

## 4.7 Economically Disadvantaged Appeal

### ***What is an economically disadvantaged appeal?***

An economically disadvantaged appeal alleges that a school should not be subject to loss of eligibility (or potential placement on provisional certification if based on two successive three-year rates of 30.0% or more ), because it has a high number of low-income students. There are two types of economically disadvantaged appeals: an economically disadvantaged appeal based on low-income rate and placement rate and an economically disadvantaged appeal based on low income rate and completion rate.

The type of economically disadvantaged appeal a school may submit depends on whether the school is a non-degree-granting school or a degree-granting school. For an economically disadvantaged appeal to be successful, a non-degree-granting school must submit an independent auditor’s written opinion that—

- ◆ the school’s low- income rate (generally, the percentage of students with low incomes) is two-thirds or more and
- ◆ the school’s placement rate (generally, the percentage of students who became employed in the occupation for which the school trained them) is 44 percent or more.

For an economically disadvantaged appeal to be successful, a degree-granting school must submit an independent auditor’s written opinion that—

- ◆ the school’s low- income rate (generally, the percentage of students with low -incomes) is two-thirds or more and
- ◆ the school’s completion rate (generally, the percentage of students who completed their program) is 70 percent or more.

**Regulatory citations:**  
34 CFR 668.194  
34 CFR 668.213

<b>Economically Disadvantaged Appeal Timeframe</b>		
Draft Cycle	Not applicable	
Official Cycle	School receives notice of loss of eligibility or notice of a second consecutive three-year cohort default rate subjecting school to potential placement on provisional certification as part of the official cohort default rate notification package	<i>September</i>
	School sends the written assertion by its management to U. S. Department of Education (the Department)	<i>Within 30 days of timeframe begin date</i>

The “timeframe begin date” is the sixth business day after the official cohort default rates are released as officially announced on the IFAP website:  
<http://ifap.ed.g>

	School sends completed Economically Disadvantaged Appeal to the Department	Within 60 days of timeframe begin date
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***What benefit will a school gain from submitting an economically disadvantaged appeal?***

If an economically disadvantaged appeal is successful, the school is exempt from loss of eligibility or, if the rate is the second successive three-year rate at or above 30.0 percent, placement on provisional certification based on that cohort default rate until the next official cohort default rates are released. However, a successful economically disadvantaged appeal does not change a school's official cohort default rate.

***Are economically disadvantaged appeals based on a specific period of time?***

The school must base the economically disadvantaged appeal on any 12-month period that ended during the six months immediately preceding the start of the cohort fiscal year for which the school is submitting the economically disadvantaged appeal. The time period will differ based on the cohort fiscal year used by the school.

The federal fiscal year always begins on October 1. As a result, the six months immediately preceding the start of a fiscal year will always begin on April 1 and always end on September 30. Therefore, the 12-month period the school uses must end no earlier than April 1 and no later than September 30. In order for a 12-month period to end between April 1 and September 30, it must begin no earlier than April 2 and no later than October 1 of the preceding year.

### Acceptable 12-Month Periods

Cohort Fiscal Year	Cohort Fiscal Year Start Date	Acceptable 12-Month Period Begins Between	Acceptable 12-Month Period Ends Between
FY 2008	10/01/2007	04/02/2006 -- 10/01/2006	04/01/2007 – 09/30/2007
FY 2009	10/01/2008	04/02/2007 – 10/01/2007	04/01/2008 – 09/30/2008
FY 2010	10/01/2009	04/02/2008 – 10/01/2008	04/01/2009 – 09/30/2009
FY 2011	10/01/2010	04/02/2009 – 10/01/2009	04/01/2010 – 09/30/2010
FY 2012	10/01/2011	04/02/2010 – 10/01/2010	04/01/2011 – 09/30/2011
FY 2013	10/01/2012	04/02/2011 -- 10/01/2011	04/01/2012 – 09/30/2012
FY 2014	10/01/2013	04/02/2012 -- 10/01/2012	04/01/2013 – 09/30/2013

To choose an acceptable 12-month period, determine which cohort fiscal year the school will use. Then pick a start date from the range listed in the "Acceptable 12-Month Period Begins Between" column. The end date will be 12 months after the start date, which will fall in the range listed in the "Acceptable 12-Month Period Ends Between" column. The Figure below shows an acceptable and some unacceptable 12-month periods for cohort FY 2006.

