



August 4, 2015

Ms. Debra Daniels  
President  
Joliet Junior College  
1215 Houbolt Road  
Joliet, IL 60431-8938

*Certified Mail Return Receipt Requested*  
7012-1640-0000-0215-7637

RE: **Final Program Review Determination**  
OPE ID: 00169900  
PRCN: 2012-1-05-27754

Dear President Daniels:

The U.S. Department of Education's (Department's) Chicago/Denver School Participation Division issued a program review report on February 4, 2014 covering Joliet Junior College's (JJC) 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 2010-11 and 2011-12. JJC's final response was received on April 7, 2014. A copy of the program review report (and related attachments) and JJC's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by JJC 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, (3) notify the institution of its right to appeal, and (4) notify JJC of a possible adverse action. Due to the serious nature of one or more of the enclosed findings, this FPRD is being referred to the Department's Administrative Actions and Appeals Service Group (AAASG) for its consideration of possible adverse action. Such action may include a fine, or the limitation, suspension or termination of the eligibility of the institution. Such action may also include the revocation of the institution's program participation agreement (if provisional), or, if the institution has an application pending for renewal of its certification, denial of that application. If AAASG initiates any action, a separate notification will be provided which will include information on institutional appeal rights and procedures to file an appeal.

This FPRD contains one or more findings regarding JJC's failure to comply with the requirements of the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (*Clery Act*) in Section 485(f) of the HEA, 20 U.S.C. § 1092(f), and the Department's regulations at 34 C.F.R. §§ 668.41, 668.46, and 668.49. Because *Clery Act* findings do not result in a financial liability, such a finding may not be appealed. If an adverse

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administrative action is initiated, additional information about JJC's appeal rights will be provided under separate cover.

**Protection of Personally Identifiable Information (PII):**

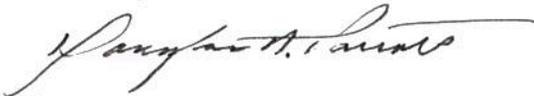
PII is any information about an individual which can be used to distinguish or trace an individual's identity (some examples are name, social security number, date and place of birth). The loss of PII can result in substantial harm, embarrassment, and inconvenience to individuals and may lead to identity theft or other fraudulent use of the information. To protect PII, the findings in the attached report do not contain any student PII. Instead, each finding references students only by a student number created by Federal Student Aid. The student numbers were assigned in Appendix A, Student Sample.

**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 Donna Sobie at (312) 730-1714. Questions relating to any appeal of the FPRD should be directed to the address noted in the Appeal Procedures section of this letter.

Sincerely,



Douglas A. Parrott  
Division Director

Enclosure:

Protection of Personally Identifiable Information  
Program Review Report (and appendices)  
Final Program Review Determination Report (and appendices)

cc: David Seward, Financial Aid Administrator  
IL Community College Board  
North Central Association of College and Schools, the Higher Learning Commission  
National Association of Schools of Music  
Accrediting Commission for Education in Nursing  
Department of Defense  
Department of Veterans Affairs  
Consumer Financial Protection Bureau

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Prepared for:  
**Joliet Junior College**  
OPE ID: 00169900  
PRCN: 2012-1-05-27754

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

Final Program Review Determination  
August 4, 2015

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**A. Institutional Information**

Joliet Junior College  
1215 Houbolt Road  
Joliet, Illinois 60431-8937

Type: Public

Highest Level of Offering: Associate's Degree

Accrediting Agency: North Central Association of Colleges and Schools - CIHE (Higher Educ)

Current Student Enrollment: 19,329 (2011-2012)

% of Students Receiving Title IV: 31% (2011-2012)

Title IV Participation (PCNet):

Federal Pell Grant (Pell)	2010-2011
Federal Academic Competitiveness Grant (ACG)	\$ 14,097,178
William D. Ford Federal Direct Loan Program (Direct Loan)	\$ 81,855
Federal Supplemental Educational Opportunity Grant (FSEOG)	\$ 7,319,438
Federal Work Study (FWS)	\$ 149,660
Total	<u>\$ 184,561</u>
	\$ 21,832,692

Default Rate FFEL/DL: 2009 11.0%  
2008 10.5%  
2007 9.8%

## **B. Scope of Review**

The U.S. Department of Education (the Department) conducted a program review at Joliet Junior College (JJC) from December 12, 2011 to December 16, 2011. The review was conducted by Dianne Mickey and Rosa Reth.

The focus of the review was to determine JJC's compliance with the statutes and federal regulations as they pertain to the institution's administration of Title IV programs. The review consisted of, but was not limited to, an examination of JJC's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, student account ledgers, and fiscal records.

A sample of 30 files was identified for review from the 2010-2011 and 2011-2012 (year to date) award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. In addition, 7 files were selected to include students that had withdrawn, received SEOG program funds or participated in the Federal Work Study Program. 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 JJC'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 JJC of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

## **C. Findings and Determinations**

### **Resolved Findings**

#### **Finding 8: Academic Competitiveness Grant (ACG) Underaward**

Due to the discontinuation of the ACG program as of 06/30/2011; there is no further action or resolution to be completed by JJC. Therefore, this finding may be considered closed. Findings requiring further action by JJC are discussed below.

