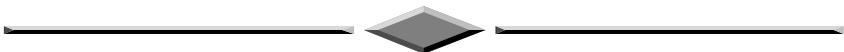


# Economically Disadvantaged and Placement Rate Appeal



## QUALIFYING

### What is an economically disadvantaged rate?

An economically disadvantaged rate is the percentage of the students enrolled in a school's Title IV eligible programs who are eligible to receive at least half the maximum Federal Pell Grant award or who have an adjusted gross income below the poverty level.<sup>1</sup>

Please refer to page 171 for a more in depth discussion of how to calculate an economically disadvantaged rate.

### What is a placement rate?

A placement rate is the percentage of a school's former regular students enrolled in the school's Title IV eligible programs that are employed in an occupation for which the institution provided training, as defined in the Higher Education Amendments of 1965, as amended (HEA), § 435(a)(4)(A)(iii).

Please refer to page 175 for a more in depth discussion of how to calculate a placement rate.

---

<sup>1</sup> HEA § 435(a)(4)(A)(i)

## Which schools are eligible to submit an economically disadvantaged and placement rate appeal?

**Q** . What if the school is not sure whether it is classified as a degree-granting or non-degree-granting school?

**A** . A school should refer to its Eligibility and Certification Approval Report generated by the Department's Case Management Division.

If additional assistance is needed in making this determination, please contact the Case Management Division at 202-205-0183.

**Q** . What is a regular student?

**A** . A regular student is defined as a person who is enrolled, or accepted for enrollment, at an institution for the purpose of obtaining a degree, certificate, or other recognized educational credential offered by that institution as defined in 34 CFR § 600.2.

To file an exceptional mitigating circumstances appeal based on its **economically disadvantaged and placement rates**, a school must<sup>2</sup>:

- be **subject to sanctions**;
  - be a **non-degree-granting** school;
  - demonstrate that at least 66  $\frac{2}{3}$  percent of its students came from **economically disadvantaged backgrounds** as defined in HEA § 435(a)(4)(A)(i);
- AND
- demonstrate that at least 44.0 percent of its former regular students **obtained employment in the occupations for which the school provided training** as defined in HEA § 435(a)(4)(A)(iii).

The checklist on the next page summarizes the eligibility criteria for an economically disadvantaged and placement rate appeal.

---

<sup>2</sup> HEA § 435(a)(4)(A)



## **An economically disadvantaged and placement rate must be based on which cohort period?**

A school must base its economically disadvantaged and placement rate on its most recent cohort period (in this case FY 1997).<sup>3</sup> The 12-month period on which the school's appeal is based must end within the six months preceding FY 1997.

Please refer to page 146 for more information on selecting an acceptable 12-month period.

## **How can an economically disadvantaged and placement rate appeal affect a school's loss of eligibility to participate in Title IV Student Financial Assistance Programs?**

If a non-degree granting school submits a successful economically disadvantaged and placement rate appeal, the Department will withdraw its notification of loss or extension of loss of the school's eligibility to participate in the FFEL Program and/or Direct Loan Program and Federal Pell Grant Program.<sup>4</sup> In addition, the Department will NOT initiate an action to limit, suspend, or terminate the school's participation in any or all of the Title IV Student Financial Assistance Programs due to the school's official cohort default rate.<sup>5</sup>



### **Note**

A successful exceptional mitigating circumstances appeal does NOT change a school's official cohort default rate. Therefore, if a school submits a successful economically disadvantaged and placement rate appeal, the Department will only withdraw its notification that the school is subject to loss for one year. If the school's subsequent cohort default rate is once again equal to or greater than 25.0 percent, the school will be notified that it is once again subject to loss of FFEL Program and/or Direct Loan Program and Federal Pell Grant Program eligibility. The school may then choose to submit another economically disadvantaged and placement rate appeal based on the most recent cohort period.

<sup>3</sup> HEA § 435(a)(4)(A)

<sup>4</sup> 34 CFR § 668.17(c)(5)

<sup>5</sup> 34 CFR § 668.17(a)(5)

## How is the economically disadvantaged rate calculated?

The **economically disadvantaged rate**<sup>6</sup> is calculated as follows:

100	<b>X</b>	number of regular students enrolled on at least a half-time basis in a Title IV eligible program during the selected 12-month period who were eligible to receive at least one-half the maximum Federal Pell Grant award or who had an adjusted gross income less than the U.S. Department of Health and Human Services poverty level during an award year/ calendar year that overlaps the selected 12-month period
		number of regular students enrolled on at least a half-time basis in a Title IV eligible program during a selected 12-month period
		 <p><b>Note</b> A school must select a 12-month period that ends during the six months immediately preceding FY 1997. Information on how to select an acceptable 12-month period is provided on page 146 in the "Exceptional Mitigating Circumstances Appeals" section.</p>

As a part of a successful exceptional mitigating circumstances appeal, a school must have an economically disadvantaged rate of at least 66 <sup>2</sup>/<sub>3</sub> percent.