### Examples of Acceptable vs Unacceptable 12-Month Periods for Cohort FY 2006

12-Month Period	Status	Reason
04/02/2010-04/01/2011	Acceptable	Starts within acceptable range; ends 12 months later within acceptable range
04/02/2010-04/02/2011	Unacceptable	Starts within acceptable range; ends more than 12 months later
04/01/2010-03/31/2011	Unacceptable	Starts and ends outside acceptable range

A school can select the most beneficial 12-month period available. In other words, a non-degree-granting school can identify the acceptable 12-month period with the highest low income rate and the highest placement rate. Similarly, a degree-granting school can identify the acceptable 12-month period with the highest low-income rate and the highest completion rate.

If a school selects an unacceptable 12-month period, the Department will not review any portion of the school's economically disadvantaged appeal and the economically disadvantaged appeal will be denied.

### How does a school calculate its low-income rate?

After selecting the 12-month period, the school determines the number of students who were enrolled in an eligible Title IV program during any part of the 12-month period. To be included in the calculation, the student must have been enrolled at least halftime and enrolled at least one day during

Contact the Department at 1-202-377-4259 if you need guidance on choosing an acceptable 12-month period.

any part of the selected 12-month period. The school then determines the number of these students who are considered low-income students.

A student is considered to be a low-income student if—

- ◆ for an *award year* that overlaps the selected 12-month period, the student has an expected family contribution (EFC) that is equal to or less than the largest EFC that would allow a student to receive one-half of the maximum Federal Pell Grant award, regardless of the student's enrollment status or cost of attendance, or
- ◆ for a *calendar year* that overlaps the selected 12-month period, the student has an adjusted gross income (AGI) that, when added to the AGI of the student's parents (if the student is a dependent student) or the student's spouse (if the student is a married independent student), is less than the amount listed in the Department of Health and Human Services (HHS) poverty guidelines for the size of the student's family unit, which can be found on the HHS website at <http://aspe.os.dhhs.gov/poverty/poverty.htm>

To determine the low-income rate, the school divides the number of low-income students enrolled at least half-time in an eligible program during any part of the selected 12-month period (the numerator) by the total number of students enrolled at least half-time in an eligible program during any part of the selected 12-month period (the denominator). The result is the low-income rate.

Low-income students enrolled at least ½-time in an eligible program during any part of the selected 12-month period

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Total students enrolled at least ½-time in an eligible program during any part of the selected 12-month period

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Low-Income Rate

An award year begins on July 1 of one year and ends on June 30 of the following year. A calendar year begins on January 1 and ends on December 31.

For the appeal to be successful, the low-income rate must be 2/3 or greater.

For example, a school had a total of 200 regular students enrolled at least half time in an eligible program and enrolled at least one day during the selected 12-month period. Of those, 80 were eligible to receive at least one-half of the maximum Federal Pell Grant and 60 others were below the poverty level. Therefore, a total of 140 students are considered low income.

The school's low-income rate is calculated as follows:

$$\frac{140 \text{ Low-Income Students}}{200 \text{ Students enrolled at least halftime}} = 70.0\% \text{ Low-income Rate}$$

### ***How does a non-degree-granting school calculate its placement rate?***

As mentioned, only non-degree-granting schools can submit an economically disadvantaged appeal based on the school's low-income rate and *placement rate*. Degree-granting schools can only submit an economically disadvantaged appeal based on the school's low-income rate and *completion rate*.

When calculating placement rates, a school must use the same selected 12-month period it used in calculating its low-income rate. The school first determines the denominator, which is the number of former regular students initially enrolled at least half-time in an eligible Title IV program who meet the following criteria:

- ◆ The student was originally scheduled to complete his or her program during the selected 12-month period. The student's actual last date of attendance does not need to fall within the selected 12-month period.
- ◆ The date a student was originally scheduled to complete is based on the student's initial enrollment status. For a student who was initially enrolled full-time, the date is based on the amount of time specified in the school's enrollment contract, catalog, or other materials for a full-time student to complete the program. For a student who was initially enrolled less than full-time, the date is based on the amount of time specified by the school for the student to complete the program if the student remained enrolled in that enrollment status throughout the program.
- ◆ The student was enrolled in the program beyond the point at which he or she would have received a 100 percent tuition refund. A student who withdrew before the point at which he or she would have received a 100 percent tuition refund is not included in the calculation.