### **Resolved Findings with Comments**

The following program review findings have been resolved by the institution, and may be considered closed. These findings are included solely for the purpose of discussing resolution of the finding.

#### **Finding #1: Ineligible Programs ("Pre" Programs)**

**Citation:** *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. 34 C.F.R. § 668.32(a)(1)(i).*

*An eligible program at an institution of higher education must (1) lead to an associate, bachelor's, professional, or graduate degree; (2) be at least a two-academic-year program that is acceptable for full credit toward a bachelor's degree; or (3) be at least a one-academic-year training program*

that leads to a certificate, degree, or other recognized educational credential and that prepares a student for gainful employment in a recognized occupation. 34 C.F.R. § 668.8(c).

**Noncompliance:** JJC awarded and disbursed Title IV, HEA program funds to students who were enrolled in ineligible programs. These students were enrolled in programs which are not approved.

Student #	Programs Enrolled
6	Pre-Nursing
7	Pre-Nursing
9	Pre-Nursing
17	Pre-Nursing
18	Pre-Dentistry
19	Pre-Pharmacy
26	Pre-Nursing
36	Pre-Nursing

A review of JJC's catalog discloses that although the college offers instruction leading to certificates and associate degrees in a variety of health sciences including radiography, physical therapy, and nursing, there is no information of any "Pre" programs that lead to a certificate, degree, or other recognized educational credential. Students classified by JJC as enrolled in these "Pre" programs are not enrolled in eligible programs and are not eligible to receive Title IV, HEA program assistance.

**Required Action:** JJC must review the files of all students who were enrolled in "Pre" Programs during the 2010-11 and 2011-12 award years and received Title IV funds. JJC must compile the results of its file review in an Excel spreadsheet, as detailed below. The Excel spreadsheet must be provided in both hardcopy and electronic format:

1. Student Name
2. Social Security Number
3. Program Enrolled
4. Title IV, HEA Program Funds Received
5. Refunds paid (if applicable)

In addition, JJC must provide hard copies of student account cards and transcripts.

**JJC's Response (Abbrev.):** JJC has provided an Excel spreadsheet of "Pre" programs during 2010-2011 and 2011-12. All refunds have been paid (if applicable). For those students that have multiple active programs listed, JJC has provided an Academic Evaluation that indicates that the course(s) that a student was enrolled in leads to an eligible degree program.

JJC began a degree audit project and with a team from across divisions to work together on degree audit. As part of this project, JJC determined that a degree audit specialist needed to be hired and a list of priority codes was created to start the update procedure. The update focused on getting the current catalog into degree audit accurately and updating the main majors/degrees.

JJC has been working with a consultant from EduServe to address the issue that the degree audit part was not created correctly nor used correctly in the Datatel (now Ellucian) Colleague system. JJC has been working since 2009 to eliminate what we call the phantom codes (pre-nursing, pre-dentistry, pre-pharmacy, etc.) that had been created as an advising tool when degree audit was not working properly. Many of the students who are listed as "pre" are no longer attending JJC.

We fixed the degree codes going forward and changed the admissions process so that students would select from a limited list of degree codes (eliminating the pre codes).

JJC has worked and is still working to clean up the phantom codes. Counselors and advisors are working with students to help them progress to a degree but if students have been taking classes for a long time at JJC, they still may have these degree codes showing on their degree audit. Many of the students in pre-nursing do end up with an Associate in General Studies or an Associate of Arts degree.

**Final Determination:** JJC acknowledges their responsibility to award and disburse Title IV, HEA program funds to students enrolled in an eligible program. JJC has fixed the degree codes in their system going forward and changed their admission process to eliminate the "pre" codes and any ineligible programs. JJC has provided the required Excel Spreadsheet and all refunds have been paid (if applicable) and documented. JJC has taken the corrective actions necessary to resolve this finding. Therefore, JJC may consider this finding closed, with no further action required. Appendix C contains JJC's written response related to the resolved finding.

The institution is reminded that its fiduciary responsibilities obligate it to the highest standards of care and diligence in administering and accounting for Title IV, FSA funds.

#### **Finding #2: Pell Grant Underaward**

**Citation:** *The Federal Pell Grant program regulations provide that the amount of a student's Federal Pell Grant for an academic year is based upon the payment and disbursement schedules published by the Department for each award year. 34 C.F.R. § 690.62.*

*Federal regulations require Pell Grants to be calculated and disbursed based on a valid EFC and based on the eligibility of the program of enrollment.*

**Noncompliance:** *Student #6 received \$557 in Pell Grant funds, but was eligible to receive a disbursement of \$643 based on the following criteria:*

- 0 EFC
- Less than half time (enrolled in Summer 2011 for 3 credits)
- Cost of Attendance: \$4,440

*According to the 2010-2011 Pell Chart, the student was eligible to receive \$1,285 in the 2010-2011 award period.*

*As a result, the student was under-awarded \$86.00.*

*Student #15 was eligible to receive a disbursement of \$2,775 in Pell Grant funds, but only received \$1,660.86.*

