



August 17, 2015

Mrs. Nwamaka P. Okafor, President
Buckner Barber School
1515 South Buckner Boulevard, Suite 147
Dallas, TX 75217-1775

Certified Mail
Return Receipt Requested
7015 0640 0006 9387 0228

RE: Final Program Review Determination
OPE ID: 04177900
PRCN: 201320628186

Dear President Okafor:

The U.S. Department of Education's (Department's) Dallas School Participation Division issued a program review report on April 30, 2013 covering Buckner Barber School's (Buckner'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 2011-2012 and 2012-2013 award years. Buckner's final response was received on August 20, 2014. A copy of the program review report (and related attachments) and Buckner's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by Buckner 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 Buckner'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.

This final program review determination contains detailed information about the liability determination for all findings.

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

StudentAid.gov

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 students only by a student number created by Federal Student Aid. The student numbers were assigned in Appendix A, Student Sample. In addition, Appendix C also contains PII. These appendices were encrypted and sent separately to the institution via e-mail.

Appeal Procedures:

This constitutes the Department's FPRD with respect to the liabilities identified from the April 30, 2013 program review report. If Buckner 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 Buckner receives this FPRD. An original and four copies of the information Buckner submits must be attached to the request. The request for an appeal must be sent to:

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

Buckner's appeal request must:

- (1) indicate the findings, issues and facts being disputed;
- (2) state the institution's position, together with pertinent facts and reasons supporting its position;
- (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 Buckner'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, or if the liabilities are for refunds, at the interest rate set forth in the loan promissory note(s).

Record Retention:

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

The Department expresses its appreciation for the courtesy and cooperation extended during the review. If the institution has any questions regarding this letter, please contact Catherine Smoker at 214.661.9476. 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

Enclosure:
Protection of Personally Identifiable Information
Final Program Review Determination Report (and appendices)

cc: Mr. Brian Washington, Financial Aid Director
Council on Occupational Education
Texas Department of Licensing and Regulation-Barbering
Department of Defense
Department of Veterans Affairs
Consumer Financial Protection Bureau

Prepared for

Buckner Barber School

Federal Student Aid
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OPE ID 04177900
PRCN 201320628186

Prepared by
U.S. Department of Education
Federal Student Aid
Dallas School Participation Division

Final Program Review Determination

August 17, 2015

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A. Institutional Information

Buckner Barber School
1515 South Buckner Boulevard, Suite 147
Dallas, TX 75217-1775

Type: Proprietary

Highest Level of Offering: Certificate

Accrediting Agency: Council on Occupational Education

Current Student Enrollment: 31 (2012-2013)

% of Students Receiving Title IV: 100% (2012-2013)

Title IV Participation School Funding Report: Source G5

2011-2012

Federal Pell Grant Program

\$277,774.00

William D. Ford Federal Direct Loan Program (Direct Loan)

\$254,241.00

Default Rate FFEL/DL: 2010 0%
2009 0%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Buckner Barber School (Buckner) from February 11, 2013 to February 15, 2013. The review was conducted by Catherine Smoker, Brittny Stubblefield, and Pamela Bailey.

The focus of the review was to determine Buckner's compliance with the statutes and federal regulations as they pertain to the institution's administration of the Title IV programs. The review consisted of, but was not limited to, an examination of Buckner'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 2011-2012 and 2012-2013 (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. Appendix A lists the names and 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 Buckner'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 Buckner 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

Findings 1, 2, 4, 5, 6, 7, 8, 9, 10, 12,15,16,17 and 18

Buckner has taken the corrective actions necessary to resolve findings 1, 2, 4, 5, 6, 7, 8, 9, 10, 12,15,16,17 and 18 of the program review report. Therefore, these findings may be considered closed. Findings requiring further action by Buckner are discussed below.

Findings with Final Determinations

The program review report findings requiring further action are summarized below. At the conclusion of each finding is a summary of Buckner's response to the finding, and the Department's final determination for that finding. A copy of the program review report issued on April 30, 2013, is attached as Appendix E.

Finding 3: Return to Title IV Calculation Errors

Citation Summary: When a recipient of Title IV, HEA assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV, HEA assistance the recipient earned as of the date he/she withdraws. *34 C.F.R. § 668.22*

Noncompliance Summary: Buckner did not properly calculate the return for three students from the 2011-2012 and 2012-2013 award years.

Required Action Summary: For the 2011-2012 and 2012-2013 award years, Buckner was required to recalculate the return of Title IV calculation (R2T4) for every student who withdrew to determine if the calculation was completed correctly. Buckner was to submit a copy of the recalculated returns, Attendance History reports to support the last dates of attendance used in the recalculations, and a list of days the institution was closed for holidays, etc. for each award year. Buckner was also asked to determine if any student was eligible for a post-withdrawal disbursement (PWD).

Buckner's Response: Buckner's initial response, dated September 27, 2013, was incomplete. The institution submitted the results of its file review for the 2011-2012 and 2012-2013 award years, including corresponding Attendance History reports, but did not provide copies of the recalculated returns or a list of days the institution was closed. In a subsequent response dated August 20, 2014, Buckner provided updated spreadsheets for both award years and corresponding Attendance History reports, and included copies of the recalculations and a list of days the institution was closed.

