



March 3, 2020

Ms. Lynette Stokes
President
South Suburban College
15800 South State Street
South Holland, IL 60473-9978

Certified Mail Return Receipt Requested

RE: **Final Program Review Determination**
OPE ID: 00176900
PRCN: 2020 1 05 30127

Dear Ms. Stokes:

The U.S. Department of Education's (Department's) Office of Federal Student Aid issued a program review report on January 23, 2020 covering South Suburban Colleges's (SSC) administration of programs authorized by Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs), for the 2014-2015 through 2018-2019 award years. SSC's final response was received on February 24, 2020. A copy of the program review report (and related attachments) and SSC's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by SSC 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.

Purpose:

Final determinations have been made concerning all of the outstanding findings of the program review report. The purpose of this letter is to: (1) identify liabilities resulting from the findings of this program review report, (2) provide instructions for payment of liabilities to the Department, and (3) notify the institution of its right to appeal.

The total liabilities due from the institution from this program review are \$55,913.98.

This final program review determination contains detailed information about the liability determination for all findings.

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION
Chicago/Denver School Participation Division
230 South Dearborn Street, Room 3922
Chicago, Illinois 60604
StudentAid.gov

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.

Appeal Procedures:

If SSC elects to appeal to the Secretary of Education for a review of the financial liabilities established by this FPRD, the institution must file a written request for a hearing. Please note that institutions may appeal financial liabilities only. The Department must receive SSC's request no later than 45 calendar days from the date SSC receives this FPRD. **The Department requests that SSC submit an original and four copies of its complete request for review.** The request must be sent to:

Attn: Susan Crim, Director
Administrative Actions and Appeals Service Group
U.S. Department of Education
Federal Student Aid/Enforcement
830 First Street, NE UCP3, Room 84F2
Washington, DC 20002-8019

SSC's appeal request must:

- (1) indicate the findings, issues, and facts being disputed;
- (2) state the institution's position, together with pertinent facts and reasons supporting its position; and
- (3) include a copy of the FPRD received by the school.

When it submits its request for appeal, the institution may also include documentation it believes the Department should consider in support of the appeal. If such documentation is submitted, please provide one copy on an electronic format, preferably as a PDF, such as on a flash drive. Please provide the additional copies in hard copy format.

If any appeal documents include personally identifiable information (PII), the PII must be redacted, except for the student's name and last four digits of his/her social security number (please see the enclosed document, "Protection of Personally Identifiable Information," for instructions on how to mail records containing PII).

If the institution's appeal is timely, the request for appeal will be transmitted to the Department's Office of Hearings and Appeals (OHA), for an administrative hearing in accordance with § 487(b)(2) of the HEA, 20 U.S.C. § 1094(b)(2). The Hearing Official assigned to the case will issue an order scheduling the submission of briefs and supporting evidence in accordance with 34 C.F.R. § 668.114(c). The institution may therefore submit additional documentation supporting its appeal request at that time. Further, if the institution is appealing a projected liability amount, it may provide detailed liability

information from a complete file review, either at the time it initially submits its appeal request or pursuant to the proceedings at OHA. The procedures followed with respect to SSC's appeal are those provided at 34 C.F.R. Part 668, Subpart H. Interest on the appealed liabilities shall continue to accrue at the applicable value of funds rate, as established by the United States Department of Treasury, or if the liabilities are for refunds, at the interest rate set forth in the loan promissory note(s).

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)(1), (e)(2), and (e)(3).

The Department expresses its appreciation for the courtesy and cooperation extended during the review. If the institution has any questions regarding this letter, please contact Anna Mendez at 312-730-1726. Questions relating to any appeal of the FPRD should be directed to the address noted in the Appeal Procedures section of this letter.

Sincerely,



Jeremy Early, Ed.D.

Division Director

Enclosure:

Protection of Personally Identifiable Information

Program Review Report (and appendices)

Final Program Review Determination Report (and appendices)

cc: John Semple, Financial Aid Administrator
Illinois Community College Board
North Central Association of Colleges and Schools, the Higher Learning Commission
Department of Defense
Department of Veterans Affairs
Consumer Financial Protection Bureau

Prepared for
South Suburban College

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

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OPE ID 00176900
PRCN 2020 1 05 30127

Prepared by
U.S. Department of Education
Federal Student Aid
Chicago/Denver School Participation Division

Final Program Review Determination

March 3, 2020

JCK Federal Building
230 South Dearborn Street, Room 3922
Chicago, IL 60604
StudentAid.gov.