These "former students" are included in the placement rate. A student is not included in the placement rate if, on the date that is one year after the

student's originally scheduled completion date, he or she is still enrolled in the same program and is making satisfactory progress.

After determining the number of "former regular students" (the denominator), the school then determines the numerator, which is the number of these "former regular students" who have been placed in jobs for which the school provided training. A student is considered a placed student if the student meets one of the following three criteria:

- ◆ The student was employed on the date that is one year and one day after the student's last date of attendance at the school in an occupation for which the school provided training. For example, if the student's last date of attendance was August 31, the date that is one year and one day after the student's last date of attendance is September 1 of the following year. A student is not considered successfully placed if the school was the employer.
- ◆ The student was employed for at least 13 weeks (91 days) between the date the student first enrolled and the date that is one year and one day after the student's last date of attendance at the school in an occupation for which the school provided training. A student's employment while in school can be considered as long as the employment was in an occupation for which the school was providing training to the student. A student is not considered successfully placed if the school was the employer.
- ◆ The student entered active duty in the Armed Forces within one year after his or her last date of attendance at the school.

These are the "placed students" (the numerator).

The school then divides the number of "placed students" (the numerator) by the total number of "former regular students" (the denominator). The result is the placement rate.

For the appeal to be successful, the placement rate must be 44.0% or greater.

$$\text{Placed Students} \div \text{Total Number of Former Regular Students} = \text{Placement Rate}$$

For example, a school had a total of 50 "former regular students." Of those, 17 met the first criteria (employed on the date one year and one day after the last date of attendance), 6 met the second criteria (employed for 13 weeks), and 2 met the third criteria (Armed Services). Therefore, the school has a total of 25 "placed students." The school's placement rate is calculated as follows:

$$25 \text{ Placed Students} \div 50 \text{ Former Regular Students} = 50.0\% \text{ Placement Rate}$$

## ***How does a degree-granting school calculate its completion rate?***

As mentioned, only degree-granting schools can submit an economically disadvantaged appeal based on the school's low-income rate and *completion rate*. Non-degree-granting schools can only submit an economically disadvantaged appeal based on the school's low-income rate and *placement rate*.

When calculating completion rates, a school must use the same selected 12-month period it used in calculating its low-income rate. The school first determines the denominator, which is the number of regular students initially enrolled on a full-time basis in a Title IV eligible program who were originally scheduled to complete their programs during the selected 12-month period. The date a student was originally scheduled to complete is based on the amount of time specified in the school's enrollment contract, catalog, or other materials for a full-time student to complete the program. A student's actual last date of attendance does not need to fall within the selected 12-month period.

After determining the number of "regular students" (the denominator), the school then determines the numerator, which is the number of "regular students" who completed their program. A student is considered to have completed a program if the student meets one of the following four criteria:

- ◆ The student completed the educational program in which he or she was enrolled.
- ◆ The student transferred to a higher-level program at another school.
- ◆ The student remained enrolled and was making satisfactory academic progress at the end of the selected 12-month period.
- ◆ The student entered active duty in the Armed Forces within one year after his or her last date of attendance at the school.

These are the "completed students" (the numerator).

The school then divides the "completed students" (the numerator) by the total number of "regular students" (the denominator). The result is the completion rate.

$$\text{Completed Students} \div \text{Total Number of Regular Students} = \text{Completion Rate}$$

For example, a school had a total of 50 "regular students." Of those, 17 met the first criteria (completed the program in which they were enrolled), 12 met the second criteria (transferred to a higher-level program), 8 met the third criteria (still enrolled and making satisfactory academic progress), and 2 met the fourth criteria (Armed Services). Therefore, the school had a total of 39 "completed students." The school's completion rate is calculated as follows:

$$\begin{array}{c} 39 \\ \text{Completed} \\ \text{Students} \end{array} \div \begin{array}{c} 50 \\ \text{Regular} \\ \text{Students} \end{array} = \begin{array}{c} 78.0\% \\ \text{Completion Rate} \end{array}$$

For the appeal to be successful, the completion rate must be 70.0% or greater.

