



January 25, 2019

Ms. Diana Z. Rodriguez, President
San Bernardino Valley College
701 South Mount Vernon Avenue
San Bernardino, California 92410-2798

UPS 2nd Day Air
#: 1Z A87 964 02 9939 0298

RE: **Final Program Review Determination**
OPE ID: 00127200
PRCN: 201630929301

Dear Ms. Rodriguez:

The U.S. Department of Education's (Department's) San Francisco/Seattle School Participation Division issued a Program Review Report (PRR) on October 5, 2016, covering San Bernardino Valley College's (SBVC's) administration of 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), for the 2011-12, 2012-13, 2013-14, 2014-15 and 2015-16 award years. The Department received SBVC's final response on February 1, 2017.

Copies of the PRR and SBVC's response are attached. The Department has retained any supporting documentation submitted with the response and will make it available to SBVC for inspection 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 may 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 PRR. The purpose of this letter is to: 1) identify liabilities resulting from the findings of the PRR; 2) provide instructions for the payment of liabilities; and 3) notify the institution of its right to appeal.

The total liabilities due from the institution as a result of this program review are **\$733,434.00**. This FPRD contains detailed information about the liability determination for all findings.

Protection of Personally Identifiable Information (PII):

PII is any information about an individual that can be used to distinguish or trace an individual's identity (e.g., name, social security number, date and place of birth). The loss of PII can result in substantial harm, embarrassment, and inconvenience to individuals and may lead to identity theft.

or other fraudulent use of the information. To protect PII, the findings in the attached report do not contain any student PII. The Department encrypted Appendices A1 and A2 and sent them separately to the institution via e-mail.

Appeal Procedures:

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

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

SBVC's appeal request must:

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

When it submits its request for appeal, the institution may also include documentation it believes the Department should consider in support of the appeal.

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

If an institution's appeal is timely, the request for appeal will be transmitted to the Department's Office of Hearings and Appeals (OHA) for an administrative hearing in accordance with § 487(b)(2) of the HEA, 20 U.S.C. § 1094(b)(2). The Hearing Official assigned to the case will issue an order scheduling the submission of briefs and supporting evidence in accordance with 34 C.F.R. § 668.114(c). The institution may therefore submit additional documentation supporting its appeal request at that time. The procedures followed with respect to SBVC's appeal are those provided in 34 C.F.R. Part 668, Subpart H. Interest on the appealed liabilities will continue to accrue at the applicable value of funds rate, as established by the United States

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Department of Treasury, or if the liabilities are for refunds, at the interest rate set forth in the loan promissory note(s).

Record Retention:

Program records relating to the period covered by the program review must be retained until the later of: the resolution of the loans, claims or expenditures questioned in the program review; or the end of the retention period otherwise applicable to the record under 34 C.F.R. § 668.24(e)(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 DeNise L. McMillian, Senior Institutional Review Specialist, at 206-615-3638. Please direct any questions relating to the appeal of the FPRD to the address noted in the Appeal Procedures section of this letter.

Sincerely,

[Redacted]
Martina Fernandez-Rosario
Division Director
San Francisco/Seattle School Participation Division

Enclosures: Protection of Personally Identifiable Information
Final Program Review Determination

cc: Ernesto Nery, Director of Financial Aid
Western Association of Schools and Colleges – Accrediting Commission for Community and Junior Colleges
California Community Colleges Chancellor's Office
Department of Defense (via e-mail at osd.pentagon.ousd-p-r.mbx.vol-edu-compliance@mail.mil)
Department of Veterans Affairs (via e-mail at INCOMING.VBAVACO@va.gov)
Consumer Financial Protection Bureau (via e-mail at CFPB_ENF_Students@cfpb.gov)

PROTECTION OF PERSONALLY IDENTIFIABLE INFORMATION

Personally Identifiable Information (PII) being submitted to the Department must be protected. PII is any information about an individual that can be used to distinguish or trace an individual's identity (e.g., name, social security number, date and place of birth).

PII being submitted electronically must be encrypted. The data must be submitted in a .zip file encrypted with Advanced Encryption Standard (AES) encryption (256-bit is preferred). The Department uses WinZip, however, files created with other encryption software are also acceptable, provided that they are compatible with WinZip (Version 9.0) and are encrypted with AES encryption. Zipped files using Win Zip must be saved as Legacy compression (Zip 2.0 compatible).

The Department must receive an access password to view the encrypted information. The password must be e-mailed separately from the encrypted data. The password must be 12 characters in length and use three of the following: upper case letter, lower case letter, number, special character. A manifest must be included with the e-mail that lists the types of files being sent (a copy of the manifest must be retained by the sender).

Hard copy and electronic files containing PII must be:

- sent via a shipping method that can be tracked with signature required upon delivery
- double packaged in packaging that is approved by the shipping agent (FedEx, DHL, UPS, USPS)
- labeled with both the "To" and "From" addresses on both the inner and outer packages
- identified by a manifest included in the inner package that lists the types of files in the shipment (a copy of the manifest must be retained by the sender).

PII data cannot be sent via fax.

Prepared for
San Bernardino Valley College



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

Final Program Review Determination
January 25, 2019

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A. Institutional Information

San Bernardino Valley College
701 South Mount Vernon Avenue
San Bernardino, California 92410-2798

Type: Public

Highest Level of Offering: Associate's Degree

Accrediting Agency: Western Association of Schools and Colleges – Accrediting Commission for
Community and Junior Colleges

Student Enrollment: 17,555 (2015-16 award year)

Percentage of Students Receiving Title IV, HEA program funds: 47.8% (2015-16 award year)

Title IV Participation according to the National Student Loan Data System (NSLDS):

2014-15 Award Year	
Federal Pell Grant (Pell Grant) Program	\$ 18,598,196
Federal Supplemental Educational Opportunity Grant (FSEOG) Program	\$ 595,046
Federal Perkins Loan (Perkins Loan) Program	\$ 4,000
Federal Work Study (FWS) Program	\$ 410,722
Total	\$ 19,607,964

Default Rate Direct Loans:	2015	11.5%
	2014	6.6%
	2013	11.4%
Default Rate Perkins Loans:	2015	29.4%
	2014	30.8%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at San Bernardino Valley College (SBVC or the College) from April 13, 2016 through April 29, 2016. The review was conducted by DeNise L. McMillian, Senior Institutional Review Specialist.

The focus of the off-site review was on the eligibility of SBVC's programs for Title IV, HEA program funds. The review was initiated after SBVC's Financial Aid Director reported that the College had been disbursing Title IV, HEA program funds to students enrolled in programs for which the College had not received the proper approvals. The review consisted of: 1) an examination of the California Community College's Curriculum Inventory to confirm that the certificate and degree programs for which students at SBVC received financial aid were approved by the state; 2) a review of SBVC's Eligibility Certification and Approval Report (ECAR) to determine if and when these programs had received Departmental approval; and 3) a review of SBVC's website and college catalog to determine if the program offerings and descriptions matched those listed on its ECAR.

The Department issued its Program Review Report (PRR) on October 5, 2016, included in Appendix B. SBVC submitted its response to the PRR on February 1, 2017 (Response), included in Appendix C.

Disclaimer:

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning SBVC's specific practices and procedures must not be construed as acceptance, approval, or endorsement of those specific practices and procedures. Furthermore, the review does not relieve SBVC of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

C. Final Determinations

Resolved Finding

Finding #3. Failure to Report Changes to/Update Application for Approval to Participate in the Federal Student Financial Aid Programs (e-App)

SBVC resolved Finding #3 by establishing procedures, systems, and processes to ensure that SBVC's programs are approved by the California Community College's Chancellor's Office (CCCO) and reported timely to the Department prior to disbursing Title IV, HEA program funds. SBVC submitted a copy of SBVC's Curriculum Approval Process for the Department's review. In addition, SBVC submitted a recertification application on September 22, 2017, on which it reported end dates for programs it no longer offers.

