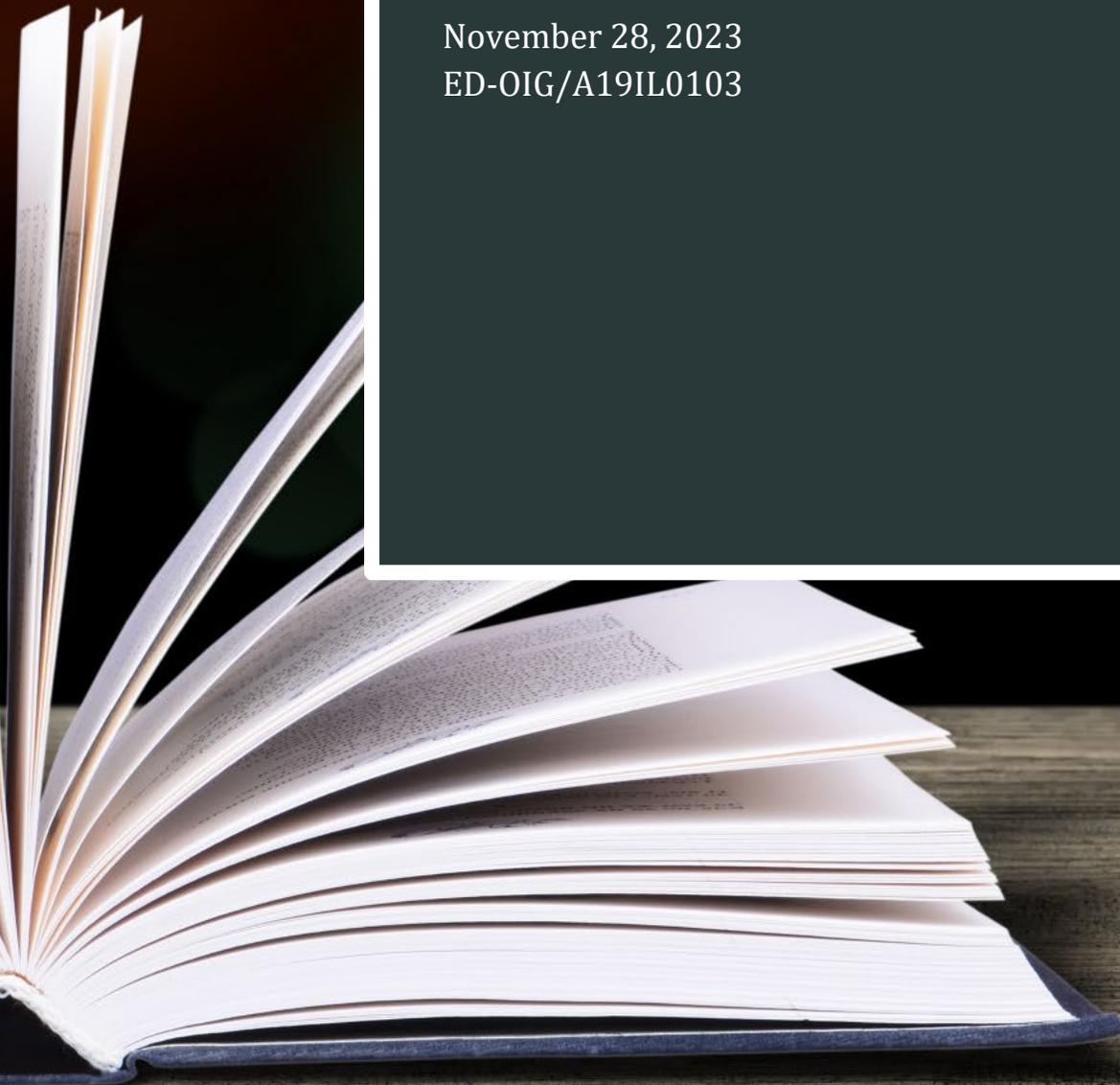




U.S. Department of Education
Office of Inspector General

Plaza College's Career Pathway Programs

November 28, 2023
ED-OIG/A19IL0103



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UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF INSPECTOR GENERAL

Audit Services

November 28, 2023

Mr. Charles Callahan III, M.B.A.
President
Plaza College
118-33 Queens Boulevard
Forest Hills, New York 11375

Dear Mr. Callahan:

Enclosed is our final audit report, "Plaza College's Career Pathway Programs," Control Number ED-OIG/A19IL0103. This report incorporates the comments you provided in response to the draft report. The U.S. Department of Education's policy is to expedite audit resolution by timely acting on findings and recommendations. Therefore, if you have any additional comments or information that you believe may have a bearing on the resolution of this audit, you should send them directly to the following Department of Education official, who will consider them before taking final Departmental action on this audit:

Richard Cordray
Chief Operating Officer
Federal Student Aid
U.S. Department of Education
400 Maryland Avenue SW
Washington, D.C. 20202

We appreciate your cooperation during this audit. If you have any questions, please contact Mr. Greg Bernert, Assistant Regional Inspector General for Audit, at Gregory.Bernert@ed.gov or (312) 730-1620 or me at Gary.Whitman@ed.gov or (312) 730-1620.

Sincerely,

/s/

Gary D. Whitman
Regional Inspector General for Audit
Chicago/Kansas City Audit Region

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Results in Brief

What We Did

The objectives of our audit were to determine whether (1) Plaza College’s career pathway programs met the program eligibility requirements set forth in section 484(d)(2) of the Higher Education Act of 1965, as amended (HEA); (2) students enrolled in Plaza College’s career pathway programs met the student eligibility requirements set forth in section 484(d)(1)(A) of the HEA; and (3) Plaza College excluded from students’ enrollment statuses and costs of attendance the component of its career pathway programs that enables a student to attain a high school diploma or its recognized equivalent. We evaluated Plaza College’s compliance with Federal requirements relevant to career pathway programs during award year 2021–2022.

To accomplish our objectives, we reviewed Plaza College’s policies and procedures, records, and other information relevant to the school’s determination that each of Plaza College’s career pathway programs met the requirements of an eligible career pathway program in section 484(d)(2) of the HEA. We also selected and reviewed the school’s records on a partially dollar-weighted stratified sample of 94 students from the population of 289 students who enrolled in a Plaza College career pathway program and received at least 1 Title IV disbursement for award year 2021–2022. Additionally, we reviewed Plaza College’s ability-to-benefit (ATB) testing policies and the ATB test publisher’s user manual and interviewed Plaza College officials and employees, ATB test administrators, and students to assess whether ATB tests were independently administered in accordance with 34 Code of Federal Regulations (C.F.R.) section 668.151 (July 1, 2021, version). Finally, we reviewed the New York State Education Department’s requirements for a high school equivalency diploma and Plaza College’s student transcripts, enrollment records, and ledger cards.

What We Found

All seven of Plaza College’s career pathway programs satisfied all seven of the program eligibility requirements in section 484(d)(2) of the HEA ([Finding 1](#)). Additionally, Plaza College’s records showed that all 94 students (100 percent) included in our sample met the student eligibility requirements in section 484(d)(1)(A) of the HEA ([Finding 2](#)). Finally, Plaza College properly excluded the high school completion component of its career pathway programs from the enrollment statuses and costs of attendance of all 94 students (100 percent) included in our sample ([Finding 3](#)).

What We Recommend

Because we did not identify any instances of noncompliance with section 484(d) of the HEA or 34 C.F.R. section 668.151, we are not making any recommendations.

Plaza College's Comments

We provided a draft of this report to Plaza College for comment on September 27, 2023, and received its comments on September 29, 2023. Plaza College agreed with all three findings. We provide the full text of the school's comments at the end of this report (see [Plaza College's Comments](#)).

Introduction

Background

Plaza College, located in Forest Hills, New York, is a proprietary institution of higher education as defined in 34 Code of Federal Regulations (C.F.R.) section 600.5.¹ The Middle States Commission on Higher Education accredited the school during award year 2021–2022 (July 1, 2021, through June 30, 2022). During award year 2021–2022, Plaza College offered 12 certificate, 12 associate degree, and 3 bachelor’s degree programs. Its total enrollment was about 800 students, 289 of whom were enrolled in the school’s 7 career pathway programs.

The purpose of the programs authorized by Title IV of the Higher Education Act of 1965, as amended (HEA), is to provide financial assistance through grants, work-study, and loans to students and their parents. During award year 2021–2022, Plaza College participated in the Federal Pell Grant Program, William D. Ford Federal Direct Loan Program, Federal Supplemental Educational Opportunity Grant Program, and Federal Work-Study Program. For award year 2021–2022, Plaza College disbursed almost \$14 million in Title IV funds to students, including almost \$4 million to students enrolled in the school’s career pathway programs.