***Does a school need to wait until it receives a notice of loss of eligibility to calculate its low-income rate and placement rate or low-income rate and completion rate?***

A school does not need to wait until receiving the notice of loss of eligibility to begin preparing materials to submit as part of its management's written assertion. If the school believes that it will be subject to sanction after release of the official cohort default rates, and the school believes that it should not be subject to sanction because of its low-income rate and placement rate or because of its low-income rate and completion rate, the school should calculate its low-income rate and placement rate or low-income rate and completion rate in advance of the release of the official cohort default rates.

***How does a school submit an economically disadvantaged appeal?***

Timing is critical when submitting an economically disadvantaged appeal. Within 30 calendar days of the school's timeframe begin date, the school must determine if it is eligible to submit an economically disadvantaged appeal and, if so, submit its management's written assertion to the Department. Within 60 calendar days of the school's timeframe begin date, the school must submit an independent auditor's opinion to the Department.

The school must compile a spreadsheet of the students that qualify to be included in the school's low-income rate and a spreadsheet of the students that qualify to be included in either the school's placement rate (if the school is a non-degree-granting school) or the completion rate (if the school is a degree-granting school).

## Sample Low Income Rate Spreadsheet – School to the Department

Type: Low -Income Rate  
 Cohort FY: 2013  
 From: Graphic Tech  
 Code: 099999  
 To: Operations Performance Division  
 Code: N/A

12-Month Period: 06/15/2011 – 06/14/2012  
 Award years: 2010-2011, 2011-2012  
 Calendar Years: 2011, 2012  
 Low -Income Students: 140  
 Total Students: 200  
 Low- Income Rate: 70%

A	B	C	D	E	F
Student's SSN	Student's Name	Student's Enrollment Dates	Economically Disadvantaged	EFC and Award Year	AGI, Family Size And Calendar Year
111-11-1111	Siebert, Angela	08/25/2011 - 12/30/2011	Yes	0 / 2011-2012	N/A
222-22-2222	Bennett, Derek	08/24/2010 - 06/15/2012	No	N/A	N/A
333-33-3333	Brewbaker, Mark	08/25/2011 - 05/16/2012	Yes	N/A	\$4,300 / 1 / 2010

Date 10/22/2015

Page 1 of 1

A blank version of this spreadsheet is posted on the Default Prevention & Management website at <http://www.ifap.ed.gov/DefaultManagement/DefaultManagement.html>.

## Sample Completion Rate Spreadsheet – Degree-Granting School to the Department

Type: Completion Rate  
 Cohort FY: 2013  
 From: Coralville College  
 Code: 098998  
 To: Default Prevention and Management  
 Code: N/A

12-Month Period: 06/30/2011 - 06/29/2012  
 Placed Students: 25  
 Total Students: 50  
 Placement Rate: 50%

	A	B	C	D	E	F	G	H	I	J
	Student's SSN	Student's Name	Student's Scheduled Completion Date	Student's Enrollment Dates	Student Completed	Completed Program Date	Student's Program of Study	Student Transfers to Higher Program: Date, School Name, School Address, Program	Student's GPA	Date Student Entered Armed Services
1	111-11-1111	Mann, Marcia	05/17/2012	08/26/2011 to 05/17/2012	Yes	05/17/2012	N/A	N/A	N/A	N/A
2	222-22-2222	Vincent, Richard	05/17/2012	08/26/2011 to 05/16/2012	Yes	N/A	N/A	N/A	N/A	06/01/2012
3	333-33-3333	Smith, Abigail	12/15/2011	01/28/2008 to 05/15/2013	Yes	N/A	N/A	N/A	4.0	N/A
4	444-44-4444	Wilson, Hannah	05/17/2012	08/26/2011 to 05/17/2012	Yes	N/A	Marine Biology	08/14/2008 Orlando State University, 121 Water Street, Orlando, Florida Master's of Marine Biology	N/A	N/A
5	555-55-5555	Michaels, Lilly	05/17/2012	08/26/2002 to 12/30/2002	No	N/A	N/A	N/A	N/A	N/A
6										

Date 10/30/2015

Page 1 of 1

A blank version of this spreadsheet is posted on the Default Prevention & Management website at <http://www.ifap.ed.gov/DefaultManagement/DefaultManagement.html>.