Final Determination: The Department reviewed each R2T4 calculation worksheet submitted for students who withdrew during the 2011-2012 and 2012-2013 award years. Based on this review, the Department has determined that the returns have been correctly calculated, but that the institution failed to return the unearned Title IV, HEA funds in the amount of \$44.00 for one student within a timely manner to the Department. Therefore, the total liability to be remitted for this finding is \$44.00. The student is identified in Appendix B.

In addition, one student from the 2011-2012 award year and seven students from the 2012-2013 award year are eligible to receive post-withdrawal disbursements. Buckner provided R2T4 calculation worksheets and Attendance History reports that documented the students' eligibility for the Federal Pell Grant post-withdrawal disbursements. Therefore, Buckner must pay \$9,448.00 to the eight students identified in Appendix B.

Finding 9: Incorrect Federal Pell Grant Calculation

Citation Summary: 34 C.F.R. §§ 690.63(a) and (e) explain how to properly calculate a Pell Grant award for a school that measures in clock hours.

Noncompliance Summary: Buckner failed to accurately calculate the Federal Pell Grant award for Student # 29. The student received disbursements of \$2,775, \$2,700, and \$1,800 for payment periods (PPs) 0-450, 451-900, and 901-1200 hours, respectively. (This student is also cited in Finding # 10, Verification Violations.)

Required Action Summary: Buckner was required to recalculate the Federal Pell Grant awards for PPs 451-900 hours and 901-1200 hours, and submit the results for each calculation in its institutional response.

Buckner's Response: Buckner performed a manual recalculation of the EFC for the 2011-2012 and 2012-2013 award years, and recalculated the Federal Pell Grant awards and noted the following the results:

Payment Period	Disbursed Pell Grant	Corrected Pell Grant	Pell Grant Difference
0-450	\$2,775	\$2,000	(\$ 775)
451-900	\$2,700	\$ 800	(\$1,900)
901-1200	\$1,800	\$ 533	(\$1,267)
1201-1500	\$0	\$ 267	\$ 267
	\$7,275	\$3,600	(\$3,675)

Final Determination: Buckner determined that Student # 29 was eligible for Federal Pell Grant awards totaling \$3,600 due to the recalculation. Specifically, the student was eligible for \$2,000 for the 2011-2012 award year and \$1,600 for the 2012-2013 award year. The student received a total of \$7,275 in Federal Pell Grant funds for the 2011-2012 and 2012-2013 award years; therefore, Buckner is liable for the \$3,675 in ineligible Federal Pell Grant funds.

Liabilities of \$3,675 for Student # 29 will be established in Finding 10, Verification Violations. This amount will be included in the student's liabilities for that finding; however, the duplicated amounts will be removed in the summary of liabilities table.

Finding 10: Verification Violations

Citation Summary: Verification is required to determine the accuracy of the information submitted by applicants for need-based financial assistance. The regulations also require an institution to verify discrepancies in information received from different sources regarding a student's financial aid application. 34 C.F.R. §§ 668.51 through 668.61

Noncompliance Summary: Buckner did not complete the verification process for students # 7, 12 and 29.

Student # 7: Marital status discrepancies.

Student # 12: The 2011-2012 verification had household number, number in college, and tax credit discrepancies. Also, the 2012-2013 verification showed the student was independent due to child or children he supported. However, student listed only \$8 in income and he was listed as a dependent on the parent tax return.

Student # 29: The 2012-2013 verification had discrepancies in taxes paid, household number, and number in college. Also, the 2011-2012 verification for this student also showed discrepancies in tax credits, household size and number in college. (This student is also cited in Finding # 9, Incorrect Federal Pell Grant calculation.)

Required Action Summary: Buckner was required to complete verification for the students listed above, and perform a calculation to determine if completion of verification altered the Expected Family Contribution (EFC). In addition, the institution was required to develop and submit written procedures and control mechanisms that ensure verification is completed prior to the disbursement of Title IV, HEA funds.

Buckner's Response: Buckner completed verification for Students # 7, 12 and 29.

For Student # 7, Buckner affirmed that the student reported she was married on the Free Application for Federal Student Aid (FAFSA), and that the student had indicated on the verification worksheet there was no spousal income for the previous year. The student entered an incorrect marital status date on the FAFSA of 11/2009; however, Buckner submitted a copy of the Marriage license that shows a change in the student's marital state effective April 16, 2011.

For Student # 12, Buckner submitted a manual recalculation of the EFCs for a dependent student for the 2011-2012 and 2012-2013 award years. The recalculations resulted in no change to the EFC for either award years.

For Student # 29, Buckner completed verification and performed a manual recalculation of the EFC for the 2011-2012 and 2012-2013 award years. The recalculation for 2011-2012 resulted in an increase to the EFC from zero to 1594, and an increase in the EFC for the 2012-2013 award year from 112 to 3,955. The results of the recalculation's impact on the Federal Pell Grant awards for the student are listed below.

