



CALIFORNIA STUDENT AID COMMISSION

PROGRAM ADMINISTRATION & SERVICES DIVISION

March 28, 2018

Dr. Jeremiah Connolly
President
John Paul the Great Catholic University
220 West Grant Avenue
Escondido, CA 92025

RE: Program Compliance Review ID#91704193700

Dear Dr. Connolly:

This letter is in reference to the response to the Cal Grant Program Compliance Review report. All required actions to the findings have been addressed satisfactorily. The institution may now consider the program review for the 2015-16 award year closed, with no further action required.

Thank you for the courtesy and cooperation extended to the California Student Aid Commission (Commission) staff during the review. Your continued effort and consideration toward the Commission's programs will help produce an efficient and beneficial student financial assistance program.

Sincerely,

Catalina G. Mistler, Deputy Director
Program Administration and Services Division

c. Lisa Williams, Director of Financial Aid
Program Review File



***Program Compliance Office
Cal Grant Program Review Report***

2015-16 Award Year

**John Paul the Great Catholic University
Program Review ID#91704193700**

**220 West Grand Avenue
Escondido, CA 92025**

Program Review Dates:

November 2017

Auditor:

Nati Bugarin

Report Approved by:

Catalina Mistler, Deputy Director
Program Administration and Services Division

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AUDITOR'S REPORT

SUMMARY

We reviewed John Paul the Great Catholic University's administration of California Student Aid Commission (Commission) programs for the 2015-16 award year.

The institution's records disclosed the following deficiencies:

- Education Level (EL) verified incorrectly
- Verification not performed correctly

BACKGROUND

The Commission performs institution compliance reviews to ensure program integrity and institution compliance with applicable laws, policies, contracts and institutional participation agreements as they pertain to the following grant programs administered by the Commission:

Cal Grants

A and B

The following information, obtained from the institution and the Commission's database, is provided as background on the institution:

A. Institution

- Type of Organization: Private, Non-Profit Institution of Higher Education
- President: Dr. Jeremiah Connolly
- Accrediting Body: Western Association of Schools & Colleges

B. Institutional Persons Contacted

- Lisa Williams: Director of Financial Aid
- Joan Meziere: Controller

C. Financial Aid

- Date of Prior Commission Program Review: None
- Branches: None
- Financial Aid Programs: Federal: Direct Loan Program, SEOG, Pell, and Work-Study
State: Cal Grants A and B
- Financial Aid Consultant: Weber & Associates
PO Box 17709
Greenville, SC 29606

AUDITOR'S REPORT (continued)

OBJECTIVES, SCOPE AND METHODOLOGY

The purpose of our review is to provide the Commission with assurance that the institution adequately administered Commission programs and complied with applicable laws, policies, contracts and institutional participation agreements as they pertain to the grant programs administered by the Commission.

The review focused on, but was not limited to, the following areas:

- A. General Eligibility
- B. Applicant Eligibility
- C. Fund Disbursement and Refunds
- D. File Maintenance and Records Retention
- E. Fiscal Responsibility for Program Funds

The specific objectives of the review were to determine that:

- Administration systems have adequate controls to ensure that grant funds received by the institution are secure.
- Administration systems have adequate controls to ensure that grant payments are accurate, legal and proper.
- Accounting requirements are being followed.

The procedures performed in conducting this review included:

- Evaluating the current administrative procedures through interviews and reviews of student records, forms and procedures.
- Evaluating the current payment procedures through interviews and reviews of student records, forms and procedures.
- Reviewing the records and grant payment transactions from a sample of 12 students who received a total of 8 Cal Grant A awards and 4 Cal Grant B awards within the review period. The program review sample was selected to include all students awarded.

The review scope was limited to planning and performing procedures to obtain reasonable assurance that Commission grant funds were administered according to the applicable laws, policies, contracts and institutional agreements. Accordingly, transactions were examined on a test basis to determine whether grant funds were expended in an eligible manner. The auditor considered the institution's management controls only to the extent necessary to plan the review.

AUDITOR'S REPORT (continued)

OBJECTIVES,
SCOPE AND
METHODOLOGY
(continued)

This report is written using the exception-reporting format, which excludes the positive aspects of the Institution's administration of the Commission grant programs.

The names and social security numbers of the sample of students reviewed have been excluded from the body of this report and have been replaced by identifying numbers.

CONCLUSION

In conclusion, this report records the findings from our review and identifies the required actions necessary to improve controls and ensure the adequate administration of the Commission's grant programs. The matters raised in this report are only those which have come to our attention during the course of the compliance review and do not necessarily represent a comprehensive record of all the matters.

VIEWS OF
RESPONSIBLE
OFFICIALS

The findings were discussed with Institution representatives in an exit conference on November 29, 2017. The Institution staff concurred with the findings.

We appreciate the cooperation and assistance of the management and staff during the course of this review.

Catalina G. Mistler, Deputy Director
Program Administration and Services Division

FINDINGS AND REQUIRED ACTIONS

APPLICANT
ELIGIBILITY:

FINDING 1: Education level (EL) verified incorrectly

A review of seven students selected for EL verification revealed that in all cases the students EL was verified incorrectly.

DISCUSSION:

A new Cal Grant recipient who continues to meet all program eligibility requirements and who demonstrates financial need may have his or her Cal Grant award renewed up to the maximum of the equivalent of four years of full-time attendance. The total number of years of Cal Grant Program eligibility is based upon the student's EL in his or her course of study at the time of the initial Cal Grant award.