<sup>6</sup> HEA § 435(a)(4)(A)(i)

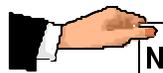
**Example:** Technical School had a total of 200 students enrolled on at least a half-time basis in a Title IV eligible program during an acceptable 12-month period. Of those 200 students, 80 students received at least one-half the maximum Federal Pell Grant award and 60 different students had an adjusted gross income less than the U.S. Department of Health and Human Services poverty level during an award year/calendar year that overlaps the selected 12-month period by at least one day. Technical School’s economically disadvantaged rate is calculated as follows:

$$\begin{array}{c}
 \boxed{100} \times \frac{\boxed{80 \text{ (Pell)} + 60 \text{ (AGI)} = 140}}{\boxed{200}} = \boxed{70.0\%}
 \end{array}$$

**Which students are included in the denominator of the economically disadvantaged rate calculation?**

To be included in the denominator of the economically disadvantaged rate, a student must have been—

- enrolled in a Title IV eligible program;
- AND
- enrolled on at least a half-time basis for one or more days during the selected 12-month period.<sup>7</sup>



**Note**

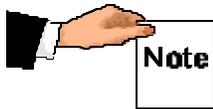
A student’s entire enrollment period does not have to fall within the selected 12-month period. A student who enrolled **prior** to the 12-month period but completed/withdrew **during** the 12-month period is considered to have been enrolled during the 12-month period. In addition, a student who enrolled **during** the 12-month period but completed/withdrew **after** the 12-month period is considered to have been enrolled during the 12-month period. Finally, a student that enrolled **prior** to the 12-month period and continued to be enrolled until **after** the 12-month period is considered to have been enrolled during the 12-month period.

<sup>7</sup> HEA 435(a)(4)(A)(i)

## Which students are included in the numerator of the economically disadvantaged rate?

To be included in the numerator of the economically disadvantaged rate, the student must first be included in the denominator of the rate. If a student is included in the denominator of the economically disadvantaged rate and meets either of the following conditions, the student will be included in the numerator of the economically disadvantaged rate:

- the student has an expected family contribution (EFC) of 1200 or less for an award year that overlaps the 12-month period selected by the school;<sup>8</sup>

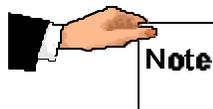


A student with an EFC of 1200 or less is considered to be eligible to receive at least one-half of the maximum Federal Pell Grant award.

OR

- the student has an adjusted gross income and family size that is below the U.S. Department of Health and Human Services poverty level for a calendar year that overlaps with the 12-month period selected by the school.<sup>9</sup>

Please refer to page 190 for the poverty level guidelines established by the U.S. Department of Health and Human Services.



In order for a student to be included in the numerator of the economically disadvantaged rate, the student's applicable expected family contribution or adjusted gross income must be associated with an award/calendar year that overlaps the 12-month period chosen by the school.

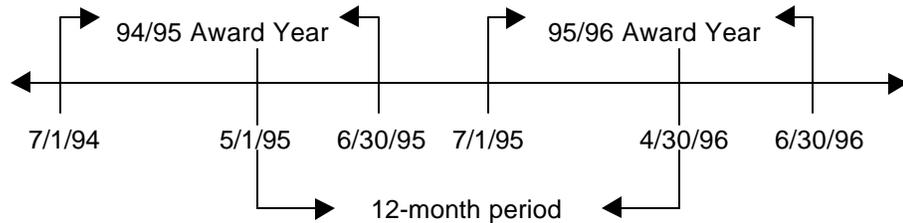
<sup>8</sup> HEA 435(a)(4)(A)(i)(I)

<sup>9</sup> HEA 435(a)(4)(A)(i)(II)

## How does a school determine if an award year overlaps the selected 12-month period?

An award year begins on July 1 of one year and ends on June 30 of the next year. An award year overlaps a 12-month period if any portion of the award year overlaps any portion of the 12-month period.

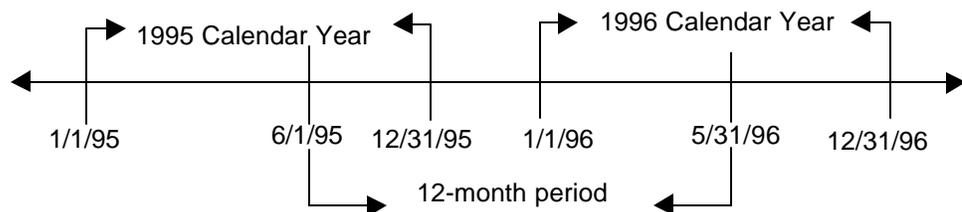
**Example:** Cosmetology School selected May 1, 1995, through April 30, 1996, as its 12-month period. The 1994/95 and 1995/96 award years overlap the selected 12-month period. Therefore, Cosmetology School can use estimated family contributions associated with both award years to determine if students are economically disadvantaged.



## How does a school determine if a calendar year overlaps the selected 12-month period?

A calendar year overlaps a 12-month period if any portion of the calendar year overlaps any portion of the 12-month period.

**Example:** Truck Driving School selected June 1, 1995, through May 31, 1996, as its 12-month period. The 1995 and 1996 calendar years overlap the selected 12-month period. Therefore, Truck Driving School can use adjusted gross incomes associated with both calendar years to determine if students are economically disadvantaged.



