



---

September 22, 2015

Patrick Opatz, Ph.D  
Interim President  
Century College  
3300 Century Avenue North  
White Bear Lake, MN 55110

Certified Mail  
Return Receipt#  
7012 1640 0000 0215 8375

**RE: Final Program Review Determination**

OPE ID: 01054600  
PRCN: 201520528956

Dear Mr. Opatz;

The U.S. Department of Education's (Department's) Chicago/Denver School Participation Team issued a program review report on May 22, 2015 covering Century College's (Century) 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 2013-2014. Century's final response was received on July 31, 2015. A copy of the program review report (and related attachments) and Century's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by Century 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, (4) close the review and (5) notify Century College 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 Century's failure to comply with the requirements of the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (the Clery Act) in Section 485(f) of the HEA, 20 U.S.C. § 1092(f), and the Department's regulations in 34 C.F.R. §§ 668.41 and 668.46. Since a Clery Act finding does not result in a financial liability, such a finding may not be appealed.

This FPRD contains a finding regarding Century's failure to comply with the Drug-Free Schools and Communities Act (*DFSCA*) and Part 86 of the Department's General Administrative Regulations. Because this *DFSCA* finding will not result in the assessment of financial liabilities, such a finding may not be appealed. If an adverse administrative action is initiated, additional information about Century'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 Lytashia Davis at 312-730-1484. Questions relating to any appeal of the FPRD should be directed to the address noted in the Appeal Procedures section of this letter.

Sincerely,

[REDACTED]  
Mr. Douglas Parrott  
Division Director

Enclosure:

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

cc: Pam Engrebretson, Financial Aid Administrator  
Minnesota State Colleges and Universities (MNSCU)  
North Central Association of Colleges & Schools, the Higher Learning Commission  
Department of Defense  
Department of Veterans Affairs  
Consumer Financial Protection Bureau

**Century College**  
**01054600**  
**201520528956**  
**Page 3 of 3**

Prepared for

Century College



PROUD SPONSOR of  
the AMERICAN MIND™

OPE ID 01054600  
PRCN 201520528956

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

## Final Program Review Determination September 22, 2015

## Table of Contents

	Page
A. Institutional Information.....	3
B. Scope of Review.....	4
C. Findings and Final Determinations.....	4
Resolved Findings 1, 2, 3, 4 & 7.....	4
Resolved Findings with Comments.....	4
Finding 5 Late Student Status Confirmation Reporting.....	4
Findings with Final Determinations.....	6
Finding 6 Drug and Alcohol Abuse Prevention Program Requirements Not Met- Biennial Review Violations.....	6
D. Appendices.....	10
Appendix A: Student Sample List.....	11
Appendix B: Program Review Report.....	12
Appendix C: Institution's Written Response.....	13

**A. Institutional Information**

Century College  
3300 Century Avenue North  
White Bear Lake, MN 55110

Type: Public

Highest Level of Offering: Associates Degree

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

Current Student Enrollment: 10,073 (Fall 2013)

% of Students Receiving Title IV: 77% (2012 - 2013)

Title IV Participation (PEPS): 2012 - 2013

Federal Pell Grant	\$19,279,619
Federal Supplemental Educational Opportunity Grant (FSEOG)	\$ 279,152
Federal Work Study (FWS)	\$ 275,240
William D. Ford Federal Direct Loan Program (Direct Loan)	\$36,527,958

Default Rate FFEL/DL:	2011    16.8%
	2010    18.2%
	2009    15.7%

### B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Century College (Century) from March 10, 2015 to March 12, 2015. The review was conducted by Lytashia Davis and Mark Kreutzer.

The focus of the review was to determine Century's compliance with the statutes and regulations as they pertain to the institution's administration of the Title IV, HEA programs. The review consisted of, but was not limited to, an examination of Century'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 15 files was identified for review from the 2013-2014 award year (year to date). 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 social security numbers of the students whose files were examined during the program review. A program review report was issued on May 22, 2015.

#### **Disclaimer:**

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

### C. Findings and Final Determinations

#### **Resolved Findings**

Finding(s) # 1 - 4 and 7

Century has taken the corrective actions necessary to resolve findings 1-4 and 7 of the program review report. Therefore, these findings may be considered closed.

Please refer to Appendix C for the institutions written response related to the resolved findings. Findings requiring further action by Century are discussed below.

#### **Resolved Finding(s) with Comments**

The following program review finding #5 has been resolved by the institution, and may be considered closed. This finding is included solely for the purpose of discussing resolution of the finding.

#### **Finding 5: Late Student Status Confirmation Reporting**

**Citation:** All institutions participating in Title IV programs must have internal procedures for reporting student enrollment data to the National Student Loan Data System (NSLDS) through a roster file. This information determines if the student is eligible for an in-school deferment or must

*enter repayment. For students entering repayment, the out of school status effective date determines when the grace period begins and when the student must begin repaying loan funds.*

*34 C.F.R. § 685.309(b) indicates that—upon receipt of a student status confirmation report from the Secretary—an institution must complete and return that report to the Secretary within 30 days of receipt unless it expects to submit its next student status confirmation report to the Secretary within the next 60 days. In this report, the institution must notify the Secretary within 30 days if it discovers that a recipient of a Direct Subsidized, Direct Unsubsidized, and/or Direct PLUS Loan:*

- Ceases 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:*** *The institution did not report student enrollment data to NSLDS in a timely manner.*

***Student 5:***

*The Institution reported student's enrollment reporting late. The student withdrew from institution February 17, 2014; Institution reported student status September 25, 2014.*

***Student 10:***

*The institution report the student's enrollment reporting in accurate. For spring 2015, the student was less than half-time; the institution reported the student as withdrawn.*

***Required Action:*** *The institution must follow its procedures to ensure that student data is reported to NSLDS in a timely manner. The institution's response to this report should include written assurances that this finding will not appear in future compliance audits. The institution was able to fix the reporting for student #10; however student #5 could not be fixed.*

***Institution Response:***

The institution provided a response in PDF format, a hard copy of the institution's response is attached to this report.

Finding 5. Late Student Status Confirmation Reporting

*Century College agrees with Finding 5 and has taken the required action as requested by the US Department of Education.*

In the required action portion of Finding 5, the report reads "The institution's response to this report should include written assurances that this finding will not appear in future compliance audits." Report page 13. Century College cannot make this assurance in good faith as explained below.

While Century College has been timely in providing data, computer technical problems have apparently prevented that data from reaching NSLDS. Century College reports enrollment data to NSLDS via the National Student Loan Clearinghouse (Clearinghouse) as do other colleges and universities across the nation. We make the reports at least every thirty days. The college only recently learning that the Clearinghouse was not able to accept or load all of the records submitted by Century College and other institutions. Thus, Century College was not aware that its enrollment reports were not forwarded to NSLDS in a timely manner.