The HEA and Career Pathway Programs

In December 2014, Congress amended section 484(d) of the HEA to allow a student who does not have a high school diploma or its recognized equivalent, or who did not complete a secondary school education in a homeschool setting, to be eligible for Title IV funds. A student could be eligible for Title IV funds only if the student was enrolled in an eligible career pathway program and (1) passed an independently administered ability-to-benefit (ATB) test approved by the Secretary of Education, (2) completed at least 6 credit hours or 225 clock hours of postsecondary education coursework before being enrolled in a career pathway program, or (3) was determined able to benefit from postsecondary education or training in accordance with a State process approved by the Secretary of Education.

The Workforce Innovation and Opportunity Act (Public Law 113-128, enacted July 22, 2014) requires States to align workforce development programs to coordinate the needs of employers and individuals, including low-skilled adults, youth, and individuals with barriers to employment. The programs should include strategies to help workers and

¹ All references to the C.F.R. are to the July 1, 2021, version.

job seekers access employment, education, training, and support services needed to succeed in the labor market and to provide employers with the skilled workers they need to compete in the economy. The Consolidated Appropriations Act of 2016 (Public Law 114-113) amended section 484(d) of the HEA, revising the definition of an eligible career pathway program to align with the definition of a career pathway in section 3 of the Workforce Innovation and Opportunity Act.

Section 484(d)(2) of the HEA now defines an eligible career pathway program as a program that combines rigorous and high-quality education, training, and other services that

1. align with the skill needs of industries in the State or regional economy;
2. prepare students to be successful in a range of secondary or postsecondary education options, including apprenticeships;
3. include counseling to support students in achieving their education and career goals;
4. offer education concurrently with and in the same context as workforce preparation activities and training for a specific occupation or occupational cluster;
5. organize education, training, and other services to meet the needs of students in a manner that accelerates their education and career advancement;
6. enable students to attain a high school diploma or its equivalent and at least one postsecondary education credential; and
7. help students enter or advance within a specific occupation or occupational cluster.

Section 484(d) of the HEA does not require schools' career pathway programs to be approved by the U.S. Department of Education (Department). Each school makes its own determination whether its program is an eligible career pathway program; however, the Department may review the eligibility of the programs through audits and program reviews.

Plaza College's Career Pathway Programs

In response to the HEA amendments, Plaza College evaluated its existing certificate and associate degree programs to determine whether they fit within the guidelines of eligible career pathway programs. After determining that some of them met the HEA requirements, the school started offering one of its certificate programs and four of its associate degree programs as career pathway programs in July 2015.

Since July 2015, Plaza College has added programs to or removed programs from its list of available career pathway programs. For example, in 2015, 2017, and 2019, respectively, Plaza College stopped offering as career pathway programs its associate degree programs in Information Systems, Computer Business Support Specialist, and Accounting & Information Systems. And in 2017 and 2018, respectively, Plaza College began offering as career pathway programs its associate degree programs in Paralegal Studies and Healthcare Management. As of award year 2021–2022, Plaza College offered one of its certificate programs (Office Assistant) and six of its associate degree programs (Administrative Studies, Business Administration, Health Information Technology, Healthcare Management, Medical Assisting, and Paralegal Studies) as career pathway programs.

Finding 1. Plaza College's Career Pathway Programs Met All Seven Requirements to be Considered Eligible Career Pathway Programs

All seven of Plaza College's career pathway programs satisfied all seven of the program eligibility requirements in section 484(d)(2) of the HEA.

Eligibility Requirement 1. Aligns with the skill needs of industries in the State or regional economy.

According to Plaza College officials and minutes of meetings with employers, the school designed its career pathway programs to provide the skills and training required for graduates to obtain employment and meet the needs of employers in the regional economy. To identify the needs of industries in the economy of the New York City area, Plaza College created advisory councils. The advisory councils included local employers in particular industries and Plaza College professors who teach in the academic programs relevant to those industries. During the advisory council meetings, local employers provided feedback on the knowledge and skills graduates would need for employment in the local market and expected changes in the market. They also provided feedback on whether Plaza College's career pathway programs provided graduates with the necessary knowledge and skills. School leadership would then determine whether changes in Plaza College's career pathway programs were necessary to meet the needs of the industries in the local economy. We reviewed minutes of the advisory council meetings and verified that the meetings took place and participants discussed the skill needs of the local economy.

