



July 20, 2018

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Office of the President

Dr. Dana G. Hoyt  
President  
Sam Houston State University  
1806 Avenue J  
Huntsville, TX 77340

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RE: **Final Program Review Determination**  
OPE ID: 00360600  
PRCN: 201420628520

Dear Dr. Hoyt:

The U.S. Department of Education's (Department's) Dallas School Participation Division issued a program review report on March 24, 2015, covering Sam Houston State University's (SHSU'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). SHSU's final response was received on March 23, 2018.

The Dallas School Participation Division has reviewed SHSU's response to the Program Review Report. A copy of the program review report (and related attachments) and SHSU's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by SHSU 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, and (3) notify the institution of its right to appeal.

This FPRD contains one or more findings regarding SHSU's failure to comply with the requirements of the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (the Clery Act) in Section 485(f) of the HEA, 20 U.S.C. § 1092(f), and the Department's regulations in 34 C.F.R. §§ 668.41 and 668.46. Since a Clery Act finding does not result in a financial liability, such a finding may not be appealed.

**Federal Student Aid**

An OFFICE of the U.S. DEPARTMENT of EDUCATION

Dallas School Participation Division  
1999 Bryan Street, Suite 1410, Dallas, TX 75201-6817  
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This FPRD contains one or more findings regarding SHSU's failure to comply with the requirements of the Drug-Free Schools and Communities Act Amendments of 1989 as reflected in Section 120 of the HEA, 20 U.S.C. § 1011(i), and the Department's regulations in 34 C.F.R. Part 86. Since such a finding does not result in a financial liability it may not be appealed at this time.

The total liabilities due from the institution from this program review are \$690,871.98. This final program review determination contains detailed information about the liability determination for the finding.

**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 finding in the attached report does not contain any student PII. Instead, the students referenced in the finding are identified in Appendices D1, D2, D3, and D4. These appendices were encrypted and sent separately to Mrs. Lydia Hall via e-mail.

**Appeal Procedures:**

This constitutes the Department's FPRD with respect to the liabilities identified from the March 24, 2015, program review report. If SHSU wishes to appeal to the Secretary for a review of financial liabilities established by the FPRD, the institution must file a written request for an administrative hearing. Please note that institutions may appeal financial liabilities only. The Department must receive the request no later than 45 days from the date SHSU receives this FPRD. An original and four copies of the information SHSU submits must be attached to the request. The request for an appeal must be sent to:

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

SHSU's appeal request must:

- (1) indicate the finding, issues and facts being disputed;
- (2) state the institution's position, together with pertinent facts and reasons supporting its position;
- (3) include all documentation it believes the Department should consider in support of the appeal. An institution may provide detailed liability information from a complete file review to appeal a projected liability amount. Any documents relative to the appeal that include PII data must be redacted except the student's name and last four digits of his /

her social security number (please see the attached document, "Protection of Personally Identifiable Information," for instructions on how to mail "hard copy" records containing PII); and

(4) include a copy of the FPRD. The program review control number (PRCN) must also accompany the request for review.

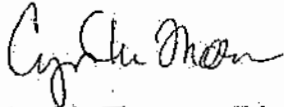
If the appeal request is complete and timely, the Department will schedule an administrative hearing in accordance with § 487(b)(2) of the HEA, 20 U.S.C. § 1094(b)(2). The procedures followed with respect to SHSU's appeal will be those provided in 34 C.F.R. Part 668, Subpart H. **Interest on the appealed liabilities shall continue to accrue at the applicable value of funds rate, as established by the United States Department of Treasury.**

**Record Retention:**

Program records relating to the period covered by the program review must be retained until the later of: resolution of the loans, claims or expenditures questioned in the program review; or the end of the retention period otherwise applicable to the record under 34 C.F.R. § 668.24(e)(1), (e)(2), and (e)(3).

The Department expresses its appreciation for the courtesy and cooperation extended during the review. If you have any questions please contact Ms. Shereé Porter at (214) 661-9576. Questions relating to any appeal of the FPRD should be directed to the address noted in the Appeal Procedures section of this letter.

Sincerely,



Cynthia Thornton, Director  
Dallas School Participation Division

Enclosures: Final Program Review Determination Letter (and appendices)  
Protection of Personally Identifiable Information

cc: Lydia T. Hall, Financial Aid Administrator  
Texas Higher Education Coordinating Board  
Southern Association of Colleges and Schools Commission on Colleges  
Department of Defense  
Department of Veterans Affairs  
Consumer Financial Protection Board

## **Protection of Personally Identifiable Information**

Personally Identifiable Information (PII) being submitted to the Department must be protected. 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).