- 0 EFC
- Full-time
- Cost of Attendance: \$9,590

*According to the 2010-2011 Pell Chart, the student was eligible to receive \$5,550 in the 2010-2011 award period.*

*As a result, the student was under-awarded \$1,114.14.*

**Required Action:** *JJC is required to take all necessary corrective actions to resolve these violations. At a minimum, JJC must do the following:*

- *Develop and implement new policies and procedures that will ensure that the institution performs accurate verification for all the students' credit hours prior to approving the award*
- *Make the appropriate adjustments to the students' accounts, and provide a hard copy to show the adjustments were made accordingly.*

*A copy of the policy and procedures must be submitted in response to this report.*

**JJC's Response:** There were two students identified that were under awarded (student #6 and 15). Student #6 received \$557 in the Pell Grant funds during summer 2011. The Department believes that the student should have received \$643 based on the following criteria: 0 EFC, less than half-time and cost of attendance \$4,440.

JJC believes the Department is using the incorrect 2010-11 Pell Disbursement Payment Schedule. During this year the Department issued two schedules. The first disbursement schedule was issued January 2010 and a revised schedule issued April 2010 with instruction "Not to use the 2010-2011 Payment and Disbursement Schedules Published on January 13, 2010 (DCL P-10-01). The revised 2010-11 Payment and Disbursement Schedules Published shows that the student should receive \$557 based on the following criteria: 0 EFC, less than half-time and cost of attendance \$4,440.

Student #14 was eligible to receive a disbursement of \$2,775 in Pell Grant Funds per the Department, but only received \$1660.86 based on 0 EFC, full-time and cost of attendance \$9,590. JJC believes that the student aid eligibility was \$2,081 based on 0 EFC, ¾-time and cost of attendance \$9,590.

JJC believes that the student should have been paid \$2,081, which is an under award of \$420.14. JJC has updated the student account and refunded the student the \$420.14. The correction along with the documentation that the funds were paid has been provided to the Department. A copy of JJC's policy and procedures for Awarding Criteria (page 4-5 of JJC's response) has been provided.

**Final Determination:** JJC has provided their Financial Aid Handbook including their policy and procedures for Awarding Criteria. The written policy and procedure appear to be adequate to ensure future compliance. JJC acknowledges their responsibility to follow the required steps to confirm that it awards the proper amount of Federal Pell Grant to its students in every payment period in which the students are eligible to receive those funds. The institution correctly used the revised Pell Disbursement Payment Schedule issued April 2010. JJC has taken the corrective actions necessary to resolve this finding. Therefore, JJC may consider this finding closed, with no further action required. Appendix C contains JJC's written response related to the resolved finding, including the summary of the Awarding Criteria Policy and Procedures.

The institution is reminded that its fiduciary responsibilities obligate it to the highest standards of care and diligence in administering and accounting for Title IV, FSA funds.

### **Finding #3: Verification Violations**

**Citation:** *An institution shall require each applicant whose application is selected for verification on the basis of edits specified by the Secretary, to verify all of the applicable items specified in § 668.56, except that no institution is required to verify the applications of more than 30 percent of its total number of applicants for assistance under the Federal Pell Grant, ACG, National SMART Grant, Federal Direct Stafford/Ford Loan, campus based, and Federal Stafford Loan programs in an award year. 34 C.F.R. § 668.54(a)(2).*

*An institution shall require an applicant selected for verification to submit acceptable documentation described in § 668.57 that will verify or update the following information used to determine the applicant's expected family contribution:*

- (1) Adjusted gross income (AGI) for the base year if base year data was used in determining eligibility, or income earned from work, for a non-tax filer.*
- (2) U.S. income tax paid for the base year if base year data was used in determining eligibility.*
- (3) For an applicant who is a dependent student, the aggregate number of family members in the household or households of the applicant's parents and for an applicant who is an independent student, the number of family members in the household of the applicant.*
- (4) The number of family members in the household who are enrolled as at least half-time students in postsecondary educational institutions if that number is greater than one.*
- (5) The following untaxed income and benefits for the base year if base year data was used in determining eligibility—*
  - (i) Social Security benefits if the institution has reason to believe that those benefits were received and were not reported or were incorrectly reported;*
  - (ii) Child support if the institution has reason to believe that child support was received;*
  - (iii) U.S. income tax deduction for a payment made to an individual retirement account (IRA) or Keogh account;*
  - (iv) Interest on tax-free bonds;*
  - (v) Foreign income excluded from U.S. income taxation if the institution has reason to believe that foreign income was received;*
  - (vi) The earned income credit taken on the applicant's tax return; and*
  - (vii) All other untaxed income subject to U.S. income tax reporting requirements in the base year which is included on the tax return form, excluding information contained on schedules appended to such forms. 34 C.F.R. § 668.56(a).*

*Student need for Title IV funds is determined based on subtracting the student's EFC from the cost of attendance. An institution may only award and disburse Title IV funds to a student if those funds, combined with the other resources the student receives, do not exceed the student's financial need. Funds disbursed to students in excess of need are improperly disbursed to ineligible students, which allow students to receive funds to which they are not entitled. This causes increased expense to the Department and reflects an inability by the institution to properly administer the Title IV programs.*