Payment Period	Disbursed Pell Grant	Corrected Pell Grant	Pell Grant Difference
0-450	\$2,775	\$2,000	(\$ 775)
451-900	\$2,700	\$ 800	(\$1,900)
901-1200	\$1,800	\$ 533	(\$1,267)
1201-1500	\$0	\$ 267	\$ 267
	\$7,275	\$3,600	(\$3,675)

In addition, Buckner determined the student was ineligible for \$1,500 in Federal Direct Loan (FDL) funds due to the student's dependency status:

Payment Period	Disbursed FDL	Corrected FDL	FDL Difference
0-450	\$1,750 Subsidized	\$1,750 Subsidized	\$ 0
	\$1,750 Unsubsidized	\$1,000 Unsubsidized	\$ 750
451-900	\$1,750 Subsidized	\$1,750 Subsidized	\$ 0
	\$1,750 Unsubsidized	\$1,000 Unsubsidized	\$ 750
	\$7,000	\$5,500	\$1,500

Final Determination: The deficiencies for Students # 7 and 12 were resolved. With respect to Student # 29, the Department has determined that the student was eligible only for Federal Pell Grant awards totaling \$3,600 as a result of the recalculation. However, the student received a total of \$7,275 in Federal Pell Grant funds for the 2011-2012 and 2012-2013 award years; therefore, Buckner is liable for the \$3,675 in ineligible funds.

In addition, the Department has determined that Student # 29 was eligible for a maximum of \$2,000 in FDL unsubsidized funds for the 2011-2012 award year due to his dependency status. The student received \$3,500 in FDL unsubsidized funds; therefore, Buckner is liable for the ineligible amount of \$1,500.

In lieu of requiring the institution to assume the risk of default by purchasing the ineligible loan from the holder, the Department has asserted a liability not for the loan amount, but rather for the estimated or potential loss that the government may incur with respect to the ineligible loan or loan amount. The estimated loss to the Department that has resulted or will result from those ineligible loans is based on loan subsidy cost data and the latest cohort default rate for proprietary institutions since Buckner does not yet have any cohort default rates. As a result, the estimated actual loss that Buckner must pay to the Department for the ineligible loan is \$00.00. A copy of the results of that calculation is included as Appendix C.

Note: Buckner repaid the \$3,675 in Federal Pell Grant funds liability assessed in this finding on July 21, 2014; therefore, this amount will not be included in the Payment Instructions section of this report.

Finding 11: Information in Student Files Missing/Inconsistent

Citation Summary: An institution must develop and apply an adequate system to identify and resolve discrepancies in the information that the institution receives from different sources with respect to a student's application for assistance from the Title IV, HEA programs. This includes information regarding a student's citizenship, previous educational experience, documentation of the student's social security number, and other factors relating to the student's eligibility for funds under the Title IV, HEA programs. *34 C.F.R. § 668.16(f)*

Noncompliance Summary: The Department found that Buckner disbursed Titled IV, HEA program funds prior to resolving conflicting information for the following students:

Student # 1: The student's last date of attendance (LDA) was 02/29/12. However, other systems or forms recorded the LDA as 03/01/12 or 03/14/12 and no withdrawal date was entered on the R2T4 worksheet.

Student # 6: The student's Financial Aid Award Notice showed the student declined \$5,970 in Direct Loan unsubsidized funds on 09/06/11 but the student ledger showed the student received \$1,990 in unsubsidized loan funds on 02/21/12.

Student # 11: Buckner requested verification documentation on this student, though the student was not selected for verification by the CPS. Student is dependent, and the "Making Work Pay" tax credit shown on the parent tax return is not listed as untaxed income on the ISIR.

Student # 15: Buckner requested verification documentation on this student, though the student was not selected for verification by the CPS. Student is independent due to answering "yes" to the "have children you support" question. The ISIR showed a household size of 5, and on the verification worksheet, the student listed his daughter, mother, uncle, and sister as dependents. The student listed \$22,874 in 2010 income from his mother. In addition, the file contained a signed statement from the mother, stating that the student lived with her in 2010, and that she provided support for him. Buckner did not resolve the conflicting information, and the student received \$5,550 in Federal Pell Grant funds and \$3,484 in Direct Loan subsidized funds.

Required Action Summary: Buckner was required to resolve the inconsistent information for the referenced students and provide documentation of the resolution. In addition, Buckner was required to develop a policy and procedure to ensure that all inconsistent information will be resolved prior to Title IV, HEA program funds being disbursed to students.

Buckner's Response: Buckner performed the following actions:

Student # 1: Provided documentation that the student's information had been corrected in NSLDS.

Student # 6: Provided a copy of a new award letter signed by the student and showing acceptance of the unsubsidized loan.

Student # 11: Performed and provided a copy of a manual EFC calculation in which the “Making Work Pay” credit of \$400 had been included with no change to the EFC.
Student # 15: Performed and provided a copy of a manual EFC calculation showing the student as dependent and utilizing his mother’s tax information. The calculation resulted in a change to the EFC from zero to 447.

Final Determination: Buckner resolved the deficiencies for Students # 1, 6 and 11. With respect to Student # 15, Buckner determined the student was eligible for a Federal Pell Grant award of only \$5,100.00 due to the change in the EFC upon resolution of the discrepant information. The student received a total of \$5,550 in Federal Pell Grant funds for the 2011-2012 award year; therefore, Buckner is liable for \$450.00 in ineligible funds.