Century College, through the Minnesota State Colleges and Universities is currently working with the Clearinghouse to resolve this problem but it understands that technical problems remain as of the date of this response. Please understand, Century College reports to the Clearinghouse are complete and timely and we will continue to try to resolve the issue with the Clearinghouse.

**Final Determination:**

The Department has determined that Century has taken the necessary steps to update all student enrollment statuses. The Department considers this finding closed. Century noted in their response that due to using an off-site vendor to process their enrollment reporting, Century cannot ensure the Department that this finding will not reoccur. It is the Departments position that regardless of what servicers Century opts to use to process its enrollment reporting, accurate and timely enrollment reporting ultimately falls upon the Century's responsibility even if this means that the institution must make updates directly to the National Student Loan Database System (NSLDS) themselves.

**Findings with Final Determinations**

The program review report finding #6 requiring further action is summarized below. At the conclusion of each finding is a summary of Century's response to the finding, and the Department's final determination for that finding. A copy of the program review report issued on May 22, 2015 is attached as Appendix B.

**Finding 6: Drug and Alcohol Abuse Prevention Program Requirements Not Met-Biennial Review Violations**

**Citation:** *The Drug-Free Schools and Communities Act (DFSCA) Part 86 of the Department's General Administrative Regulations requires each participating institution of higher education (IHE) to certify that it has developed and implemented a drug and alcohol abuse education and prevention program. 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, the IHE must distribute written information about its Drug and Alcohol Abuse Prevention Program (DAAPP) to all students, faculty, and staff. The distribution plan must make provisions for providing the material to students who enroll at a date after the initial distribution, and for employees who are hired at different times throughout the year. The information must include:*

- *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;*
- *A written description of legal sanctions imposed under Federal, state and local laws for unlawful possession or distribution of illicit drugs and alcohol;*
- *A description of the health risks associated with the use of illicit drugs and the abuse of alcohol;*
- *A description of any drug or alcohol counseling, treatment, or rehabilitation or re-entry programs that are available to students and employees; and.*
- *A statement that the IHE will impose disciplinary sanctions on students and employees for violations of the institutions' codes of conduct and description of such sanctions.*

*In addition, each IHE must conduct a biennial review to measure the effectiveness of its drug prevention program, and to ensure consistent treatment in its enforcement of its disciplinary sanctions. The IHE must prepare a report of findings and maintain its biennial review report and supporting materials and make them available to the Department and interested parties upon request as set forth by 34 C.F.R. §§86.3, 86.100, and 86.103.*

**Noncompliance:** Century failed to document that a biennial review was conducted to: 1) evaluate the effectiveness of its DAAPP; 2) identify areas requiring improvement or modification; and 3) assess the consistency of sanctions imposed for violations of its disciplinary standards and codes of conduct. As a consequence of this condition, the institution also failed to produce a report of findings.

*Failure to comply with the biennial review requirements deprives the institution of important information about the effectiveness of its own 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 at Century.*

**Required Action:** Century is required to take all necessary corrective actions to resolve these violations and to ensure that they do not recur. At a minimum, Century must perform the following:

- Conduct a biennial review to measure the effectiveness of its DAAPP and prepare a report of findings. Century's report must include a description of the research methods and data analysis tools that were used to determine the effectiveness of the program and the consistency of its enforcement strategy. The report must identify the responsible official(s) and office(s) that conducted the biennial review. Finally, the biennial review report must be approved by Century's chief executive and/or its Board; and,
- Establish policies and procedures to ensure that all subsequent biennial review are conducted in a timely manner and are fully documented and to take all other necessary action to ensure that this violation does not recur. A copy of these new policies and procedures must accompany Century's biennial review report.

*As noted above, the exceptions identified in this finding constitute serious violations of the DFSCA that by their nature cannot be cured. There is no way to truly "correct" a violation of a consumer protection/information law once it occurs. Century will be given an opportunity to conduct a meaningful review of its DAAPP and to bring its drug and alcohol programs into full compliance with the DFSCA as required by its PPA. However, Century 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 as a result.*

*Based on an evaluation of all available information including Century's response, the Department will determine if additional actions will be required and will advise the institution accordingly in the Final Program Review Determination.*

**Century's Response:** In its response letter dated July 31, 2015, Century concurred with the finding and stated that remedial action was taken as directed in the program review report. In summary, the College's management stated that an initial biennial review was conducted and a report was produced. Per the response, the report was reviewed and approved by the Interim President of the College. Century officials also represented that the Dean of Student Services was delegated as the responsible official to conduct this review and that the Dean will conduct future reviews at least every other year. Finally, a copy of the report and the Dean's updated position description was submitted in support of the College's corrective action claims.

**Final Determination:** Finding #6 of the program review report cited Century for persistent violations of the DFSCA and the Part 86 Regulations. Specifically, the review team found that

Century repeatedly failed to conduct biennial reviews to assess the effectiveness of its DAAPP and as a consequence, also failed to produce required reports of findings, recommendations, and supporting documentation. As a result of these violations, Century was required to conduct a biennial review to ensure that a complaint DAAPP is in force and to assess the effectiveness of the current drug and alcohol programs and any similar programs and policies that were in place during the review period and to then prepare a detailed report. The College was also required to develop and implement new policies and procedures to ensure that Century complies with all aspects of the *DFSCA* going forward and take all necessary steps to ensure that these violations do not recur. In its response, Century concurred with the finding, described its remedial actions, and submitted documentation in support of its claims.

The Department carefully examined all available information including Century'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 showed that the identified violations were, for the most part, addressed by Century's initial biennial review report and other responsive materials. As such, the Department also determined that Century's remedial action plan meets minimum requirements. For these reasons, the Department has accepted the response and considers this finding to be closed for purposes of this program review. Nevertheless, the officials and directors of Century are put on notice that the College must take all necessary action to address the deficiencies and weaknesses identified by the Department as well as those that were detected during the preparation of the response to the Department's report and as may otherwise be needed to ensure that these violations do not recur.

In this regard, Century is advised that it must continue to develop its DAAPP. The College must also ensure that it distributes accurate and complete DAAPP materials to all students and employees on an annual basis in accordance with the Department's regulations and the College's new procedures. More directly given this violation, Century is admonished to conduct substantive biennial reviews going forward and to do so on the required schedule. Century officials must take care to ensure that each review is in fact a probative inquiry into the program's effectiveness. The review process must not merely become a conclusory ratification of existing policy. Finally, the College must produce detailed reports that clearly state the methods used and outcomes reached during each review. Each report must also be approved by Century's President and/or the College's board.