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A. Institutional Information

South Suburban College
15800 South State Street
South Holland, IL 60473-9978

Type: Public

Highest Level of Offering: Associate degree

Accrediting Agency: North Central Association of Colleges and Schools, the Higher Learning Commission

Current Student Enrollment: 4,232 (Source: Integrated Postsecondary Education Data System Fall 2017)

% of Students Receiving Title IV: 75% (Source: Integrated Postsecondary Education Data System 2017-2018)

Title IV Participation (Source: PC Net):

	<u>2017-2018</u>
Federal Pell Grant (Pell Grant)	\$7,832,217
Federal Supplemental Educational Opportunity Grant (FSEOG)	\$ 135,740
Federal Work Study (FWS)	\$ 161,247

B. Scope of Review

The U.S. Department of Education (Department) conducted an offsite, limited-scope program review of South Suburban College (SSC) from December 16, 2019 to December 20, 2019. The review was conducted by Anna Mendez.

The focus of the review was to determine SSC's compliance with the statutes and federal regulations as they pertain to the institution's administration of the Federal student aid programs under Title IV of the Higher Education Act of 1965, as amended, U.S.C. §§ 1070 et seq. (Title IV programs). The review was limited to an examination of students who received a Title IV disbursement and who were enrolled in the Maintenance Technology 1, Manufacturing Basics, and HVACR Technician programs.

The review covered award years 2014-2015 through 2018-2019.

SSC provided a list of students to the Department who were enrolled in the ineligible programs and who received a Title IV disbursement during the 2014-2015 through 2018-2019 award years. Appendix A list the names of the students that were examined during the program review.

The Department issued its Program Review Report (PRR), included as Appendix B, on January 23, 2020. SSC submitted its written response to the PRR on February 24, 2020 ("February 24, 2020 Response"), included in Appendix C. The response and supporting documentation submitted was reviewed and determined to be complete.

Disclaimer:

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning SSC'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 SSC of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

C. Final Determinations

Findings with Established Liabilities:

The PRR finding with liabilities requiring further action is summarized below. At the conclusion of the finding is a summary of SSC's response to the finding, and the Department's final determination for that finding. A copy of the PRR issued on December 20, 2019 is attached as Appendix B.

Finding 1: Ineligible Program, Approval Requirements Not Met

Noncompliance:

An institution participating in any Title IV, HEA program shall demonstrate to the Secretary that it is capable of adequately administering that program under each of the standards established. The Secretary considers an institution to have that administrative capability if the institution administers the Title IV, HEA programs in accordance with all statutory provisions of, or applicable to, Title IV of the HEA, all applicable regulatory provisions prescribed under that statutory authority, and all applicable special arrangements, agreements, and limitations entered into under the authority of statutes applicable to Title IV, HEA regulations. 34 C.F.R. § 668.16(a).

When an institution applies for Title IV participation, the institution must submit an application to the Department that includes the educational programs it offers. *See* 34 C.F.R. § 600.20.

When an institution submits the application, it must show that it has received approval for its programs from both the accrediting agency and its state licensing body. Additional programs and changes to the length scope of the educational programs made after the initial application must be submitted to the Department for approval. *See* 34 C.F.R. § 600.10(c)(2014), § 600.20(c)(2014)ⁱ.

If an institution does not apply to the Department for approval of a new program and the program does not qualify as an eligible program, the institution is liable for all Title IV, HEA program funds it disburses to students enrolled in that program. 34 C.F.R. § 600.20(f)(5)(2014).

A regular student is defined as a person who is enrolled or accepted for enrollment at an institution for the purpose of obtaining a degree, certificate, or other recognized educational credential. *See* 34 C.F.R. § 600.2.

A student is eligible to receive Title IV, HEA program assistance if the student is a regular student enrolled, or accepted for enrollment, in an eligible program at an eligible institution. *See* 34 C.F.R. § 668.32(a)(1)(i).

On June 11, 2019, SSC submitted its recertification application for participation in Title IV, HEA programs to the Department. During the recertification process, the Department discovered SSC failed to report the following three educational programs to the Department: Maintenance Technology 1, Manufacturing Basics, and the HVACR Technician program. Additional research revealed the institution also failed to receive approval from its accrediting agency, the Higher Learning Commission (HLC), prior to offering these programs.