PII being submitted electronically or on media (e.g., CD-ROM, floppy disk, DVD) 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 files and media 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

**Sam Houston State University**

**Federal Student Aid**  
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**OPE ID** 00360600

**PRCN** 201420628520

Prepared by

**U.S. Department of Education**

**Federal Student Aid**

**Dallas School Participation Division**

# Final Program Review Determination

July 20, 2018

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## A. Institutional Information

Sam Houston State University  
1806 Avenue J  
Huntsville, TX 77340

Type: Public

Highest Level of Offering: Master's Degree or Doctor's Degree

Accrediting Agency: Southern Association of Colleges and Schools Commission on Colleges

Current Student Enrollment: 17,765 (Fall 2014)

% of Students Receiving Title IV: 56% (2013-2014)

Title IV Participation School Funding Report:

	2012-2013
Federal Pell Grant	\$27,001,332
Teacher Education Assistance for College and Higher Education Grant (TEACH)	\$ 334,427
William D. Ford Federal Loan Program (Subsidized)	\$33,297,247
William D. Ford Federal Loan Program (Unsubsidized)	\$57,766,179
William D. Ford Federal Loan Program (PLUS)	\$ 7,602,006
William D. Ford Federal Loan Program (GRAD PLUS)	\$ 105,057
Federal Perkins Loan Program	\$ 37,734
Federal Supplemental Educational Opportunity Grant	\$ 445,901
Federal Work Study	\$ 506,315

Default Rate DL:	2014	5.8%
	2013	8.0%
	2012	8.6%

Default Rate Perkins:	6/30/2017	26.7%
	6/30/2016	11.1%
	6/30/2015	31.6%

## **B. Scope of Review**

The U.S. Department of Education (the Department) conducted a program review at Sam Houston State University (SHSU) from February 25, 2014 to February 27, 2014. The review was conducted by Shereé Porter and Regina Krob.

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

A sample of 15 files was identified for review from the 2013-2014 award year. The student files were selected randomly from the list of students who 1) withdrew or ceased attendance for any reason other than graduation; 2) were selected for verification; and 3) received all non-passing grades ("0" GPA) for any term within the award year being reviewed. Appendix A of the program review report lists the names and social security numbers of the students whose files were examined during the program review.

The Department issued its Program Review Report (PRR) on March 24, 2015 (included as Appendix A.) SHSU submitted its first written response to the PRR on May 26, 2015 ("May 26, 2015 Response"). It submitted subsequent responses on September 30, 2016 ("September 30, 2016 Response"), October 6, 2017 ("October 6, 2017 Response"), February 26, 2018 ("February 26, 2018 Response") and March 23, 2018 ("March 23, 2018 Response"). The responses are included as Appendix B.

### **Disclaimer:**

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

SHSU has taken the corrective actions necessary to resolve Findings 2 - 6 of the program review report. Therefore, these findings may be considered closed. (Please refer to Appendix A for a discussion of these findings.)

Finding 2. Return of Title IV Policy Not Developed/Inadequate

Finding 3. Return of Title IV Funds Made Late

Finding 4. Verification Violations



**Finding 5. Exit Counseling Deficiencies**

**Finding 6. Student Status – Inaccurate/Untimely Reporting**

The program review report findings requiring further action are summarized below. At the conclusion of each finding is a summary of SHSU's response to the finding, and the Department's final determination for that finding.

**Findings with Established Liabilities**

**Finding 1. Ineligible Locations**

**Summary of Noncompliance**

According to 34 C.F.R. § 600.21(a), an eligible institution must report substantive changes to the Secretary in a manner prescribed by the secretary no later than 10 days after the change occurs. Additionally, an eligible institution must report to the Secretary its establishment of an accredited and licensed additional location at which it offers or will offer 50 percent or more of an educational program if the institution wants to disburse Title IV, HEA program funds to students enrolled at that location.

SHSU began offering 50 percent or more of an educational program at the University Park (UP) location in the Spring 2011. Based on documentation provided by its accrediting agency, Southern Association of Colleges and Schools Commission on Colleges (SACS), the location was not accredited until September 11, 2014.

**Directives from Program Review Report**

SHSU was required to provide acceptable documentation demonstrating approval of the UP location. If unable to provide acceptable documentation, the institution was instructed to provide spreadsheets that clearly identified the total amount of Title IV, HEA program funds disbursed to students, by program, for the period beginning Spring 2011 for the UP location through the date of the PRR.

In the May 26, 2015 Response, SHSU submitted the results of the required file review for the UP Center location, but only for the 2013-2014 award year. A subsequent request for information related to disbursements from Spring 2011 through the 2013-2014 award year resulted in the institution submitting the required file review information for the 2010-2011, 2011-2012, 2012-2013, and 2013-2014 award years for the UP location in the February 26, 2018 Response.

Additionally, in the response dated May 26, 2015, SHSU identified several independent school district sites where Title IV, HEA program funds were disbursed prior to receiving SACS approval. (Appendix C contains the documentation from SACS regarding the approval dates for each additional location.) Those locations are Aldine, Bryan, Cy-Fair, New Caney, and Trinity. The March 23, 2018 Response provided final Title IV, HEA disbursement information for all 5 sites for the 2000-2001, 2001-2002, 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007,

and 2007-2008 award years. (Appendix B contains the institution's written responses to this finding.)

### Analysis of Liability Determination

In Finding 1, SHSU was cited for disbursing Title IV, HEA program funds to students attending an ineligible location. In its May 26, 2015 response, SHSU concurred with the finding of noncompliance and also identified several other additional locations at which students received Title IV, HEA program funds prior to the institution receiving SACS approval for those locations.

The finding of noncompliance is sustained. Based on the review of the information provided, SHSU disbursed \$5,315,075.17 in ineligible Federal Pell Grant, Federal Supplemental Education Opportunity (FSEOG) Grant, Teacher Education Assistance for College and Higher Education (TEACH) Grant, and William D. Ford Federal Direct Loan program funds to students at the ineligible locations.