**Noncompliance:** *The verification for Students #1, #2, and #6 was not properly completed resulting in these students being ineligible for Title IV funds. Students #1 and #2 submitted unsigned tax returns and Student #6 provided inconsistent information.*

*Student #1 was selected for verification. The student submitted an unsigned tax return with the verification documents which was not resolved prior to disbursing Title IV aid. Upon disclosing this to JJC, the institution contacted the student to request the student sign the tax return. The student provided a signed copy of the return and it was e-mailed to the Department to resolve this student's verification violation.*

*Student #2 was a dependent student selected for verification. The student submitted the mother's tax return but signed her own name to the return instead of having her parent*

*sign the tax return. Upon disclosing this error to the institution, JJC attempted to contact the student to request the correctly signed document.*

*Student #6 submitted conflicting data to JJC that was not resolved prior to disbursing Title IV aid.*

**Required Action:** *JJC is required to take all necessary corrective actions to resolve these violations. At a minimum, JJC must do the following:*

- *Develop and implement new policies and procedures that will ensure that the institution performs accurate verification for all students selected.*
- *The institution should conduct annual verification training with staff to ensure regulatory compliance.*

*A copy of the policy and procedures must be submitted in response to this report.*

**JJC's Response:** Per the Department the verification for three students #1, #2, and #6 was not properly completed.

JJC understands per the Department report that student #1 (unsigned tax return) was resolved and a copy of that document was emailed to the Department.

Student #2 involves the student signing the parent's tax return. The parent signature was received on December 16, 2011 and was provided to the Department with our response.

Student #6 submitted conflicting data to JJC. The student reported 2 in the household and 2 in college, but on the Verification Worksheet the student left Section B blank. During the Program review the student did complete a new Verification Worksheet and listed 3 in the household and 1 in college.

Since 2010-2011 JJC Financial Aid/Veterans Office conducts annual verification training with the staff to ensure regulatory compliance. JJC takes seriously the regulatory compliance of completing verification accurately.

The Financial Aid Handbook/policy and procedures for our Verification Policy (page 4) have been provided with our response.

**Final Determination:** The Verification Policy and Procedures in response to this finding was received with the institution's response. The written policy and procedures appear to be adequate to ensure future compliance. JJC acknowledges their responsibility to follow the required steps for all students selected for verification by the Department.

JJC has resolved all outstanding issues with the verification for students #1, #2, and #6. JJC acknowledges the regulatory compliance of completing verification accurately. JJC recognizes their responsibility to train their staff and has taken the necessary steps of conducting annual verification training with the Financial Aid/Veterans Office staff to ensure regulatory compliance. Therefore, JJC may consider this finding closed, with no further action required. Appendix C contains JJC's written response related to the resolved finding, including the summary of the Verification Policy and Procedures.

The institution is reminded that its fiduciary responsibilities obligate it to the highest standards of care and diligence in administering and accounting for Title IV, FSA funds.

#### **Finding #4: Return of Title IV (R2T4) Calculation Errors**

**Citation:** *When a recipient of Title IV grant or loan assistance 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 grant or loan assistance that the student earned as of the student's withdrawal date in accordance with paragraph (e) of this section. 34 C.F.R. § 668.22(a)(1).*

*If the total amount of Title IV grant or loan assistance, or both, that the student earned as calculated under paragraph (e)(1) of this section is less than the amount of Title IV grant or loan assistance that was disbursed to the student or on behalf of the student in the case of a PLUS loan, as of the date of the institution's determination that the student withdrew, the difference between these amounts must be returned to the Title IV programs in accordance with paragraphs (g) and (h) of this section in the order specified in paragraph (i) of this section; and no additional disbursements may be made to the student for the payment period or period of enrollment. 34 C.F.R. § 668.22(a)(3).*

*The amount of Title IV grant or loan assistance that is earned by the student is calculated by—*

- (i) Determining the percentage of Title IV grant or loan assistance that has been earned by the student, as described in paragraph (e)(2) of this section; and*
- (ii) Applying this percentage to the total amount of Title IV grant or loan assistance that was disbursed (and that could have been disbursed, as defined in paragraph (l)(1) of this section) 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).*

*The percentage of Title IV grant or loan assistance that has been earned by the student is—*

- (i) Equal to the percentage of the payment period or period of enrollment that the student completed (as determined in accordance with paragraph (f) of this section) as of the student's withdrawal date, if this date occurs on or before—*
  - (A) Completion of 60 percent of the payment period or period of enrollment for a program that is measured in credit hours; or*
  - (B) Sixty percent of the clock hours scheduled to be completed for the payment period or period of enrollment for a program that is measured in clock hours; or*
- (ii) 100 percent, if the student's withdrawal date occurs after—*
  - (A) Completion of 60 percent of the payment period or period of enrollment for a program that is measured in credit hours; or*
  - (B) Sixty percent of the clock hours scheduled to be completed for the payment period or period of enrollment for a program measured in clock hours. 34 C.F.R. § 668.22(e)(2).*

*The percentage of Title IV grant or loan assistance that has not been earned by the student is calculated by determining the complement of the percentage of Title IV grant or loan assistance earned by the student as described in paragraph (e)(2) of this section. 34 C.F.R. § 668.22(e)(3).*

