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ACN:

PRCN: 201220427845

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November 21, 2012

Mr. Michael Gries
President
ATI Career Training Center
6331 Boulevard 26
Suite 275
North Richland Hills, TX 76180

UPS Tracking Number 1ZA5467Y0197141115

RE: **Final Program Review Determination**
OPE ID: 02215900
PRCN: 2012-2-04-27845

Dear Mr. Gries:

The U.S. Department of Education's (Department's) School Participation Division – Atlanta issued a program review report on July 13, 2012 covering ATI Career Training Center's (ATI's) administration of programs authorized by Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs), for the 2010-2011 and 2011-2012 award years. ATI's final response was received on August 3, 2012. A copy of the program review report (and related attachments) and ATI's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by ATI upon request. Additionally, this Final Program Review Determination (FPRD), related attachments, and any supporting documentation may be subject to release under the Freedom of Information Act (FOIA) and can be provided to other oversight entities after this FPRD is issued.

Purpose:

Final determinations have been made concerning all of the outstanding findings of the program review report. The purpose of this letter is to: (1) identify liabilities resulting from the findings of this program review report, (2) provide instructions for payment of liabilities to the Department, (3) notify the institution of its right to appeal, and (4) close the review.

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

Federal Student Aid

AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION

School Participation Division – Atlanta

60 Forsyth St. SW Atlanta, GA 30303

StudentAid.gov

students only by a student number created by Federal Student Aid. The student numbers were assigned in Appendix A, Student Sample. In addition, Appendix A also contain 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)(1), (e)(2), and (e)(3).

If the institution has any questions regarding this letter, please contact David Smittick at 404-974-9301. Questions relating to any appeal of the FPRD should be directed to the address noted in the Appeal Procedures section of this letter.

Sincerely

(b)(6); (b)(7)(C);(b)(7)(C)

Charles L. Engstrom /
Division Director

Enclosure:
Protection of Personally Identifiable Information

cc: Danielle Toner, Financial Aid Administrator
Florida Commission for Independent Education - Florida Department of Education
Accrediting Commission of Career Schools and Colleges

Prepared for

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U.S. Department of Education

Federal Student Aid

School Participation Division - Atlanta

Final Program Review Determination

November 21, 2012

Federal Student Aid, Atlanta School Participation Division
61 Forsyth Street, Suite 18T40
Atlanta, Georgia 30303-8918
www.FederalStudentAid.ed.gov

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A. Institutional Information

ATI Career Training Center
2890 NW 62nd Street
Fort Lauderdale, FL 33309-1785

Type: Proprietary

Highest Level of Offering: Associates Degree

Accrediting Agency: Accrediting Commission of Career Schools and Colleges

Current Student Enrollment: 333 (2011-2012)

% of Students Receiving Title IV: 74 % (2011-2012)

Title IV Participation: 2010-1011 Award Year*

Federal Pell Grant Program (FPELL)	\$3,842,412
Federal Direct Loan Program (FDL)	\$6,427,081
Federal Supplemental Educational Opportunity Grant (FSEOG)	\$ 107,583
Federal Work Study (FWS)	\$ 19,830

Default Rate FFEL/ DL:	2009	10.4%
	2008	14.3%
	2007	18.5%

*Most recent data available.

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at ATI Career Training Center (ATI) from March 26, 2012 through March 30, 2012. The review was conducted by David Smittick and Melody Parker-Venable.

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

A sample of 30 files was identified for review from the 2010-2011 and 2011-2012 (year to date) award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. In addition, Appendix A lists the names and partial social security numbers of the students whose files were examined during the program review.

Disclaimer:

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning ATI'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 ATI 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 ATI to bring operations of the financial aid programs into compliance with the statutes and regulations.

Disclaimer:

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning ATI'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 ATI 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

ATI has taken the corrective actions necessary to resolve findings 2, 4 and 5 of the program review report. Therefore, these findings may be considered closed. Findings requiring further action by ATI are discussed below.