SHSU must repay to the Department the total amount disbursed in Federal Pell Grant, FSEOG (federal share), and TEACH grant funds, as well as the interest on those funds. A calculation has been computed to determine the amount of interest, known as the Cost of Funds (COF), due on the improperly disbursed Grant funds. The total liability is \$434,859.17, which includes the principal disbursed, \$426,052.25, and the COF amount of \$8,806.92. The COF spreadsheet detailing this calculation is included by award year as Appendix D (*see D1, D2, D3, and D4*). Because Appendix D contains personally identifiable information, the appendices will be encrypted and sent to SHSU via e-mail.

<b>Ineligible Pell Grant Disbursements University Park</b>		
Amount Disbursed (Principal)	Cost of Funds	Award Year
\$15,483.00	\$580.43	2010-2011
\$88,414.00	\$2,667.09	2011-2012
\$154,654.00	\$3,272.98	2012-2013
\$132,365.00	\$1,549.69	2013-2014
<b>Total</b>	<b>Total</b>	
<b>\$390,916.00</b>	<b>\$8,070.19</b>	

<b>Ineligible TEACH and FSEOG Grant Disbursements University Park</b>		
Amount Disbursed (Principal)	Cost of Funds	Award Year
\$1,500.00 (TEACH)	\$58.28	2010-2011
\$7,000.00 (TEACH)	\$216.25	2011-2012
\$13,500.00 (TEACH)	\$285.44	2012-2013
\$1,856.25 (FSEOG)	\$38.12	2012-2013
\$11,280.00 (TEACH)	\$138.64	2013-2014
<b>Total</b>	<b>Total</b>	
<b>\$35,136.25</b>	<b>\$736.73</b>	

The total amount of Direct Loans that SHSU improperly disbursed during the 2000-2001 to 2013-2014 award years for this finding is \$4,880,216. However, in lieu of requiring the institution to assume the risk of default by purchasing the ineligible loans from the Department or asserting a liability for the entire loan amount, the Department has asserted a liability for the estimated loss (EL) that the government may incur with respect to the ineligible loans. The estimated loss formula is calculated based on loan subsidy data and the relationship between SHSU's cohort default rate and the sector cohort default rate. As a result, the estimated loss that SHSU must pay to the Department for these ineligible loans is \$256,012.81. (Appendix E contains the results of the calculation of the EL.)

<b>Finding 1. Ineligible Locations</b>			
<b>Aldine/Bryan/Cy-Fair/New Caney/Trinity/University Park</b>			
Amount Disbursed	Estimated Loss to Department	Award Year	Location
\$13,237.00	\$1,251.12	2002-2003	Aldine
\$29,972.00	\$2,669.10	2007-2008	Bryan
\$2,123.00	\$66.99	2000-2001	CY-Fair
\$13,413.00	\$2,349.00	2001-2002	
\$120,009.00	\$14,140.77	2002-2003	
\$93,301.00	\$14,621.72	2003-2004	
\$377,815.00	\$45,618.94	2004-2005	
\$174,752.00	\$24,009.79	2005-2006	
\$388,820.00	\$17,040.70	2006-2007	
\$318,344.00	\$24,165.80	2007-2008	
\$57,830.00	\$9,077.38	2004-2005	New Caney
\$177,466.00	\$19,721.42	2005-2006	
\$224,063.00	\$13,517.02	2006-2007	
\$117,416.00	\$7,057.50	2007-2008	
\$5,737.00	\$855.07	2007-2008	Trinity
\$160,108	\$4,024.71	2010-2011	University Park
\$1,168,379.00	\$25,620.89	2011-2012	
\$906,588.00	\$16,489.86	2012-2013	
\$530,843.00	\$13,715.03	2013-2014	
<b>Total</b>	<b>Total</b>		
<b>\$4,880,216.00*</b>	<b>\$256,012.81</b>		

The total liability for this finding is \$690,871.98, which includes the total amount disbursed in Federal Pell, FSEOG, and TEACH grant funds, COF, and EL calculations for William D. Ford Federal Direct Loan program funds. Instructions for repayment are included in Section E, "Payment Instructions."

## **Campus Safety and Security Findings**

### **Finding 7. Crime Awareness Requirements Not Met – Reporting Discrepancies in Crime Statistics Published in the Annual Security Report and those Reported to the Department's Campus Crime Statistics Database**

#### **Summary of Noncompliance**

The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (Clery Act) and the Department's regulations require that all institutions that receive Title IV, HEA funds must, by October 1 of each year, publish and distribute to its current students and employees through appropriate publications and mailing, a comprehensive Annual Security Report (ASR) that contains, at a minimum, all of the statistical and policy elements described in 34 C.F.R. § 668.46(b).

The ASR must be prepared and actively distributed as a single document. Acceptable means of delivery include U.S. Mail, hand delivery, or campus mail distribution to the individual or posting on the institution's website. If an institution chooses to distribute its report by posting to an internet or intranet site, the institution must, by October 1 of each year, distribute a notice to all students and employees that includes a statement of the report's availability and its exact electronic address, a description of its contents, as well as an advisement that a paper copy will be provided upon request. 34 C.F.R. § 668.41(e)(1). The Department's regulations also require participating institutions to provide a notice to all prospective students and employees that includes a statement about the ASR's availability, its contents, and its exact electronic address if posted to a website. This notice must also advise interested parties of their right to request a paper copy of the ASR and to have it furnished upon request. 34 C.F.R. § 668.41(e)(4).