*The percentage of the payment period or period of enrollment completed is determined—*

- (i) In the case of a program that is measured in credit hours, by dividing the total number of calendar days in the payment period or period of enrollment into the number of calendar days completed in that period as of the student's withdrawal date; and*
- (ii) In the case of a program that is measured in clock hours, by dividing the total number of clock hours in the payment period or period of enrollment into the number of clock hours scheduled to be completed as of the student's withdrawal date. 34 C.F.R. § 668.22(f)(1).*

*The total number of calendar days in a payment period or period of enrollment includes all days within the period, except that scheduled breaks of at least five consecutive days are excluded from the total number of calendar days in a payment period or period of enrollment and the number of calendar days completed in that period. 34 C.F.R. § 668.22(f)(2).*

**Noncompliance:** *The R2T4 calculations were incorrect for Students #1, #32, #34 and #35. The institution used the incorrect number of days in the scheduled break.*

*Student #1 R2T4 indicated 117 total days, and should have been 112 total days. The student completed 64 days; which resulted in a return of \$359.93. However, the school returned \$380.07 for an over return amount of \$20.14.*

*Student #32 R2T4 indicated 117 total days, and should have been 112 total days. The student completed 46 days; which resulted in a return of \$625. However, the school returned \$644 for an over return amount of \$19.*

*Student #34 R2T4 indicated 117 total days, and should have been 112 total days. The student completed 17 days; which resulted in a return of \$311.51. However, the school returned \$316.37 for an over return amount of \$4.86.*

*Student #35 R2T4 indicated 117 total days, and should have been 112 total days. The student completed 25 days; which resulted in a return of \$52.60. However, the school returned \$63.40 for an over return amount of \$10.80.*

**Required Action:** *JJC is required to take all necessary corrective actions to resolve these violations. At a minimum, JJC must do the following:*

- *Continue to monitor policies and procedures that will ensure that the institution performs accurate Return to Title IV calculations.*
- *The institution must accurately calculate the total number of calendar days when performing a R2T4 calculation.*
- *The institution should conduct annual Return to Title IV training with staff to ensure regulatory compliance.*

*A copy of the policy and procedures must be submitted in response to this report.*

**JJC's Response:** *The R2T4 calculations were incorrect. This situation was caused due to an oversight that JJC did not have classes on the Wednesday before Thanksgiving. As a result, an incorrect total of days were used. JJC is dedicated to calculating R2T4's accurately and we have become more diligent in checking the academic calendar. This error was a staff training error.*

*The Financial Aid Handbook/policy and procedures for our R2T4 Policy (page 23) have been provided with our response.*

**Final Determination:** *JJC acknowledges the R2T4 calculations were incorrect and their responsibility to calculate R2T4's correctly. JJC recognizes the importance of being more diligent in checking their academic calendar to accurately calculate the total number of calendar days when performing a R2T4 calculation.*

*The Return of Title IV Policy and Procedures required in response to this finding were received with the institution's response. The written policy and procedures appear to be adequate to ensure future compliance. Therefore, these findings may be considered closed. Appendix C*

contains JJC's written response related to the resolved finding, including the summary of the Return of Title IV Policy and Procedures.

The institution is reminded that its fiduciary responsibilities obligate it to the highest standard of care and diligence in administering and accounting for Title IV, FSA funds.

**Finding #5: Under award of Title IV Loans (Packaged to Direct Costs)**

**Citation:** *The amount of need of any student for financial assistance under this title (except subparts 1 or 2 of part A) is equal to—*

- 1) *The cost of attendance of such student, minus*
- 2) *The expected family contribution for such student, minus*
- 3) *Estimated financial assistance not received under this title. Sec. 471 of The Higher Education Act of 1965 as Amended.*

*The term "cost of attendance" means—*

- 1) *Tuition and fees normally assessed a student carrying the same academic workload as determined by the institution, and including costs for rental or purchase of any equipment, materials, or supplies required of all students in the same course of study;*
- 2) *An allowance for books, supplies, transportation, and miscellaneous personal expenses, including a reasonable allowance for the documented rental or purchase of a personal computer, for a student attending the institution on at least a halftime basis, as determined by the institution;*
- 3) *An allowance (as determined by the institution) for room and board costs incurred by the student which—*
  - A. *Shall be an allowance determined by the institution for a student without dependents residing at home with parents;*
  - B. *For students without dependents residing in institutionally owned or operated housing, shall be a standard allowance determined by the institution based on the amount normally assessed most of its residents for room and board; and*
  - C. *For all other students shall be an allowance based on the expenses reasonably incurred by such students for room and board. Sec. 472 of the Higher Education Act of 1965 as Amended.*

*In no case may a Stafford, PLUS, or SLS loan amount exceed the student's estimated cost of attendance for the period of enrollment for which the loan is intended, less—*

- 1) *The student's estimated financial assistance for that period; and*
- 2) *The borrower's expected family contribution for that period, in the case of a Stafford loan that is eligible for interest benefits. 34.C.F.R. § 682.603(k).*