Although the finding is now closed for program review purposes, Century is reminded that the exceptions identified above constitute serious and persistent violations of the *DFSCA* that by their nature cannot be cured. There is no way to truly "correct" a violation of this type once it occurs. The College asserted that it has taken adequate remedial actions and is now in compliance with the *DFSCA* as required by its Program Participation Agreement. Nevertheless, Century officials must understand that the Department deems compliance with the *DFSCA* is essential to maintaining a safe and healthy learning environment. This is true for all institutions regardless of their size, location, or organizational structure. Data compiled by the Department shows that the use of illicit drugs and alcohol abuse is highly correlated to increased incidents of violent crime on campus. Century's failure to conduct the required examinations deprived the institution and its officials of important information about the effectiveness of any drug and alcohol programs that were in place during the Department's review period. Such failures may contribute to increased drug and alcohol abuse on-campus as well as an increase in drug and alcohol-related violent crime. For these reasons, the Century is reminded that corrective 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 as a result.

Finally, the Department strongly recommends that Century re-examine its drug and alcohol abuse prevention policies, procedures, and programs on at least an annual basis and revise them as needed to ensure that they continue to reflect current institutional policy and are in full compliance with the *DFSCA*. Please be advised that the Department may request information on a periodic basis to test the effectiveness of the College's new policies and procedures.



Enclosed

May 22, 2015

President Ron Anderson  
Century College  
3300 Century Avenue North  
White Bear Lake, MN 55110

Certified Mail  
Return Receipt Requested  
#7012 1640 0000 0215 8955

RE: Program Review Report  
OPE ID: 01054600  
PRCN: 201520528956

Dear Mr. Anderson:

From March 10, 2015 through March 12, 2015, Lytashia Davis and Mark Kreutzer as representatives of the U.S. Department of Education conducted a review of Century College's (Century) 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 Century. The response should include a brief, written narrative for each finding that clearly states Century's position regarding the finding and the corrective action taken to resolve the finding. Separate from the written narrative, Century 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 report<sup>1</sup> 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

<sup>1</sup> A "preliminary" program review report is the program review report. The Department's final program review report is the Final Program Review Determination (FPRD).

inspection by Century 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 Information Act (FOIA) and can be provided to other oversight entities after the FPRD is issued.

The institution's response should be sent directly to Lytashia Davis 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 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. 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: 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 above Program Review Control Number (PRCN) in all correspondence relating to this report. If you have any questions concerning this report, please contact Lytashia Davis at 312-730-1484 or [lytashia.davis@ed.gov](mailto:lytashia.davis@ed.gov).

Sincerely,

[REDACTED]  
Dr. Brenda Yette  
Compliance Manager

cc: Pam Engebretson, Financial Aid Administrator

Enclosure:

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

Prepared for  
Century College



PROUD SPONSOR of  
*the AMERICAN MIND*™

OPE ID 01054600  
PRCN 201520528956

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

## Program Review Report May 22, 2015

## Table of Contents

A.	Institutional Information.....	3
B.	Scope of Review.....	4
C.	Findings .....	4
	Finding 1 Return of Title IV (R2T4) Calculation Errors.....	5
	Finding 2 Verification Violations... .....	8
	Finding 3 Federal Pell Grant Overpayment/Underpayment.....	9
	Finding 4 Exit Loan Counseling Deficiencies.....	10
	Finding 5 Late Student Status Confirmation Reporting.....	12
	Finding 6 Drug and Alcohol Abuse Prevention Program Requirement Not Met-Biennial Review Violations.....	13
	Finding 7 Consumer Information requirements not Met.....	15
D.	Recommendations.....	19
E.	Appendix A: Student Sample .....	21

#### A. Institutional Information

Century College  
3300 Century Avenue North  
White Bear Lake, MN 55110

Type: Public

Highest Level of Offering: Associates Degree

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

Current Student Enrollment: 10,073 (Fall 2013)

% of Students Receiving Title IV: 77% (2012 - 2013)

Title IV Participation (PEPS):

2012 - 2013

Federal Pell Grant	\$19,279,619
Federal Supplemental Educational Opportunity Grant (FSEOG)	\$ 279,152
Federal Work Study (FWS)	\$ 275,240
William D. Ford Federal Direct Loan Program (Direct Loan)	\$36,527,958

Default Rate FFEL/DL: 2011 16.8%

2010 18.2%

2009 15.7%

## B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Century College (Century) from March 10, 2015 to March 12, 2015. The review was conducted by Lytashia Davis and Mark Kreutzer.

The focus of the review was to determine Century'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 Century's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, student account ledgers, and consumer information requirements.

A sample of 15 files was identified for review from the 2013 – 2014 award year. The student files were selected randomly from the list of students who 1) withdrew or ceased attendance for any reason other than graduation; 2) were selected for verification; and 3) received all non-passing grades ("0" GPA) for any term within the award year being reviewed. Appendix A identifies 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 Century'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 Century 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 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 Century to bring operations of the financial aid programs into compliance with the statutes and regulations.

### Finding 1: Return of Title IV (R2T4) Calculation Errors

**Citation:** 34 C.F.R. § 668.16(c) states that the Department considers an institution to have administrative capability if the institution administers Title IV, HEA programs with adequate checks and balances in its system of internal controls.

As required by 34 C.F.R. § 668.22(j), an institution must return the amount of Title IV funds for which it is responsible under 34 C.F.R. § 668.22(g) as soon as possible but no later than 45 days after the date of the institution's determination that the student withdrew, as defined in 34 C.F.R. § 668.22.

Additionally, 34 C.F.R. § 668.22 states that 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 (not including the non-Federal share of FSEOG awards if an institution meets its FSEOG matching share by the individual recipient method or the aggregate method) that the student earned as of the student's withdrawal date.

In accordance with 34 C.F.R. § 668.22(a), 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.

34 C.F.R. § 668.22(e) states that the calculation of the amount of Title IV assistance earned by the student is calculated by determining the percentage of Title IV grant or loan assistance that has been earned by the student, and applying the percentage to the total amount of Title IV grant or loan assistance 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.

Pursuant to 34 C.F.R. § 668.22(f)(1)(i), the percentage of the payment period or period of enrollment completed is determined—in the case of a program that is measured in credit hours—by dividing the number of calendar days completed in that period as of the student's withdrawal date by the total number of calendar days in the payment period or period of enrollment.

34 CFR § 668.22(e)(5)(i) states that for a student attending a standing term-based (semester, trimester or quarter) education program, the treatment of Title IV funds if a student withdraws must be determined on a payment period basis.