Upon notification of non-compliance, SSC initiated the accreditation process and submitted these programs to HLC for approval. HLC approved the programs on January 31, 2020.

The Department subsequently obtained documentation from SSC listing the students who were enrolled in the three ineligible educational programs. The documentation indicated SSC disbursed Title IV funds to 14¹ students over a five-year period from the 2014-2015 award year up through the 2018-2019 award year. According to school officials, no Title IV funds were disbursed to students enrolled in the ineligible educational programs after August 2019.

Directives from the PRR:

As result of this violation, SSC was required to perform a file review for all students that were enrolled in and received Title IV, HEA disbursements for the ineligible educational programs during the 2014-2015 award year through the 2018-2019 award year. The institution was required to provide the results of the file review in a separate spreadsheet for each award year that identified the following data for each student: Student name, SSN, educational program attended, and the amount of Title IV funds disbursed by Title IV, HEA program. For each student, SSC was also to provide copies of the enrollment contract and the student account ledger.

SSC was also to implement or enhance current procedures in accordance with federal regulations to ensure that this finding does not recur. A copy of the procedures on reporting new educational programs to the Department was to be included with the institution's response to the PRR.

Analysis of Liability Determination:

In its response (see Appendix C), SSC agreed with the finding. SSC stated the ineligible programs are now approved by HLC as of January 31, 2020. A second review of the files indicated that the total number of students originally submitted to the Department for the three ineligible programs are correct. There was a total of 14 students who were enrolled in the three ineligible programs and who received a Title IV disbursement during the 2014-2015 through 2018-2019 award years.

In addition, upon conducting the second review of all programs for which Title IV aid was disbursed to students, SSC discovered a fourth program, the welding certificate program, was submitted to the state licensing body but not to the accrediting agency for approval. Therefore,

¹ The PRR dated 1/23/2020 incorrectly listed 16 students instead of 14.

SSC in its response reported that eight additional students were enrolled in the welding certificate program and received a Title IV disbursement during the 2014-2015 through 2018-2019 award years.

SSC has implemented internal controls between the academic affairs and financial aid departments to ensure all new educational programs are approved by the state and accrediting agencies prior to disbursing Title IV funds.

In total, the institution submitted documentation indicating 22 unduplicated students were enrolled in the ineligible four programs and received a Title IV disbursement during the 2014-2015 through 2018-2019 award years. The institution disbursed a total of \$52,886.68 from the Pell Grant program and \$1,406.25 from the Federal Supplemental Educational Opportunity Grant (FSEOG) funds, totaling \$54,292.93. The Department reviewed the documentation for the 22 students submitted and found no errors. Therefore, the Department accepts the institution's response.

SSC is also liable for the Cost of Funds (COF) associated with the ineligible Pell Grant and FSEOG disbursements. The COF rate is based on when funds should have been returned to the Department. The COF is calculated through the date of the PRR (January 23, 2020). A copy of the federal share COF calculation is included in Appendices D, E, F, G and H.

The FSEOG (federal share) liabilities are summarized below:

Finding 1	FSEOG (Federal Share)	FSEOG (COF)	Pell Grant	Pell Grant (COF)
2014-2015			\$ 8,974.94	\$ 452.66
2015-2016	\$ 750.00	\$ 28.98	\$ 11,104.74	\$ 454.03
2016-2017	\$ 281.25	\$ 9.09	\$ 3,635.50	\$ 112.50
2017-2018	\$ 187.50	\$ 4.54	\$ 16,960.00	\$ 386.45
2018-2019	\$ 187.50	\$ 2.86	\$ 12,211.50	\$ 169.94

The total liabilities owed to the Department for this finding is \$55,913.98. Instructions for repayment of this liability are included in the Payment Instructions section of this report.