Specifically, the Clery Act and the Department's regulations require institutions to include statistics for incidents of crimes reported during the three most recent calendar years. The covered categories include criminal homicide (murder and non-negligent manslaughter), forcible and non-forcible sex offenses, robbery, aggravated assaults, burglary, motor vehicle theft, and arson. Statistics for certain hate crimes as well as arrest and disciplinary referral statistics for violations of certain laws pertaining to illegal drugs, illegal usage of controlled substances, liquor, and weapons also must be disclosed in the ASR. These crime statistics must be published for the following geographical categories: 1) on campus; 2) on-campus student residential facilities; 3) certain non-campus buildings and property; and, 4) certain adjacent and accessible public property. 34 C.F.R. § 668.46(c)(1).

The ASR must include several policy statements. These disclosures are intended to inform the campus community about the institution's security policies, procedures, and the availability of programs and resources as well as channels for victims of crime to seek recourse. In general, these policies include topics such as the law enforcement authority and practices of campus police and security forces, incident reporting procedures for students and employees, and policies that govern the preparation of the report itself. Institutions are also required to disclose alcohol

and drug policies and educational programs. Policies pertaining to sexual assault education, prevention, and adjudication must also be disclosed. Institutions also must provide detailed policies of the issuance of timely warnings, emergency notifications, and evacuation procedures. All required statistics and policies must be included in a single comprehensive document, known as an ASR. With the exception of certain drug and alcohol program information, cross referencing to other publications is not sufficient to meet the publication and distribution requirements of the Act. § 485(f) of the HEA; 34 C.F.R. § 668.46(b).

Finally, each institution must also submit its crime statistics to the Secretary for inclusion in the Department's online campus crime statistics database called the "Campus Safety and Security Data Analysis Cutting Tool" (CSSDACT). 34 C.F.R. § 668.41(e)(5).

SHSU failed to publish an accurate and complete 2012 ASR and distribute it as a comprehensive document to all current students and employees. Specifically, SHSU's ASR did not include the following required disclosures:

- A statement of policy regarding the emergency response and evacuation procedures that a test may be announce or unannounced, but it must be conducted at a time when most of the students, faculty, and staff are expected to be present on campus.
- A statement of policy requiring that any official missing person report be referred immediately to the institution's police or campus security department, or, in the absence of a sworn law enforcement officer, to a local law enforcement agency that has jurisdiction in the area.
- A statement of policy advising students that regardless of whether they name a contact person, unless the local law enforcement agency was the entity that made the determination that a student is missing the institution will notify the local law enforcement agency that a student is missing.
- A statement of policy that regardless to of whether the student has identified a contact person, is above the age of 18, or is an emancipated minor, the institution will inform the local law enforcement agency that has jurisdiction in the area within 24 hours.
- A statement of policy regarding pastoral counselors and professional counselors, if and when they deem it appropriate, to inform the persons they are counseling of any procedures to report crimes on a voluntary, confidential basis for inclusion in the annual disclosure of crime statistics.
- A statement of policy concerning the monitoring and recording through local police agencies of criminal activity in which students engage at off-campus locations of student organizations officially recognized by the institution, including student organizations with off-campus housing facilities.
- A statement of policy regarding the institution's campus safety programs designed to prevent sex offenses. The statement must include a description of educational programs designed to promote awareness of rape, acquaintance rape, and other forcible and non-forcible sex offenses. It must also include the procedures that a

victim/survivor should adhere to when a sex crime does occur and address the following topics:

- who should be contacted;
- to whom the alleged offense should be reported;
- the student's option to notify appropriate law enforcement authorities;
- a statement that institutional personnel, if requested, will assist the student in notifying these authorities;
- existing on and off-campus counseling, mental health, or other student services that are available for victims of sex offenses;
- notification that the institution will change a victim's academic and or living situation after an alleged sex offense, if an accommodation is reasonably available;
- procedures for campus disciplinary action in cases of an alleged sex offense including a clear statement that the accuser and the accused are entitled to the same opportunities to have others present during a disciplinary proceeding; and
- a statement that both the accused and the accused must be informed of the outcome of such a proceeding and an explanation of the sanctions that may be imposed following a finding of responsibility by a campus judicial body regarding rape, acquaintance rape, or other forcible or non-forcible sex offense case.

In addition, SHSU failed to compile and publish accurate and complete crime statistics in the 2012 ASR and/or submitted inaccurate and incomplete data to the Department's online campus crime statistics database, (CSSDACT. This finding is based on the fact that the crime statistics that the University submitted to the Department did not match those that were published in SHSU's "2012 Annual Security & Fire Safety Report," meaning that one or both data sets were flawed. An institution must identify and resolve all data discrepancies before the ASR is published and the annual statistical survey is locked. An institution's campus crime statistics must be fully reconciled and accurately disclosed in the ASR and the CSSDACT. The review team compared the crime statistics in the 2012 ASR to those that were submitted to the CSSDACT and identified the following discrepancies:

### **Arrests Statistics**

#### **Drug Violations**

Year	Category	Number Reported on ASR	Number Reported on Student Guidelines Report	Number Reported to OPE
2012	On Campus	28	11	28
2012	Residential Facilities	21	10	21
2012	Public Property	26	31	26