34 CFR § 668.22(c) states that a student's withdrawal date for an institution that is not required to take attendance is:

- 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 that circumstance, if the institution determines that a student did not begin the institution's withdrawal process or otherwise provide official notification to the institution of his or her intent to withdraw because of illness, accident, grievous personal loss, or other such circumstances beyond the student's control;
- The date that the institution determines the student began the leave of absence, if a student does not return from an approved leave of absence; or

In addition, 34 CFR § 668.22(c)(3) states that an institution that is not required to take attendance may use as the student's withdrawal date a student's last date of attendance at an academically-related activity, provided that 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(j) states that an institution must return the amount of Title IV funds for which it is responsible under 34 C.F.R. § 668.22(g) as soon as possible but no later than 45 days after the date of the institution's determination that the student withdrew, as defined in 34 C.F.R. § 668.22.

Furthermore, 34 C.F.R. § 668.164(g)(1) states that an otherwise eligible student becomes ineligible to receive Title IV, HEA program funds on the date that:

- The student is no longer enrolled at the institution at least a half-time for the period of enrollment for which the loan was intended, if the student was a recipient of Direct Loan(s); or
- The student is no longer enrolled at the institution for the award year, if the student was a recipient of Federal Pell Grant, ACG, National SMART Grant, FSEOG, Federal Perkins Loan, and/or Teach Grant programs.

**Noncompliance:** Century failed to accurately calculate "total days" in returns of Title IV (R2T4s) when students withdrew from the institution. The institution's official 2013 – 2014 academic calendar indicates that 2014 Spring Semester began on January 13, 2014 and ended on May 15, 2014. The total number of days between those dates is 123 days. However, the institution also maintained a six-day Spring Break from March 17, 2014 to March 22, 2014. The

six days associated with this break, the day before the start of the break, along with the day before classes resume (March 16, 2014 – March 23, 2014, total of 8 days) should have been excluded from the number of days in the denominator of the Return of Title IV fund calculation, resulting in a total of 115 days.

However, for spring 2014 the institution calculated the spring break to include the day before the break and excluded the day after the break, March 16, 2014 – March 22, 2014, a total of 7 break days, this resulted in the institution using 116 total days in the denominator of the Return of Title IV calculation.

**Student 1:**

The institution's spring 2014 semester started January 13, 2014 and ended on May 15, 2014. Student withdrew March 5, 2014. For the students return of Title IV, the institution calculated the "total days" as 116 days (after excluding the spring break dates March 16, 2014 – March 22, 2014) used in the return of Title IV denominator, per the institutions calculation the student earned 44.8% with a return amount of \$1483.10 (\$990.00 unsubsidized, \$493.10 subsidized). The institution's break should have been March 16, 2014 – March 23, 2014 (8 break days) and 115 "total days" used in the denominator of the Return of Title IV. The student earned 45.2% and returned \$1472.35 (\$990.00 unsubsidized, \$482.35 subsidized). The institution returned \$11 in subsidized loan to much to the Department.

**Student 2:**

The institution's spring 2014 semester started January 13, 2014 and ended on May 15, 2014. Student withdrew February 7, 2014. For the students return of Title IV, the institution calculated the "total days" as 116 days (after excluding the spring break dates March 16, 2014 – March 22, 2014) used in the return of Title IV denominator, per the institutions calculation the student earned 22.4% with a return amount of \$1229.01 in unsubsidized loans. The institution's break should have been March 16, 2014 – March 23, 2014 (8 break days) and 115 "total days" used in the denominator of the Return of Title IV. The student earned 22.6% and returned \$1225.85 in unsubsidized loan. The institution returned \$4 in unsubsidized loan to much to the Department.

**Student 4:**

The institution's spring 2014 semester started January 13, 2014 and ended on May 15, 2014. Student withdrew February 7, 2014. For the students return of Title IV, the institution calculated the "total days" as 116 days (after excluding the spring break dates March 16, 2014 – March 22, 2014) used in the return of Title IV denominator, per the institutions calculation the student earned 22.4% with a return amount of \$929.65 in Pell Grants. The institution's break should have been March 16, 2014 – March 23, 2014 (8 break days) and 115 "total days" used in the denominator of the Return of Title IV. The student earned 22.6% and returned \$927.25 in unsubsidized loan. The institution returned \$2 in unsubsidized loan to much to the Department.

**Student 5:**

The institution's spring 2014 semester started January 13, 2014 and ended on May 15, 2014. Student withdrew February 17, 2014. For the students return of Title IV, the institution calculated the "total days" as 116 days (after excluding the spring break dates March 16, 2014 – March 22, 2014) used in the return of Title IV denominator, per the institutions calculation the student earned 31% with a return amount of \$1236.29 in Subsidized Loan. The institution's break should have been March 16, 2014 – March 23, 2014 (8 break days) and 115 "total days" used in the denominator of the Return of Title IV. The student earned 31.3% and returned \$1230.91 in subsidized loan. The institution returned \$6 in subsidized loan to much to the Department.

**Required Action:** Century resolved students #1, 2, 4 and 5 onsite during the program review, no further action is necessary for these students.

Due to no or minimal liabilities associated with the institution's findings to the Department, Century is required to implement procedures or enhance current procedures to bring the institution into compliance with federal regulations to ensure that this finding does not recur. Century must provide a copy of the institutions updated policies and procedures in its response to this program review report.

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 2: Verification Violations**

**Citations:** 34 C.F.R. §§ 668.16 (f)(2), 668.51–668.61, and the U.S. Department of Education's 2013 - 2014 Application and Verification Guide indicate that the purpose of verification is to ensure that Title IV funds are awarded to student applicants in the correct amount.

An institution must establish procedures to request, receive, and verify applicant data for each award year. Institutions are also responsible for resolving conflicting information related to a student's application for federal student aid. The following is a list of data elements that must be verified for the 2013 - 2014 award year:

V1 – Standard Verification Group

- Household size;
- Number enrolled in college;
- Adjusted Gross Income (AGI);
- U.S. income tax paid; and,
- Other untaxed income and benefits;
- SNAP if reported on ISIR; and

- Child support paid if reported on ISIR.

V2 – SNAP Verification Group

V3 – Child Support Paid Verification Group

V4 – Custom Verification Group (High School Completion Status /Statement of Educational Purpose; SNAP, if reported on ISIR; Child Support Paid, if reported on the ISIR)

V5 – Aggregate Verification Group (Standard Verification Criteria (V1); High School Completion Status; Identity/Statement of Educational Purpose)

**Noncompliance:** Century failed to complete verification for student #4.

**Student 4:**

The student's Institutional Student Information Record (ISIR) transaction 05 was selected for verification. Household size and number in college on ISIR was 4 in household and 1 in college. The verification worksheet collected by the institution showed household size as 8 and number in college 1.