## Sample Placement Rate Spreadsheet – Non-Degree-Granting School to the Department

Type: Placement Rate  
 Cohort FY: 2013  
 From: Graphic Tech  
 Code: 099999  
 To: Default Prevention and Management  
 Code: N/A

12-Month Period: 06/15/2011 – 06/14/2012  
 Placed Students: 25  
 Total Students: 50  
 Placement Rate: 50%

	A	B	C	D	E	F	G	H	I
	Student's SSN	Student's Name	Student's Scheduled Completion Date	Student's Enrollment Dates	Student's Program of Study	Student Placed	Student's Employment Dates	Student's Job Description	Student's Employer: Name, Address and Phone
1	111-11-1111	Smith, Gene	12/30/2011	08/25/2011 to 12/30/2011	Graphic Design	Yes	04/03/2012 to Present	Web Designer	TangledWeb.com 68 Forsyth Canary, Mo 66666 1-313-131-3131
2	222-22-2222	Davis, Mark	06/15/2011	08/24/2010 to 06/15/2011	Graphic Design	Yes	05/31/2001 to Present	Web Designer	TangledWeb.com 68 Forsyth Canary, Mo 66666 1-313-131-3131
3	333-33-3333	Baker, Tim	12/30/2011	08/25/2011 to 05/16/2012	Graphic Design	No	N/A	N/A	N/A
4									

Date 10/22/2015

Page 1 of 1

A blank version of this spreadsheet is posted on the Default Prevention & Management website at <http://www.ifap.ed.gov/DefaultManagement/DefaultManagement.html>.

After completing the spreadsheets, the school should calculate either its low-income rate and its *placement rate* (if it is a non-degree-granting school) or its low-income rate and its *completion rate* (if it is a degree-granting school).

#### **Non-Degree Granting Schools:**

Low-income rate must be 2/3 or greater and placement rate must be 44.0% or greater.

#### **Degree Granting Schools**

Low-income rate must be 2/3 or greater and completion rate must be 70.0% or greater.

The school then submits its management's written assertion to the Department. The management written assertion must include the following:

- ◆ The low-income rate spreadsheet.
- ◆ The placement rate spreadsheet (if the school is a non-degree-granting school) or the completion rate spreadsheet (if the school is a degree-granting school).
- ◆ A letter on the school's letterhead (see sample letter #1 at the end of this chapter).

### **How a school submits an Economically Disadvantaged Appeal to the Department**

*The Department recommends that a school send all correspondence return receipt requested or via commercial overnight mail/courier delivery. This will be useful if the school is asked to authenticate the timeliness of its response. The school should maintain the documentation that verifies the receipt of the appeal as well as all other electronic and hardcopy documentation submitted as a part of the economically disadvantaged appeal process.*

*If a school does not meet the timeframe for submitting the appeal, the appeal will not be reviewed*

*If sending by courier:*

U.S. Department of Education  
Operations Performance Division  
Union Center Plaza 114B4  
830 1<sup>st</sup> Street, NE  
Washington, DC 20002

*If sending by U.S. Postal Service:*

U.S. Department of Education  
Operations Performance Division  
Union Center Plaza 114B4  
400 Maryland Avenue, SW  
Washington, DC 20202-5353

*Do not send materials to any other address at the Department*

### ***How does an independent auditor review the management's written assertion?***

To complete the school's economically disadvantaged appeal, an independent auditor must review and attest to the management's written assertion. The school must submit the following materials to an independent auditor:

- ◆ The low-income spreadsheet.
- ◆ The placement rate spreadsheet (if the school is a non-degree-granting school) or the completion rate spreadsheet (if the school is a degree-granting school).
- ◆ Any other materials the auditor requests.
- ◆ A letter on the school's letterhead (see sample letter #2 at the end of this chapter).