## How is the placement rate calculated?

The **placement rate**<sup>10</sup> is calculated as follows:

100	<b>X</b>	<p>number of former regular students included in the denominator of the placement rate calculation who were <i>either</i>:</p> <ul style="list-style-type: none"> <li>◆ employed, other than by the school, in an occupation for which the school provided training on the day following one year after their last day of attendance at the school;</li> <li>◆ employed, other than by the school, in an occupation for which the school provided training for at least 13 weeks before the day following one year after their last day of attendance;</li> </ul> <p style="text-align: center;">AND/OR</p> <ul style="list-style-type: none"> <li>◆ entered active duty in the U.S. Armed Forces within a year of leaving the school.</li> </ul>
		<p>number of former regular students initially enrolled on at least a half-time basis in a Title IV eligible program who were originally scheduled to complete their programs during the same 12-month period selected for the economically disadvantaged rate, and who were enrolled beyond the point at which they would have received a 100 percent refund.</p>
		<p> <b>Note</b> A school must select a 12-month period that ends during the six months immediately preceding FY 1997. Information on how to select an acceptable 12-month period is provided on page 146 in the "Exceptional Mitigating Circumstances Appeal" section.</p>

As part of a successful exceptional mitigating circumstances appeal, a school must have a placement rate of at least 44.0 percent.

<sup>10</sup> HEA § 435(a)(4)(A)(iii)

**Example:** Technical School had a total of 175 former regular students enrolled on at least a half-time basis in a Title IV eligible program who were originally scheduled to complete their programs during the same 12-month period used to determine the economically disadvantaged rate and who remained enrolled beyond the point that they would have earned a 100 percent refund. Of those 175 students, 60 students were employed, other than by the school, in an occupation for which the school provided training on the day following 12 months after their last day of attendance at the school; 28 different students were employed, other than by the school, in an occupation for which the school provided training for at least 13 weeks before the day following 12 months after their last day of attendance; two different students joined the U.S. Armed Forces within one year of leaving school. Technical School’s placement rate is calculated as follows:

$$100 \times \frac{60 + 28 + 2 = 90}{175} = 51.4\%$$

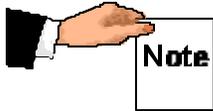
**Q** . What is a regular student?  
**A** . A regular student is defined as a person who is enrolled, or accepted for enrollment, at an institution for the purpose of obtaining a degree, certificate, or other recognized educational credential offered by that institution as defined in 34 CFR § 600.2.

**Which students are included in the denominator of the placement rate calculation?**

To be included in the denominator of the placement rate calculation, a former regular student must have been—

- **initially enrolled** on at least a half-time basis;<sup>11</sup>
- **enrolled in a Title IV eligible program;**
- **enrolled in the program beyond the point that allows a student to receive a 100 percent tuition refund;**<sup>12</sup>

<sup>11</sup> HEA § 435(a)(4)(A)(iii)(I)(bb)  
<sup>12</sup> HEA § 435(a)(4)(A)(iii)(I)(aa)

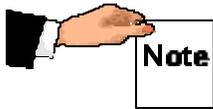


Students that withdraw from their program **are** included in the denominator of the placement rate calculation if they did not withdraw at or before the point they would have received a 100 percent refund.

AND

••

**originally scheduled to complete** his/her program of study during the 12-month period used to determine the economically disadvantaged rate.



Even though the same 12-month period is used to calculate both the economically disadvantaged and placement rates, the students included in the denominator of each rate will **not** be the exact same group of students. Students who were **enrolled** during the 12-month period and qualify to be included in the denominator of the economically disadvantaged rate may not have been **originally scheduled to complete** their programs during the same 12-month period (i.e. the denominator of the placement rate).

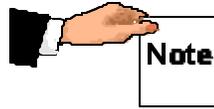
## Which students are included in the numerator of the placement rate?

In order to be included in the numerator of the placement rate, the former regular student must first be included in the denominator of the rate. If the former regular student is in the denominator of the placement rate and meets any of the following conditions, the former regular student is included in the numerator of the placement rate:

••

the former regular student was employed, other than by the school, in an occupation for which the school provided training on the day following 12 months after the student's last date of attendance;

**Example:** A former regular student whose last date of attendance was October 21, 1996 and was employed, other than by the school, in an occupation for which the school provided training on October 22, 1997, qualifies to be included in the numerator of the placement rate if the student was included in the denominator of the placement rate.



The former regular student's actual last date of attendance does NOT need to fall within the selected 12-month period. Only the student's original scheduled to complete date must fall within the selected 12-month period.

OR

••

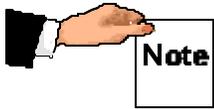
the former regular student was employed, other than by the school, in an occupation for which the school provided training for at least 13 weeks prior to one year after the student left the school;

**Example:** A former regular student whose last date of attendance was April 15, 1996 and was employed, other than by the school, in an occupation for which the school provided training between April 1, 1996 and November 30, 1996, qualifies to be included in the numerator of the placement rate if the student was included in the denominator of the placement rate.

OR

••

the former regular student was employed by the U.S. Armed Forces within one year of the student's last day of attendance.



A student **cannot** be counted as successfully placed according to any of these conditions if the school is the employer.<sup>13</sup>

### What is an independent auditor's attestation?

A school's economically disadvantaged and placement rate appeal must be reviewed and attested to by an independent auditor.

The report of the independent auditor must state whether, in the auditor's opinion, the school's management's written assertions demonstrated exceptional mitigating circumstances based on the economically disadvantaged and placement rate criteria.

<sup>13</sup> HEA § 435(a)(4)(A)(iii)(IV)

**Q** . Can a student's employment while the student was still enrolled at the school be considered when determining if the student was employed for 13 weeks?  
**A** . Yes, if the employment is relevant to the training that the student is receiving at the school. However, pre-enrollment employment may not be considered.