The Department determined that the information that SBVC provided was sufficient to resolve Finding #3. Therefore, this finding is closed. Please refer to Appendix C, which contains the institution's written response, for additional information.

Findings with Established Liabilities

The PRR findings requiring further action are summarized below. For each finding, the Department identifies liabilities and provides its analysis in making the liability determination

Section D of this FPRD contains tables summarizing all of the liabilities in this report.

In general, the Department establishes a liability based on the principal amount of Title IV funds that an institution improperly disbursed and the cost to the U.S. government of not having the use of those funds in the U.S. Treasury (i.e., the cost of funds (COF)).

Section E of this FPRD contains instructions for repaying the liabilities. Please review that section carefully before transmitting payment to the Department.

Finding #1. Ineligible Programs – State Approval Requirements Not Met

Summary of Noncompliance: An educational program is a legally authorized postsecondary program of organized instruction or study that leads to an academic, professional, or vocational degree, or certificate, or other recognized educational credential, or is a comprehensive transition and postsecondary program, as described in 34 C.F.R. Part 668, Subpart O. A *legally authorized* program refers to the legal status granted to an institution through a charter, license, or other written document issued by the appropriate agency or official of the state in which the institution is physically located. 34 C.F.R. § 600.2. An institution is legally authorized by a state if, among other criteria, the institution is established by name as an educational institution by a state through a charter, statute, constitutional provision, or other action issued by an appropriate state agency or state entity and is authorized to operate educational programs beyond secondary education, including programs leading to a degree or certificate. *See 34 C.F.R. § 600.9(a)(i)(A).*

As further explained in the 2016-17 *Federal Student Aid Handbook* (Volume 2, Chapter 2),

A school's eligibility does not necessarily extend to all its programs, so the school is responsible for ensuring that a program is eligible before awarding FSA funds to students in that program...The school should...make certain that it is authorized by the appropriate state to offer the program (if the state licenses individual programs at postsecondary institutions). In some instances a school or program may need a general authorization as well as licensure for a specific program approval.

The CCCCO is SBVC's state licensing body. The CCCCO requires that all degree programs offered by the California Community Colleges be approved by that office and that all certificate programs that are greater than 18 credit hours in length be approved. Substantive changes to programs must also be approved by the CCCCO in order for those programs to be considered state-approved programs.

Based on information SBVC provided to the Department, the Department determined that SBVC failed to obtain the proper approvals from the CCCCO for eight degree programs; for several non-degree programs greater than 18 credit hours in length (including the Basic Law Enforcement Academy, as discussed further in Finding #2); and for substantive changes to several programs. Programs for which requisite state approval is not obtained are not eligible for Title IV, HEA program funds; however, SBVC disbursed funds to students enrolled in these programs. The Financial Aid Director reported the ineligibility of the programs upon discovering the error, in December, 2015.

Directives from the PRR: The Department required SBVC to:

- 1) Prepare a report identifying the certificate and degree programs for which SBVC failed to obtain CCCCO's approval before disbursing Title IV, HEA program funds, including programs for which substantive changes were not approved; and
- 2) Review the files of all Title IV, HEA program recipients enrolled in the programs identified in Item #1 during the 2011-12, 2012-13, 2013-14, 2014-15, and 2015-16 award years to identify students who received ineligible disbursements. The Department required SBVC to report the results of its review in response to the PRR.

Analysis of Liability Determination: In its Response, SBVC submitted the required report identifying all ineligible programs and the students who received ineligible Title IV, HEA program disbursements, by academic program and award year. During its review, SBVC identified eight programs that had not been approved by the CCCCO in their current forms, making them ineligible for Title IV, HEA program funds.¹ These programs included three new programs that had not been approved (a fourth – Biochemistry, a degree granting program – was identified but no Title IV, HEA program disbursements had been made to students in that program), and five programs that had undergone substantive changes that were not approved. One of the unapproved programs was an Associate's Degree program; the other programs were all non-degree certificate programs. The applicable programs included: Basic Law Enforcement Academy (certificate granting), discussed further in Finding #2; Computer Information Technology (degree granting); Computer Information Technology – Management Information Systems (certificate granting); Dietetic Aide (certificate granting); Geographic Information Systems (certificate granting); Office/Clerical (certificate granting); Preventive Maintenance (certificate granting); and Welding Inspection Technology (certificate granting). CCCCO had never approved the Basic Law Enforcement Academy, Dietetic Aide, and Office/Clerical programs, while the other programs had undergone substantive changes that CCCCO had not approved. The substantive changes were all changes to numbers of credit hours required for the programs, including some increases and some decreases. SBVC disbursed Title IV, HEA program funds to a total of 181 students enrolled in ineligible programs (outside of the Basic Law Enforcement Academy program, which is discussed in Finding #2.) Appendix A1 lists students who received disbursements for ineligible programs during the award years under review, by award year and academic program.

¹ SBVC's review of its programs and state approvals uncovered details that differed from those originally reported to the Department.

SBVC is liable for all of the Title IV, HEA program funds it disbursed to students enrolled in the ineligible programs, plus the COF on those amounts. Thus, the total liabilities resulting from this finding are as follows:

Award Year	Pell Grant (Principal)	FSEOG (Federal Share)	Pell Grant (COF)	FSEOG (COF)	Total
2011-12	\$137,117.00	\$ 3,468.00	\$ 5,853.42	\$148.05	\$146,586.47
2012-13	\$145,564.00	\$ 4,687.00	\$ 4,758.23	\$153.21	\$155,162.44
2013-14	\$142,491.00	\$ 6,408.00	\$ 3,232.72	\$145.38	\$152,277.10
2014-15	\$ 70,563.00	\$ 3,401.00	\$ 897.11	\$ 43.15	\$ 74,904.26
2015-16	\$ 40,454.00	\$ 1,218.00	\$ 107.52	\$ 27.60	\$ 41,807.12
Total	\$536,189.00	\$19,182.00	\$14,849.00	\$517.39	\$570,737.39
Rounded Total	\$536,189.00	\$19,182.00	\$14,849.00	\$517.00	\$570,737.00

Appendix A1 contains the student-level detail with respect to the ineligible Pell Grant and FSEOG disbursements made during the 2011-12, 2012-13, 2013-14, 2014-15, and 2015-16 award years.² No students received Direct Loan or other Title IV, HEA program funding. Appendix D1 contains the results of the COF calculations. The Department has rounded the results of the COF calculations to the nearest whole dollar.

Finding #2. Ineligible Program – Requirements for a Written Arrangement to Provide Educational Programs Not Met and State Approval Requirements Not Met

Summary of Noncompliance: An educational program is a legally authorized postsecondary program of organized instruction or study that leads to an academic, professional, or vocational degree, or certificate, or other recognized educational credential, or is a comprehensive transition and postsecondary program, as described in 34 C.F.R. Part 668, Subpart O. A *legally authorized* program refers to the legal status granted to an institution through a charter, license, or other written document issued by the appropriate agency or official of the state in which the institution is physically located. 34 C.F.R. § 600.2. An institution is legally authorized by a state if, among other criteria, the institution is established by name as an educational institution by a state through a charter, statute, constitutional provision, or other action issued by an appropriate state agency or state entity and is authorized to operate educational programs beyond secondary education, including programs leading to a degree or certificate. See 34 C.F.R. § 600.9(a)(i)(A).

As further explained in the 2016-17 *Federal Student Aid Handbook* (Volume 2, Chapter 2),

² The Department based the disbursement amounts in the student-level detail on information from the student detail report SBVC submitted with its Response. The principal disbursement amounts were rounded to the nearest whole dollar. The amounts in the student detail report differed slightly from the summary tables in the narrative of the Response.