**Liquor Law Violations**

Year	Category	Number Reported on ASR	Number Reported on Student Guidelines Report	Number Reported to OPE
2012	On Campus	15	7	15
2012	Residential Facilities	12	10	12
2012	Public Property	21	3	21
2010	Residential Facilities	21	12	12

**Weapons; Carrying, Possessing, etc.**

Year	Category	Number Reported on ASR	Number Reported on Student Guidelines Report	Number Reported to OPE
2012	Public Property	0	1	0

**Disciplinary Referrals**

**Drug Violations**

Year	Category	Number Reported on ASR	Number Reported on Student Guidelines Report	Number Reported to OPE
2012	Public Property	1	14	0

**Liquor Law Violations**

Year	Category	Number Reported on ASR	Number Reported on Student Guidelines Report	Number Reported to OPE
2012	On Campus	1	0	0
2012	Public Property	0	6	0
2012	Residential Facilities	8	7	7
2012	Residential Facilities	2	1	1

Additionally, SHSU disclosed that it has two additional locations – The Woodlands Center and University Park. SHSU failed to compile and publish crime statistics for these locations, which resulted in an exclusion of pertinent data to the CSSDACT.

Any failure to disclose accurate and complete crime statistics in the ASR and/or AFSR and/or submit them to the CSSDACT violates the Clery Act. Such discrepancies an institution's crime statistics confuses users of the ASR and the Department's online campus crime statistics database and deprives the campus community and the public of important campus crime information.



### **Directives from Program Review Report**

SHSU was required to review and improve its existing internal policies, procedures, internal controls, and training programs to ensure that all crime statistics are disclosed accurately and completely, both in its ASR, AFSR, and in its data submission to the Department's CSSDACT. In addition, the University was required to develop and implement any new policies and procedures that are needed to ensure that all of the University's campus security operations will be carried out in accordance with the Clery Act going forward. As part of this internal review, SHSU was required to review the crime statistics that were included in the 2012 ASR and its corresponding CSSDACT data submission as well as those statistics that were to be published in the 2013 ASR and CSSDACT submission and verify that all statistics are accurate and complete. If SHSU identified additional reporting errors during this internal review, SHSU was required to take immediate action to correct those data discrepancies by amending its ASR and/or its CSSDACT data submission. Finally, SHSU was required to submit a copy of all of its new and revised policies and procedures as well as a list of any additional statistical discrepancies that were identified during the internal review with its response to the PRR.

In its response dated May 26, 2015, SHSU management concurred with this finding and stated, "Our 2012 ASR, on page 31, does not have a listing for Campus Awareness and Education along with a Sexual Assault Policy Statement. However, the policy statement was not as robust in describing the actual programs provided and did not list procedures used by the Dean of Students' Office for making reasonable accommodations, procedures for disciplinary actions and did not include a statement that both the accused and the accuser be informed of the outcome of the disciplinary procedure." The University further described ongoing programs related to Security Awareness and Crime Prevention, which will be through group presentations and individual counseling basis throughout the academic year. The training will be presented by the Sam Houston State University Police, the Huntsville Police Department, and the Walker County Sheriff's Department. Additionally, SHSU has developed a new policy statement in reference to Sexual Assault.

Furthermore, with respect to the failure to compile and publish accurate statistics and location information; the University concurred with this finding as well. SHSU stated, "We concur that our statistics page failed to mention categories in the 2012 ASR. In our ASR, we did provide The Woodlands locations and addressed the University Park location. In reviewing our data, we believe that numbers were accidentally transposed and not intentionally reported incorrectly. This was also noted by our own internal auditors. Since the audit was completed, we have instituted new statistical reporting for our web page and ASR to reflect all categories and have implemented an internal audit process to make sure numbers that are reported match that in the ASR and the Department's CSSDACT site entry." The University developed a new statistics page that will incorporate a new design and will be created for each campus location and provided additional information regarding its process for compiling crime statistics for Clery crimes.



Lastly, to further increase and develop the Clery program at SHSU, an officer with the department was reassigned to work full time on Clery. The officer has received ongoing training over the course of one year and is reviewing all of the University's policies, procedures, policy statements, and other protocols to ensure compliance with the Clery Act. The University's administration developed a more formalized compliance position and establishing an official Clery Committee to address emerging issues that are being added to the Clery Act.

### **Analysis of Final Determination**

The Department carefully examined all available information including SHSU's narrative response and supporting documentation. Based on that review and the University's admissions, each of the violations identified in the finding are sustained. The review team's examination also showed that the identified violations were, for the most part, satisfactorily addressed by the University's 2015 ASR and its new and revised internal policies and procedures. As such, the Department has also determined that SHUS's corrective action plan meets minimum requirements. For these reasons, the Department has accepted SHUS's response and considers this finding to be closed for the purposes of this program review. However, the exceptions identified in this finding constitute serious violations of the Clery Act that by their nature cannot be cured. The University was advised that remedial measures cannot and do not diminish the seriousness of these violations nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or require additional corrective measures as a result.