The report must also indicate if management's written assertions are fairly stated in all material respects. The engagement, which forms the basis of the independent auditor's opinion, must be an examination-level compliance attestation engagement performed in accordance with the American Institute of Certified Public Accountant's (AICPA) Statement on Standards for Attestation Engagements, Compliance Attestation (AICPA, Professional Standards, Volume 1, AT sec. 500), as amended, and Government Auditing Standards issued by the Comptroller General of the United States.

## TIMING AND SUBMITTING

### How does a school prepare and submit an economically disadvantaged and placement rate appeal?

**Timing is critical** when submitting an economically disadvantaged and placement rate appeal.

**Step 1:** Within **30 calendar days** of receiving official notification that the school is subject to sanctions, **review the school's official cohort default rate notification letter and this Guide to determine if the school is eligible** to submit an economically disadvantaged and placement rate appeal.

Please refer to page 168 for a detailed discussion regarding which schools are eligible to appeal based on economically disadvantaged and placement rates.

**Step 2:** If a school is eligible to submit an economically disadvantaged and placement rate appeal, **within the time frame described in Step 1** (i.e., within 30 calendar days of receiving notice that the school is subject to sanctions), **submit a letter to the Department** at the address on page 189 that indicates that the school intends to submit an economically disadvantaged and placement rate appeal.

Use the sample **Notice of Intent to File An Economically Disadvantaged and Placement Rate Appeal** cover letter on page 191 or its equivalent.



Time frames may overlap. Read ALL steps.

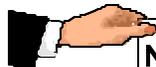
**Step 3:** Prior to **60 calendar days** after receiving notice that the school is subject to sanctions, a school **must develop a written assertion for submission to the school's independent auditor that demonstrates that the school's economically disadvantaged rate is at least 66  $\frac{2}{3}$  percent.**

The school's written assertion should be developed using the sample **Economically Disadvantaged Rate** spreadsheet on page 195 or its equivalent and must include the following:

- the school's name and OPE ID Number;
- the 12-month period on which the school is basing its economically disadvantaged rate;

For information on selecting an acceptable 12-month period, please refer to page 146 in the "Exceptional Mitigating Circumstances Appeal" section.

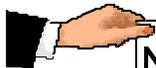
- the Social Security numbers, in numerical order, of all the school's students enrolled in a Title IV eligible program on at least a half-time basis during any part of the selected 12-month period;



**Note**

These are the students that will be included in the denominator of the economically disadvantaged rate.

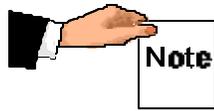
- the student's name;
- the beginning and ending **enrollment dates** for each student [include the month, day and year (MM/DD/CCYY)];



**Note**

No student should be counted more than once in the calculation, even if the student re-enrolled.

- an X next to the student's name if the student is from an economically disadvantaged background as defined on page 173;

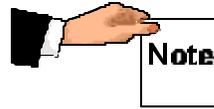


These are the students that will be included in the numerator of the economically disadvantaged rate.

••

if the student is from an economically disadvantaged background, either:

- ❖ the student's expected family contribution and applicable award year;



The expected family contribution must be 1200 or less for an award year that overlaps the selected 12-month period in order for the student to qualify as economically disadvantaged.

OR

- ❖ the student's, and if applicable the student's parents'/spouse's adjusted gross income, family size, and applicable calendar year.



The annual gross income and family size must be less than the U.S. Department of Health and Human Services poverty levels for a calendar year that coincides with the selected 12-month period in order for the student to qualify as economically disadvantaged. The U.S. Department of Health and Human Services' poverty levels are shown on page 190.

**Step 4:** Within the time frame described in Step 3 (i.e., prior to 60 calendar days after receiving notice that the school is subject to sanctions), a school must **calculate the school's economically disadvantaged rate and include the rate on its written assertion.**

••

Count the number of students identified as economically disadvantaged on the spreadsheet. **These are the students that will be included in the numerator of the economically disadvantaged rate.**

**Q** . Which award years/calendar years coincide with a selected 12-month period?

**A** . An award year/calendar year coincides with a 12-month period if the award year/calendar year overlaps the 12-month period by at least one day.

Please refer to page 174 for a more in depth discussion on coinciding award years and calendar years.

- Count the number of students listed on the spreadsheet. **These are the students that will be included in the denominator of the economically disadvantaged rate.**
- Divide the total number of students from economically disadvantaged backgrounds (i.e., the numerator) by the total number of students listed on the spreadsheet (i.e., the denominator) and multiply the result by 100. **This is the school's economically disadvantaged rate.**



**Note** As part of a successful appeal, the school's economically disadvantaged rate must be at least 66 $\frac{2}{3}$  percent.

**Step 5:** **Within the time frame described in Step 3** (i.e., prior to 60 calendar days after receiving notice that the school is subject to sanctions), a school must **develop a written assertion for submission to the school's independent auditor that demonstrates that the school's placement rate is at least 44.0 percent.**

The school's written assertion should be developed using the sample **Placement Rate** spreadsheet on page 197 or its equivalent and must include the following:

- the school's name and OPE ID Number;
- an indication that the same 12-month period is being used for the school's placement rate as was used for the school's economically disadvantaged rate;
- the Social Security numbers, in numerical order, of all the school's former regular students who were:
  - ❖ **initially enrolled** on at least a half-time basis;
  - ❖ enrolled in a Title IV **eligible program**;

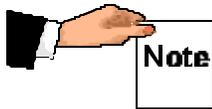
**Q** . What is a regular student?