Resolved Finding(s) with Comments

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

Finding 1: Unofficial Withdrawal Policy Not Adequately Developed

Citation: When a recipient of Title IV grant or loan funds withdraws from a school (officially or unofficially) after beginning attendance, the amount of Title IV funds earned by the student must be determined. Refund (R2T4) calculations are based on a statutory formula developed by the Department and must be used on all recipients of FSA funds. The formula is based, in part, on the amount of time a student actually spent in attendance at the school. If the amount disbursed to the student is *greater* than the amount the student earned, unearned funds must be returned no later than 45 days after the date the institution determined that the student withdrew. If the amount disbursed to the student is *less* than the amount the student earned, and for which the student is otherwise eligible, the student may be eligible to receive a post-withdrawal disbursement of the earned aid not received. See 34 § C.F.R. 668.22

With respect to unofficial withdrawals, DCL GEN-04-03 dated November 2004 states that schools must have a procedure for determining whether a Title IV recipient who began attendance during the period actually completed the period, or if the recipient should be treated as a withdrawal. If a student earns a passing grade in one or more of his/her classes during the period for that class, the school can presume that the student completed the course, and thus the period. However, if a student who began attendance and did not officially withdraw fails to earn a passing grade in at least one course offered over an entire period, the school *must* assume, for Title IV purposes, that the student has unofficially withdrawn (unless the school can document that the student completed the period).

In addition, schools have two options for determining the last date of attendance of an unofficial withdrawal: 1) use the midpoint of the payment period or period of enrollment, or 2) if the school is not required to take attendance, determine the last documented academically related activity (e.g., exam, quiz, tutorial, computer-assisted instruction, academic advising/counseling, academic conference, completion of an academic assignment, paper, or project, and/or attending a study group required by the school

academic advising/counseling, academic conference, completion of an academic assignment, paper, or project, and/or attending a study group required by the school where attendance was taken). See *2010-2011 Federal Student Aid Handbook, Volume Five, Chapter Two, pages 5-76 through 5-79*.

Noncompliance: ATI does not have a published unofficial withdrawal policy. The institution's Attendance Policy states, students that miss more than ten (10) consecutive scheduled days will be dismissed from school¹.

Similarly, ATI's published procedure for withdrawing states, in part, students who wish to terminate their training for any reason are required to take the following steps:

1. Notify the school Director in writing. The written notification should explain the reasons for wishing to terminate.
2. Schedule an exit interview with a member of the Financial Aid office staff. All student loan borrowers are required to sign an exit interview form.

Required Action Summary: In its response to the Program Review Report (PRR), ATI was required to revise its withdrawal policy to include the consequences for Title IV recipients who unofficially withdrew. For example, a student that received all non-passing grades and it's determined that the student unofficially withdrew; the student may be in an overpayment situation because of the withdrawal. An R2T4 calculation will be performed to determine the amount of Title IV aid earned, and that funds may have to be returned to the Department.

ATI's Response: In its response, ATI stated that it concurs with this finding. ATI submitted its revised unofficial withdrawal policy that includes the consequences of failing to earn a passing grade in all courses attempted. ATI's policy states, in part: students that receive all non-passing grades that are determined to be officially withdrawn may incur an overpayment. A Return to Title IV will be performed to determine the amount of financial aid earned.

Final Determination: This finding is considered

¹ ATI's Attendance policy is located on page 29 of its catalog provided prior to the program review.

Finding #3: Federal Pell Grant (FPELL) Overaward

Citation: 34 C.F.R. § 668.22(c), of the General Provisions, states the amount of Title IV, grant or loan assistance that is earned by the student is calculated by determining the percentage of Title IV, grant or loan assistance that is earned by the student, as described in paragraph (e)(2) of this section, and determining the percentage of Title IV grant or loan assistance that has been earned by the student as described in paragraph (e)(2) of this section.

Similarly, Federal regulation, 34 C.F.R. § 690.62 indicates the amount of a student's FPELL award for an academic year is based upon the payment schedule and disbursement schedules published by the Secretary for each award year.