D. Summary of Liabilities

The total liabilities by Title IV program for Findings 1 is as follows:

Liabilities	FSEOG	Pell Grant	Totals
Finding 1: 2014-2015		\$ 8,974.94	\$ 8,974.94
Finding 1: 2015-2016	\$ 750.00	\$ 11,104.74	\$ 11,854.74
Finding 1: 2016-2017	\$ 281.25	\$ 3,635.50	\$ 3,916.75
Finding 1: 2017-2018	\$ 187.50	\$ 16,960.00	\$ 16,960.00
Finding 1: 2018-2019	\$ 187.50	\$ 12,211.50	\$ 12,399.00
Subtotal 1	\$ 1,406.25	\$ 52,886.68	\$ 54,292.93
Interest			
Finding 1: 2014-2015		\$ 452.66	\$ 452.66
Finding 1: 2015-2016	\$ 28.98	\$ 454.03	\$ 483.01
Finding 1: 2016-2017	\$ 9.09	\$ 112.50	\$ 121.59
Finding 1: 2017-2018	\$ 4.54	\$ 386.45	\$ 390.99
Finding 1: 2018-2019	\$ 2.86	\$ 169.94	\$ 172.80
Subtotal 2	\$ 45.47	\$ 1,575.58	\$ 1,621.05
TOTAL	\$ 1,451.72	\$ 54,462.26	\$ 55,913.98
Payable to:			
Department	\$ 1,451.72	\$ 54,462.26	\$ 55,913.98

E. Payment Instructions

The total amount of owed as a result of this Final Review Determination is \$55,914.00 (\$55,913.98 rounded) and must be paid back in accordance with the instruction set forth in the Section I- Liabilities Owed to the Department, and Section II- FISAP Correction Process.

Section I- Liabilities Owed to the Department

SSC owes to the Department **\$54,508.00.00 (\$54,507.73 rounded)**. Payment must be made by forwarding a check made payable to the "U.S. Department of Education" to the following address within 45 days of the date of this letter:

U.S. Department of Education
P.O. Box 979026
St. Louis, MO 63197-9000

Remit checks only. Do not send correspondence to this address.

If the check is sent special delivery (signature/receipt required), the check must be sent to the following address:

U.S. Bank
1005 Convention Plaza
St. Louis, MO 63101
Attn: Govt. Lockbox Tram MO-SL-C2GL
Re: For Dept. of Ed. 979026

Payment must be made via check and sent to the above Post Office Box. Payment and/or adjustments made via G5 will not be accepted as payment of this liability. Instead, the school must first make any required adjustments in COD as required by the applicable finding and Section I – Instructions by Title IV, HEA Program (below), remit payment, and upon receipt of payment the Department will apply the funds to the appropriate G5 award (if necessary).

The following identification data must be provided with the payment:

Amount: **\$54,508.00**
DUNS: 074431826
TIN: 362597699

Program Review Control Number: 2020 1 05 30127

SSC is also liable for the principal amount (\$1,406.25) of FSEOG liability with Finding 1 for the 2015-2016, 2016-2017, 2017-2018, and 2018-2019 award years. This amount must be paid back in accordance with the payment instructions set forth in Section II-Fiscal Operations Report and Application to Participate (FISAP) Correction Process.

Terms of Payment

As a result of this final determination, the Department has created a receivable for this liability and payment must be received by the Department within **45 days of the date of this letter**. If payment is not received within the 45-day period, interest will accrue in monthly increments from the date of this determination, on the amounts owed to the Department, at the current value of funds rate in effect as established by the Treasury Department, until the date of receipt of the payment. SSC is also responsible for repaying any interest that accrues. If you have any questions regarding interest accruals or payment credits, contact the Department's Accounts Receivables & Bank Management Group at (202) 245-8080 and ask to speak to SSC's account representative.

If full payment cannot be made within **45 days** of the date of this letter, contact the Centralized Receivables Service (CRS) at 1-855-549-2683 to apply for a payment plan. Interest charges and other conditions apply.

If within 45 days of the date of this letter, SSC has neither made payment in accordance with these instructions nor entered into an arrangement to repay the liability under terms satisfactory to the Department, the Department intends to collect the amount due and payable by administrative offset against payments due SSC from the Federal Government. **SSC may object to the collection by offset only by challenging the existence or amount of the debt.** To challenge the debt, SSC must **timely appeal** this determination under the procedures described in the "Appeal Procedures" section of the cover letter. The Department will use those procedures to consider any objection to offset. **No separate appeal opportunity will be provided.** If a timely appeal is filed, the Department will defer offset until completion of the appeal, unless the Department determines that offset is necessary as provided at 34 C.F.R. § 30.28. This debt may also be referred to the Department of the Treasury for further action as authorized by the Debt Collection Improvement Act of 1996.