**A** . A regular student is defined as a person who is enrolled, or accepted for enrollment, in an eligible program at an eligible postsecondary institution for the purpose of obtaining a degree, certificate, or other recognized educational credential offered by that institution as defined in 34 CFR § 600.2.

- ❖ enrolled **beyond the point that allows a student to receive a 100 percent tuition refund**;

AND

- ❖ **originally scheduled to complete** their program of study during the selected 12-month period.

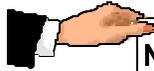


These are the students that will be included in the denominator of the placement rate calculation.

Please refer to page 176 for a more in-depth description of the students that should be included in the school's placement rate calculation.

- the former regular student's full name for each Social Security number listed;
- the date that each former regular student **was originally scheduled at the time of enrollment** to complete his or her program of study;
  - ❖ If the student was initially enrolled on a **less than full-time** basis, the **original scheduled to complete** date will be based on the amount of time it would take the student to complete the program if he or she remained enrolled at that level of enrollment throughout the program.
  - ❖ If the student was initially enrolled on a **full-time** basis, the **scheduled to complete** date will be based on the amount of time normally required by a full-time student to complete the program, as specified in the school's enrollment contract, catalog, or other materials.
- the beginning and ending **enrollment dates** for each former regular student.

- an X next to the former regular student's name if the student was successfully placed;

**Note**

These are the students that will be included in the numerator of the placement rate.

A former regular student is successfully placed if:

- ❖ the former regular student was employed, other than by the school, in an occupation for which the school provided training on the day following 12 months after the date of the student's last day of attendance at the school;

OR

- ❖ the former regular student was employed, other than by the school, in an occupation for which the school provided training for at least 13 weeks (91 days) before the day following 12 months after the date of the student's last day of attendance at the school.

OR

- ❖ the former regular student was employed in the U.S. Armed Forces within a year of leaving the school.

Please refer to page 177 of this section for a more detailed discussion of which students are considered successfully placed.

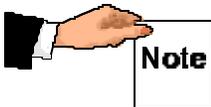
- for each former regular student successfully placed in an occupation other than the military, the student's program of study (do NOT use abbreviations);

- for each former regular student successfully placed in an occupation, including the military, the **beginning and ending dates** of the employment that qualifies the student as successfully placed;

- for each former regular student successfully placed, the student's **job description** in the employment that qualifies the student as successfully placed (do not use abbreviations), if the student entered active duty in the U.S. Armed Forces, enter "U.S. Armed Forces";
- for each former regular student successfully placed, the **name, address, and telephone number** of the **employer** with which the student was successfully placed.

**Step 6:** **Within the time frame described in Step 3** (i.e., prior to 60 calendar days after receiving notice that the school is subject to sanctions), a school must **calculate the school's placement rate and include the rate on its written assertion.**

- Count the number of former regular students successfully placed. **These are the students who will be included in the numerator of the placement rate.**
- Count the number of former regular students listed on the spreadsheet. **These are the students who will be included in the denominator of the placement rate.**
- Divide the total number of former regular students successfully placed (i.e., the numerator) by the total number of former regular students listed on the spreadsheet (i.e. the denominator). **This is the school's placement rate.**



As part of a successful appeal, the school's placement rate must be at least 44.0 percent.

**Step 7:** **Within the time frame described in Step 3** (i.e., prior to 60 calendar days after receiving notice that the school is subject to sanctions), a school must **submit the school's Economically Disadvantaged and Placement Rate written assertions to the school's independent CPA for review.**

- The independent CPA should perform a review and provide a report that states whether, in the

**Step 8:** Within **60 calendar days** after receiving notice that the school is subject to sanctions, **a school must submit the following to the Department at the address on page 189:**

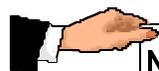
- a cover letter using the sample **Economically Disadvantaged and Placement Rate Appeal** cover letter on page 193;
- **a copy of the school's written assertions** which includes:
  - ❖ a list of students who are included in economically disadvantaged rate using the sample **Economically Disadvantaged Rate** spreadsheet created in Step 3;
  - AND
  - ❖ a list of former regular students who are included in placement rate using the sample **Placement Rate** spreadsheet created in Step 5.
  - AND
- **the auditor's opinions** on management's assertions.

The Department recommends that the school submit its properly completed economically disadvantaged and placement rate appeal in a single, tabbed binder, and mail it return receipt requested or via commercial overnight delivery. The recommended tabs and materials are shown on the next page.



The following material should be sent to the Department's Default Management Division at the address shown on page 189.