Finding 13: Crime Awareness Requirements Not Met – Improper Disclosure of Crime Statistics and Required Campus Security Policies Omitted/Inadequate

Citation Summary: 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 1st of each year, publish 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) and distribute it to all current students and employees.

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).

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 hates 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).

In addition, 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 and emergency notifications as well as its emergency response and evacuation procedures. All required information referenced in 34 C.F.R. § 668.46(b) must be published in the 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. *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 "Campus Safety and Security Data Analysis Cutting Tool."
34 C.F.R. § 668.41(e)(5).

Noncompliance Summary: Buckner failed to publish an accurate and complete 2013 ASR and distribute it as a comprehensive document to all current students and employees. Specifically, Buckner's ASR did not include the following required disclosures:

1. Crime statistics did not include the Hate Crime categories of:
 - Larceny-theft;
 - Simple Assault;
 - Intimidation; and,
 - Destruction, Damage, or Vandalism of Property.
2. A statement of current campus policies regarding procedures for students and others to report criminal actions or other emergencies occurring on campus including the institution's policies concerning its response to these reports and:
 - policies for making timely warning reports to members of the campus community regarding the occurrence of crimes;
 - policies for preparing the annual disclosure of crime statistics; and,
 - a list of the titles of each person or organization to whom students and employees should report criminal offenses for the purpose of making timely warning reports and the annual statistical disclosure.
3. A description of the type and frequency of programs designed to inform students and employees about campus security procedures and practices and to encourage

students and employees to be responsible for their own security and the security of others.

4. A description of programs designed to inform students and employees about the prevention of crimes.
5. A description of the institution's drug or alcohol abuse prevention programs.
6. 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.
7. A statement advising the campus community where state law enforcement agency information concerning registered sex offenders may be obtained.
8. A statement regarding the institution's emergency response and evacuation procedures that includes procedures for notifying the campus community of any dangerous condition and:

- a statement regarding how the institution will determine the content of a notification and what official(s) will initiate the notification system;
- a statement of the institution's process for confirming an emergency or other dangerous condition as well as the title(s) of the official(s) who are charged with confirming such threats; and,
- a statement about how the institution will test its emergency response and evacuation procedures on at least an annual basis and ensure that the test(s) take place at a time when most students and employees are present and that the results of each test (including the date, time, and whether it was announced or unannounced) will be made publicly available.

The extent of the omissions noted above indicate a general failure on the part of the institution to publish an accurate and complete ASR and to otherwise comply with the requirements of the *Clery Act*. The Department also finds that Buckner's ASR was so lacking in required content that it also failed to distribute a comprehensive ASR as required.

Failure to publish an accurate and complete ASR and to actively distribute it to students and employees deprives interested persons of important security information to which they are entitled. Access to this information permits campus community members and their families to make well-informed decisions about where to work and study and empowers them to play a more active role in their own safety and security.

Required Action Summary: As a result of this violation, Buckner was required to review and revise its existing internal policies and procedures that govern the preparation, publication, and distribution of the ASR and develop and implement any new policies and procedures as needed to ensure that all campus security operations at Buckner will be carried out in accordance with the *Clery Act* going forward.

Using its new and revised policies as a guide, Buckner was required to prepare and publish an accurate and complete ASR that includes all of the statistical disclosures and policy, procedure and programmatic information required under 34 C.F.R. § 668.46(b). A copy of the institution's new and revised policies and procedures and its draft ASR was required to accompany Buckner's response to the program review report. After the new ASR was evaluated by the review team for accuracy and completeness, Buckner was required to actively distribute it to all current students and employees in accordance with 34 C.F.R. § 668.41(e).

Finally, Buckner was required to provide documentation to the Department evidencing the distribution as well as a statement of certification attesting to the fact that the materials were distributed in accordance with the *Clery Act*. This certification was also to affirm that the institution understands its *Clery Act* obligations and that it has taken all necessary corrective actions to ensure that these violations do not recur.

As noted above, the exceptions identified in this finding constitute serious violations of the *Clery Act* that by their nature cannot be cured. Buckner will be given an opportunity to publish and

distribute an accurate and complete ASR and in so doing, begin to bring its overall campus security program into compliance with the *Clery Act* as required by its Program Participation Agreement (PPA). However, Buckner is advised that these 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.

Buckner's Response: In its official response, Buckner substantially concurred with the finding and stated that remedial action was taken as directed in the program review. In relevant part, Buckner management asserted that the institution "is dedicated to providing a safe and healthy campus environment for students, employees, and the public who visit our campus. Therefore, Buckner has issued this report to inform the Campus community, campus visitors, and the general public of the school's policies and procedures for campus security and safety."