Additionally, Plaza College officials told us that the school sent out surveys to students who graduated from its career pathway programs. They used the information collected through the surveys to evaluate the effectiveness of Plaza College's programs in helping students find employment in their chosen fields. The survey information showed that respondents were finding employment in their chosen fields. Plaza College also entered into a partnership agreement with the local chamber of commerce in January 2021. The agreement noted that the school's programs were in high-demand fields, both locally and regionally.

Based on our interviews of school officials and our review of the school's records, we concluded that Plaza College designed its career pathway programs to align with the skill needs of industries in the regional economy where its campus is located.

Eligibility Requirement 2. Prepares students to be successful in a range of secondary or postsecondary education options, including apprenticeships.

According to school officials, Plaza College designed its career pathway programs to prepare students for higher-level educational opportunities, such as a bachelor's degree or other certificates. We reviewed the school's transcripts for the 94 students included in our sample. The transcripts showed that 13 (14 percent) of the students had completed their Plaza College associate degree career pathway program. Of those 13 students, 2 (15 percent) then enrolled in a Plaza College bachelor's degree program. We also reviewed information that Plaza College collected through surveys that it sent to students who had completed their Plaza College career pathway program. The survey information showed that students pursued either a bachelor's degree at Plaza College or additional education at another postsecondary education school. Therefore, we concluded that Plaza College designed its career pathway programs so they could lead to additional degrees or credentials if the student decided the additional degrees or credentials would benefit them.

Eligibility Requirement 3. Includes counseling to support students in achieving their education and career goals.

According to Plaza College officials and the school's catalog, Plaza College designed its career pathway programs so that each enrolled student received continuous education-related monitoring, such as monitoring of attendance and grades. The school also designed its career pathway programs to provide each student with the opportunity to participate in counseling sessions to ensure they were meeting the course requirements necessary to complete their academic program. To assess whether Plaza College provided students with the education-related counseling services as designed, we selected a partially dollar-weighted stratified sample of 94 of the 289 students who enrolled in a Plaza College career pathway program and received at least 1 Title IV disbursement for award year 2021–2022. We reviewed emails and logs of communications between advisors and students and verified that all 94 students (100 percent) received education-related counseling as described by the school's policies and procedures.

Additionally, Plaza College required each student to complete a professional development course, an internship, or an externship before graduating. The professional development course covered topics such as resume writing and interview preparation, which would help students in achieving their career goals. We reviewed enrollment records for all 13 students included in our sample who had reached the end of their academic program. We verified that all 13 students (100 percent) had

completed the required professional development course, an internship, or an externship before graduating.

Based on our interviews of Plaza College officials and our review of the school's records, we concluded that Plaza College's career pathway programs included counseling to support students in achieving their education and career goals.

Eligibility Requirement 4. Offers education concurrently with and in the same context as workforce preparation activities and training for a specific occupation or occupational cluster.

According to Plaza College officials and its catalog, Plaza College designed its seven career pathway programs to include workforce preparation activities within the curriculum of each program. We reviewed Plaza College's catalog and confirmed that each career pathway program included the opportunity for workforce preparation activities through internships, externships, or hands-on practical application of skills. We also visited the school's classrooms and facilities and concluded that they provided adequate opportunity for hands-on training for the healthcare- and medical-related programs. Therefore, we concluded that Plaza College designed its career pathway programs to include workforce preparation activities and training for specific occupations or occupational clusters.

Eligibility Requirement 5. Organizes education, training, and other services to meet the needs of students in a manner that accelerates their education and career advancement.

According to Plaza College's catalog, one of the school's seven career pathway programs provided students with a certificate and six provided students with an associate degree. Additionally, all seven career pathway programs could be completed in 2 years or less, allowing students to complete their high school education and earn a postsecondary education credential in a short time. Plaza College also offered day, night, and weekend classes and gave students the option to attend class virtually, allowing students to complete their coursework and program of study at times and places convenient for them. And it used an accelerated academic calendar that consisted of three 15-week semesters per calendar year, allowing students to complete their academic programs more quickly than an academic calendar with only two semesters and a short summer term per year. We reviewed the school's transcripts for all 94 students included in our sample. We verified that students had the opportunity to attend three 15-week semesters per calendar year and complete their programs in 2 years or less. Therefore, we concluded that the school designed its career pathway programs to meet students' needs in a manner that accelerated their educational and career advancement.