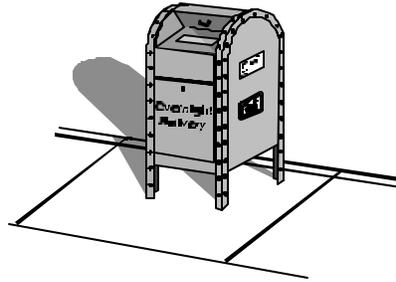
<p><b>The section behind Tab 1 contains:</b></p> <p>A <b>letter</b> on the school's letterhead with—</p> <ul style="list-style-type: none"> <li>◆ the school's OPE ID number;</li> <li>◆ a statement indicating that the school is submitting an exceptional mitigating circumstances appeal based upon its economically disadvantaged and placement rates;</li> <li>◆ the current fiscal year to which the appeal applies;</li> <li>◆ a certification sentence that indicates that the information provided in the appeal, under penalty of perjury, is true and correct;</li> </ul> <p>AND</p> <ul style="list-style-type: none"> <li>◆ the signature of the school's President/ CEO/Owner, followed by a signature block providing the signer's name and job title</li> </ul> <p>Schools should refer to the sample <b>Economically Disadvantaged and Placement Rate Appeal</b> cover letter on page 193.</p>	<b>Tab 1</b>
<p><b>The section behind Tab 2 contains:</b></p> <p>The <b>school's written assertion</b> on its <b>economically disadvantaged rate</b>.</p> <p>Schools should use the sample <b>Economically Disadvantaged Rate</b> spreadsheet on page 195 and detailed instructions on how to create the spreadsheet on page 194 to develop the written assertion.</p>	<b>Tab 2</b>
<p><b>The section behind Tab 3 contains:</b></p> <p>The <b>school's written assertion</b> on its <b>placement rate</b>.</p> <p>Schools should use the sample <b>Placement Rate</b> spreadsheet on page 197 and detailed instructions on how to create the spreadsheet on page 196 to develop the written assertion.</p>	<b>Tab 3</b>
<p><b>The section behind Tab 4 contains:</b></p> <p>The <b>auditor's opinions</b> on the school's management's written assertions.</p> <p>Please refer to the sample <b>Independent Auditor's Attestation</b> letter on page 199.</p>	<b>Tab 4</b>

**Note**

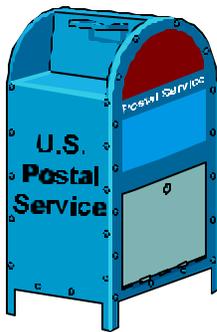
The Department will not consider information submitted after the 60 calendar day deadline. The Department will send the school written notification of its decision. **The Department's decision is final and no further administrative review is provided.**

**If sent by commercial overnight mail/courier delivery**, send the school's economically disadvantaged and placement rate appeal to:

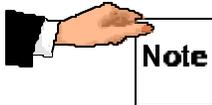
U.S. Department of Education  
Default Management Division  
ATTN: Economically Disadvantaged and  
Placement Rate Appeal  
ROB-3, Room 3905  
7th and D Streets, SW  
Washington, DC 20407



**If sent by U.S. Postal Service**, send the school's economically disadvantaged and placement rate appeal to:



U.S. Department of Education  
Default Management Division  
ATTN: Economically Disadvantaged and  
Placement Rate Appeal  
Portals Building, Room 6300  
400 Maryland Avenue, SW  
Washington, DC 20202-5353



The Department will not accept any appeal correspondence by facsimile (fax) or e-mail.

The Department recommends that a school send all appeal correspondence return receipt requested or via commercial overnight mail/courier delivery. This will be useful to a school if it is asked to authenticate the timeliness of its appeal. A school should maintain the documentation which verifies the receipt of the appeal related material. In addition, a school should retain copies of all documentation submitted as a part of the appeal process.

<b>U. S. Department of Health and Human Services Poverty Levels Based on Family Size</b>			
<b>State</b>	<b>Year</b>	<b>Family Size</b>	
		One person	Each additional person
<b>Alaska</b>	1993	\$8,700	+\$3,080
	1994	\$9,200	+\$3,100
	1995	\$9,340	+\$3,200
	1996	\$9,660	+\$3,280
<b>Hawaii</b>	1993	\$8,040	+\$2,820
	1994	\$8,470	+\$2,850
	1995	\$8,610	+\$2,940
	1996	\$8,910	+\$3,010
<b>All Other States</b>	1993	\$6,970	+\$2,460
	1994	\$7,360	+\$2,480
	1995	\$7,470	+\$2,560
	1996	\$7,740	+\$2,620

Sample **Notice of Intent to File An Economically Disadvantaged and Placement Rate Appeal** Cover Letter



**Technical School**

1212 Wedgewood Lane  
Leonardtown, Wisconsin 12345-6789  
(123) 456-7890

**Sample Letter**

October 20, 1999

U.S. Department of Education  
Default Management Division  
Attn: Economically Disadvantaged and Placement Rate Intent  
ROB-3, Room 3905  
600 Independence Avenue, S.W.  
Washington, D.C. 20202-5353

**OPE ID#: 111222**

**Subject: FY 1997 Notice of Intent to File An Economically Disadvantaged and Placement Rate Appeal**

Dear Default Management Division:

School of Business, **OPE ID# 111222**, intends to file an FY 1997 exceptional mitigating circumstances appeal based on our economically disadvantaged and placement rates.

Sincerely,

***Robert Young***

Robert Young, President

Enclosures



## Sample **Economically Disadvantaged and Placement Rate Appeal** Cover Letter



### **Technical School**

1212 Wedgewood Lane  
Leonardtown, Wisconsin 12345-6789  
(123) 456-7890

November 19, 1999

**Sample Letter**

U.S. Department of Education  
Default Management Division  
Attn: Economically Disadvantaged and Placement Rate Appeal  
ROB-3, Room 3905  
600 Independence Avenue, S.W.  
Washington, D.C. 20202-5353

**OPE ID#: 111222**

**Subject: FY 1997 Economically Disadvantaged and Placement Rate Appeal**

Dear Default Management Division:

School of Business, **OPE ID# 111222**, is submitting its FY 1997 exceptional mitigating circumstances appeal based on our economically disadvantaged and placement rates.