A school's eligibility does not necessarily extend to all its programs, so the school is responsible for ensuring that a program is eligible before awarding FSA funds to students in that program...The school should...make certain that it is authorized by the appropriate state to offer the program (if the state licenses individual programs at postsecondary institutions). In some instances a school or program may need a general authorization as well as licensure for a specific program approval.

If an eligible institution enters into a written arrangement with an institution or organization that is not an eligible institution under which the ineligible institution or organization provides part of the educational program of students enrolled in the eligible institution, the Secretary considers that educational program to be an eligible program if, among other criteria:

- (1) The educational program offered by the institution that grants the degree or certificate otherwise satisfies the requirements of 34 C.F.R. § 668.8; and
- (2)
 - (i) The ineligible institution or organization provides 25 percent or less of the educational program; or
 - (ii) The ineligible institution or organization provides more than 25 percent but less than 50 percent of the educational program; the eligible institution and the ineligible institution or organization are not owned or controlled by the same individual, partnership, or corporation; and the eligible institution's accrediting agency has specifically determined that the institution's arrangement meets the agency's standards for the contracting out of educational services. 34 C.F.R. § 668.5(c)(2) and (3).

SBVC paid Title IV, HEA program funds to students enrolled in an ineligible program, the Basic Law Enforcement Academy.

The Intensive/Full-Time format of the Basic Law Enforcement Academy (Intensive Academy) is administered by the Department of Police Science at SBVC in conjunction with the San Bernardino County Sheriff's Department, which is an ineligible organization for Title IV, HEA program purposes. As such, the Sheriff's Department was only permitted to provide up to 50% of the educational program. However, students enrolled in the Intensive Academy completed 100% of their programs at the San Bernardino Sheriff's Department Regional Training Center, at which training was provided by San Bernardino Sheriff's Department employees, violating the 50% limitation. Therefore, students in the Intensive Academy were not eligible for Title IV, HEA program funds. Further, SBVC did not have an actual written agreement with the San Bernardino Sheriff's Department to provide the Intensive Academy at the Regional Training Center, or to provide the Extended Academy at the Regional Training Center. The Extended Academy was the Basic Law Enforcement Academy provided on an extended/part-time basis.

In addition to the contractual violation noted above, SBVC did not obtain the proper approvals from the CCCCO for either the Intensive Academy or the Extended Academy.³

³ Although the Extended Academy program did not violate the 50% limitation on the portion of a program that may be offered by an ineligible organization, the program was not approved by the state agency and was, therefore, ineligible for Title IV, HEA program funding.

Directives from the PRR: The Department required SBVC to:

1. Review the files of all Title IV, HEA program recipients enrolled in the Basic Law Enforcement Academy (both the Intensive Academy and the Extended Academy) during award years 2011-12, 2012-13, 2013-14, 2014-15 and 2015-16 to determine the amount of ineligible Title IV, HEA program funds students received and prepare a report summarizing its findings.
2. Submit a copy of the contractual agreement between SBVC and the San Bernardino Sheriff's Department to provide any portion of the Extended Academy not offered by SBVC.
3. Cease funding students enrolled in the Basic Law Enforcement Academy until SBVC obtained CCCCO approval for the program. Additionally, SBVC was to cease disbursements to students enrolled in the Intensive Academy until the College met the contractual requirements of the federal regulations.

Analysis of Liability Determination: In its Response, SBVC stated that it stopped disbursing Title IV, HEA program funds to students enrolled in the Intensive Academy in the Spring of 2015. SBVC also provided a copy of the Instructional Services Agreement between the San Bernardino Community College District and the San Bernardino County Sheriff's Department. The agreement confirms that the Sheriff's Department has contracted with SBVC to provide college accredited educational courses for the Sheriff's Department through SBVC. The agreement includes the provision of classroom space at the Frank Bland Regional Training Center as well as instructors, professional experts, equipment and materials.

SBVC completed the required file review and submitted a spreadsheet identifying students enrolled in the Extended and Intensive Academy Programs who received ineligible disbursements, a total of 44 students. SBVC reported the ineligible disbursements, by Title IV, HEA program, for the 2011-12, 2012-13, 2013-14, and 2014-15 award years (see Appendix A2). SBVC made no disbursements for the 2015-16 award year.

SBVC is liable for all of the Title IV, HEA program funds disbursed to the students enrolled in the Intensive and Extended Academies, plus COF on those amounts. Thus, the total liabilities from this finding are as follows:

Award Year	Pell Grant (Principal)	FSEOG (Federal Share)	Perkins Loan (Principal)	Pell Grant (COF)	FSEOG (COF)	Perkins Loan (COF)	Total
2011-12	\$ 37,622.00	\$ -	\$ -	\$ 1,606.05	\$ -	\$ -	\$ 39,228.05
2012-13.	\$ 93,955.00	\$ -	\$ 1,000.00	\$ 3,071.22	\$ -	\$ 26.00	\$ 98,052.22
2013-14	\$ 17,639.00	\$ 375.00	\$ 1,200.00	\$ 400.18	\$ 8.51	\$ 21.01	\$ 19,643.70
2014-15	\$ 5,700.00	\$ -	\$ -	\$ 72.31	\$ -	\$ -	\$ 5,772.31
Total	\$154,916.00	\$ 375.00	\$ 2,200.00	\$ 5,149.76	\$ 8.51	\$ 47.01	\$162,696.28
Rounded Total	\$154,916.00	\$ 375.00	\$ 2,200.00	\$ 5,150.00	\$ 9.00	\$ 47.00	\$162,697.00

Appendix A2 contains the student-level detail with respect to the Pell Grant, FSEOG, and Perkins Loan disbursements made to students in the ineligible Basic Law Enforcement Academy during the 2011-12, 2012-13, 2013-14 and 2014-15 award years. SBVC did not disburse any other Title IV, HEA program assistance to students in the Basic Law Enforcement Academy programs. Appendix D2 contains the results of the interest calculations. The Department has rounded the results of the interest calculations to the nearest whole dollar.

D. Summary of Liabilities

The total calculated as liabilities from the findings in this FPRD is as follows.

Established Liabilities							
Finding #	Pell Grant (Principal)	FSEOG (Federal Share)	Perkins Loan (Principal)	Pell Grant (COF)	FSEOG (COF)	Perkins Loan (COF)	Total
1	\$536,189.00	\$ 19,182.00	\$ -	\$ 14,849.00	\$ 517.00	\$ -	\$570,737.00
2	\$154,916.00	\$ 375.00	\$ 2,200.00	\$ 5,150.00	\$ 9.00	\$ 47.00	\$162,697.00
Total	\$691,105.00	\$ 19,557.00	\$ 2,200.00	\$ 19,999.00	\$ 526.00	\$ 47.00	\$733,434.00
Due to:							
Department	\$691,105.00	\$ 19,557.00	\$ -	\$ 19,999.00	\$ 526.00	\$ -	\$731,187.00
Institutional Accounts	\$ -	\$ -	\$ 2,200.00	\$ -	\$ -	\$ 47.00	\$ 2,247.00

Please carefully review Section E of this FPRD for instructions on how to pay these liabilities.

E. Payment Instructions

I. Liabilities Owed to the Department

The total liabilities resulting from this program review are **\$733,434.00**, including \$731,187.00 owed to the Department and \$2,247.00 owed to SBVC's Federal Perkins Loan Revolving Fund. Of the amount owed to the Department, SBVC must pay \$19,557.00 via corrections to the Fiscal Operations Report and Application to Participate (FISAP), and \$711,630.00 using an electronic transfer of funds through the Treasury Financial Communications System, which is known as FEDWIRE. SBVC must make this transfer within **45 days of the date of this report**. This repayment through FEDWIRE is made via the Federal Reserve Bank in New York. If SBVC's bank does not maintain an account at the Federal Reserve Bank, it must use the services of a correspondent bank when making the payment through FEDWIRE.