Eligibility Requirement 6. Enables students to attain a high school diploma or its equivalent and at least one postsecondary education credential.

According to its catalog, Plaza College required career pathway program students to complete their high school education while completing their postsecondary education program. For the high school completion portion of its career pathway programs, Plaza College used one of the New York State Education Department's four ways for students to earn a high school equivalency diploma. That method required students to complete 24 credit hours of postsecondary education—6 credit hours in English Language Arts, 3 credit hours in Math, 3 credit hours in Social Science, 3 credit hours in Natural Science, 3 credit hours in Humanities, and 6 credit hours in courses required for the student's program. Plaza College integrated these credit-hour requirements into the curriculum of its career pathway programs.

We reviewed the school's transcripts for all 51 students included in our sample who completed the high school equivalency course requirements while attending Plaza College. We verified that all 51 students' coursework (100 percent) included the 24 credit hours required by the New York State Education Department. Therefore, we concluded that the school designed its career pathway programs to enable students to earn a high school diploma or its equivalent and at least one postsecondary education credential.

Eligibility Requirement 7. Helps students enter or advance within a specific occupation or occupational cluster.

According to Plaza College officials and the school's catalog, Plaza College designed its career pathway programs to provide students with the knowledge and practical skills necessary for an entry-level career in the student's chosen occupation. It required students to complete a professional development course, during which they created a portfolio of their relevant work. The school also provided students with the opportunity for internships or externships to prepare them to enter their chosen field. We reviewed student records and verified that students completed the professional development course and completed internships or externships.

Additionally, Plaza College provided students with the opportunity to work with its career services department to help further develop their resume and prepare for interviews. These services were in addition to the professional development course that the school required students to take. While we attempted to arrange interviews with all 94 students included in our sample, only 10 (11 percent) responded to our communications and agreed to be interviewed. All 10 confirmed that Plaza College offered them the career services described in the school catalog.

Based on the information provided by school officials and students and our review of the school's records, we concluded that Plaza College designed its career pathway programs to help students enter or advance within a specific occupation or occupational cluster.

Because all seven of Plaza College's career pathway programs met all seven requirements to be considered eligible career pathway programs, students enrolled in those seven programs could have been eligible to receive Title IV funds.² Because we did not identify any instances of noncompliance with section 484(d)(2) of the HEA, we are not making any recommendations.

² Students enrolled in eligible career pathway programs must still meet the career pathway program-related student eligibility requirements in section 484(d)(1)(A) of the HEA; they also must meet the Title IV general student eligibility requirements in subpart C of 34 C.F.R. Part 668.

Finding 2. Students Enrolled in Plaza College’s Career Pathway Programs Met the Student Eligibility Requirements in Section 484(d) of the HEA

Students enrolled in Plaza College’s career pathways programs met the student eligibility requirements in section 484(d)(1)(A) of the HEA. Section 484(d) of the HEA allows a student who does not have a high school diploma or its recognized equivalent, or a student who did not complete a secondary school education in a homeschool setting, to be eligible for Title IV funds. The student could be eligible for these funds only if they enrolled in an eligible career pathway program and (1) completed at least 6 credit hours or equivalent postsecondary education coursework that are applicable toward a degree or certificate offered by the school before being enrolled and receiving Title IV funds, (2) passed a Department-approved and independently administered ATB test, or (3) were determined able to benefit from postsecondary education or training in accordance with a State process approved by the Department.

To determine whether students enrolled in Plaza College’s career pathway programs met one of these student eligibility requirements, we selected a partially dollar-weighted stratified sample of 94 students from the population of 289 students who were enrolled in the school’s career pathway programs and received at least 1 Title IV disbursement for award year 2021–2022.

Career Pathway Program Students Completed 6 Credit Hours of Postsecondary Education Coursework Before Enrolling in a Career Pathway Program

Of the 94 students included in our sample, 39 (41 percent) enrolled in a Plaza College career pathway program based on completing 6 credit hours of postsecondary education coursework that were creditable toward a degree or certificate offered by the school. To determine whether the students met the eligibility requirements, we reviewed the school’s enrollment records, including transcripts. We verified that all 39 students (100 percent) completed 6 credit hours of postsecondary education coursework before being enrolled in a Plaza College career pathway program and receiving a Title IV disbursement.