Given the consequences of a serious compliance failure, the Department strongly recommends that SHSU officials re-examine its campus security and general Title IV policies and procedures on an annual basis to ensure that they continue to reflect current institutional practices and are compliant with Federal requirements. To that end, SHSU officials are encouraged to consult the Department's "Handbook for Campus Safety and Security Reporting" (2016) as a reference guide on Clery Act compliance. The Handbook is online at: [www.ed.gov/admins/lead/safety/handbook.pdf](http://www.ed.gov/admins/lead/safety/handbook.pdf). The Department also provides a number of other Clery Act training resources. SHSU officials can access these materials at: [www.ed.gov/admins/lead/safety/campus.html](http://www.ed.gov/admins/lead/safety/campus.html). The regulations governing the Clery Act can be found at 34 C.F.R. §§ 668.14, 668.41, 668.46, and 668.49.

Finally, SHSU officials are also reminded that Section 304 of the Violence Against Women Reauthorization Act of 2013 (VAWA) amended the Clery Act to require institutions to compile and disclose statistics for incidents of sexual assault, dating violence, domestic violence, and stalking. VAWA also requires institutions to include new policy, procedural, and programmatic disclosures regarding sexual assault prevention, response, and adjudication in their ASRs. Because the Department issued Final Rules on the implementation of the VAWA amendments on October 20, 2014, the new regulations went into effect on July 1, 2015, per the Department's Master Calendar. SHSU officials may access the text of the Final Rule at: <http://ifap.ed.gov/fregisters/attachments/FR102014FinalRuleViolenceAgainstWomenAct.pdf>.

## **Finding 8: Drug and Alcohol Abuse Prevention Program Requirements Not Met – Multiple Violations**

### **Summary of Noncompliance**

The Drug-Free Schools and Communities Act (DFSCA) and Part 86 of the Department's General Administrative Regulations requires each participating institution of higher education (IHE) to certify that it has developed and implemented a drug and alcohol abuse prevention program (DAAPP). The program must be designed to prevent the unlawful possession, use, and distribution of drugs and alcohol on campus and at recognized events and activities.

On an annual basis, an institution must distribute information about its DAAPP in writing to all students, faculty, and staff. The distribution plan must make provisions for distributing the DAAPP disclosure to students who enroll at a date before or after the standard distribution and for employees who are hired at different times throughout the year. The information must include:

- 1) A written statement about its standards of conduct that prohibits the unlawful possession, use or distribution of illicit drugs and alcohol by students and employees;
- 2) A written description of legal sanctions imposed under Federal, state and local laws for unlawful possession or distribution of illicit drugs and alcohol;
- 3) A description of the health risks associated with the use of illicit drugs and the abuse of alcohol;
- 4) A description of any drug or alcohol counseling, treatment, or rehabilitation or re-entry programs that are available to students and employees; and
- 5) A statement that the institution will impose disciplinary sanctions on students and employees for violations of the institution's codes of conduct and a description of such sanctions.

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

SHSU violated the requirements of the DFSCA. Specifically, the University violated DFSCA's annual DAAPP disclosure distribution requirement by failing to deliver program information to all employees and students who are enrolled for any academic credit each year.

As a direct consequence of the violation described above, SHSU also failed to conduct a biennial review of the effectiveness of its DAAPP and of the consistency of sanctions imposed for violations of its disciplinary standards and codes of conduct. By logical extension, SHSU also failed to produce a biennial review report of findings and recommendations for improvement.

The Department takes note that SHSU officials asserted that some drug and alcohol prevention information was available to students and employees through various publications including the student handbook and via the website. However, the University was unable to provide any documentation that specifically substantiated that the required materials were actively distributed to all employees and all students enrolled for academic credit.

Failure to comply with the DFSCA's DAAPP requirements deprives students and employees of important information regarding the educational, disciplinary, health, and legal consequences of illegal drug use and alcohol abuse. Failure to comply with the biennial review requirements also deprives the institution of important information about the effectiveness of its own drug and alcohol programs. Such failures may contribute to increased drug and alcohol abuse as well as an increase in drug and alcohol-related violent crime.

#### **Directives from Program Review Report**

SHSU was required to take all necessary corrective actions to resolve these violations. At a minimum, the institution was required to:

- Review and revise its existing drug and alcohol program materials and develop new program content as needed to ensure that a comprehensive DAAPP that includes all of the required elements found in the DFSCA is in place;
- Publish a materially-complete annual DAAPP disclosure that summarizes the program;
- Develop procedures for ensuring that the DAAPP program disclosure is distributed to all employees and all students enrolled for academic credit on an annual basis. SHSU must provide a draft copy of its DAAPP disclosure and distribution policy with its response to this program review report. Once the materials are approved by the Department, the University must distribute them in accordance with the Part 86 regulations and its new policy and provide documentation evidencing the distribution as well as a statement of certification attesting to the fact that the materials were distributed as required. This certification must also affirm that the University understands all of its DFSCA obligations and that it has taken all necessary corrective actions to ensure that these violations do not recur;
- Conduct a substantive biennial review to assess the effectiveness of its DAAPP. SHSU must describe the research methods and data analysis tools that will be used to determine the effectiveness of the program and identify the responsible official(s) and office(s) that conducted the biennial review. Finally, the biennial review report must be approved by the University's President and/or its board. The biennial review was required to be completed by June 30, 2015 and to be submitted to the review team by July 15 2015; and
- SHSU must establish policies and procedures ensure that all subsequent biennial reviews are conducted in a timely manner and are fully documented. The University also must take all other necessary action to ensure that these violations do not recur.