Any liability of \$100,000 or more identified through a program review must be repaid to the Department via FEDWIRE. The Department is unable to accept any other method of payment in satisfaction of these liabilities.

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

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Instructions for completing the electronic fund transfer message format are included on the FEDWIRE form in Appendix E.

Terms of Payment

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

If full payment cannot be made within **45 days of the date of this report**, contact the Department's Accounts Receivable and Bank Management Group to apply for a payment plan. Interest charges and other conditions apply. Written request may be sent to:

U.S. Department of Education
OCFO Financial Management Operations
Accounts Receivable and Bank Management Group
550 12 Street, S.W., Room 6114
Washington, D.C. 20202-4461

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

II. Instructions by Title IV, HEA Program

Pell Grant Liabilities Owed to the Department

Pell Grant – Closed Award Years

Findings: 1, 2

Appendices: A1, A2, D1, D2

Pell Grant – Closed Award Years			
Amount (Principal)	Amount (COF) (Rounded)	Award Year	Award No.
\$160,130.00	\$3,633.00	2013-14	P063P131172
\$ 76,263.00	\$ 969.00	2014-15	P063P141172
\$ 40,454.00	\$ 108.00	2015-16	P063P151172
Total Principal	Total Interest		
\$276,847.00	\$4,710.00		

The disbursement record for each student identified in Appendices A1 and A2 must be adjusted in the COD System based on liability applicable to each student disbursement. **Adjustments in COD must be completed prior to remitting payment to the Department Payment cannot be accepted via G5. Once the Department receives payment via FEDWIRE, the Department will apply the principal payment to the applicable G5 award. The COF will be applied to the general program account.**

A copy of each student's adjusted COD record must be sent to DeNise L. McMillian **within 45 days of the date of this report.**

Pell Grant – Archived Award Year

Findings: 1, 2

Appendices: A1, A2, D1, D2

Pell Grant – Cancelled Award Year			
Amount (Principal)	Amount (COF) (Rounded)	Award Year	Award No.
\$174,739.00	\$ 7,460.00	2011-12	P063P111172
\$239,519.00	\$ 7,829.00	2012-13	P063P121172
Total Principal	Total Interest		
\$414,258.00	\$15,289.00		

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

FSEOG Liabilities Owed to the Department

FSEOG COF

Findings: 1, 2

Appendices: A1, A2, D1, D2

SBVC must pay directly to the Department the following:

FSEOG – COF	
Amount (Interest)	Award Year
\$148.05	2011-12
\$153.21	2012-13
\$153.89	2013-14
\$ 43.15	2014-15
\$ 27.60	2015-16
Total COF (Rounded)	
\$526.00	

SBVC must pay the amount reflected above in FSEOG COF liabilities. The payment will be applied to the general FSEOG fund. This amount is also reflected in the total amount owed to the Department in Section I above that must be paid via FEDWIRE.

FSEOG Principal – FISAP Corrections

Findings: 1, 2

Appendices: A1, A2, D1, D2

FSEOG – FISAP Corrections	
Amount (Principal)	Award Year
\$ 3,468.00	2011-12
\$ 4,687.00	2012-13
\$ 6,783.00	2013-14
\$ 3,401.00	2014-15
\$ 1,218.00	2015-16
Total Principal	
\$19,557.00	

SBVC must return \$19,557.00 in FSEOG funds utilizing the FISAP correction process. Depending on the results of the FISAP correction process SBVC will be required to return some or all of the liabilities via G5, as noted below:

SBVC must make corrections to its 2013-14, 2014-15, 2015-16, 2016-17, and 2017-18 FISAPs for, which include data from the 2011-12, 2012-13, 2013-14, 2014-15, and 2015-16 award years, respectively, as follows:

- Log into COD and select the Campus-Based menu option from the School tab. Select ‘FISAP’ from the left navigation menu, then ‘FISAP Dashboard’, and select the appropriate FISAP from the drop down menu. Click ‘Edit’ and make and save all required changes in the FISAP.

- Make the corresponding updates to **Part VI of the FISAP** and confirm the amount of Administrative Cost Allowance (ACA), if any, that must be returned.
- Once all changes have been made and validated, click ‘Submit’ and complete the process to submit a ‘Change Request.’ Provide the justification for the changes in the comment box, indicating which Parts were changed and that the changes are a result of a program review and include the Program Review Control Number (201630929301).

SBVC’s Financial Aid Administrator (FAA) will be notified via e-mail from a member of the Campus-Based Division when the request is approved. Once approved, SBVC must resubmit the FISAP within **5** business days.

To confirm the FISAP changes are correct and for any questions about the process, SBVC may contact the COD School Relations Center at 1-800-848-0978 prior to submitting the change request. Note that certain changes to the FISAP may result in changes to subsequent FISAPs; the COD School Relations Center can assist in making this determination.

If the recalculation of the school’s funding results in an unprocessed deobligation (negative balance) because the school has drawn down its full authorization, SBVC must return those funds via G5 as instructed in the FISAP change request approval e-mail from the Campus-Based Division. If the school has not drawn down its full authorization, the authorization will be reduced. The amount of ACA that must be returned, if any, will be included in the amount identified in the e-mail.

SBVC must submit proof of the FISAP corrections and payment via G5 for any unprocessed deobligation to DeNise L. McMillian **within 45 days of the date of this report.**

Perkins Loan Liabilities Owed to Institutional Account

Perkins Loan – Principal Amount

Finding: 2

Appendices: A2, D2

Perkins Loan – Principal	
Amount (Principal)	Award Year
\$1,000.00	2012-13
\$1,200.00	2013-14
Total Principal	
\$2,200.00	

SBVC must deposit \$2,200.00 into its Federal Perkins Loan Revolving Fund. SBVC must also correct NSLDS for each borrower to reflect the new reduced or cancelled Perkins Loan amount. As a result of the ineligible disbursement and the resulting excess interest paid by the students, SBVC

must pay the total amount of \$2,200.00 by crediting each borrower's Perkins Loan for the amount identified in Appendix A2.

SBVC must submit the following to DeNise L. McMillian **within 45 days of the date of this report:**

- A copy of the front and back of the cancelled check(s), or copies of an electronic transfer of funds, to verify that the payment has been made to SBVC's Federal Perkins Loan Revolving Fund account;
- Documentation that the individual NSLDS loan records have been updated; and
- Documentation that the students' Perkins Loan accounts at the school have also been properly credited, as applicable.

Perkins Loan – Interest

Finding: 2

Appendices: A2, D2

Perkins Loan – Interest	
Amount (Interest)	Award Year
\$26.00	2012-13
\$21.00	2013-14
Total Principal	
\$47.00	

SBVC must deposit \$47.00 in its Federal Perkins Loan Revolving Fund for the interest accrued on the ineligible Perkins Loan disbursements. SBVC must submit a copy of the front and back of the cancelled check(s), or copies of an electronic transfer of funds, to verify that the payment has been made to SBVC's Federal Perkins Loan Revolving Fund account to DeNise L. McMillian **within 45 days of the date of this report.**

F. Appendices

Appendix A1: Student-Level Detail for Finding #1

Appendix A2: Student-Level Detail for Finding #2

Appendix B: Program Review Report

Appendix C: SBVC's Response to the Program Review Report

Appendix D1: Cost of Funds (Interest) Calculation for Finding #1

Appendix D2: Cost of Funds (Interest) Calculation for Finding #2

Appendix E: FEDWIRE Instructions

San Bernardino Valley College

OPE ID: 00127200

PRCN: 201630929301

APPENDIX A1
Student-Level Detail for Finding #1

Appendix A1 (Student-Level Detail for Finding #1) contains personally identifiable information and will be e-mailed to SBVC as an encrypted WinZip file using Advanced Encryption Standard, 256-bit. The password needed to open the encrypted WinZip file will be sent in a separate e-mail.