A. Instructions by Title IV, HEA Program

1. Liabilities Owed to the Department in the case of Title IV Grants:

Pell Grant Closed Award Year

Finding: 1

Appendices: E, F, G, and H

SSC must repay:

Pell Grant-Closed Award Year			
Amount (Principal)	Amount (Interest)	Award Year	
\$ 11,104.74	\$ 454.03	2015-2016	
\$ 3,635.50	\$ 112.50	2016-2017	
\$ 16,960.00	\$ 386.45	2017-2018	
\$ 12,211.50	\$ 169.94	2018-2019	

The Pell Grant disbursement record for each student identified in appendices E, F, G, and H to the applicable finding must be adjusted in the Common Origination and Disbursement (COD) system based on the recalculated amount identified in the appendices.

Adjustments in COD must be completed prior to remitting payment to the Department. Payment cannot be accepted via G5. Once the Department receives payment via check, the Department will apply the principal payment to the applicable G5 award. The interest will be applied to the general program account.

A copy of the adjustment to each student's COD record must be sent to Anna Mendez **within 45 days of the date of this letter.**

Pell Grant -Cancelled Award Year

Finding 1
Appendix D

SSC must repay:

Pell Grant- Cancelled Award Year			
Amount (Principal)	Amount (Interest)	Title IV Grant	Award Year
\$ 8,974.94	\$ 452.66	Pell Grant	2014-2015

The liability above is for award years 5 years or older and student adjustments in the Common Origination and Disbursement (COD) system are no longer possible. Instead, the funds will be returned to the general program fund for the applicable Title IV program.

Liabilities that must be paid via the FISAP Correction Process

Section II- FISAP Corrections Process

Finding 1
Appendices: E, F, G, and H

SSC must return in FWS funds the following amounts for the award years listed: \$750.00 (2015-2016), \$281.25 (2016-2017), \$187.50 (2017-2018, and \$187.50 (2018-2019) utilizing the FISAP correction process. Depending on the results of the FISAP correction process, SSC will be required to return some or all the liabilities via G5 in accordance with the sixth bullet point of the instructions below:

SSC must make corrections to its FISAP for the 2015-2016, 2016-2017, 2017-2018, and 2018-2019 ward years as follows:

- Log into COD and select the Campus-Based menu option from the School tab. Select 'FISAP' from the left navigation menu, then 'FISAP Dashboard', and select the appropriate FISAP from the drop-down menu. Click 'Edit' and make and save all required changes in the FISAP.
- SSC must also make the corresponding updates to Part VI of the FISAP and confirm the amount of Administrative Cost Allowance (ACA), if any, that must be returned.
- Once all changes have been made and validated, click 'Submit' and complete the process to submit a 'Change Request'. Provide the justification for the changes in the comment box, indicating which parts were changed and that the changes are a result of a program review and include the Program Review Control Number (2020 1 05 30127).

- SSC's Financial Aid Administrator (FAA) will be notified via email from a member of the Campus-Based Division when the request is approved. Once approved, the FISAP must be resubmitted within 5 business days.
- To confirm the FISAP changes are correct and for any questions about the process, SSC can contact the COD School Relations Center at 1-800-848-0978 prior to submitting the change request. Note that certain changes to the FISAP may result in changes to subsequent FISAPs; the COD School Relations Center can assist in making this determination as well.
- If the recalculation of the school's funding results in an unprocessed deobligation (negative balance) because the school has drawn down its full authorization, return those funds via G5 as instructed in the FISAP change request approval email from the Campus-Based Division. If the school has not drawn down its full authorization, the authorization will be reduced. The amount of ACA that must be returned, if any, will be included in the amount identified in the email.

SSC must submit proof of the FISAP corrections and payment via G5 for any unprocessed deobligation to Anna Mendez, within 45 days of the date of this letter.

F. Appendices

Appendix A contain personally identifiable information and will be emailed to SSC as an encrypted WinZip file using Advanced Encryption Standard, 256-bit. The password needed to open the encrypted WinZip files will be sent in a separate email.

Appendix A: Student Listing Provided by Institution

Appendix B: Program Review Report

Appendix C: Institution's Written Response

Appendix D: Pell Grant Disbursements- 2014-2015 COF

Appendix E: FSEOG & Pell Grant Disbursements-2015-2016 COF

Appendix F: FSEOG & Pell Grant Disbursements-2016-2017 COF

Appendix G: FSEOG & Pell Grant Disbursements-2017-2018 COF

Appendix H: FSEOG & Pell Grant Disbursements-2018-2019 COF