Upon reviewing the management's written assertion and any other documentation that the auditor deems appropriate, the auditor must provide an opinion as to whether the written assertion demonstrates that the school meets the criteria for an economically disadvantaged appeal under 34 CFR 668.194 or 34 CFR 668.213 (see sample letter #3 at the end of this chapter). The report must also indicate if the written assertions are fairly stated in all material respects. A school submitting an economically disadvantaged appeal must submit the independent auditor's written opinion to the Department within 60 calendar days of the school's timeframe begin date.

The engagement which forms the basis of the independent auditor's written opinion must be an examination-level compliance attestation engagement performed in accordance with the AICPA's *Statement on Standards for Attestation Engagements, Compliance Attestation* (AICPA, Professional Standards, Volume 1, AT sec. 500), as amended. The attestation must also be performed in accordance with the Government Auditing Standards issued by the Comptroller General of the United States.

The school is responsible for sending the independent auditor's written opinion to the Department within the 60-calendar-day deadline. If the school does not submit the written opinion within 60 calendar days of the school's timeframe begin date, the Department will not review the economically disadvantaged appeal and will return all economically disadvantaged appeal materials to the school upon the school's request.

The school must submit the following materials to the Department—

- ◆ The independent auditor's written opinion.
- ◆ A letter on the school's letterhead (see sample letter #4 at the end of this chapter).

### ***What happens after the school submits the independent auditor's written opinion?***

The Department will review, using the standard of review described in 34 CFR 668.189(f) or 34 CFR 668.208(f), only the information submitted with the economically disadvantaged appeal and will not review information submitted

AICPA standards may be ordered by calling 1-888-777-7077 or visiting the AICPA website: <http://www.aicpa.org>

after the 60-calendar-day deadline. The Department will send the school written notification of the Department's decision. The Department's decision is final and no further administrative review is provided.

If the school was notified that it was subject to loss of eligibility (or potential placement on provisional certification based on two successive three-year rates at 30.0 percent or higher) and the economically disadvantaged appeal is successful, the Department will withdraw the notice of loss of eligibility or potential placement on provisional certification). If the school was notified that it was subject to loss of eligibility or potential placement on provisional certification and the economically disadvantaged appeal is unsuccessful, and the school has no other outstanding adjustments or appeals, the Department will notify the school of the effective date of the sanction or placement on provisional certification.

A school that submits an adjustment and/or an appeal but fails to avoid loss of eligibility is liable for certain costs associated with the Federal Family Education Loans (FFELs) it certified and delivered and/or the William D. Ford Federal Direct Loans (Direct Loans) it originated and disbursed during the adjustment and appeal process. Liabilities are not calculated for loans that were delivered or disbursed more than 45 calendar days after the school submitted its completed adjustment and/or appeal to the Department. Schools may avoid this liability if they choose not to certify or originate loans during the adjustment and appeal process.

### ***What roles do data managers have in a school's economically disadvantaged appeal?***

Schools submit economically disadvantaged appeals directly to the Department for review and consideration. The Department is responsible for determining whether schools meet the established economically disadvantaged appeal criteria. Therefore, there is no role for data managers.

If a school submits an appeal to the wrong entity or address, the appeal might not be reviewed and the school could miss the deadline for submitting the appeal to the Department.

If a data manager receives an economically disadvantaged appeal from a school, it should immediately contact the school to inform it that the appeal must be sent to the Department. The data manager should also indicate that the request must be sent to the Department within the appropriate timeframe. The data manager should then notify the Department that the data manager has contacted the school.

## Sample Economically Disadvantaged Appeal Letter #1 (School to the Department)



October 22, 2015

U.S. Department of Education  
Operations Performance Division  
ATTN: Economically Disadvantaged Appeal  
400 Maryland Avenue, SW  
Washington, DC 20202-5353

OPE ID 099999

Subject: Cohort FY 2013 Economically Disadvantaged Appeal

To Whom It May Concern:

Graphic Tech, OPE ID 099999, is submitting a cohort FY 2013 economically disadvantaged appeal based on the school's low-income rate and placement rate. It is our management's written assertion that Graphic Tech has a low-income rate of 70.0 percent and a placement rate of 50.0 percent for the 12-month period beginning on June 15, 2011 and ending on June 14, 2012. Please see the enclosed spreadsheets.