San Bernardino Valley College

OPE ID: 00127200

PRCN: 201630929301

APPENDIX A2
Student-Level Detail for Finding #2

Appendix A2 (Student-Level Detail for Finding #2) contains personally identifiable information and will be e-mailed to SBVC as an encrypted WinZip file using Advanced Encryption Standard, 256-bit. The password needed to open the encrypted WinZip file will be sent in a separate e-mail.

San Bernardino Valley College

OPE ID: 00127200

PRCN: 201630929301

APPENDIX B
Program Review Report



October 5, 2016

Ms. Diana Z. Rodriguez
President
San Bernardino Valley College
701 South Mount Vernon Avenue
San Bernardino, California 92410-2798

Certified Mail
Return Receipt Requested
#: 70101060000027431417

Re: Program Review Report
OPE ID: 00127200
PRCN: 201630929301

Dear Ms. Rodriguez:

From April 13, 2016, through April 29, 2016, DeNise McMillian conducted an off-site review of San Bernardino Valley College's (SBVC's) administration of the programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs). The findings of that review are presented in the enclosed report.

The findings of noncompliance are referenced to the applicable statutes and regulations and specify the actions required to comply with the statutes and regulations. Please review the report and respond to the findings, as requested in the "Required Action" portion of the report. The response should include a brief, written narrative for each finding that clearly states SBVC's position regarding the finding and the corrective action taken to resolve the finding, if any. Separate from the written narrative, SBVC must provide supporting documentation as required.

Please note that pursuant to HEA section 498(b), the Department is required to:

- (1) Provide to the institution an adequate opportunity to review and respond to any preliminary program review report¹ and relevant materials related to the report before any final program review report is issued;
- (2) review and take into consideration an institution's response in any final program review report or audit determination, and include in the report or determination –
 - a. A written statement addressing the institution's response;
 - b. A written statement of the basis for such report or determination; and
 - c. A copy of the institution's response.

The Department considers the institution's response to be the written narrative (to include e-mail communication). Any supporting documentation submitted with the institution's response will not be attached to the Final Program Review Determination (FPRD). However, it will be retained and available for inspection by SBVC upon request. Copies of the Program Review

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

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Report, the institution's response, and any supporting documentation may be subject to release under the Freedom of Information Act (FOIA) and may be provided to other oversight entities after the FPRD is issued.

The institution's response should be sent directly to DeNise L. McMillian of this office within 60 calendar days of receipt of this letter.

Protection of Personally Identifiable Information (PII):

PII is any information about an individual that can be used to distinguish or trace an individual's identity (e.g., name, social security number, date and place of birth). The loss of PII can result in substantial harm, embarrassment, and inconvenience to individuals and may lead to identity theft or other fraudulent use of the information. Please see the enclosure, "Protection of Personally Identifiable Information," for instructions regarding the submission to the Department of required data/documents containing PII.

Record Retention:

Program records relating to the period covered by the program review must be retained until the later of: the resolution of the loans, claims or expenditures questioned in the program review; or the end of 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 by SBVC officials. Please refer to the Program Review Control Number at the top of this letter in all correspondence relating to this report. If you have any questions concerning this report, please contact DeNise McMillian, Senior Institutional Review Specialist, at (206) 615-3638.

Sincerely,


Gayle E. Palumbo, Ed.D.
Compliance Manager
San Francisco/Seattle School Participation Division

cc: Ms. Amber Gallagher, Director of Financial Aid

Enclosures: Protection of Personally Identifiable Information
Program Review Report



PROTECTION OF PERSONALLY IDENTIFIABLE INFORMATION

Personally Identifiable Information (PII) being submitted to the Department must be protected. PII is any information about an individual that can be used to distinguish or trace an individual's identity (e.g., name, social security number, date and place of birth).

PII being submitted electronically must be encrypted. The data must be submitted in a .zip file encrypted with Advanced Encryption Standard (AES) encryption (256-bit is preferred). The Department uses WinZip, however, files created with other encryption software are also acceptable, provided that they are compatible with WinZip (Version 9.0) and are encrypted with AES encryption. Zipped files using WinZip must be saved as Legacy compression (Zip 2.0 compatible).

The Department must receive an access password to view the encrypted information. The password must be e-mailed separately from the encrypted data. The password must be 12 characters in length and use three of the following: upper case letter, lower case letter, number, special character. A manifest must be included with the e-mail that lists the types of files being sent (a copy of the manifest must be retained by the sender).

Hard copy and electronic files containing PII must be:

- sent via a shipping method that can be tracked with signature required upon delivery
- double packaged in packaging that is approved by the shipping agent (FedEx, DHL, UPS, USPS)
- labeled with both the "To" and "From" addresses on both the inner and outer packages
- identified by a manifest included in the inner package that lists the types of files in the shipment (a copy of the manifest must be retained by the sender).

PII data cannot be sent via fax.

Federal Student Aid

An Office of the U.S. Department of Education

50 United Nations Plaza, Mailbox 1200, Suite 1273, San Francisco, CA 94102
StudentAid.gov

Prepared for
San Bernardino Valley College



PROUD SPONSOR of
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OPE ID: 00127200
PRCN: 201630929301

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

Program Review Report

October 5, 2016

San Bernardino Valley College

OPE ID: 00127200

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A. Institutional Information

San Bernardino Valley College
701 South Mount Vernon Avenue
San Bernardino, California 92410-2798

Type: Public

Highest Level of Offering: Associate's Degree

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

Current Student Enrollment: 17,555 (2015–2016)

% of Students Receiving Title IV: 47.8% (2015–2016)

Title IV Participation according to National Student Loan Data System (NSLDS):

<u>2014-2015 Award Year</u>	
Federal Pell Grant Program	\$ 18,598,196
Federal Supplemental Educational Opportunity Grant (FSEOG) Program	\$ 595,046
Federal Perkins Loan Program	\$ 4,000
Federal Work Study (FWS) Program	\$ 410,722
Total	\$ 19,607,964

Default Rate Direct Loans:	2012	23.2%
	2011	16.0%
	2010	20.1%
Default Rate Perkins Loans:	2015	29.4%
	2014	30.8%

B. Scope of Review

The U.S. Department of Education (the Department) conducted an off-site program review of San Bernardino Valley College (SBVC) from April 13 through April 29, 2016. The review was conducted by DeNise L. McMillian, Institutional Review Specialist.

The focus of the off-site review was on the eligibility of SBVC's programs for Title IV, HEA program funds. The review was initiated in response to a self-report by the financial aid director that SBVC had been disbursing Title IV, HEA program funds to students enrolled in programs for which the College had not received the proper approvals. The review consisted of: 1) an examination of the California Community College's Curriculum Inventory to confirm that the certificate and degree programs for which students at SBVC received financial aid were approved by the state; 2) a review of SBVC's Eligibility Certification and Approval Report (ECAR) to determine if and when these programs had received Departmental approval; and 3) a review of SBVC's website and college catalog to determine if the program offerings and descriptions reflected those listed on its ECAR.

Disclaimer:

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

This report reflects initial findings. These findings are not final. The Department will issue its final findings in a subsequent Final Program Review Determination (FPRD) letter.

C. Findings

The findings of noncompliance are referenced to the applicable statutes and regulations and specify the actions to be taken by SBVC to bring operations of the financial aid programs into compliance with the statutes and regulations.