I, the undersigned, certify under penalty of perjury, that our economically disadvantaged rate is 70.0%, our placement rate is 51.4%, and that all other information submitted in support of this exceptional mitigating circumstances appeal is true and correct.

Please see the attached written assertions for the economically disadvantaged and placement rates, along with the independent auditor's attestations on our school's management assertions.

Sincerely,

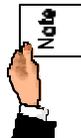
***Robert Young***

Robert Young, President

Enclosures

## Instructions for Economically Disadvantaged Rate Spreadsheet

- Count and list the students who will be included in the calculation of the school's economically disadvantaged rate using a spreadsheet software application such as Lotus 1-2-3, Supercalc, or Excel. The resulting spreadsheet must be sent to the Department.
- The spreadsheet width should be on 8 1/2" x 11" paper in a landscape (horizontal) layout. A sample spreadsheet follows these instructions.
- Header:** Enter **FY 1997 Economically Disadvantaged Rate** in the center of the header area. In the left-hand area, enter the school's name, the school's OPE ID number, the school's selected 12-month period, the award years, and the calendar years.
- Column 2:** Enter the student's name.
- Column 3:** Enter MM/DD/CCYY (month, day, and year) to identify the student's beginning and ending enrollment dates.
- Column 4:** Enter X if student was from an economically disadvantaged background during the selected 12-month period. Leave blank if student was not economically disadvantaged.
- Column 5:** The student's EFC and the **award year associated with the EFC** which coincides with the selected 12-month period (in Columns 5a and 5b)
- Column 6:** The student's AGI, family size, and calendar year which coincide with the selected 12-month period (in Columns 6a, 6b, and 6c).



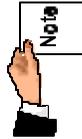
**A school must use a 12-month period that ends during the six-month period preceding FY 1997.**

- Footer:** Enter the date the written assertion was prepared in the left side of the footer area. Set up automatic pagination in the right side of the footer area so that the specific pages and the total number of page numbers show on each page (example: page 1 of 10 pages).
- On Rows 1, 2, 3, and 4, use the draw tool to draw a rectangle covering lines A1 to F4. Using the text-box tool, draw another box for **Box B** information. In this box, enter the number of economically disadvantaged students (from Column 4)(**B1**), the number of regular students (listed in Column 1)(**B2**), and the school's economically disadvantaged rate (**100 x B1/B2**). See the instructions for Box B.
- On Row 5, enter **exactly** the same column names in exactly the same order as listed on the sample spreadsheet.
- On Row 6 and below, include the following data for each student who will be included in the school's economically disadvantaged rate.
- Column 1:** Enter the student's Social Security Number using hyphens to separate the numbers (example: 000-00-0000) for all the school's students who were enrolled on at least a half-time basis in a Title IV eligible program during the selected 12-month period. Sort in numerical order when ready to print the spreadsheet.
- Instructions for Box B (located in the shaded area)**
- Count the number of X's that appear in Column 4. This is **B1** in the calculation. Record this number in Box B of the Economically Disadvantaged Rate spreadsheet. This is the number of students from economically disadvantaged backgrounds.
  - Count the number of students listed in Column 1. The total number of students will be **B2** in the calculation. Record this number in Box B of the Economically Disadvantaged Rate spreadsheet. This is the number of students enrolled at the school.
  - Calculate **100 x B1/B2** and record the result in Box B on the Economically Disadvantaged Rate spreadsheet. **This percentage is the school's economically disadvantaged rate.**



## Instructions for Placement Rate Spreadsheet

- Column 4:** Enter MM/DD/CCYY (month, day, and year) to identify the beginning and ending dates of the former regular student's enrollment.
- Column 5:** Enter X if the former regular student was successfully placed in employment as identified on page 177.
- Column 6:** Enter each former regular student's program of study. Do NOT use abbreviations.
- Column 7 :** Enter the MM/DD/CCYY to identify the beginning and ending dates of the employment that qualifies as successful placement. (If the student is still employed by the same employer, enter MM/DD/CCYY to present.)
- Column 8:** Enter the former regular student's job description in the employment that qualifies as successful placement. Do NOT use abbreviations.
- Column 9:** Enter the name, address, and telephone number of the employer with which the former regular student was successfully placed.



**If the student is self-employed, provide the student's address and telephone number.**

**Instructions for Box C (located in the shaded area):**

- Count the number of Xs that appear in Column 5. The total number of Xs will be **C1** in the calculation. Record this number in **Box C** on the Placement Rate spreadsheet. **This is the number of former regular students who were successfully placed in employment.**
- Count the number of former regular students listed in the Placement Rate spreadsheet by counting the number of entries in Column 1. The total number of former regular students will be **C2** in the calculation. Record this number in **Box C** in the Placement Rate spreadsheet. **This is the number of students who were scheduled to complete their programs during the selected 12-month period.**
- Calculate **100 x C1/C2** and record the result in **Box C** on the Placement Rate spreadsheet. **This percentage is the school's placement rate.**

Count and list the students who will be included in the calculation of the school's placement rate using a spreadsheet software application such as Lotus 1-2-3, SuperCalc, or Excel. The resulting spreadsheet must be sent to the Department. The spreadsheet width should be on 8 1/2" x 11" paper in a landscape (horizontal) layout. A sample spreadsheet follows these instructions.