In its official response dated May 26, 2015, SHSU management stated that it concurred that the University had not distributed the required information in as consistent a manner as required by

the DFSCA, or to the full extent that is required. SHSU maintained that significant pieces of the required information were made available during the period in question through a variety of formats and venues (e.g. printed information in the Student Handbook, Staff Handbook, and Faculty Handbook). Nevertheless, SHSU acknowledged that the lack of a streamlined approach to distributing this information might make it more difficult than necessary to find said information when needed.

Additionally, SHSU stated that it had taken additional measures to ensure the distribution of required materials to the campus community (i.e. students, faculty, and staff) via e-mail and an audit of compliance with distribution during each biennial review.

### **Analysis of Final Determination**

The Department carefully examined all available information including SHSU's narrative response and supporting documentation. Based on the Department's review and the University's admissions, each of the violations identified in the noncompliance section of the initial finding are sustained. Based on the review team's examination, the identified violations were, for the most part, satisfactorily addressed in the May 26, 2015 Response. As such, the Department determined that SHSU's remedial action plan meets minimum requirements. For these reasons, the Department has accepted the response and considers this finding to be closed for purposes of this program review.

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

SHSU is reminded that the exceptions identified above constitute serious and persistent violations of the DFSCA that by their nature cannot be cured. There is no way to truly "correct" violations of this type once they occur. The University asserted that it has taken adequate remedial actions and is now in compliance with the DFSCA as required by its PPA. Nevertheless, SHSU officials must understand that the Department deems compliance with the DFSCA is essential to maintaining a safe and healthy learning environment. This is true for all institutions regardless of their size, location, or organizational structure. Data compiled by the Department shows that the use of illicit drugs and alcohol abuse is highly correlated to increased incidents of violent crime on campus. The compliance failures identified above deprived the University and its officials of important information about the effectiveness of any drug and alcohol programs that were in place during the Department's review period. Such failures may contribute to increased drug and alcohol abuse on-campus as well as an increase in drug and

alcohol-related violent crime and constitute a violation of Federal law. For these reasons, SHSU is reminded that corrective measures cannot and do not diminish the seriousness of these violations nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or require additional corrective measures as a result.

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

#### **D. Summary of Liabilities**

The total amount calculated as liabilities from the findings in this final program review determination is as follows.

<b>Established Liabilities</b>					
<b>Liabilities</b>	<b>Direct Loans</b>	<b>Pell Grant</b>	<b>FSEOG</b>	<b>TEACH</b>	<b>Totals</b>
Finding 1	<sup>1</sup> \$4,880,216.00	\$390,916.00	\$1,856.25	\$33,280.00	<b>\$426,052.25</b>
Finding 1 ELF	\$256,012.81				<b>\$256,012.81</b>
Finding 1 COF		\$ 8,070.19	\$38.12	\$ 698.61	<b>\$ 8,806.92</b>
<b>Totals</b>	<b>\$256,012.81</b>	<b>\$398,986.19</b>	<b>\$1,894.37</b>	<b>\$33,978.61</b>	<b>\$690,871.98</b>

#### **E. Payment Instructions**

SHSU owes to the Department \$690,871.98. This liability must be paid using an electronic transfer of funds through the Treasury Financial Communications System, which is known as FEDWIRE. SHSU must make this transfer within **45 days of the date of this letter**. This repayment through FEDWIRE is made via the Federal Reserve Bank in New York. If SHSU's bank does not maintain an account at the Federal Reserve Bank, it must use the services of a correspondent bank when making the payments 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 COD as required by the applicable finding(s) and Section II – Instructions by Title IV, HEA Program (below),**

<sup>1</sup> The original loan liability amount is excluded from the total because the amount is replaced by the result of the EL calculation.

**remit payment, and upon receipt of payment the Department will apply the funds to the appropriate G5 award (if applicable).**

Instructions for completing the electronic fund transfer message format are included on the attached FEDWIRE form.

#### **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 letter**. 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. SHSU 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 & Bank Management Group at (202) 245-8080 and ask to speak to SHSU's account representative.

If full payment cannot be made within **45 days** of the date of this letter, contact the Department's Accounts Receivable & 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 & Bank Management Group  
550 12th Street, S.W., Room 6114  
Washington, DC 20202-4461

If within 45 days of the date of this letter, SHSU has neither made payment in accordance with these instructions nor entered into 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 SHSU from the Federal Government. **SHSU may object to the collection by offset only by challenging the existence or amount of the debt.** To challenge the debt, SHSU 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 the Treasury for further action as authorized by the Debt Collection Improvement Act of 1996.

**Direct Loan Estimated Loss**

Finding: 1

Appendix: E

<b>DL Estimated Loss</b>	
Amount	Award Year
\$66.99	2000-2001
\$2,349.00	2001-2002
\$15,391.89	2002-2003
\$14,621.72	2003-2004
\$54,696.32	2004-2005
\$43,731.21	2005-2006
\$30,557.72	2006-2007
\$34,747.47	2007-2008
\$4,024.71	2010-2011
\$25,620.89	2011-2012
\$16,489.86	2012-2013
\$13,715.03	2013-2014
<b>Total</b>	
\$256,012.81	

SHSU must pay the amount reflected above in Direct Loan estimated loss liabilities for the award years reflected above. The liabilities will be applied to the general Direct Loan fund.