Final Determination: Finding # 13 of the program review report cited Buckner for its failure to produce an accurate and complete 2013 ASR and distribute it as a comprehensive document to all current students and employees. The review team concluded that the document Buckner represented as the 2013 ASR did not contain all the required crime statistics and campus security information detailed in the noncompliance section above. In practical effect, no 2013 report was ever produced. This fact is supported by the long list of omitted disclosures noted in the initial finding. The institution did include some crime statistics in its consumer information materials and that limited disclosure was construed by the review team as a rudimentary ASR. As a result of these violations, Buckner was required to review and revise its internal policies and procedures related to *Clery Act* compliance and develop and implement new policies and procedures to ensure that these violations do not recur. Buckner's response indicated that the institution concurred with the finding. In the response, Buckner management asserted that adequate corrective action was taken and submitted documents in support of its claims including a new 2013 ASR in draft form.

The Department carefully reviewed all available information including Buckner's response and supporting documentation. Based on that review and the School's admission of noncompliance, the Department has determined that each of the violations noted in the initial finding are sustained. This review also indicated that Buckner's remedial actions did not meet minimum requirements. Although some improvements were noted, the review team identified additional deficiencies. For example, the review team confirmed that the institution does not own or control an on-campus student residential student residential facility and therefore, it not required to produce an annual fire safety report. As such, management is advised to change the title of its report from "Buckner Barber School Campus Security and Safety Report and Annual Fire Safety Report" to a more accurate title that does not reference fire safety. For the record, the Department notes that the report does not contain any fire safety information.

In addition, Buckner did not include the following required categories of crime statistics in its revised 2013 ASR:

- Arrests for liquor law violations;
- Arrests for drug law violations;
- Arrests for Illegal weapons possession;
- Disciplinary referrals for liquor law violations;
- Disciplinary referrals for drug law violations; and
- Disciplinary referrals for illegal weapons possession.

The Department also noted that Buckner's current timely warning policy is inadequate as it does not include any detail about which officials are authorized to issue timely warnings or the means and media by which such warnings will be disseminated. The intent of the timely warning requirement is to advise members of the campus community about serious ongoing threats to their safety, security, and/or health and in the case of time warnings, to make the recurrence of these and similar crimes less likely. Similarly, Buckner's current sexual assault awareness and prevention program information are completely inadequate and merely mention that annual training of some type will be provided on or around Constitution Day. Buckner must enhance its timely warning, emergency notification, and sexual assault awareness, prevention, and adjudication policies immediately and include its new and revised policies in its 2015 ASR.

The Department is very concerned about Buckner's failure to take adequate action to address all deficiencies and weaknesses noted in its campus safety and *Clery Act* compliance programs. Due to these continuing violations, the Department has determined that this finding is now closed for the purposes of this program review and is hereby referred to the Department's Clery Act Compliance Team (CACT). The CACT will oversee Buckner's final remedial actions that are needed to address the remaining violations. As part of that referral, Buckner is hereby directed to take all necessary action that may be needed to finally and fully address these deficiencies and to submit credible evidence to substantiate its claims of remedial action.

Specifically, Buckner must conduct a full review of its 2014 ASR to identify all omitted disclosures and other deficiencies. Once all deficiencies are identified, the School must develop and implement new policies and procedures and other consumer protection information that may be needed to finally and fully address the identified deficiencies, discrepancies, and omissions. Then, using all available information including its new and revised policies and procedures as a guide, Buckner must produce an accurate and complete 2015 ASR. The School's report must be actively distributed to all enrolled students and current employees on or before October 1, 2015. No later than October 15, 2015, Buckner must submit copies of the following to the Department: 1) the 2014 ASR; 2) the 2015 ASR; and, 3) credible evidence showing that the 2014 and 2015 reports were actively distributed to mandatory recipients. Suitable evidence of distribution may include a copy of an e-mail used to transmit the report or other similar documentation. These materials must be submitted via electronic mail to Ms. Catherine Smoker at catherine.smoker@ed.gov and to the CACT at clery@ed.gov.

Buckner's submission must reference the Program Review Control Number noted on the cover letter in the subject line of its e-mail submission. If any of the requested records were not produced or do not exist, Buckner officials must clearly communicate that fact to the Department

in writing via electronic mail. In this context, Buckner officials are advised that no new documents are to be created at this time for the purpose of demonstrating compliance with any *Clery Act* requirement for past periods. The School is also advised that a failure to respond to this request for document production will result in a referral for the imposition of administrative actions in addition to any such referrals that may be made to address the original violations identified in Findings # 13 of the program review report.

Although the finding is closed for the purposes of this program review¹, the officers and directors of Buckner are put on notice that the School must take whatever steps may be needed to address the violations identified above as well as any other deficiencies and weaknesses that were detected during the preparation of the School's response and as may otherwise be needed to ensure that these violations do not recur. Buckner is also reminded that the exceptions identified above constitute serious and persistent violations of the *Clery Act* that by their nature cannot be cured. There is no way to truly "correct" violations of this type once they occur. The production and distribution of an accurate and complete ASR are the most basic requirements of the *Clery Act* and are fundamental to its campus safety goals. Buckner asserted that it took adequate remedial action but in fact, failed to do so, as required by its Program Participation Agreement (PPA). Pursuant to the referral explained above, the School will be given another opportunity to get into compliance. Nevertheless, Buckner is advised that its remedial actions, whether already taken or planned for the future, 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 actions as a result.

