



CALIFORNIA STUDENT AID COMMISSION

PROGRAM ADMINISTRATION & SERVICES DIVISION

March 28, 2018

Jeremiah Staropoli, Ed.D
President
Hussian College - Relativity School
1500 Spring Garden Street, Suite 101
Philadelphia, PA 19103

RE: Program Compliance Review ID#91700746901

Dear Mr. Staropoli:

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. Susan Cohen, Director of Financial Aid
Program Review File



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

2015-16 Award Year

**Hussian College – Relativity School
Program Review ID#91700746901**

**1201 West 5th Street
Los Angeles, CA 90017**

Program Review Dates:

September 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 Hussian College – Relativity School's administration of California Student Aid Commission (Commission) programs for the 2015-16 award year.

The institution's records disclosed the following deficiency:

- Satisfactory Academic Progress (SAP) policy does not meet the federal requirements

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: For Profit Institution of Higher Education
- President: Jeremiah Staropoli
- Accrediting Body: Accrediting Commission of Career Schools and Colleges

B. Institutional Persons Contacted

- Susan Cohen: Director of Financial Aid
- Eric Strubel: Fiscal Director

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: None

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 1 student who received a Cal Grant B award within the review period. The program review sample included all the 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.

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 number of the sample of student reviewed have been excluded from the body of this report and have been replaced by an identifying number.

AUDITOR'S REPORT (continued)

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 finding was discussed with Institution representatives in an exit conference on October 11, 2017. The Institution staff concurred with the finding.

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

Catalina Mistler, Deputy Director
Program Administration and Services Division

FINDINGS AND REQUIRED ACTIONS

GENERAL
ELIGIBILITY:

FINDING 1: Satisfactory Academic Progress (SAP) policy does not meet the federal requirements

A review of the Institution's Satisfactory Academic Progress policy revealed that it does not meet the minimum federal requirements.

DISCUSSION:

Institutions are required to establish, publish, and apply reasonable standards for measuring whether an otherwise eligible student is maintaining SAP in his or her educational program. The SAP policy must be at least as strict as the SAP policy for students enrolled in the same program of study who are not receiving FSA funds and it must apply to all students within categories. For programs more than one year, the policy must at least require annual reviews and must correspond with the end of a payment period.

A review of SAP is not complete until both the qualitative and quantitative measures have been reviewed. If a satisfactory progress check shows that a student does not have the required GPA or is not maintaining the required pace, the student becomes ineligible for FSA funds unless:

- The student is placed on financial aid warning. The student may receive funds for one payment period despite a determination that the student is not making satisfactory academic progress. Financial aid warning status may be assigned without an appeal or other action by the student; or
- The student is placed on financial aid probation (after a successful appeal). The student may receive funds for one payment period while a student is on financial aid probation. The institution may require the student to fulfill specific terms and conditions such as taking a reduced course load or enrolling in specific courses. At the end of one payment period on financial aid probation, the student must meet the institution's satisfactory academic progress standards or meet the requirements of the academic plan developed by the institution in order for the student to qualify for further funds.

The definition of financial aid probation, financial aid warning and an appeal determination are as follows:

- *Financial aid probation* – means a status assigned by an institution to a student who fails to make satisfactory academic progress **and who has appealed and has had eligibility for aid reinstated.**
- *Financial aid warning* – means a status assigned to a student who fails to make satisfactory academic progress at an institution that evaluates academic progress at the end of each payment period.

FINDINGS AND REQUIRED ACTIONS (continued)

- *Appeal* – Appeal means a process by which a student who is not meeting the institution’s satisfactory academic progress standards petitions the institution for reconsideration of the student’s eligibility for program assistance. The basis of which a student may file an appeal: The death of a relative, an injury or illness of the student, or other special circumstances.

According to Hussian College – Relativity School’s SAP policy, “If a student fails to maintain satisfactory academic progress with regard to the minimum grade point average or completed credits at the end of any academic year, the student will be officially notified in writing by Relativity School and be placed on Probationary status. The probationary status will remain in place until the end of the following academic year. During probation, students will continue to be eligible for federal aid”.

A review of the SAP policy at Relativity School disclosed that it does not have an appeal process. Therefore, students placed on a probationary status are not eligible to receive SFA funds. Furthermore, the probationary status is in effect until the end of the following academic year. Federal requirements indicate that students who are on a probationary status must have their progress evaluated at the end of a payment period.

No observation of noncompliance with the institution’s SAP policy was observed from the student sample reviewed.

REFERENCES:

34 CFR 668.16(e)
34 CFR 668.34
California Education Code sections 69432.7 and 69433.5
Institutional Participation Agreement, Article IV.B.
Cal Grant Manual, Chapter 3, September 2004
Cal Grant Handbook, Chapter 4, page 29, 2/11/2016 – Version 2.1

REQUIRED ACTION:

The institution must revise its SAP policy to ensure it meets all federal minimum requirements.

INSTITUTION RESPONSE:

“The attach policy is our revised SAP policy. The college will evaluate SAP on a payment period instead of annually. This policy as written, is within the federal guidelines.

FINDINGS AND REQUIRED ACTIONS (continued)

If a school chooses to evaluate SAP at the end of each payment period, and the student does not meet the school's academic progress standards, the school may place the student on financial aid warning for not more than one payment period. At the end of the warning period, the student must meet the school's SAP standards, if the student fails to meet SAP standards the student may appeal the loss of Title IV eligibility, if the school's policy permits an appeal process."

COMMISSION REPLY:

The institution's SAP policy is deemed acceptable. No further action is required.