**Pell, and TEACH Grants – Closed Award Years**

Finding: 1

Appendix: D (*see D3 and D4 for student level detail*)

SHSU must repay:

<b>Pell - Closed Award Year</b>				
Amount (Principal)	Amount (Interest)	Title IV Grant	Award Year	Appendix
\$154,654.00	\$3,272.98	Pell	2012-2013	D3
\$132,365.00	\$1,549.69	Pell	2013-2014	D4
<b>Total Principal</b>	<b>Total Interest</b>			
\$287,019.00	\$4,822.67			



TEACH - Closed Award Year				
Amount (Principal)	Amount (Interest)	Title IV Grant	Award Year	Appendix
\$13,500.00	\$285.44	TEACH	2012-2013	D3
\$11,280.00	\$138.64	TEACH	2013-2014	D4
<b>Total Principal</b>	<b>Total Interest</b>			
\$24,780.00	\$424.08			

The disbursement record for each student identified in the applicable Appendices (*see D3 and D4*) must be adjusted in the Common Origination and Disbursement (COD) system based on the recalculated amount identified in Appendix D.

**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 interest will be applied to the general program account.**

A copy of the adjustment to each student's COD record must be sent to Shereé Porter **within 45 days of the date of this letter**.

#### **Closed Award Years – Extended Processing**

COD adjustments are necessary for the closed award years listed above. Before any student level adjustments can be processed, SHSU must immediately request extended processing through the COD Website (<http://cod.ed.gov>).

- Click on the Request Post Deadline/Extended Processing link under the School menu.
- On the request screen, the institution should indicate in their explanation that the request is based on a program review, and provide the program review control number.
- The institution will be notified of the status of the request at the time of submission, and will also be notified by email to the FAA and President when extended processing has been authorized. At that time, the school must transmit student/borrower level adjustments to COD for the closed award years.



### FISAP Corrections - FSEOG Grants - Closed Award Year

Finding: 1

Appendix: D (see D3 and D4 for student level detail)

FSEOG - Closed Award Year				
Amount (Principal)	Amount (Interest)	Title IV Grant	Award Year	Appendix
\$750.00	\$17.20	FSEOG	2012-2013	D3
\$750.00	\$14.18	FSEOG	2012-2013	D3
\$356.25	\$6.74	FSEOG	2012-2013	D3
Total Principal	Total Interest			
\$1,856.25	\$38.12			

\* The 25% institutional match is excluded from the FSEOG principal amount.

SHSU must return \$1,856.25 in FSEOG funds utilizing the FISAP correction process. **Depending on the results of the FISAP correction process, SHSU will be required to return some or all of the liabilities via G5 in accordance with the fifth bullet point of the instructions below:**

SHSU must make corrections to its FISAP for the 2012-2013 award year 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.
- SHSU must also make the corresponding updates to **Part VI of the FISAP** and confirm the amount of 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 201420628520.
- SHSU's Financial Aid Administrator (FAA) will be notified via email from a member of the Campus-Based Division when the request is approved. Once approved, the FISAP must be resubmitted within 5 business days.
- **To confirm the FISAP changes are correct and for any questions about the process, SHSU can 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 as well.

- If the recalculation of the school's funding results in an unprocessed deobligation (negative balance) because the school has drawn down its full authorization, **return those funds via G5 as instructed in the FISAP change request approval email 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 email.

SHSU must submit proof of the FISAP corrections and payment via G5 for any unprocessed deobligation to Ms. Shereé Porter within 45 days of the date of this letter.

**TEACH Grant – Closed Award Years (older than 5 years)**

Finding: 1

Appendix: D (*see D1 and D2 for student level detail*)

TEACH - Closed Award Year				
Amount (Principal)	Amount (Interest)	Title IV Grant	Award Year	Appendix
\$1,500.00	\$58.28	TEACH	2010-2011	D1
\$7,000.00	\$216.25	TEACH	2011-2012	D2
<b>Total Principal</b>	<b>Total Interest</b>			
\$8,500.00	\$274.53			

The liability above is for award years 5 years or older and student adjustments in the Common Origination and Disbursement (COD) system are no longer possible. Instead, the funds will be returned to the general program fund.

**Pell Grant – Cancelled Award Years**

Finding: 1

Appendix: D (*see D1 and D2 for student level detail*)

SHSU must repay:

Pell – Cancelled Award Year				
Amount (Principal)	Amount (Interest)	Title IV Grant	Award Year	Appendix
\$15,483.00	\$580.43	Pell	2010-2011	D1
\$88,414.00	\$2,667.09	Pell	2011-2012	D2
<b>Total Principal</b>	<b>Total Interest</b>			
\$103,897.00	\$3,247.52			

The liability above is for award years 5 years or older and student adjustments in the Common Origination and Disbursement (COD) system are no longer possible. Instead, the funds will be returned to the general program fund.

**F. Appendices**

Appendix A – Program Review Report

Appendix B – Institutional Response

Appendix C – Accrediting Agency Letter – SACS

Appendix D – Cost of Funds Worksheets - Ineligible Disbursements (non-loans)

Appendix E – Estimated Loss Worksheets

Appendix F – FEDWIRE Form

## Appendix A – Program Review Report

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