



UNIVERSITY
of ALASKA
Many Traditions One Alaska

Restated

Corrective Action Plan
Year Ended June 30, 2007

The following corrective action plan is prepared in accordance with Office of Management and Budget Circular A-133, Section .315(c). Accordingly, it is management's response to Findings 2007-1, 2007-2 and 2007-3 identified in the University of Alaska Audit in Accordance with OMB A-133 for the year ended June 30, 2007. The findings are presented below with management's response following:

Finding 2007-1

Department of Education, TRIO Cluster, TRIO-Talent Search Program, CFDA 84.044, Program Year 2005 - 2006

Criteria or Specific Requirements – According to the Code of Federal Regulations (CFR), Title 34, Sections 643-7 and 643-10, at least two-thirds of the individuals served by a talent search project must be low-income individuals who are potential first generation college students.

Condition – For the program year 2005-2006, 55.8 percent of the University of Alaska Fairbanks (Bristol Bay region) Talent Search program participants were low-income individuals who were potential first-generation college students.

Questioned Costs – None.

Context – Isolated to Talent Search Program.

Effect – The University provided talent search program services to a population that did not meet the program's earmarking requirement.

Recommendation – The University should make every effort to serve the number of Talent Search participants required by the program.

Management's Response – The University of Alaska Fairbanks (Bristol Bay region) Talent Search Program had previously reported the percentage of participants served to the grantor in their annual performance report for the program year 2005-2006.

The 2002-2003 program year was the first year of the University of Alaska Fairbanks (Bristol Bay region) Talent Search Program, and the program faced significant cultural challenges in rural Alaska. There has been a continued hesitance by participants and families to provide needed financial information, thereby delaying verification of participant eligibility. As trust for

the program has increased in the region, progress continues. The program served 52 percent low-income and potential first-generation college students in program year 2003-2004, 60 percent in program year 2004-2005, and 56 percent in program year 2005-2006. Overall, this program has progressed in the number of students served. In program year 2004-2005, 186 of 312 program participants met the requirement for low-income and potential first-generation college students. In program year 2005-2006, 221 of 396 program participants met the requirement for low-income and potential first-generation college students. Increased participation among program participants resulted from partnering with personnel from the four school districts served, by working with native Alaskan village councils, and by creating opportunities that appeal to the target group. The grant ended in August 2007.

Finding 2007–2

Department of Education, TRIO Cluster, TRIO-Student Support Services, CFDA 84.042, Program Year 2005 - 2006

Criteria or Specific Requirements – According to the Code of Federal Regulations, Title 34, Sections 646-7 and 646-11, at least two-thirds of the students served by a Student Support Services project must be low-income individuals who are the first generation college students or individuals with disabilities.

Condition – For the program year 2005-2006, 47.7 percent of the University of Alaska Southeast Campus Student Support Services Program participants were low-income individuals who were the first-generation college students or individuals with disabilities.

Questioned Costs – None.

Context – Isolated to Student Support Services.

Effect – The University provided student support services to a population that did not meet the program's earmarking requirement.

Recommendation – The University should make every effort to serve the number of Student Support Services participants required by the program.

Management's Response – The University of Alaska Southeast Student Support Services had previously reported the percentage of participants served to the grantor in their annual performance report for the program year 2005-2006.

The 2005-2006 program year was the first year for the University of Alaska Southeast Student Support Services Program, and multiple factors contributed to participant recruitment difficulties in meeting program eligibility requirements. These factors include:

- The director left the program and the position remained unfilled for nine months. This contributed to difficulties the program encountered in recruiting participants because the program did not have the personnel resources to develop recruitment strategies.
- Some participants enrolled in the program did not provide needed financial information for verification of participant eligibility. Cultural challenges in rural

Alaska include a hesitance by participants and families to provide needed financial information for verification of participation eligibility.

- The program was housed in offices located at the edge of campus away from classrooms and student activity.

In April 2007, a new director was hired with five years of TRIO experience. Since April 2007, corrective action has included the following steps:

- Two student mentors were hired to assist with recruitment activities. One of the student mentors is a native Alaskan from a rural Alaskan community. This individual's primary job responsibility is to contact participants and encourage them to provide needed financial information for verification of participation eligibility. This student mentor, as a peer to native Alaskan and rural students, may have more progress in overcoming participant hesitance in providing financial information. Additionally, both student mentors have presented monthly workshops for students.
- Brochures, electronic bill board ads, and posters were created and placed in the community and on campus. New students receive information on the TRIO program via mailings.
- In May 2007, the TRIO program was moved to a large space shared with the learning center in the campus library. This location is a hub of student activity and provides daily recruitment opportunities.

With a well staffed program, marketing strategies, and an increased number of walk-in students to recruit from, program participation among eligible participants is expected to grow.

Finding 2007-3

Department of Education (DOE), Student Financial Assistance (SFA) Programs Cluster, Federal Family Education Loans (FFEL) (CFDA #84.032) and Federal Pell Grant Program (CFDA #84.063)

Criteria or Specific Requirements – According to the Code of Federal Regulations (CFR), Title 34, Section 668-22, when a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period in which the recipient began attendance, the institution must determine the amount of Title IV assistance earned by the student as of the student's withdrawal date. If the total amount of Title IV assistance earned by the student is less than the amount that was disbursed to the student or on his or her behalf as of the date of the institution's determination that the student withdrew, the difference must be returned to the Title IV programs. In accordance with CFR, Title 34, Section 668-22, returned funds are to be allocated in the following order: unsubsidized FFEL, subsidized FFEL and then Pell Grants.

According to the CFR, Title 34, Section 668-173, returns of Title IV funds are required to be deposited or transferred into the SFA account or electronic fund transfers initiated to the Department of Education or the appropriate FFEL lender as soon as possible, but no later than thirty days after the date the institution determines the student withdrew.

Condition – For the program year 2006-2007, the University of Alaska failed to identify and calculate refunds for 12 Title IV recipients, calculated and returned funds untimely for seven Title IV recipients, and allocated one return incorrectly.

Questioned Costs – \$8,164.

Context – Isolated to Federal Family Education Loans and Federal Pell Grant Program. A sample of 40 students was initially selected for test work. Of this sample six exceptions were identified. Test work was expanded over all student withdrawals at those campuses for which exceptions were identified.

Effect – The University of Alaska Fairbanks failed to calculate returns for 12 students that withdrew from the institution, resulting in \$4,300 and \$3,864 of under-returned, unsubsidized FFEL and Pell Grants, respectively. The returns should have been made during the last quarter of 2006 and first quarter of 2007; however, were not identified until September of 2008. The University of Alaska, Fairbanks also incorrectly returned \$1,123 of Title IV funds to the unsubsidized FFEL loan fund, of which \$286 should have been returned to the subsidized FFEL loan fund.

The University of Alaska Southeast returned Title IV funds untimely for seven students that withdrew from the institution. The untimeliness of the returns ranged from 1 to 3 months.

Recommendation – The University should make every effort to properly calculate and return Title IV funds within the allowable time period and establish a control system that would prevent untimely and incorrect calculations in future periods.

Management's Response – A new report has been designed to capture withdrawn students that have received federal financial aid. Procedures are in place to identify and process withdrawals on a daily to weekly basis at each campus. In addition, the University of Alaska Fairbanks has processed returns for the \$4,300 and \$3,864 in unsubsidized loans and Pell Grant awards, respectively, and has contacted the lender and requested the return for \$1,123 to be corrected and properly allocated to the appropriate loan funds.

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