**Header:** Enter **FY 1997 Placement Rate** in the center of the header area. In the left-hand area, enter the school's name, the school's OPE ID number, and the school's selected 12-month period.



**A school must base the placement rate on the same 12-month period used for the school's economically disadvantaged rate. However, the students contained in each rate will NOT be the same.**

**Footer:** Enter the date the written assertion was prepared in the left side of the footer area. Set up automatic pagination in the right side of the footer area so that the specific pages and the total number of page numbers show on each page (example: page 1 of 10 pages).

On Rows 1,2, 3, and 4, use the draw tool to draw a rectangle covering lines A1 to J4. Using the text-box tool, draw another box for **Box C** information. In this box, enter the number of students successfully placed (from Column 5) (**C1**), the number of entries listed in Column 1 (**C2**), and the school's placement rate (**100 x C1/C2**). See the instructions for Box C.

On Row 5, enter **exactly** the same column names in **exactly** the same order as listed on the sample spreadsheet.

On Row 6 and below, include the following data for each former regular student who will be included in the school's placement rate.

**Column 1:** Enter the former regular student's Social Security Number using hyphens to separate the numbers (example: 000-00-0000) for all of the school's former regular students who meet the conditions identified on page 176. Sort in numerical order when ready to print the spreadsheet.

**Column 2:** Enter the former regular student's name.

**Column 3:** Enter MM/DD/CCYY (month, day, and year) to identify the date that each former regular student was originally scheduled, at the time of enrollment, to complete his or her program of study.

### Sample Placement Rate Spreadsheet

## FY 1997 Placement Rate

Note: This is a sample spreadsheet. (See instructions).

School Name: Technical School  
 OPE ID Number: 111222  
 12-month Period: 10/1/1995-9/30/1996

<div style="border: 1px solid black; padding: 5px; display: inline-block;"> <b>Box C</b>                      # of Former Regular Students Successfully Placed (from Column 5) [C1] 90                      # of Former Regular Students Originally Scheduled to Complete Programs (from Column 1) [C2] 175                      Placement Rate [100 x C1/C2] 51.4%                 </div>									
1. Student's SSN (sort in numerical order)	2. Student's Name (sort in numerical order)	3. Date that student was originally scheduled to complete program of study	4. Student's enrollment dates (from MM/DD/CCYY to MM/DD/CCYY)	5. If student was successfully placed in employment, enter X	6. Student's program of study	7. If student was successfully placed, provide beginning and ending dates of employment (from MM/DD/CCYY to MM/DD/CCYY)	8. If student was successfully placed, provide student's job description (do NOT use abbreviations)	9. If student was successfully placed, provide employer's name, address, and phone number	
111-11-1111	Jane Smith	04/15/1996	3/15/1995-03/10/1996	X	Cosmetology	4/10/1996-present	Hair Stylist	Jane's Beauty Shop 30 First Lane Phoenix, AZ 55555 (888) 555-1111	
222-22-2222	Chris Jones	09/15/1996	12/15/1995-03/04/1996						
333-33-3333	James John	10/15/1995	10/1/1994-09/15/1995	X	Cosmetology	9/1/1996-present	Hair Stylist	John's Beauty Shop 40 Third Lane Atlanta, GA 88888 (888) 555-2222	



## Sample Independent Auditor's Attestation Letter



November 18, 1999

**Global Accounting**

1212 Hickory Lane  
Hughesville, Florida 12345-6789  
(123) 456-7890

**Sample Letter**

U.S. Department of Education  
Default Management Division  
Attn: Economically Disadvantaged and Placement Rate Appeal  
ROB-3, Room 3905  
600 Independence Avenue, S.W.  
Washington, D.C. 20202-5353

**OPE ID#: 111222****Subject: Independent Auditor's Attestation**

Dear Default Management Division:

We have examined management's assertions that the information contained in School of Business's **OPE ID# 111222** exceptional mitigating circumstances appeal based on its economically disadvantaged and placement rates, is complete, accurate and determined in accordance with the requirements of HEA § 435(a)(4)(A). Management is responsible for School of Business's compliance with those requirements. Our responsibility is to express an opinion on management's assertions about the institution's compliance based on our examination.

Our examination was made in accordance with standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about School of Business's compliance with HEA § 435(a)(4)(A) and performing such other procedures as we considered necessary in the circumstances. We believe our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on School of Business's compliance with specified requirements.

In our opinion, management's assertion that the information contained in School of Business's assertions, which reports that School of Business has an economically disadvantaged rate of 70.0% and a placement rate of 51.4% for the twelve-month period beginning on October 1, 1995 and ending on September 30, 1996, with the award years 1995/1996 and 1996/1997 and the calendar years 1995 and 1996 is complete, accurate, and determined in accordance with the requirements set forth in HEA § 435(a)(4)(A), and is fairly stated, in all material respects.

This report is intended solely for the information of an audit committee, management, and the U.S. Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

Mary Smith

Mary Smith, CPA  
President, Global Accounting, Inc.