**Required Action:** Century must develop and submit procedures which will ensure that all students selected for verification will be verified accurately and in accordance with Title IV regulations. A copy of these procedures must be submitted with the institution's response. Student #4 has been resolved; Century provided a copy of a corrected verification worksheet while onsite for the program review.

**Finding 3: Federal Pell Grant Overpayment/Underpayment**

**Citation:** Pursuant to 34 C.F.R. § 690.62(a), the amount of a student's Pell Grant for an academic year must be based upon the payment and disbursement schedules published by the Secretary for each award year. In addition, 34 C.F.R. § 668.164(b) mandates that institutions must disburse Title IV, HEA funds, except for Federal Work Study funds, on a payment period basis.

**Noncompliance:** Century failed to correctly award Federal Pell Grant funds based upon the payment and disbursement scheduled published by the Secretary each award year for two (2) students indicated below:

**Student 13:**

Century utilized the Estimated Family Contribution (EFC) from the first transaction (01) of the student's Institutional Student Information Record (ISIR) to determine the amount of Federal Pell Grant in which she/he was eligible for the 2013-2014 award year. The EFC on said ISIR transaction was 0, and, as the student was enrolled on a half-time basis for the fall, 2013 and spring, 2014 term, she/he was awarded \$2,824.00 in Federal Pell Grant funds. However, a second ISIR transaction (02) with updated student tax information was generated, wherein the student's EFC increased from 0 to 4272.

resulting in a reduction to his/her Federal Pell Grant award (at half-time enrollment, the student was eligible for a total of \$698.00 in said funds for the academic year).

Consequentially, Century overawarded the student \$2,126.00 in Federal Pell Grant funds for the academic year.

**Student 15:**

Century disbursed Federal Pell Grant in the amount of \$2,117.00 for the spring, 2014 term, based on three-quarter time enrollment. However, the student was enrolled at a full-time status (12 credit hours); as a result, she/he was entitled to \$2,823.00 in Federal Pell Grant funds. Thus, Century underawarded the student by \$706.00 in Federal Pell Grant funds for the spring, 2014 term.

**Required Action:** While portions of the errors were corrected on-site, Century must submit final confirmation of the full resolution of this finding (including COD adjustment print-outs and student ledgers indicating that Federal Pell Grant funds were returned to the Department for student 13 and refunded to student 15). The institution must also award Federal Pell Grants in accordance with the payment and disbursement schedules published by the Secretary for each award year and must review its policies and procedures to ensure that it fully does so in the future.

Century is liable to the Department for the cost of funds attached to the overawarding of Federal Pell Grant funds. Instructions for any payment of liabilities associated with this finding will be addressed in the Final Program Review Determination (FPRD) letter.

**Finding 4: Exit Loan Counseling Deficiencies**

**Citation:** 34 C.F.R. § 685.304(b) states that a school must ensure that exit counseling is conducted with each Federal Direct Subsidized Loan or Federal Direct Unsubsidized Loan student borrower and graduate or professional student Direct PLUS Loan borrower shortly before the student borrower ceases at least half-time study at the school. If the student borrower drops out without notifying the school, the school must confirm that the student has completed online counseling, or mail counseling material to the borrower's last known address. The materials must be mailed within 30 days of learning that the borrower has withdrawn or failed to participate in an exit counseling session. Counseling may be provided in person, by audiovisual presentation, or by interactive electronic means. Further, the school must maintain documentation substantiating the school's compliance with this section for each student borrower.

34 C.F.R. § 685.304(b)(4) states that the exit counseling must:

- Inform the student borrower of the average anticipated monthly repayment amount based on the student borrower's indebtedness or on the average indebtedness of student borrowers depending on the types of loans the student borrower has obtained, for attendance at the same school or in the same program of study at the same school;

- Advise the student borrower of available repayment plan options, including a description of the different features of each plan, and showing the average anticipated monthly payments, and the difference in interest paid, and total payments under each plan;
- Explain to the borrower the options to prepay each loan, to pay each loan on a shorter schedule, and to change repayment plans; provide information on the effects of loan consolidation;
- Describe the likely consequences of default, including adverse credit reports, delinquent debt collection procedures under federal law, and litigation; provide a general description of the terms and conditions under which a borrower may obtain full or partial forgiveness or discharge of principal and interest, defer repayment of principal or interest, or be granted forbearance on a Title IV loan;
- Provide a copy, either in print or by electronic means, of the information the Secretary makes available pursuant to section 485(d) of the HEA;
- Provide information on the availability of the Department's Student Loan Ombudsman office; inform the student borrower of the availability of Title IV loan information in the National Student Loan Data System (NSLDS), and how NSLDS can be used to obtain Title IV loan status information;
- Explain to first time borrowers how the borrower's maximum eligibility period, remaining eligibility period, and subsidized usage period are determined;
- Explain the sum of the borrower's subsidized usage periods, at the time of the exit counseling;
- Explain the consequences of continued borrowing or enrollment, including the possible loss of eligibility for additional Direct Subsidized Loans;
- Explain the possibility that the borrower could become responsible for accruing interest on previously received Direct Subsidized Loans, and the portion of a Direct Consolidation Loan during in-school status, the grace period, authorized periods of deferment, and certain periods under the Income-Based Repayment and Pay As You Earn Repayment plans;
- Explain the impact of the borrower becoming responsible for accruing interest on total student debt;
- Explain that the Secretary will inform the student borrower of whether he or she is responsible for accruing interest on his or her Direct Subsidized Loans;
- Explain that the borrower can access NSLDS to determine whether he or she is responsible for accruing interest on any Direct Subsidized Loans;
- Provide a general description of the types of tax benefits that may be available to borrowers;
- Require the student borrower to provide current information concerning name, address, social security number, references, and driver's license number and state of issuance, as well as the student borrower's expected permanent address, the address of the student borrower's next of kin, and name and address of the student borrower's expected employer (if known). The school must ensure that the information required is provided to the Secretary within 60 days after the student borrower provides the information; and
- Take reasonable steps to ensure that each student borrower receives the counseling materials, participates in, and completes the exit counseling.

**Noncompliance:** Century did not conduct exit counseling for student #1.

**Student 1:**

The student withdrew from institution on March 5, 2014 and exit counseling was not sent.

**Required Action:** Century must ensure it conducts exit counseling to all its Direct Loan borrowers. Century must revise its exit loan counseling procedures to ensure that counseling is conducted in a timely manner. Century must provide a copy of the updated procedures, outlining how the procedures have changed to ensure that required counseling is performed within the required timeframe.