The scheduled award is the maximum amount a student can receive during an award year for a given enrollment status, after considering the student's expected family contribution (EFC) and cost of attendance (COA).

Noncompliance: For the 20101208 term, ATI disbursed \$2,775 in FPELL Grant funds for student #6 as if the student were enrolled fulltime. Student #6 was actually enrolled $\frac{3}{4}$ (9.5 credit hours) time for the 20101208 term and should have only received \$2063.

Required Action: In its response, ATI was required to provide supporting documentation to the Department that student #6 either earned the FPELL disbursed, or if not, that the ineligible FPELL funds have been returned to the appropriate program. ATI was informed that if the FPELL is an ineligible disbursement, it will be responsible for the overaward.

ATI's Response: In its response, ATI concurs with this finding. ATI provided supporting documentation for student #6 that indicates the FPELL overaward was returned to the appropriate Title IV program account. Additionally, ATI stated it has implemented a secondary review of all student files to ensure students are being awarded FPELL based on the correct enrollment status.

Final Determination: The Department's Common Origination and Disbursement (COD) supports the adjustment made on this student. This finding considered closed.

Finding #6: Inaccurately Reporting Disbursement Information to COD

Citation: 34 C.F.R. § 690.83 requires institutions to submit a student's payment data (including disbursement dates) to the Secretary by the reporting deadlines published in the Federal Register. Institutions are required to submit Federal Pell Grant and/or Federal Direct Loan disbursement records to the Department's COD system no later than 30 days after making a disbursement or becoming award of the need to adjust a student's previously reported disbursement (COD Technical Reference, 2008-2009, Volume II). The disbursement date is the date that the institution:

- (a) Credits funds to a student's account, or;
- (b) Pays funds to a student directly

Refer to the COD Technical Reference, 2008-2009 and the June 9, 2008 Federal Register for the most recent reporting deadlines and requirements.

Noncompliance: Disbursement dates reported to COD were not accurate. The following chart illustrates an example of the difference between dates that Title IV funds were disbursed to the student's account versus disbursements dates reported to COD.

Student #	COD	Student Account Ledger	Program	Amount
2	01/11/2011	06/25/2011	FPELL	\$1,850
6	12/08/2010	12/30/2010	FPELL	\$2,750
9	10/25/2010	12/30/2010	FPELL	\$1,850

Required Action: ATI was required to review its COD reporting procedures to determine why disbursement dates are not accurate for its students. ATI was required to correct its procedures so that disbursement dates reported to COD are the dates that Federal Pell funds and Direct Loans are credited to the student's account or paid to the student directly. ATI's was required to describe procedures that the institution will put in to place in order to correct this deficiency. In addition, the institution was required to correct the dates in COD for ALL of the students that were selected during this review. To show the correction has been made in COD, the institution was required to provide this office with a copy of the "Award Disbursements Information" page from the COD system.

ATI's Response: In its response, ATI stated that it reviewed the three students as well as all students in the statistical sample and made the necessary corrections as required. ATI also provided its updated procedures that includes an automated script function in conjunction with its Campus Management system to ensure all disbursements dates are accurately reflected in COD.

Final Determination: This finding is considered closed.

Appendix A: Student Sample

ATI Fort Lauderdale
OPE ID: 02215900
Student Sample

Award Year 2010-2011

No. Name SSN (Last 4-Digits)

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.
- 11.
- 12.
- 13.
- 14.
- 15.

(b)(6); (b)(7)(C), (b)(7)(C)

Award Year 2011-2012

No. Name SSN

- 16.
- 17.
- 18.
- 19.
- 20.
- 21.
- 22.
- 23.
- 24.
- 25.
- 26.
- 27.
- 28.
- 29.
- 30.

(b)(6); (b)(7)(C), (b)(7)(C)

Final Program Review Determination
PRCN #: 2012-2-04-27845

Appendix B

ATI's Response
to the Program Review Report