*In no case may a Direct Subsidized, Direct Unsubsidized, or Direct PLUS Loan amount exceed the student's estimated cost of attendance for the period of enrollment for which the loan is intended, less—*

- 1) *The student's estimated financial assistance for that period; and*
- 2) *In the case of a Direct Subsidized Loan, the borrower's expected family contribution for that period. 34 C.F.R. § 685.203(j).*

**Noncompliance:** *Students #3 and #15 were only awarded Title IV aid up to the cost of tuition and fees rather than to the cost of attendance. These students were not awarded Title IV loans to cover non-institutional expenses.*

**Required Action:** *JJC is required to take all necessary corrective actions to resolve these violations. At a minimum, JJC must do the following:*

- *Develop and implement new policies and procedures that will ensure that the institution is accurately packaging student Title IV aid up to cost to attendance.*
- *The institution should conduct awarding training with staff to ensure regulatory compliance.*

*A copy of the policy and procedures must be submitted in response to this report.*

**JJC's Response:** The Department noted student #3 and #15 were only awarded Title IV aid up to the cost of tuition and fees rather than to the cost of attendance. JJC's policy is not to prepackage loans. JJC does not in any way prevent the student from applying for a loan. Both students were awarded grant aid. In both student cases, the Rights and Responsibilities Form that both #3 and #15 completed and signed informed them, "I understand that if I am interested in a student loan, a loan request form, entrance counseling, a signed promissory note, and a signed award letter must be on file in the Financial Aid Office."

JJC is in compliance in packaging students. When the student requests a loan JJC will package up to the Cost of Attendance (COA). Furthermore, JJC has improved its policy by placing information on how to apply for a loan on the award notification the student receives and we started the Borrow Smart program for 2013-2014, which requires all students that want to borrow a loan to make an appointment to meet with an Advisor so the student can receive additional student loan information.

The Financial Aid Handbook/policy and procedures for our Student Loan procedure (page 5 and 10-11) have been provided with our response.

**Final Determination:** JJC acknowledges that a student can receive funds to cover the cost of attendance. JJC does require every student who receives financial aid to complete and sign a Rights and Responsibility Form which clearly gives them the option to request additional loans to cover their expenses.

The Student Loan Policy and Procedures, required in response to this finding were received with the institution's response. The written policy and procedures appear to be adequate to ensure future compliance. In addition, the Rights and Responsibilities Form was received as part of the school's response. It does off the student the option to borrow additional loans if requested. Therefore, these findings may be considered closed. Appendix C contains JJC's written response related to the resolved finding, including the summary of the Student Loan Policy and Procedures, as well as the Rights and Responsibility Form.

The institution is reminded that its fiduciary responsibilities obligate it to the highest standard of care and diligence in administering and accounting for Title IV, FSA funds.

**Finding #7: Federal Supplemental Education Opportunity Grant (FSEOG) Policy Inadequate**

**Citation:** *A student at an institution of higher education is eligible to receive an FSEOG for an award year if the student—*

- (a) *Meets the relevant eligibility requirements contained in 34 CFR 668.32;*
- (b) *Is enrolled or accepted for enrollment as an undergraduate student at the institution; and*
- (c) *Has financial need as determined in accordance with part F of title IV of the HEA. 34 C.F.R. § 676.9.*

*In selecting among eligible students for FSEOG awards in each award year -*

- (1) *An institution shall select those students with the lowest expected family contributions who will also receive Federal Pell Grants in that year.*
- (2) *If the institution has FSEOG funds remaining after giving FSEOG awards to all the Federal Pell Grant recipients at the institution, the institution shall award the remaining FSEOG funds to those eligible students with the lowest expected family contributions who will not receive Federal Pell Grants.*

*If an institution's allocation of FSEOG funds is directly or indirectly based in part on the financial need demonstrated by students attending the institution as less-than-full-time or independent students, a reasonable portion of the allocation must be offered to those students. 34 C.F.R. § 676.10.*

**Noncompliance:** *After review of JJC's process for awarding FSEOG funds, the Department has determined that the institution's policies and procedures are inadequate. While there is information on FSEOG, JJC does not clearly state the criteria or process of awarding to students who may be eligible.*

**Required Action:** *JJC is required to take all necessary corrective actions to resolve these violations. At a minimum, JJC must do the following:*

- *Develop and implement new policies and procedures that will ensure that the institution is awarding and disbursing FSEOG funds in accordance with 34 C.F.R. Part 676.*

*A copy of the policy and procedures must be submitted in response to this report.*

**JJC's Response:** *JJC has adjusted their FSEOG policy: Students meeting the following criteria will be awarded FSEOG on a first-come first term basis until the fund has been exhausted:*

- *EFC range of 0 to 1000 EFC.*
- *Enrolled at least half-time in an eligible degree program at JJC.*
- *Has a complete file.*
- *Verification must be complete if selected.*

*The Financial Aid Handbook/policy and procedures for our FSEOG awarding policy (page 8) have been provided with our response.*

**Final Determination:** *JJC has revised their FSEOG policy and procedures to ensure that the institution is awarding and disbursing FSEOG funds in accordance with 34 C.F.R. Part 676. The FSEOG Awarding Policy and Procedures, required in response to this finding were received with the institution's response. The written policy and procedures appear to be adequate to*

ensure future compliance. Appendix C contains JJC's written response related to the resolved finding, including the summary of the FSEOG Awarding Policy and Procedures.