Century sent and provided documentation that exit counseling was sent to student #1 while on site for the program review.

**Finding 5: Late Student Status Confirmation Reporting**

**Citation:** All institutions participating in Title IV programs must have internal procedures for reporting student enrollment data to the National Student Loan Data System (NSLDS) through a roster file. This information determines if the student is eligible for an in-school deferment or must enter repayment. For students entering repayment, the out of school status effective date determines when the grace period begins and when the student must begin repaying loan funds.

34 C.F.R. § 685.309(b) indicates that—upon receipt of a student status confirmation report from the Secretary—an institution must complete and return that report to the Secretary within 30 days of receipt unless it expects to submit its next student status confirmation report to the Secretary within the next 60 days. In this report, the institution must notify the Secretary within 30 days if it discovers that a recipient of a Direct Subsidized, Direct Unsubsidized, and/or Direct PLUS Loan:

- Ceases 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:** The institution did not report student enrollment data to NSLDS in a timely manner.

**Student 5:**

The Institution reported student's enrollment reporting late. The student withdrew from institution February 17, 2014; Institution reported student status September 25, 2014.

**Student 10:**

The institution report the student's enrollment reporting in accurate. For spring 2015, the student was less than half-time; the institution reported the student as withdrawn.

**Required Action:** The institution must follow its procedures to ensure that student data is reported to NSLDS in a timely manner. The institution's response to this report should include written assurances that this finding will not appear in future compliance audits. The institution was able to fix the reporting for student #10; however student #5 could not be fixed.

**Finding 6: Drug and Alcohol Abuse Prevention Program Requirements Not Met – Biennial Review Violations**

**Citation:** The Drug-Free Schools and Communities Act (DFSCA) and Part 86 of the Department's General Administrative Regulations requires each participating institution of higher education (IHE) to certify that it has developed and implemented a drug and alcohol abuse education and prevention program. 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, the IHE must distribute written information about its drug and alcohol abuse prevention program (DAAPP) to all students, faculty, and staff. The distribution plan must make provisions for providing the material to students who enroll at a date after the initial distribution, and for employees who are hired at different times throughout the year. The information must include:

- 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 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 the abuse of alcohol;
- 4) A description of any drug or alcohol counseling, treatment, or rehabilitation or 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.

In addition, each IHE must conduct a biennial review in order to measure the effectiveness of its drug prevention program, and to ensure consistent treatment in its enforcement of its disciplinary sanctions. The IHE must prepare a report of findings and maintain its biennial review report and supporting materials and make them available to the Department and interested parties upon request. 34 C.F.R. §§ 86.3 and 86.100

**Noncompliance:** Century failed to document that a Biennial Review (BR) was conducted to: 1) evaluate the effectiveness of its DAAPP; 2) identify areas requiring improvement or modification; and 3) assess the consistency of sanctions imposed for violations of its disciplinary standards and codes of conduct. As a consequence of this condition, the institution also failed to produce a report of findings.

Failure to comply with the BR requirements deprives the institution of important information about the effectiveness of its own 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 at Century.

**Required Action:** Century is required to take all necessary corrective actions to resolve these violations and to ensure that they do not recur. At a minimum, Century must perform the following:

- Conduct a biennial review to measure the effectiveness of its DAAPP and prepare a report of findings. Century's report must include a description of the research methods and data analysis tools that were used to determine the effectiveness of the program and the consistency of its enforcement strategy. The report must identify the responsible official(s) and office(s) that conducted the biennial review. Finally, the biennial review report must be approved by Century's chief executive and/or its Board.
- Establish policies and procedures to ensure that all subsequent biennial review are conducted in a timely manner and are fully documented and to take all other necessary action to ensure that this violation does not recur. A copy of these new policies and procedures must accompany Century's biennial review report.

As noted above, the exceptions identified in this finding constitute serious violations of the DFSCA that by their nature cannot be cured. There is no way to truly "correct" a violation of a consumer protection/information law once it occurs. Century will be given an opportunity to conduct a meaningful review of its DAAPP and to bring its drug and alcohol programs into full compliance with the DFSCA as required by its PPA. However, Century 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 as a result.

Based on an evaluation of all available information including Century's response, the Department will determine if additional actions will be required and will advise the institution accordingly in the Final Program Review Determination.

### Finding 7: Consumer Information Requirements not met

**Citation:** 34 C.F.R. § 668.41 state “(b) Disclosure through Internet or Intranet websites. Subject to paragraphs (c)(2), (e)(2) through (4), or (g)(1)(ii) of this section, as appropriate, an institution may satisfy any requirement to disclose information under paragraph (d), (e), or (g) of this section for—

(1) Enrolled students or current employees by posting the information on an Internet website or an Intranet website that is reasonably accessible to the individuals to whom the information must be disclosed; and

(2) Prospective students or prospective employees by posting the information on an Internet website.

(c) Notice to enrolled students. (1) An institution annually must distribute to all enrolled students a notice of the availability of the information required to be disclosed pursuant to paragraphs (d), (e), and (g) of this section, and pursuant to 34 CFR 99.7 (§99.7 sets forth the notification requirements of the Family Educational Rights and Privacy Act of 1974). The notice must list and briefly describe the information and tell the student how to obtain the information.

(2) An institution that discloses information to enrolled students as required under paragraph (d), (e), or (g) of this section by posting the information on an Internet website or an Intranet website must include in the notice described in paragraph (c)(1) of this section—

(i) The exact electronic address at which the information is posted; and

(ii) A statement that the institution will provide a paper copy of the information on request.

(d) General disclosures for enrolled or prospective students. An institution must make available to any enrolled student or prospective student through appropriate publications, mailings or electronic media, information concerning—

(1) Financial assistance available to students enrolled in the institution (pursuant to §668.42).

(2) The institution (pursuant to §668.43).

(3) The institution's retention rate as reported to the Integrated Postsecondary Education Data System (IPEDS). In the case of a request from a prospective student, the information must be made available prior to the student's enrolling or entering into any financial obligation with the institution.

(4) The institution's completion or graduation rate and, if applicable, its transfer-out rate (pursuant to §668.45). In the case of a request from a prospective student, the information must

be made available prior to the student's enrolling or entering into any financial obligation with the institution.

(5) The placement of, and types of employment obtained by, graduates of the institution's degree or certificate programs.

(i) The information provided in compliance with this paragraph may be gathered from—

- (A) The institution's placement rate for any program, if it calculates such a rate;
- (B) State data systems;
- (C) Alumni or student satisfaction surveys; or
- (D) Other relevant sources.