Because of the serious consequences of *Clery Act* violations, the Department strongly recommends that Buckner 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 regulations. Buckner officials are encouraged to consult the Department's "Handbook for Campus Safety and Security Reporting" (2013) as a reference guide on *Clery Act* compliance. The Handbook is online at: www2.ed.gov/admins/lead/safety/handbook.pdf. The Department also provides a number of other *Clery Act* training resources. School officials can access these materials at: www2.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.

Buckner management is 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. All institutions are currently obligated to make a documented good-faith effort to comply with the statutory requirements of VAWA and were required to include all new required content in the

¹ Subject to Buckner's full and timely production of the requested documentation.

2014 ASR. The Department issued Final Rules on the VAWA amendments on October 20, 2014 and therefore, these regulations went into effect on July 1, 2015, per the Department's Master Calendar. In light of the violations documented above, Buckner is advised to bring its sexual assault policies up to the standard required by VAWA now. Buckner officials may access the text of the Final Rule at:

<http://ifap.ed.gov/fregisters/attachments/FR102014FinalRuleViolenceAgainstWomenAct.pdf>

Finding 14: Failure to Comply with Required Drug and Alcohol Abuse Prevention Program Requirements

Citation Summary: 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, the IHE 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 IHE 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 IHE 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, 86.100, and 86.103.*

Noncompliance Summary: Buckner violated multiple provisions of the DFSCA. Specifically, Buckner's DAAPP did not contain the following required components:

1. Buckner's standards of conduct prohibiting the possession, use and distribution of alcohol by students and employees;
2. A description of the health risks associated with the use of illicit drugs and the abuse of alcohol; and,
3. A description of any drug or alcohol counseling, treatment, rehabilitation or re-entry programs that are available to students and employees on-campus or in the community.

In addition, Buckner was unable to produce documentation that it distributed its DAAPP disclosure to all employees and all students enrolled for academic credit. Moreover, the institution does not have a DAAPP distribution policy and as such, Buckner has no process for ensuring that the DAAPP disclosure is actively distributed to students who enroll at points in the academic year other than the period when the DAAPP disclosure is normally disseminated or for intermittent or casual employees who are not on the payroll at the time of the standard annual distribution.

Finally, Buckner 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 and also failed to prepare a report of its biennial review findings. Buckner was approved to participate in the Title IV, FSA programs on September 22, 2010. Therefore, its first biennial review was required to be conducted by the end of 2012.

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.

Required Action Summary: Buckner was required to take all necessary corrective actions to resolve these violations. At a minimum, Buckner was required to perform the following:

1. Develop and implement a comprehensive DAAPP that includes all of the required elements found in the DFSCA and the Department's Part 86 regulations;
2. Develop procedures for ensuring that the DAAPP program materials are distributed to every student who is currently enrolled for academic credit (excluding continuing education credits) and all employees. After the new program materials were complete, Buckner was required to a draft copy of its DAAPP and new distribution policy with its response to the program review report. Once the draft DAAPP was approved by the Department, Buckner was required to distribute it in accordance with the Part 86 regulations and provide documentation evidencing the distribution as well as a certification statement attesting to the fact that the materials were distributed in accordance with the DFSCA;

3. Conduct a biennial review to measure the effectiveness of its DAAPP. Buckner was required to describe the research methods and data analysis tools that were 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 had to be approved by Buckner's chief executive. The biennial review was to be completed by June 3, 2013 and submitted to the Department by July 3, 2013; and,
4. Establish policies and procedures to ensure that all subsequent biennial reviews are conducted in a timely manner and are fully documented and to take all other necessary action to ensure that this violation does not recur.

Because the DFSCA went into effect in 1990, longstanding practice dictates that the biennial review is normally conducted in even-numbered years and that the biennial review report is completed in the same year; however, Buckner's failure to conduct a biennial review necessitated that such a review commence immediately. This will result in this and subsequent biennial reviews to be completed in the odd-numbered years going forward.

As noted above, all violations of the DFSCA are serious and by their nature, cannot be cured. Buckner will be given an opportunity to develop and distribute an accurate and complete DAAPP disclosure and conduct a biennial review, and in so doing, begin to bring its drug and alcohol programs into compliance with the DFSCA as required by its PPA. However, Buckner is advised that these remedial measures cannot and do not diminish the seriousness of these violations, nor do they eliminate the possibility that the Department will impose additional corrective or administrative actions.

Buckner's Response: In its official response, Buckner concurred with the finding and stated that remedial action was taken as directed in the program review. In summary, Buckner management asserted that the School has taken or will take the following actions to address these violations:

- Buckner will discuss its DAAPP policies with students and employees at each orientation session;
- Buckner has revised its consumer information to better explain its DAAPP;
- Buckner will annually distribute DAAPP information to employees and students via its online School Catalog/Student Handbook, and provide additional information through campus signage and various handouts throughout the academic year;
- The campus Director will be responsible for ensuring compliance with DFSCA requirements.

Buckner stated that "a thorough biennial review has not been completed prior to 2013" and that "the purpose of this report is to comply as best as possible, using data collected over the previous two years, and to give evidence of the procedures in place for subsequent biennial reports." Finally, Buckner concluded that "Buckner's Drug and Alcohol Policies and Procedures have been found to meet the mandated requirements."