To ensure that new Cal Grant A and B recipients receive the correct amount of initial program eligibility, institutions must verify that Commission records reflect the recipient's correct EL for the term in which the *first* Cal Grant payment is made. To ensure that the student's program eligibility is correct, the Commission recommends that schools verify the EL for new recipients prior to making the Fall term payment.

The grade level policy at John Paul the Great Catholic University is as follows:

Grade Level	Number of Units
1	0 – 44
2	45 - 89
3	90 - 134
4	135 – 179
5	180 +

A review of the academic transcripts for students 2, 3, 5, 6, 7, 8 and 12 revealed the institution incorrectly verified the students EL as identified below:

Student	EL Verified	Number of units at initial payment	Correct EL
2	2	42.0	1
3	2	39.0	1
5	2	30.0	1
6	2	36.0	1
7	2	36.0	1
8	2	30.0	1
12	2	33.0	1

FINDINGS AND REQUIRED ACTIONS (continued)

The Commission has increased the Cal Grant eligibility for the aforementioned students by 100%.

An institution's maintenance of accurate records and reporting of correct information is a fundamental aspect of Cal Grant Program administration. Failing to confirm and report a student's correct EL results in the student's Cal Grant Program eligibility being calculated in a manner that is inconsistent with statutory requirements. An institution that fails to comply with applicable laws, policies, contracts and its Institutional Participation Agreement may lose its eligibility to participate in the Cal Grant Program for failing to meet standards of administrative capability.

REFERENCES:

California Education Code section 69433.6
Institutional Participation Agreement, Article IV.B.
Cal Grant Manual, Chapter 7, October 2005
Cal Grant Manual, Chapter 8, November 2005
Cal Grant Handbook, Chapter 6, page 44-45, 2/11/2016 – Version 2.1
Cal Grant Handbook, Chapter 10, page 81, 2/11/2016 – Version 2.1
Cal Grant Handbook, Chapter 15, page 141-142, 2/11/2016 – Version 2.1

REQUIRED ACTION:

The institution is required to submit policies and procedures that will be implemented to ensure that education levels are correctly determined and reported to the Commission prior to the initial Cal Grant payment.

INSTITUTION RESPONSE:

"Student's education level will be verified at the time of the first payment and not updated prior to disbursements in subsequent terms. In the case of a student for whom transfer credit has been awarded, the verified EL will include the number of credits transferred to John Paul the Great Catholic University in their credit total."

COMMISSION REPLY:

The institution's educational level policy is deemed acceptable and therefore, no further action is required.

APPLICANT
ELIGIBILITY:

FINDING 2: Verification not performed correctly

A review of five student files selected for verification revealed one case in which the institution incorrectly performed the verification process.

FINDINGS AND REQUIRED ACTIONS (continued)

DISCUSSION:

All Cal Grant applicants must submit a completed official financial aid application, either the Free Application for Federal Student Aid (FAFSA) or the California Dream Act Application (CADA) annually to determine eligibility. For FAFSA applicants, the Commission electronically draws down applicant information from the Central Processing System (CPS) contractor selected by the U.S. Department of Education. The CPS also provides institutions with the Institutional Student Information Record (ISIR) that contains all of the information provided on the FAFSA. Similarly, the Commission processes all CADA to calculate the Expected Family Contribution (EFC) which is then reported electronically to the institution via the California Institutional Student Information Record (Cal ISIR) and mailed in paper format to the student on the California Student Aid Report (Cal SAR). The Commission selects a certain percentage of student records whose information is to be verified based on the Commission's selection criteria.

Because students sometimes make errors on their applications, there is a process for verifying applications and making corrections. The CPS and the Commission selects which applications are to be verified. For each application the CPS or the Commission selects for verification, the applicant must submit documentation to verify or update information contained on the FAFSA or the CADA.

The institution must compare the verification documentation submitted by the student to the information provided on the FAFSA or CADA and recalculate the applicant's financial need, if necessary. Furthermore, a school must maintain the valid ISIR or Cal ISIR and verification documentation used to determine a student's eligibility for program funds.

Students who are selected for verification by the CPS will be placed in one of the five following groups that determines which FAFSA information must be verified for the student:

Group Number	Description
V1	Standard Verification
V2	Reserved for future use by the Department
V3	Child Support Verification
V4	Custom Verification
V5	Aggregate Verification
V6	Household Resources

All students whose Cal ISIR is selected for verification by the Commission must submit V1 (Standard Verification) information to the institution.

A review of the file of student 6 revealed that the student's ISIR was selected for federal verification. The ISIR transaction 07 indicated an AGI of \$10,200 for the parent. However, the parents Tax Transcripts disclosed a zero (\$0.00) AGI. The institution failed to update the AGI information. Nevertheless, the student remained eligible to have received Cal Grant funds. Thus, no ineligible funds will be collected.

FINDINGS AND REQUIRED ACTIONS (continued)

REFERENCES:

2012-16 Institutional Participation Agreement, Article IV.B.
Cal Grant Handbook, Chapter 10, pages 77-79, 02/11/2016 – Version 2.1
2015-16 Student Financial Aid Handbook, Application and Verification Guide

REQUIRED ACTION:

John Paul the Great Catholic University is required to submit written procedures and quality controls measures that will be implemented to ensure that the verification process is performed and documented accurately prior to the disbursement of Cal Grant funds.

INSTITUTION RESPONSE:

“In the event of a student’s ISIR being selected, our Federal aid servicer (Weber & Associates) completes verification review according to the attached policy and procedure prior to any award being disbursed.”

COMMISSION REPLY:

The verification policy is deemed acceptable. No further action is required.