(ii) The institution must identify the source of the information provided in compliance with this paragraph, as well as any time frames and methodology associated with it.

(iii) The institution must disclose any placement rates it calculates.

(6) The types of graduate and professional education in which graduates of the institution's four-year degree programs enroll.

(i) The information provided in compliance with this paragraph may be gathered from—

- (A) State data systems;
- (B) Alumni or student satisfaction surveys; or
- (C) Other relevant sources.

(ii) The institution must identify the source of the information provided in compliance with this paragraph, as well as any time frames and methodology associated with it.

(e) Annual security report and annual fire safety report—(1) Enrolled students and current employees—annual security report and annual fire safety report. By October 1 of each year, an institution must distribute to all enrolled students and current employees its annual security report described in §668.46(b), and, if the institution maintains an on-campus student housing facility, its annual fire safety report described in §668.49(b), through appropriate publications and mailings, including—

(i) Direct mailing to each individual through the U.S. Postal Service, campus mail, or electronic mail;

- (ii) A publication or publications provided directly to each individual; or
  - (iii) Posting on an Internet Web site or an Intranet Web site, subject to paragraph (e)(2) and (3) of this section.
- (2) Enrolled students—annual security report and annual fire safety report. If an institution chooses to distribute either its annual security report or annual fire safety report to enrolled students by posting the disclosure or disclosures on an Internet Web site or an Intranet Web site, the institution must comply with the requirements of paragraph (c)(2) of this section.
- (3) Current employees—annual security report and annual fire safety report. If an institution chooses to distribute either its annual security report or annual fire safety report to current employees by posting the disclosure or disclosures on an Internet Web site or an Intranet Web site, the institution must, by October 1 of each year, distribute to all current employees a notice that includes a statement of the report's availability, the exact electronic address at which the report is posted, a brief description of the report's contents, and a statement that the institution will provide a paper copy of the report upon request.
- (4) Prospective students and prospective employees—annual security report and annual fire safety report. For each of the reports, the institution must provide a notice to prospective students and prospective employees that include a statement of the report's availability, a description of its contents, and an opportunity to request a copy. An institution must provide its annual security report and annual fire safety report, upon request, to a prospective student or prospective employee. If the institution chooses to provide either its annual security report or annual fire safety report to prospective students and prospective employees by posting the disclosure on an Internet Web site, the notice described in this paragraph must include the exact electronic address at which the report is posted, a brief description of the report, and a statement that the institution will provide a paper copy of the report upon request.
- (5) Submission to the Secretary—annual security report and annual fire safety report. Each year, by the date and in a form specified by the Secretary, an institution must submit the statistics required by §§668.46(c) and 668.49(c) to the Secretary.
- (6) Publication of the annual fire safety report. An institution may publish its annual fire safety report concurrently with its annual security report only if the title of the report clearly states that the report contains both the annual security report and the annual fire safety report. If an institution chooses to publish the annual fire safety report separately from the annual security report, it must include information in each of the two reports about how to directly access the other report.
- (f) Prospective student-athletes and their parents, high school coach and guidance counselor—report on completion or graduation rates for student-athletes. (1)(i) Except under the circumstances described in paragraph (f)(1)(ii) of this section, when an institution offers a

prospective student-athlete athletically related student aid, it must provide to the prospective student-athlete, and his or her parents, high school coach, and guidance counselor, the report produced pursuant to §668.48(a).

(ii) An institution's responsibility under paragraph (f)(1)(i) of this section with reference to a prospective student athlete's high school coach and guidance counselor is satisfied if—

- (A) The institution is a member of a national collegiate athletic association;
- (B) The association compiles data on behalf of its member institutions, which data the Secretary determines are substantially comparable to those required by §668.48(a); and
- (C) The association distributes the compilation to all secondary schools in the United States.

(2) By July 1 of each year, an institution must submit to the Secretary the report produced pursuant to §668.48.

(g) Enrolled students, prospective students, and the public—report on athletic program participation rates and financial support data. (1)(i) An institution of higher education subject to §668.47 must, not later than October 15 of each year, make available to enrolled students, prospective students, and the public, the report produced pursuant to §668.47(c). The institution must make the report easily accessible to students, prospective students, and the public and must provide the report promptly to anyone who requests it.

(ii) The institution must provide notice to all enrolled students, pursuant to paragraph (c)(1) of this section, and prospective students of their right to request the report described in paragraph (g)(1) of this section. If the institution chooses to make the report available by posting the disclosure on an Internet website or an Intranet website, it must provide in the notice the exact electronic address at which the report is posted, a brief description of the report, and a statement that the institution will provide a paper copy of the report on request. For prospective students, the institution may not use an Intranet website for this purpose.

- (1) An institution must submit the report described in paragraph (g)(1)(i) of this section to the Secretary within 15 days of making it available to students, prospective students, and the public". 34 C.F.R. § 668.41 (b)(c)(d)(e)(f)(g)

**Noncompliance:** The institution failed to distribute and make readily available its copyright Infringement/File Sharing policy to current employees, prospective students and employees. The institution sent an e-mail notice to current students via e-mail August 2014.

**Required Action:** The institution must make its Copyright Infringement/File Sharing policy readily available to all enrolled, current students and employees along with prospective students and employees. The institution must provide in its response to this report a link and supporting documentation that the policy has been distributed to current and enrolled students. The

institution must also provide a copy of its plan to ensure that all prospective students and employees are also made aware of this policy.

#### D. Recommendations

The following are recommendation(s) based upon observations made by the review team during the program review. Century is not required to provide a response to, nor is Century required to act upon, these recommendations. However, the review team believes that adoption of these recommendations will assist Century in its administration of Title IV, HEA program funds.

The review team recommends that Century review its online policies for Return to Title IV and Pell Grants. Although the policies meet the minimum requirements the review team recommends Century adding more detail in its policies descriptions. The Review team also has some recommendations regarding Clery:

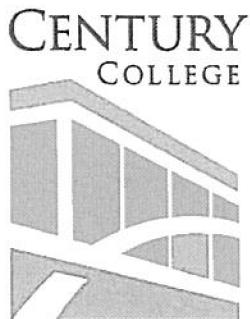
It is recommended that Century review the following sections of its Annual Security Report (ASR) regarding:

- A more comprehensive description and frequency of programs designed to inform students and employees about campus security procedures and practices and to encourage students employees to be responsible for their own security and the security of others; description of any drug and/or alcohol abuse education programs; and description of educational programs to promote the awareness of rape, acquaintance rape, and other forcible and non-forcible sex offenses (for additional information, please see 34 C.F.R. § 668.46(b)(5), 34 C.F.R. § 668.46(b)(10), and 34 C.F.R. § 668.46(b)(11)(i), respectively). Please note that program reviewers determined that Century was complaint with these regulations; nonetheless, the Department suggests that the institution strongly consider making descriptions of these programs more inclusive.
- Procedures for reporting criminal actions or other emergencies, as the current policy on page 4 of the ASR does not include the statement of other emergencies (for further information, please see 34 C.F.R. § 668.46(b)(2)).
- Notification that students should feel free report criminal activities or other emergencies to one of the campus security authorities (currently the statement on page 5 of the ASR only states that all employees, faculty, or staff members who become aware of an allegation of college policy, code of conduct, civil or criminal law should report the allegation to their supervisor and Public Safety).