Final Determination: Finding # 14 of the program review report cited Buckner for multiple violations of the DFSCA and the Part 86 Regulations. Specifically, Buckner failed to develop and implement a comprehensive DAAPP that addressed all required subject areas. In addition, Buckner did not produce a DAAPP disclosure statement that summarized its program and as a result, was not able to actively distribute required program materials to enrolled students and current employees. Finally, the review team also confirmed that Buckner persistently failed to conduct biennial reviews to regularly assess the effectiveness of its DAAPP and as a consequence, was also unable to produce the required report of findings, recommendations, and supporting documentation.

These separate and distinct violations necessarily follow from each other because the biennial review is primarily a study of the DAAPP's effectiveness. Therefore, an institution cannot conduct a proper biennial review until it has a fully-functional DAAPP in place and program requirements and standards of conduct are communicated clearly to all members of the campus community. As a result of these violations, the School was required to develop and implement a complete DAAPP, produce and distribute an annual disclosure, and conduct a substantive biennial review as soon as initial program data was available. In its response, Buckner concurred with the finding, described the remedial actions taken so far, and submitted documents in support of its claims.

The Department carefully examined Buckner's narrative response and supporting documentation. Based on the Department's review and the School's admission of noncompliance, each of the violations identified in the initial finding are sustained. The review team's examination also showed that the identified violations were, for the most part, satisfactorily addressed by Buckner's new DAAPP, new annual disclosure, initial biennial review report, and new internal policies and procedures. As such, the Department determined that Buckner'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. Nevertheless, the officials and directors of Buckner are put on notice that the School must take all other action that may be necessary to address the deficiencies identified by the Department as well as any additional deficiencies and weaknesses those that were detected during the preparation of Buckner's response, and/or as may be needed to otherwise ensure that these violations do not recur.

In this regard, Buckner is advised that it must continue to develop its DAAPP. The School must ensure that it distributes accurate and complete DAAPP materials to all students and employees in accordance with the Department's regulations and the School's new procedures. Moreover, given the lack of specifics in Buckner's first biennial review report, the School must take specific steps to conduct more substantive biennial reviews going forward and ensure that it produces detailed reports about the conduct of each review. The Department reviewed Buckner's inaugural report and noted that the document did not clearly show that an acceptable review process is in place. Going forward, it is essential that the each review be a probative inquiry into the actual effectiveness of the program and not merely be a conclusory ratification process. All

findings must be supported by valid evidence. Finally, each report must be approved by the School's President and/or its board.

Although this finding is now closed for the purposes of this program review, Buckner 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. Buckner asserted that it has taken adequate remedial actions and is now in compliance with the DFSCA as required by its PPA. Nevertheless, Buckner officials must understand that the Department considers compliance with the DFSCA to be essential to maintaining a safe and healthy learning environment. This is true even for smaller institutions. 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. DFSCA violations deprive students and employees of important information regarding the educational, financial, health, and legal consequences of illicit drug use and alcohol abuse and may also deprive institutions of important information about the effectiveness of any drug and alcohol programs that may have been in place during the program review period. For these reasons, Buckner is advised that its remedial measures cannot and do not diminish the seriousness of these violations nor do these actions eliminate the possibility that the Department will impose an adverse administrative action and/or additional remedial measures as a result.

Finally, the Department strongly recommends that Buckner re-examine its drug and alcohol abuse preventions policies, procedures and programs on at least an annual basis and revise them as needed to ensure that they continue to reflect current institutional policy 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 Buckner's new policies and procedures.

D. Summary of Liabilities

The total amount calculated as liabilities from the findings in the program review determination is as follows. The liability amount in the first chart below reflects duplicated and unduplicated liabilities because some students appear in more than one finding. This information is provided so that the institution understands the liabilities associated with each finding. Duplicate liabilities have been removed in the second chart.

The payment instructions in Section E have been adjusted to reflect the unduplicated liabilities.

Actual Liabilities – Includes Duplicate Liabilities	
Liabilities	Pell (Closed Award Year)
Finding 3	\$44.00
Finding 3 (PWD to students)	\$9,448.00
Finding 9 (duplicate liabilities)	\$3,675.00
Finding 10	\$3,675.00
Finding 11	\$450.00

Established Liabilities – Duplicate Liabilities Removed	
Liabilities	Pell (Closed Award Year)
Finding 3	\$44.00
Finding 3 (PWD to students)	\$9,448.00
Finding 10	\$3,675.00
Finding 11	\$450.00
Subtotal	\$13,617.00
Less Amt Previously Returned * (See note below)	-\$3,675.00
TOTAL	\$9,942.00
Payable To:	
Department	\$494.00
Students	\$9,448.00

*Buckner repaid \$3,675.00 to the Federal Pell Grant program on July 21, 2014.

Duplicate Liabilities:

The Actual Liabilities table above contains duplicate liabilities. The Established Liabilities table reflects adjustments made to remove all duplicate liabilities as described in Finding 9, Incorrect Federal Pell Grant Calculation. The Established Liabilities table contains a detailed accounting of the determination of unduplicated liability for each finding.