Finding 1. Ineligible Programs – State Approval Requirements Not Met

Citation: As defined in 34 C.F.R. § 600.2, an educational program is a legally authorized postsecondary program of organized instruction or study that:

- 1) Leads to an academic, professional, or vocational degree, or certificate, or other recognized educational credential, or is a comprehensive transition and postsecondary program, as described in 34 C.F.R. part 668, subpart O; and
- 2) May, in lieu of credit hours or clock hours as a measure of student learning, utilize direct assessment of student learning, or recognize the direct assessment of student learning by

others, if such assessment is consistent with the accreditation of the institution or program utilizing the results of the assessment and with the provisions of 34 C.F.R. § 668.10.

As defined in 34 C.F.R. § 600.4, an institution of higher education is a public or private nonprofit educational institution that, among other requirements, is legally authorized to provide an educational program beyond secondary education in the state in which the institution is physically located in accordance with 34 C.F.R. § 600.9.

Per 34 C.F.R. § 600.9, an institution of higher education is legally authorized by a state if the state has a process to review and appropriately act on complaints concerning the institution including enforcing applicable state laws, and the institution meets the following, among other criteria:

- 1) The institution is established by name as an educational institution by a state through a charter, statute, constitutional provision, or other action issued by an appropriate state agency or state entity and is authorized to operate educational programs beyond secondary education, including programs leading to a degree or certificate.
- 2) The institution complies with any applicable state approval or licensure requirements, except that the state may exempt the institution from any state approval or licensure requirements based on the institution's accreditation by one or more accrediting agencies recognized by the Secretary or based upon the institution being in operation for at least 20 years.

An eligible program provided by 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 or other nondegree recognized credential, and prepares students for gainful employment in a recognized occupation. 34 C.F.R. § 668.8(c).

Noncompliance: SBVC failed to obtain the proper approvals from its state licensing body, the California Community Colleges Chancellor's Office (CCCO), for eight degree programs; for several nondegree programs greater than 18 units in length (including the Basic Law Enforcement Academy, as discussed further in Finding 2); and for substantive changes to several. Programs for which requisite state approval is not obtained are not eligible for Title IV funds; however, SBVC disbursed funds to students enrolled in these programs. The Financial Aid Director promptly reported the ineligibility of the programs upon discovering the error.

The CCCO requires that all degree programs offered by the California Community Colleges be approved by that office and that all certificate programs that are greater than 18 credit units in length be approved. Substantive changes to programs must also be approved by the CCCO in order for those programs to be considered state approved programs.

Required Action: In response to this finding, SBVC must prepare a report identifying the certificate and degree programs for which SBVC failed to obtain CCCCO's approval before disbursing Title IV, HEA program funds, including programs for which substantive changes were not approved. The report must include the following data for each program:

- 1) Program Name
- 2) Certificate or Degree
- 3) Date First Offered (or date on which substantive change implemented)
- 4) Reason CCCCO Approval was Needed (e.g. new program, substantive change to...[identify change made])

After identifying the certificate and degree programs for which it should have obtained CCCCO's approval, SBVC must review the files of all Title IV recipients enrolled in those programs during the 2011–2012, 2012–2013, 2013–2014, 2014–2015, and 2015–2016 award years to identify students who received ineligible disbursements. SBVC must prepare a report of its file review in an Excel workbook, with one spreadsheet for each award year. The following data elements must be included for each student:

- 1) Student Name
- 2) Student Social Security Number
- 3) Ineligible Title IV Funds Disbursed, by Title IV, HEA Program:
 - a. Federal Pell Grant
 - b. FSEOG
 - c. FWS
 - d. Federal Perkins Loan Program
- 4) Program of enrollment
- 5) Date program approved by CCCCO

Title IV, HEA program funds may not be disbursed until appropriate approval from the CCCCO has been received. Instructions for the repayment of any liabilities will be provided in the FPRD.

Finding 2. Ineligible Program – Requirements for a Written Arrangement to Provide Educational Programs Not Met and State Approval Requirements Not Met

Citation: Regulatory requirements at 34 C.F.R. 34 C.F.R. § 668.5(c) state that if an eligible institution enters into a written arrangement with an institution or organization that is not an eligible institution under which the ineligible institution or organization provides part of the educational program of students enrolled in the eligible institution, the Secretary considers that educational program to be an eligible program if—

- 1) The ineligible institution or organization has not—
 - o Had its eligibility to participate in the Title IV, HEA programs terminated by the Secretary;

- Voluntarily withdrawn from participation in the Title IV, HEA programs under a termination, show cause, suspension, or similar type proceeding initiated by the institution's state licensing agency, accrediting agency, guarantor, or by the Secretary;
 - Had its certification to participate in the Title IV, HEA programs revoked by the Secretary;
 - Had its application for re-certification to participate in the Title IV, HEA programs denied by the Secretary; or
 - Had its application for certification to participate in the Title IV, HEA programs denied by the Secretary;
- 2) The educational program offered by the institution that grants the degree or certificate otherwise satisfies the requirements of 34 C.F.R. §.668.8; and
- 3) The ineligible institution or organization provides 25 percent or less of the educational program; or a) the ineligible institution or organization provides more than 25 percent but less than 50 percent of the educational program; b) the eligible institution and the ineligible institution or organization are not owned or controlled by the same individual, partnership, or corporation; and c) the eligible institution's accrediting agency, or if the institution is a public postsecondary vocational educational institution, the state agency listed in the Federal Register in accordance with 34 C.F.R. Part 603, has specifically determined that the institution's arrangement meets the agency's standards for the contracting out of educational services.

Noncompliance: SBVC paid Title IV, HEA program funds to students enrolled in an ineligible program, the Basic Law Enforcement Academy.

Background

The Basic Law Enforcement Academy is presented in two formats to students interested in becoming peace officers. The Intensive/Full-time format (Intensive Academy) is a 23-week course offered approximately four times annually. Classes are held Monday through Friday from 8:00 a.m. to 5:00 p.m. at the San Bernardino County Sheriff's Department Regional Training Center. Instruction is provided entirely by instructors who are not employed by SBVC.

The Extended/Part-time format (Extended Academy) is a 52-week course offered once annually in the fall. Classes are held Tuesdays, Thursdays, and Saturdays at the SBVC campus¹ and are taught entirely by SBVC instructors.

Both formats are comprised of five separate Police Science courses:

- Police-002 – Basic Law Enforcement Academy (27.75 semester units)
- Police-100 – Criminal Law (3 semester units)
- Police-101 – Procedure and Evidence (3 semester units)

¹ Firearm and emergency vehicle training are offered at the San Bernardino County Sheriff's Department Regional Training Center; however, the instructors are employed by SBVC and this training constitutes less than 50% of the program.

Police-102 – Community Policing (3 semester units)

Police-103 – Introduction to Criminal Investigation (3 semester units)

Requirements for a Written Arrangement to Provide Educational Programs Not Met

The Intensive Academy, administered from the Department of Police Science at SBVC, is offered in conjunction with the San Bernardino County Sheriff's Department, which is an ineligible organization for Title IV purposes. An eligible institution may enter into a written arrangement with an ineligible organization as long as certain conditions are met. In these arrangements, however, there are limitations on the portion of the program that may be offered by the ineligible organization for the program to remain Title IV eligible, as described in the Citation section for this finding.

Students enrolled in the Intensive Academy complete 100% of the program at the San Bernardino Sheriff's Department Regional Training Center. As such, the Intensive Academy violates the 50% limitation on the portion of a program that may be offered by an ineligible organization. As a result, students in the Intensive Academy are not eligible for Title IV, HEA program funds and would not be in the future without significant changes to the program.

Further, SBVC does not have evidence of an actual written agreement with the San Bernardino Sheriff's Department for the provision of the program at the Regional Training Center or approval for the program from the CCCCO.

State Approval Requirements Not Met

SBVC did not obtain the proper approvals from the CCCCO for either the Intensive or the Extended Academy. Although the Extended Academy program does not violate the 50% limitation on the portion of a program that may be offered by an ineligible organization, students enrolled in the Extended Academy were not eligible for Title IV, HEA program funds because the program was not approved by the state agency.