The institution is reminded that its fiduciary responsibilities obligate it to the highest standard of care and diligence in administering and accounting for Title IV, FSA funds.

### **Findings with Final Determinations**

The program review report finding requiring further action is summarized below. At the conclusion of each finding is a summary of JJC's response to the finding, and the Department's final determination for that finding. A copy of the program review report issued on February 4, 2014 is attached as Appendix B.

#### **Finding #6: Crime Awareness Requirements Not Met**

**Citation:** *The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (Clery Act) and the Department's regulations require that all institutions that receive Title IV, HEA funds must, by October 1 of each year, publish and distribute to its current students and employees, 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 regular 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 ASR must 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), forcible and non-forcible sex offenses, robbery, aggravated assaults, burglary, motor vehicle theft, and arson. Statistics for certain hates 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).*

*Additionally, 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 Department for inclusion in the Office of Postsecondary Education's (OPE) "Campus Safety and Security Data Analysis Cutting Tool." 34 C.F.R. §668.41(e)(5).*

**Noncompliance:** *JJC failed to distribute an accurate and complete ASR in accordance with Federal regulations. Specifically, the ASR was not delivered directly to current students and employees by October 1<sup>st</sup>. During the site visit in December of 2011, Department officials confirmed that the ASR was not distributed. In addition, the College was unable to produce any supporting documentation evidencing that the institution has ever distributed its ASRs in the required manner. In addition, the Department confirmed that prospective students and employees have never been notified about the ASR, resulting in another violation. For these reasons, the Department finds that JJC's persistent failures to comply constitute a systemic failure to properly implement Clery Act requirements.*

*Failure to publish an accurate and complete ASR and to actively distribute it in accordance with Federal regulations deprives the campus community of important security information that can empower its members to be informed and play an active role in their own safety and security.*

**Required Action:** *As a result of these multiple violations, JJC must develop and implement policies and procedures that will govern the preparation, publication, and distribution of its ASR and ensure that all facets of the process are carried out in a manner that meets Federal regulations. The procedures must also specifically articulate how prospective students and employees will be notified of the report's availability. Using the policies as a guide, JJC must prepare and publish an accurate and complete ASR that includes all of the statistical disclosures and policy, procedure and programmatic information required under 34 C.F.R. §668.46(b). A copy of JJC's new and revised policies and procedures and its revised 2013 ASR must accompany its response to this program review report. Once the ASR is evaluated by the review team for accuracy and completeness, JJC will be required to actively distribute it to all current students and employees in accordance with 34 C.F.R. §668.41(e).*

*Finally, JJC will be required to provide documentation to the Department evidencing the ASR distribution as well as a certification statement attesting to the fact that the materials were distributed in accordance with the Clery Act. This certification must also affirm that JJC understands all of its Clery Act obligations and that it has taken all necessary corrective actions to ensure that these violations do not recur.*

*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 "correct" a violation of this type once it occurs. JJC will be given an opportunity to develop and distribute an accurate and complete ASR, and in so doing, finally begin to bring its overall campus security program into compliance with the Clery Act as required by its Program Participation Agreement (PPA). However, the JJC 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 available information including JJC's response, the Department will determine if additional actions will be required to address this violation. The Department will advise the College accordingly in the FPRD.*

**JJC's Response:** In its official response, JJC concurred with the finding and stated that remedial action was taken as directed in the program review report. In summary, the College's management made the following admissions and assertions: JJC indicated that it updated the College's ASR preparation and distribution procedures as well as the notices distributed to current and prospective students and employees to assure compliance with Federal regulations. JJC also provided documentation that it has updated all of the Policy Statements that are mandated in Chapter 7 and 8 of the "2011 Handbook for Campus Safety Reporting" issued by the Department. Furthermore, JJC says that it will actively distribute the ASR to all current students and employees going forward. Finally, JJC stated that it will provide documentation to the Department evidencing the ASR distribution as well as a certification statement attesting to the fact that the materials were distributed in accordance with the *Clery Act*.

**Final Determination:** Finding #6 of the program review report cited JJC for its failure to distribute the 2011 ASR and all prior reports to enrolled students and current employees. The review team also determined that the College also did not notify prospective student and employees about the availability of the 2011 ASR or any prior reports. The College was unable to produce any supporting documentation evidencing that the institution has ever distributed its ASRs in the required manner. In addition, the Department confirmed that prospective students and employees have never been notified about the ASR. As a result of these violations, JJC was required to review and revise its existing policies and procedures and develop and implement new processes to ensure that future ASRs are produced and actively distributed in accordance with the *Clery Act*, the Department's regulations, and institutional policy. In its response, the College concurred with the finding and asserted that they produced a new 8-page JJC Police Department General Order #14-10 document, with the subject "*Clery Act* Annual Safety Report (ASR) - Preparation, Publication and Distribution." The College also submitted several documents in support of its claims of remedial action.