E. Payment Instructions

1. Liabilities Owed to the Department

Liabilities Owed to the Department Less Than \$1,000

Since the total liability amount owed to the Department is minimal (less than \$1,000), a receivable is not being established with the Department's Accounts Receivable Group. However, Buckner remains responsible, in its role as a fiduciary for Title IV, HEA federal funds, for making restitution to the appropriate account in the amount indicated in the applicable findings and must satisfy all program reporting requirements in making any required adjustments in COD. Upon making any necessary adjustments in COD, any funds owed must be returned to the Department via G5. In addition, Buckner must ensure that it has corrected its procedures so that this type of finding does not recur or is not repeated. A copy of the adjustment to each student's COD record, as well as proof that the funds were turned through G5, if applicable, must be sent to Catherine Smoker **within 45 days of the date of this letter.**

2. Liabilities Owed to Students

Finding: 3

Appendix: B

Student(s)	
Amount	Award Year
\$1,210.00	2011-2012
\$8,238.00	2012-2013
Total	\$9,448.00

Buckner must make post-withdrawal disbursements to the students in the amounts listed in the above Appendix.

The disbursement record for each student identified in the appendix listed above must be adjusted in the Common Origination and Disbursement (COD) system based on the recalculated amount identified. A copy of the adjustment to each student's COD record must be sent to Catherine Smoker within 45 days of the date of this letter. Buckner is currently on Heightened Cash Monitoring 2; therefore, the institution must request Extended Processing through its Payment Analyst.

The Department will not consider this program review closed until the information requested has been received.

F. Appendices

Appendices A, Student Sample, and B, Finding 3, R2T4 Calculation Errors, contain personally identifiable information and will be emailed to Buckner as an encrypted WinZip file using Advanced Encryption Standard, 256-bit. The password needed to open the encrypted WinZip files will be sent in a separate email.

Appendices C, D, and E are attached to this report.

Appendix A – Student Sample

Appendix B – Finding 3, R2T4 Calculation Errors

Appendix C – Estimated Loss Formula

Appendix D – Program Review Report

Appendix E – Institution's Response to the PRR

Buckner Barber School
OPE ID 04177900
PRCN 201320628186

Appendix A: Student Sample

Sent via e-mail

Buckner Barber School
OPE ID 04177900
PRCN 201320628186

Appendix B: Finding 3, R2T4 Calculation Errors

Sent via e-mail

Appendix C: Estimated Loss Formula

Institution Name: Buckner Barber School

OPE ID: 04177900

Appendix C - Estimated Loss Formula

Estimated Loss Formula

Enter Institution Name

Buckner Barber School - Appendix C

Select Institution Type

Proprietary 2 Yrs or Less

Select Type of Loan	Select Award Year	Enter Ineligible Loan Amount	Enter School CDR	Total Subsidy Costs	Estimated Loss Liability
1 DL Unsubsidized	2012-2013	\$ 1,500.00	12.00%	-18.17%	\$ -
2					
3					
Description		\$ 1,500.00			\$ -
4					
5					
6					
Description		\$ -			\$ -
7					
8					
9					
Description		\$ -			\$ -
10					
11					
12					
Description		\$ -			\$ -
Original Ineligible Loan Liability		\$ 1,500.00	Total Estimated Loss		\$ -

Institution Name: Buckner Barber School

OPE ID: 04177900

Appendix C - Estimated Loss Formula

To calculate estimated loss for a given ineligible loan amount, that amount is multiplied by the total subsidy rates calculated for the ineligible loans. Consolidation Loans will be obtained in the future to prepay some of the ineligible loans; the amount of Consolidation Loans divided by the ineligible Stafford/PLUS loans equals the "Consolidation prepayment rate" (H) for those loans.

The Department's Budget Office calculates, on an annual basis, the rate per dollar of loan of default subsidies (DSRs) and all other subsidies (OSRs) (D & F) for Stafford and PLUS Loans, by cohort year, program, loan type, and risk group (note that 2008-2010 FFEL loan costs are calculated only by cohort year).

	A	B	C	D	E	F	G	H	I	J
	School CDR	Sector CDR*	Ratio **	DSR ***	Adjusted DSR	OSR ***	Avg Cons Cons Year	Cons Prepay %	Cons DSR ***	Cons OS ***
1	12.00%	12.00%	1.00	4.36%	4.36%	-24.68%	2020	23.7%	2.96%	6.09%
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										

Federal Student Aid (FSA) calculates the cohort default rates (CDRs) of the institution (A), and the average CDR for the sector for that institution (B). FSA applies the CDR comparison ratio (C), $[A/B = C]$ against the Budget Office's cohort loan DSR (D) to determine the default subsidy rate for the institution (E). The Budget Office estimates the default subsidy rate and other subsidy rate for the Consolidation Loans that will prepay some of these Stafford and PLUS Loans (I & J).

The total subsidy rate for the ineligible Stafford and PLUS Loans is $((E+F) + ((I+J) \times H))$.

The total subsidy cost for these loans is the ineligible loan amount multiplied by the total subsidy rate.