Further, SBVC does not have evidence of an actual written agreement with the San Bernardino Sheriff's Department for the limited portions of the Extended Academy that are provided at the Regional Training Center.

Required Action: SBVC must review the files of all Title IV recipients enrolled in the Basic Law Enforcement Academy (both the Intensive Academy and the Extended Academy) during award years 2011–2012, 2012–2013, 2013–2014, 2014–2015 and 2015–2016 to determine the amount of Title IV funds students received for which they were ineligible. SBVC must prepare a report of its file review in an Excel workbook, with one spreadsheet for each award year. The following data elements must be included for each student:

- 1) Student Name
- 2) Student Social Security Number
- 3) Program Format (i.e., Intensive Academy or Extended Academy)
- 4) Amount of Title IV Funds Disbursed, by Title IV, HEA Program:
 - o Federal Pell Grant

- FSEOG
- FWS
- Federal Perkins Loan Program

These programs should not be included in the spreadsheets provided under Finding 1 as they will be provided separately for Finding 2. In addition, SBVC must submit a copy of the contractual agreement between SBVC and the San Bernardino Sheriff's Department for the provision of any portion of the Extended Academy that is not offered by SBVC.

No additional Title IV, HEA disbursements may be made to students in the Extended Academy until appropriate approval from the CCCCO has been received, and no disbursements may be made to students in the Intensive Academy as it does not meet the contractual requirements in the federal regulations. Instructions for the repayment of any liabilities will be provided in the FPRD.

We remind SBVC of the disclosure requirements pertaining to written arrangements under 34 C.F.R. § 668.43(a)(12). Specifically, institutions must make readily available to enrolled and prospective students a description of written arrangements the institution has entered into in accordance with 34 C.F.R. § 668.5. The description must include, but is not limited to, information on:

- 1) The portion of the educational program that the institution that grants the degree or certificate is not providing;
- 2) The name and location of the other institutions or organizations that are providing the portion of the educational program that the institution that grants that degree or certificate is not providing;
- 3) The method of delivery of the portion of the educational program that the institution that grants the degree or certificate is not providing; and
- 4) Estimated additional costs students may incur as a result of enrolling in an educational program that is provided, in part, under the written arrangement.

Finding 3. Failure to Report Changes to/Update Application for Approval to Participate in the Federal Student Financial Aid Programs (e-App)

Citation: An institution of higher education is a public or private nonprofit educational institution that, among other criteria, is accredited or preaccredited. 34 C.F.R. § 600.4(a)(5)(i).

If the Secretary determines that the entire applicant institution, including all its locations and all its educational programs, satisfies the applicable requirements of 34 C.F.R. Part 600, the Secretary extends eligibility to all educational programs and locations identified on the institution's application for eligibility. If the Secretary determines that only certain educational programs or certain locations of an applicant institution satisfy the applicable requirements of this part, the Secretary extends eligibility only to those educational programs and locations that

meet those requirements and identifies the eligible educational programs and locations in the eligibility notice sent to the institution under 34 C.F.R. § 600.21(c), 34.C.F.R. § 600.10(b).

The federal regulations at 34 C.F.R. § 600.20(c)(1) state that a currently designated eligible institution that wishes to expand the scope of its eligibility and certification and disburse Title IV, HEA program funds to students enrolled in that expanded scope must apply to the Secretary and wait for approval to add an educational program or a location at which the institution offers or will offer 50 percent or more of an educational program if one of the following conditions applies; otherwise it must report to the Secretary under 34 C.F.R. § 600.21:

- (i) The institution participates in the Title IV, HEA programs under a provisional certification, as provided in 34 C.F.R. § 668.13.
- (ii) The institution receives Title IV, HEA program funds under the reimbursement or cash monitoring payment method, as provided in 34 C.F.R. Part 668, Subpart K.
- (iii) The institution acquires the assets of another institution that provided educational programs at that location during the preceding year and participated in the Title IV, HEA programs during that year.
- (iv) The institution would be subject to a loss of eligibility under 34 C.F.R. § 668.188 if it adds that location.
- (v) The Secretary notifies, or has notified, the institution that it must apply for approval of an additional educational program or a location under 34 C.F.R. § 600.10(c).

Under 34 C.F.R. § 600.21(a)(1), an eligible institution must report to the Secretary any of the following changes to any gainful employment program in a manner prescribed by the Secretary no later than 10 days after the change occurs:-

- (i) Establishing the eligibility or re-establishing the eligibility of the program;
- (ii) Discontinuing the program's eligibility under 34 C.F.R. § 668.410;
- (iii) Ceasing to provide the program for at least 12 consecutive months;
- (iv) Losing program eligibility under 34 C.F.R. § 600.40;
- (v) Changing the program's name, CIP code, as defined in 34 C.F.R. § 668.402, or credential level; or
- (vi) Updating the certification pursuant to 34 C.F.R. § 668.414(b).

Under 34 C.F.R. § 668.6(c), an eligible program provided by an institution of higher education must -

- (i) Lead to an associate, bachelor's, professional, or graduate degree;
- (ii) Be at least a two-academic-year program that is acceptable for full credit toward a bachelor's degree; or
- (iii) Be at least a one-academic-year training program that leads to a certificate, or other nondegree recognized credential, and prepares students for gainful employment in a recognized occupation.

Noncompliance: Before the gainful employment (GE) regulations published on October 31, 2014 went into effect on July 1, 2015, a fully certified institution was expected to report to the Department complete, updated information about all of its vocational, nondegree programs when it completed the recertification process, if not sooner. As of July 1, 2015, for each GE program, all institutions must report to the Department within 10 days when establishing or re-establishing the eligibility of the program; discontinuing the program's eligibility; ceasing to provide the program for at least 12 consecutive months; losing eligibility for the program; changing the program name, CIP code, or credential level; or updating the program certification.

SBVC violated the regulatory requirements for establishing the eligibility of nondegree vocational programs for which SBVC disbursed Title IV, HEA funds under the regulations in effect before July 1, 2015. A review of SBVC's most recent e-App, submitted December 12, 2015, and of its ECAR, website, and catalog, revealed that SBVC did not timely report new vocational nondegree programs or changes to its existing vocational nondegree programs. For example, SBVC began offering its Corrections program on August 20, 2008, but it did not report the program to the Department when it went through the recertification process in December 2013. SBVC also did not report the program at other logical opportunities, such as when it submitted an updated e-app to the Department in March 2014. Instead, SBVC reported the program in December 2015, long after the program commenced and students in the program began receiving Title IV, HEA assistance.

SBVC also violated the regulatory requirements for reporting changes to its GE programs that went into effect on July 1, 2015. SBVC made changes to program names, CIP codes, and credential levels for some of its GE programs but did not report those changes to the Department within 10 days as required.

Required Action: SBVC's failure to notify the Department, per regulatory requirements, of the establishment of these programs and other program changes is a serious violation. SBVC must review its December 12, 2015 e-App, its catalogue and its curriculum to ensure that all of the information is consistent, current and accurate. SBVC must also identify programs that are no longer offered and end date them on the e-App.

SBVC must develop policies and procedures for reporting changes to its GE programs within 10 days, as required by the regulations, and provide a copy of these policies and procedures in response to this Program Review Report. Liabilities may be established in the future for the failure to timely report changes to GE programs.