Graphic Tech has employed Alliance Auditing to review our management's written assertion.

I, the undersigned, certify under penalty of perjury that all information submitted to you is true and correct.

Graphic Tech has also timely submitted an uncorrected data adjustment.

Thank you for your consideration.

Sincerely,

Alexander Peachum  
President, Graphic Tech

Enclosures

cc: Alliance Auditing

*The letter must include the school's OPE ID number, a statement indicating that the school is submitting economically disadvantaged appeal data and the type of economically disadvantaged appeal (either low income rate and placement rate or low income rate and completion rate) the school is submitting. The subject line must read "Subject: Cohort FY [insert cohort fiscal year being used in the appeal] Economically Disadvantaged Appeal." The letter must include a certification that the information provided is true and correct under penalty of perjury, a list of any other adjustments and/or appeals the school is submitting to the Department, and a statement that the school is sending its management's written assertion to an independent auditor. The school President/CEO/Owner must sign the letter, and the signature must be followed by a signature block showing the signer's name and job title.*

Sample Economically Disadvantaged Appeal Letter #2  
(School to Independent Auditor)



October 22, 2015

ATTN: Mr. Anthony Falduto  
Alliance Auditing  
5222 Antwerp Lane  
Aicpa, WI 97697-6976

OPE ID 099999

Subject: Cohort FY 2013 Economically Disadvantaged Appeal

Dear Mr. Falduto:

Graphic Tech, OPE ID 099999, is filing a cohort FY 2004 economically disadvantaged appeal based on the school's low-income rate and placement rate. We ask you to review our written assertions in accordance with the standards of the American Institute of Certified Public Accountants (AICPA), the Government Auditing Standards issued by the Comptroller General of the United States, and the economically disadvantaged appeal criteria under 34 CFR 668.194 or 34 CFR 668.213 to determine if our written assertion meets the requirements for an economically disadvantaged appeal and is fairly stated in all material respects. You should note that our deadline for submitting an independent auditor's written opinion to the U.S. Department of Education is November 29, 2015. Please see the enclosed spreadsheets.

I, the undersigned, certify under penalty of perjury that all information submitted to you is true and correct.

Thank you for your consideration.

Sincerely,

Alexander Peachum  
President, Graphic Tech

Enclosures

*The letter should include the school's OPE ID number, a statement indicating that the school is submitting to the auditor economically disadvantaged appeal data, and the type of economically disadvantaged appeal (either low income rate and placement rate or low income rate and completion rate) the school is submitting. The subject line should read: "Subject: Cohort FY [insert cohort fiscal year being used in the appeal] Economically Disadvantaged Appeal."*

*The letter should also include a request that the auditor review the written assertions in accordance with the standards of the American Institute of Certified Public Accountants (AICPA), the Government Auditing Standards issued by the Comptroller General of the United States, and the economically disadvantaged appeal criteria under 34 CFR 668.194 or 34 CFR 668.213. Finally, the letter should include a statement indicating that the deadline for submitting the independent auditor's written opinion is within 60 calendar days of the school receiving the notice of loss of eligibility and a certification that the information provided is true and correct under penalty of perjury. The school's President/CEO/Owner should sign the letter, and the signature should be followed by a signature block showing the signer's name and job title.*

## Sample Economically Disadvantaged Appeal Letter #3 (Independent Auditor to School—Written Opinion)



November 21, 2015

Alexander Peachum  
President  
Graphic Tech  
2341 Toulouse Street  
Cape Canaveral, FL 54321-2341

OPE ID 099999

Subject: FY Cohort 2013 Economically Disadvantaged Appeal

Dear Mr. Peachum:

We have examined the written assertions of the management of Graphic Tech, OPE ID 099999, stating that the information contained in the economically disadvantaged appeal the school submitted is complete, accurate, and determined in accordance with the requirements of Section 668.194 or 34 CFR 668.213 of Title 34 of the Code of Federal Regulations (34 CFR 668.194 or 34 CFR 668.213). The management of Graphic Tech is responsible for the school's compliance with those requirements. Our responsibility is to express an opinion management's written 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 (AICPA) and the Government Auditing Standards issued by the Comptroller General of the United States accordingly. We also examined, on a test basis, evidence about Graphic Tech's compliance with 34 CFR 668.194 or 34 CFR 668.213, and performed other procedures that we considered necessary under the circumstances. We believe our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Graphic Tech's compliance with specified requirements.

In our opinion, management's written assertion that Graphic Tech has a low income rate of 70.0 percent and a placement rate of 50.0 percent for the 12-month period beginning on June 15, 2011 and ending on June 14, 2012, is complete, accurate, and determined in accordance with the requirements set forth in 34 CFR 668.194, 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.

Thank you for your consideration.

Sincerely,

Anthony Falduto  
President, Alliance Auditing

cc: U.S. Department of Education  
Operations Performance Division

*The written opinion must be in the form of a letter to the school with the school's name, the school's OPE ID number, the cohort fiscal year to which the appeal applies, and the auditor's opinions. The letter should feature a subject line that reads "Subject: Cohort FY [insert cohort fiscal year being used in the appeal] Economically Disadvantaged Appeal." The auditor must sign the letter, and the signature must be followed by a signature block showing the signer's name and job title.*

**Sample Economically Disadvantaged Appeal Letter #4  
(School to the Department—cover letter submitting  
auditor’s written opinion)**



November 30, 2015

U.S. Department of Education

OPE ID 099999

Operations Performance Division  
Union Center Plaza 084F  
400 Maryland Avenue, SW  
Washington, DC 20202-5353

Subject: Cohort FY 20013 Economically Disadvantaged Appeal

To Whom It May Concern:

Graphic Tech, OPE ID 099999, is submitting a cohort FY 2013 economically disadvantaged appeal based on our low-income rate and placement rate. I, the undersigned, certify under penalty of perjury, that our low income rate is 70.0 percent, our placement rate is 50.0 percent, and that all other information submitted in support of this economically disadvantaged appeal is true and correct. Please see the attached spreadsheets for the low-income rate and placement rate, along with the independent auditor's attestations on our school's management assertions.

Graphic Tech is submitting its economically disadvantaged appeal at this time; however, the school has also submitted an uncorrected data adjustment.

Thank you for your consideration.

Sincerely,

Alexander Peachum  
President, Graphic Tech

Enclosures

*The letter must include the school's OPE ID number, a statement indicating that the school is submitting an economically disadvantaged appeal, and the type of economically disadvantaged appeal (either low income rate and placement rate or low income rate and completion rate) the school is submitting. The letter must feature a subject line that reads "Subject: Cohort FY [insert cohort fiscal year being used in the appeal] Economically Disadvantaged Appeal." The letter must also include a certification that the information provided is true and correct under penalty of perjury and a list of any other adjustments and appeals the school intends to submit to the Department. The school's President/CEO/Owner must sign the letter, and the signature must be followed by a signature block showing the signer's name and job title.*

# Economically Disadvantaged Appeal Checklists

## School to the Department & Independent Auditor

### Determine

- ◆ Is the school subject to sanction, or potential provisional certification based on a second successive three year cohort default rate above 30 %?
- ◆ What is the school's low-income rate?
- ◆ For a non-degree-granting school, what is the school's placement rate? For a degree-granting school, what is the school's completion rate?

### Submit to the Department

- ◆ Spreadsheets
- ◆ Letter (see sample letter #1)

### Submit to Independent Auditor

- ◆ Spreadsheets
- ◆ Other Requested Materials
- ◆ Letter (see sample letter #2)

## Independent Auditor to School

### Determine

- ◆ Does school meet criteria?

### Submit to School

- ◆ Written Opinion (see sample letter #3)

## School to the Department (after receiving auditor's response)

### Submit to the Department

- ◆ Copy of Independent Auditor's Response
- ◆ Letter (see sample letter #4)