The Department carefully examined all available information including JJC's narrative response and supporting documentation. Based on that review and the College's admissions, each of the violations noted in the noncompliance section of the initial finding are sustained. The review team's examination also showed that the identified violations were, for the most part, satisfactorily addressed by the College's 2014 ASR, its revised internal policies and procedures, and supporting documentation indicating that recent reports were distributed in the required manner. As such, the Department also determined that JJC's remedial action plan meets minimum requirements. For these reasons, the Department accepts JJC's response and considers this finding to be closed for the purposes of this program review. Nevertheless, the officials and directors of JJC are advised that the institution must take all additional actions that may be necessary to address the deficiencies and weaknesses identified by the Department as well as those that were detected during the preparation of the institution's response and as may otherwise be needed to ensure that these violations do not recur.

Although the finding is now closed for the purposes of this program review, JJC is reminded that the exceptions identified above constitute serious violations of the *Clery Act* that by their nature cannot be cured. There is no way to truly "correct" a violation of this type once it occurs. JJC asserted that it has taken adequate remedial actions and that by doing so, is now in compliance with the *Clery Act* as required by its Program Participation Agreement (PPA). Nevertheless, JJC is advised that such actions 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 actions as a result.

In light of the serious consequences associated with compliance failures of this type, the Department strongly recommends that JJC re-examine its campus security and general Title IV policies and procedures on an annual basis to ensure that they continue to reflect current

institutional practices and are compliant with Federal regulations. As part of these periodic reviews, JJC officials are encouraged to consult the Department's "Handbook for Campus Safety and Security Reporting" (2011) as a reference guide for *Clery Act* compliance. The Handbook is online at: [www2.ed.gov/admins/lead/safety/handbook.pdf](http://www2.ed.gov/admins/lead/safety/handbook.pdf). The Department also provides a number of other *Clery Act* training resources. College officials can access these materials at: [www2.ed.gov/admins/lead/safety/campus.html](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, 668.46, and 668.49.

JJC management is also reminded that Section 304 of the Violence Against Women Reauthorization Act of 2013 (VAWA) amended the *Clery Act* to require institutions to compile and disclose statistics for incidents of sexual assault, dating violence, domestic violence, and stalking. VAWA also requires institutions to include new policy, procedural, and programmatic disclosures regarding sexual assault prevention and response in their ASRs. All institutions are currently obligated to comply with the statutory requirements of VAWA and must include the new required amendments in the 2014 ASR. Because the Department issued Final Rules on the VAWA amendments on October 20, 2014, the regulations went into effect on July 1, 2015, per the Department's Master Calendar. JJC officials may access the text of the Final Rule at: <http://ifap.ed.gov/registers/attachments/FR102014FinalRuleViolenceAgainstWomenAct.pdf>.

Finally, JJC officials are strongly advised to review the accuracy and completeness of its Drug and Alcohol Abuse Prevention Program (DAAPP) as required by the Drug-Free Schools and Communities Act (DFSCA) and Part 86 of the Department's General Administrative Regulations. FSA is now responsible for monitoring compliance with the DFSCA. Therefore, it is essential that the College makes sure that it has developed and implemented a comprehensive DAAPP, has produced and distributed accurate and complete program materials to the campus community, and has and continues to conduct substantive biennial reviews to assess the effectiveness of its program and produces detailed biennial review reports on the required schedule. For more information about the *Clery Act* and/or the DFSCA, please contact your program review team or another member of the Chicago/Denver School Participation Division.

## D. Appendices

### Appendix A: Student Level Detail

#### 2010-2011

<b>Last, First</b>	<b>Last 4 SSN</b>
1. Blom, Timothy	8198
2. Busby, Casey	5784
3. Certa, Brittany	7146
4. Falcone, Anthony	7230
5. Flynn, Sean	1461
6. Gonzalez, Maritza	2839
7. Krizmanic, Melissa	7486
8. Massaro, Lauren	2177
9. Moreno, Carmen	0502
10. Munoz, Jennifer	7781
11. Sellers, Larry	6052
12. Shabani, Liridona	1837
13. Sinon, Sheilah	3759
14. Smith, Renee	1761
15. Valencia, Elias	9399
31. Treviso, Alfonso	1317
32. Heth, Lynn	9984
33. Bates, Glenda	5530

#### 2011-2012

<b>Last, First</b>	<b>Last 4 SSN</b>
16. Clemmons, Christy	6003
17. Eskridge, Natasia	9497
18. Ibarra, Neftali	4675
19. Karabanowska, Klaudia	9045
20. Konrath, Jacqueline	6362
21. Lampkins, Raquel	6045
22. Mensah, Priscilla	7504
23. Preston, Johnathan	2555
24. Ramadani, Nerxhivane	9824
25. Reed, Demetri	6534
26. Schroeder, Marissa	3126
27. Stage, Erin	0909
28. Stygar, Peter	7606
29. Sullivan, Christopher	7737
30. Wehrley, Kelly	0148
34. Rhodes, Anastasia	6111
35. Ward, Jenell	4651
36. Porterfield, Nicky	0028
37. Guerrero, Margarita	9857

**Appendix B: Program Review Report – see page 20**

**Appendix C: Institution's Written Response – see page 21**