San Bernardino Valley College

OPE ID: 00127200

PRCN: 201630929301

APPENDIX C
SBVC's Response to the Program Review Report

San Bernardino Valley College

OPE ID: 00127200

PRCN: 201630929301

APPENDIX D1
Cost of Funds (Interest) Calculation for Finding #1

San Bernardino Valley College

OPE ID: 00127200

PRCN: 201630929301

Appendix D1 - Cost of Funds Calculation for Finding #1

Ineligible Disbursements (Non-Loan) - Cost of Funds and Administrative Cost Allowance

Name of Institution: San Bernardino Valley College

No.	Description/Name	Ineligible Disbrsmnt	Program	Disbursement Date	Return Date	No. of Days	Imputed CVFR	Federal Share	To ED
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Award Yr. 2011-12		\$137,117.00	Pell Grant	6/30/2012	10/5/2016	1558	1.00%	\$ 137,117.00	\$ 5,853.42
		\$3,468.00	FSEOG-No Match	6/30/2012	10/5/2016	1558	1.00%	\$ 3,468.00	\$ 148.05
Award Yr. 2012-13		\$145,564.00	Pell Grant	6/30/2013	10/5/2016	1193	1.00%	\$ 145,564.00	\$ 4,758.23
		\$4,687.00	FSEOG-No Match	6/30/2013	10/5/2016	1193	1.00%	\$ 4,687.00	\$ 153.21
Award Yr. 2013-14		\$142,491.00	Pell Grant	6/30/2014	10/5/2016	828	1.00%	\$ 142,491.00	\$ 3,232.72
		\$6,408.00	FSEOG-No Match	6/30/2014	10/5/2016	828	1.00%	\$ 6,408.00	\$ 145.38
Award Yr. 2014-15		\$70,563.00	Pell Grant	6/30/2015	10/6/2016	464	1.00%	\$ 70,563.00	\$ 897.11
		\$3,401.00	FSEOG-No Match	6/30/2015	10/5/2016	463	1.00%	\$ 3,401.00	\$ 43.15
Award Yr. 2015-16		\$40,454.00	Pell Grant	6/30/2016	10/5/2016	97	1.00%	\$ 40,454.00	\$ 107.52
		\$1,218.00	FSEOG-No Match	6/30/2016	10/5/2018	827	1.00%	\$ 1,218.00	\$ 27.60

Total Ineligible	\$555,371.00	Totals	\$ 15,366.39
		ACA Liability	

Campus-Based Amounts Spent (from FISAP, Part VI, Section B)

Federal FWS
Federal SEOG
Federal Perkins

Total C-B Spent
ACA Percentage

\$	-

Interest Breakdown

Pell Grants	\$ 14,849.00
ACG	\$ -
SMART	\$ -
TEACH	\$ -
FWS	\$ -
FSEOG	\$ -
Perkins	\$ -
FWS-50% Match	\$ -

San Bernardino Valley College

OPE ID: 00127200

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Appendix D1 - Cost of Funds Calculation for Finding #1

	Total	Federal Share
Pell	\$ 536,189.00	\$ 536,189.00
ACG	\$ -	\$ -
SMART	\$ -	\$ -
TEACH	\$ -	\$ -
FWS	\$ -	\$ -
FSEOG	\$ -	\$ -
Perkins	\$ -	\$ -
FWS-50% Match	\$ -	\$ -
FWS-No Match	\$ -	\$ -
FSEOG-No Match	\$ 19,182.00	\$ 19,182.00
Perkins-No Match	\$ -	\$ -
 Total Campus-Based	 \$ 19,182.00	 \$ 19,182.00

FWS-No Match
FSEOG-No Match
Perkins-No Match
ACA Breakdown

\$	-
\$	517.39
\$	-

FWS
FSEOG
Perkins
FWS-50% Match
FWS-No Match
FSEOG-No Match
Perkins-No Match

100

San Bernardino Valley College

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APPENDIX D2
Cost of Funds (Interest) Calculation for Finding #2

San Bernardino Valley College

OPE ID: 00127200

PRCN: 201630929301

Appendix D2: Cost of Funds Calculation for Finding #2

Ineligible Disbursements (Non-Loan) - Cost of Funds and Administrative Cost Allowance

Name of Institution: San Bernardino Valley College

No.	Description/Name	Ineligible Disbrsmt	Program	Disbursement Date	Return Date	No. of Days	Imputed CVFR	Federal Share	To ED	To Inst Accounts
	2011-12	\$37,622.00	Pell Grant	6/30/2012	10/5/2016	1558	1.00%	\$ 37,622.00	\$ 1,606.05	\$ -
	2012-13	\$93,955.00	Pell Grant	6/30/2013	10/5/2016	1193	1.00%	\$ 93,955.00	\$ 3,071.22	\$ -
		\$1,000.00	Perkins	4/19/2013	10/5/2016	1265	1.00%	\$ 750.00	\$ -	\$ 26.00
	2013-14	\$17,639.00	Pell Grant	6/30/2014	10/5/2016	828	1.00%	\$ 17,639.00	\$ 400.18	\$ -
		\$375.00	FSEOG-No Match	6/30/2014	10/5/2016	828	1.00%	\$ 375.00	\$ 8.51	\$ -
		\$1,200.00	Perkins	6/6/2014	10/5/2016	852	1.00%	\$ 900.00	\$ -	\$ 21.01
	2014-15	\$5,700.00	Pell Grant	6/30/2015	10/5/2016	463	1.00%	\$ 5,700.00	\$ 72.31	\$ -

Total Ineligible \$157,491.00

Totals
ACA Liability \$ 5,158.27 \$ 47.01

Campus-Based Amounts Spent (from FISAP, Part VI, Section B)

Federal FWS
Federal SEOG
Federal Perkins

Total C-B Spent
ACA Percentage

\$	-

Interest Breakdown

Pell Grants	\$ 5,149.76	\$ -
ACG	\$ -	\$ -
SMART	\$ -	\$ -
TEACH	\$ -	\$ -
FWS	\$ -	\$ -
FSEOG	\$ -	\$ -
Perkins	\$ -	\$ 47.01
FWS-50% Match	\$ -	\$ -
FWS-No Match	\$ -	\$ -
FSEOG-No Match	\$ -	\$ -
Perkins-No Match	\$ -	\$ -
ACA Breakdown		
FWS		
FSEOG		
Perkins		
FWS-50% Match		
FWS-No Match		
FSEOG-No Match		
Perkins-No Match		

Pell
ACG
SMART
TEACH
FWS
FSEOG
Perkins
FWS-50% Match
FWS-No Match
FSEOG-No Match
Perkins-No Match

Total	Federal Share
\$ 154,916.00	\$ 154,916.00
\$ -	\$ -
\$ -	\$ -
\$ -	\$ -
\$ -	\$ -
\$ -	\$ -
\$ 2,200.00	\$ 1,650.00
\$ -	\$ -
\$ -	\$ -
\$ 375.00	\$ 375.00
\$ -	\$ -

FWS
FSEOG
Perkins
FWS-50% Match
FWS-No Match
FSEOG-No Match
Perkins-No Match

Total Campus-Based \$ 2,575.00 \$ 2,025.00

San Bernardino Valley College

OPE ID: 00127200

PRCN: 201630929301

APPENDIX E
FEDWIRE Instructions

DEPARTMENT OF EDUCATION
FED-WIRE EFT MESSAGE FORMAT & INSTRUCTIONS

ABA Number 021030004	Type/Sub-Type	
Sender No.:	Sender Ref. No.	Amount ①

Sender Name (Automatically inserted by the Federal Reserve Bank)

Treasury Department Name/CTR/
TREAS NYC /CTR /

BNF=ED / AC - 91020001 OBI=

Name / City / State:

②

DUNS / TIN:

③

FOR:

④

INSTRUCTIONS

A. Complete circled items 1-4 above as follows:

- ① Indicate amount including cents digits.
- ② Indicate Name, City, and State.
- ③ Indicate DUNS Number and Taxpayer Identification Number (TIN).
- ④ Enter the reason for the remittance: Bill Number / Document Number / Other.

B. Provide the sending bank with a copy of the completed form. This form contains other information the bank will need to transmit the FEDWIRE message.