identified in Bank Account

Citation: An institution must maintain Title IV, HEA program funds in a bank or investment account that is federally insured. For each bank or investment account that includes Title IV, HEA program funds, an institution must clearly identify that Title IV, HEA program funds are maintained in that account by including in the name of each account the phrase, "Federal Funds," or notifying the bank or investment company that the account contains Title IV, HEA program funds and retaining a record of that notification. 34 C.F.R. § 668.163(a).

Noncompliance: GCC failed to properly designate the bank account(s) into which Title IV funds are being deposited as accounts containing "Federal Funds" or notify the holder of the account(s) that the account(s) contains Title IV, HEA program funds and retain a record of that notification.

Required Action: GCC is required to ensure that the bank accounts that contain federal funds are properly identified as containing federal funds. Please provide documentation from the bank holding these accounts that confirms that the phrase "Federal Funds" is identified in the bank account name or provide documentation that confirms that your institution has notified the bank that Title IV, HEA program funds are contained in the institution's bank accounts.

Finding 9. Inaccurate and Late National Student Loan Data System Reporting

Citation: All institutions participating in the Direct Loan Program must have a system in place to timely and accurately report changes in borrower enrollment status to the National Student Loan Data System (NSLDS). At scheduled times throughout the year, roster files are sent to institutions via NSLDS. Subsequently, institutions must review, update, and certify the enrollment status information for all students contained in these files and then return the files to NSLDS within 30 days of receipt. If the institution plans to submit its next regularly scheduled enrollment report within 60 days of a student's enrollment change, the data may be provided in the upcoming enrollment report. 34 C.F.R. § 685.309 (b).

34 C.F.R. § 685.309 (b)(2) also explains that institutions are required to notify the Department if it discovers that a Direct Subsidized, Direct Unsubsidized, or Direct PLUS Loan has been made to a student who:

- Enrolled at that school but has ceased to be enrolled on at least a half-time basis;
- Has been accepted for enrollment at that school but failed to enroll on at least a half-time basis for the period for which the loan was intended; or
- Has changed his or her permanent address.

Noncompliance: GCC failed to report accurately and timely student status information in NSLDS for the following students:

- **Student #1:** GCC reported on April 23, 2015 that this student had withdrawn with an effective date of December 18, 2014; however, the student graduated on December 18, 2014 (inaccurate and late).
- **Student #2:** GCC failed to report this student as graduated in a timely manner. The student graduated on June 10, 2015. The status change was reported on September 2, 2015 (late).
- **Student #7:** GCC failed to report this student as withdrawn in a timely manner. GCC reported the withdrawal status on March 9, 2015; however, the enrollment status change occurred on December 16, 2014 (late).
- **Student #17:** GCC reported this student as withdrawn with an effective date of December 16, 2015; however, withdrawal documentation confirms that the student withdrew on February 26, 2016 (inaccurate).
- **Student #18:** GCC incorrectly reported this student as enrolled less than half time for the Fall 2015 semester; however, the student was enrolled half time (inaccurate).
- **Student #22:** GCC failed to report this student as enrolled full-time in a timely manner. GCC reported the full-time status on November 24, 2015; however, the enrollment status change occurred on August 31, 2015 (late).
- **Student #26:** GCC failed to report this student as enrolled full-time in a timely manner. GCC reported the full-time status on November 24, 2015; however, the enrollment status change occurred on August 31, 2015 (late).

Required Action: GCC is required to correct the NSLDS records for the students listed above. GCC is also required to review its procedures for reporting enrollment status changes to NSLDS and, as necessary, revise them. A copy of GCC's revised NSLDS reporting policies and procedures must accompany the institution's response to this report.

D. Appendix

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