- Should the notification of the ASR continued to be sent electronically through the "Wood Duck Weekly" student newsletter, the institution should explore development a system to track any "bounce-back email messages" (i.e. those that do not reach the student) and subsequently send an individual ASR notification and/or ASR by mail to said students to make certain they receive the required campus security data. Moreover, Century may wish to consider sending notification of its ASR to its student population separate from the "Wood Duck Weekly" student newsletter (such as in a similar method to how the data is transmitted to current employees).

## APPENDIX C

### INSTITUTION'S WRITTEN RESPONSE



A MEMBER OF THE MINNESOTA STATE  
COLLEGES AND UNIVERSITIES SYSTEM  
AN AFFIRMATIVE ACTION-EQUAL  
OPPORTUNITY EMPLOYER AND EDUCATOR

## Office of the President

Ron Anderson, Ph.D.

651.779.3219 651.779.3470 ron.anderson@century.edu

June 24, 2015

PRCN: 201520528956  
Program Review: Century College  
OPEID: 01054600

Lytashia Davis  
Institutional Review Specialist  
US Department of Education

Dear Ms. Davis,

Thank you for granting Century College additional time to respond to some of the Program Review Findings. This letter is to address areas of non-compliance for Findings 1, 2, and 3. The response letter for Findings 4, 5, 6 and 7 will be sent on or before July 31, 2015.

### Finding 1. R2T4 calculations

The Policy and Procedure Manual (Policy & Procedure, page 40) and the R2T4 detailed procedures have been updated. Our records show that for previous years prior to 2013-14 and our current processing year, 2014-15, Century College has correctly used an 8 day break to determining the total days of the spring term. Training, policies and procedures have been updated to ensure this human error doesn't occur in the future.

### Finding 2. Verification violations

Century College has updated our verification processes and procedures to ensure that all students selected for verification are processed accurately. The college has updated our Verification procedures, ISIR Load report procedures and our computer system set up.

### Finding 3. Pell grant over/under payments

Corrections to both the Pell overpayment and underpayment have been corrected. Please see Finding 3 COD confirmation for Student 13, [REDACTED] Please see FINDING 3 [REDACTED] to confirm payment was made to student and FINDING 3 [REDACTED] HigherOne notice to confirm that the student was notified of the payment he received.

Please let me know if additional information is needed for any of the above areas of non-compliance.

Sincerely,

Ron Anderson, President  
Century College



U.S. DEPARTMENT OF EDUCATION  
OFFICE OF POSTSECONDARY EDUCATION  
PROGRAM REVIEW AND  
CERTIFICATION AND APPROVAL

July 31, 2015

PRCN: 201520528956

Program Review: Century College  
OPEID: 01054600

Lytashia Davis  
Institutional Review Specialist  
US Department of Education

Dear Ms. Davis,

This letter is to address areas of non-compliance for Findings 4, 5, 6 and 7 of the Program Review of Century College.

**Finding 4. Exit Loan Counseling Deficiencies**

*Century College agrees with Finding 4 and has taken the required action as requested by the US Department of Education.*

This Finding was caused by staff oversight of running the exit counseling report for graduates after the end of the term. The software used by our institution requires staff to run the exit counseling report to identify less than half time students separate from our student who have graduated to notify them of the exit counseling obligation. Our previous procedures were to run the process every 21 days to find students with enrollment less than half time and run the process at two prescribed times during the term to find our graduates. It was easy to miss a prescribed time because of the infrequency of the event.

The Direct Loan Procedures have been updated to clearly show that both graduate and less than half time status version of the exit counseling report be run at least every 30 days. Instead of trying to find the graduates during specific times of the year, our policy and procedures have changed to run both the less than half time and the graduated students exit counseling reports at least every 30 days. Training, policies and procedures have been updated to ensure this human error doesn't occur in the future. Additionally, the Director of Financial Aid will be working

with MnSCU staff to see if a more automated process can be created to minimize the risk of human error.

Finding 5. Late Student Status Confirmation Reporting

*Century College agrees with Finding 5 and has taken the required action as requested by the US Department of Education.*

In the required action portion of Finding 5, the report reads "The institution's response to this report should include written assurances that this finding will not appear in future compliance audits." Report page 13. Century College cannot make this assurance in good faith as explained below.

While Century College has been timely in providing data, computer technical problems have apparently prevented that data from reaching NSLDS. Century College reports enrollment data to NSLDS via the National Student Loan Clearinghouse (Clearinghouse) as do other colleges and universities across the nation. We make the reports at least every thirty days. The college only recently learning that the Clearinghouse was not able to accept or load all of the records submitted by Century College and other institutions. Thus, Century College was not aware that its enrollment reports were not forwarded to NSLDS in a timely manner.

Century College, through the Minnesota State Colleges and Universities is currently working with the Clearinghouse to resolve this problem but it understands that technical problems remain as of the date of this response. Please understand, Century College reports to the Clearinghouse are complete and timely and we will continue to try to resolve the issue with the Clearinghouse.

Finding 6. Drug and Alcohol Abuse Prevention Program Requirements Not Met – Biennial Review Violations

*Century College agrees with Finding 6 and has taken the required action as requested by the US Department of Education.*

Century College has completed our Biennial Review of our Drug and Alcohol Abuse Prevention Program. The Interim President of Century College has reviewed and approved the report. Enclosed you will find that approved report. The responsibility of the review has been added to the position description of Student Services Dean to include a review of our Drug and Alcohol Abuse Prevention Program at least every other year. Please see the updated position description that is attached.

Finding 7. Consumer Information Requirements not met

*Century College agrees with Finding 7 and has taken the required action as requested by the US Department of Education.*

The Copyright Infringement Policy is now available to all current and prospective students as well as employees on our website. The policy and consequences of illegal file sharing and has been added to the Student Handbook section of the Course Catalog; see page 247 at <http://www.century.edu/files/catalogs/catalog1516.pdf> Additionally, Century College has added