Career Pathway Program Students Passed an Approved and Independently Administered ATB Test

Of the 94 students included in our sample, 55 (59 percent) enrolled in a Plaza College career pathway program based on passing a Department-approved and independently

administered ATB test. To determine whether the 55 students met the student eligibility requirement, we reviewed the school's records for evidence that the students received a passing score on a Department-approved ATB test. Plaza College's records showed that all 55 students (100 percent) received a passing score on an approved ATB test.

According to 34 C.F.R. section 668.151(b), an ATB test is independently administered if it is given at an assessment center by a certified test administrator who is an employee of the assessment center or by an independent test administrator who maintains the test at a secure location. Title 34 C.F.R. section 668.142 defines an assessment center as, among other things, a facility that is located at an eligible 2-year or 4-year school, is independent of the school's admissions and financial aid processes, uses test administrators to administer tests approved by the Secretary, and does not have ATB test administration as its primary purpose.

Title 34 C.F.R. section 668.142 defines a test administrator as someone who is certified by the test publisher to administer ATB tests, protects the tests and results from improper disclosure, and is not compensated based on students' test outcomes. A test is not independently administered if a school compromises test security or test procedures, pays a test administrator a bonus or other incentive based on test scores or pass rates, or otherwise interferes with the test administrator's independence or the administration of tests (34 C.F.R. section 668.151(c)).

Plaza College created an assessment center dedicated to the administration of tests, including ATB tests. We determined that the assessment center was independent of the school's admissions and financial aid processes; and test administrators were all employees of Plaza College's assessment center. To determine whether the ATB tests for the 55 students included in our sample were independently administered, we obtained test administrator certificates from the school. The certificates showed that all three assessment center employees who administered the ATB tests were certified by the test publisher when they administered the tests. We also reviewed Plaza College's ATB testing policies and the test publisher's user manual. The school's testing policies and test publisher's user manual each prescribed testing procedures that test administrators were expected to follow. Those procedures aligned with the requirements in 34 C.F.R. section 668.151. Additionally, we interviewed (a) Plaza College's president, provost, dean of Students, dean of Enrollment Management, director of Student Advisement, director of Career Services, and director of Financial Aid; (b) 2 Plaza College admissions office employees, including the director of Admissions; (c) 3 test administrators who administered the ATB tests for the 55 students included in our sample who enrolled based on passing an ATB test; and (d) 10 students included in our sample who enrolled based on passing an ATB test.

Our reviews of test administrator certificates and interviews demonstrated that all three test administrators met the definition of a test administrator. None of the test administrators, school officials, or admissions office employees described situations when ATB tests and results were unprotected from improper disclosure. Also, the 10 students who we interviewed did not indicate that they received or were offered help while taking their ATB tests. Additionally, none of the test administrators, school officials, or admissions office employees indicated that test administrators received any compensation, bonus, or other incentive based on students' ATB test results or pass rates.

Based on our interviews and reviews of the school's records, we concluded that the ATB tests taken by the 55 students included in our sample were administered in compliance with 34 C.F.R. section 668.151 and the test publisher's rules.

Because we did not identify any instances in which a student did not either complete 6 credit hours of postsecondary education coursework before being enrolled in a Plaza College career pathway program or pass a Department-approved and independently administered ATB test, we are 90 percent confident that at least 98 percent (285) of the 289 students who were enrolled in the school's career pathway programs and received at least 1 Title IV disbursement for award year 2021–2022 met the student eligibility requirements in section 484(d)(1)(A) of the HEA.

Because we concluded that Plaza College complied with the requirements in section 484(d)(1)(A) of the HEA and 34 C.F.R. section 668.151, we are not making any recommendations.

Finding 3. Plaza College Properly Excluded the High School Completion Component from Students' Enrollment Statuses and Costs of Attendance

As required by Dear Colleague Letter GEN-16-09, Plaza College excluded the high school completion component of its career pathway programs from students' enrollment statuses and costs of attendance. For the high school completion component, Plaza College used one of the New York State Education Department's four ways for a student to earn a high school equivalency diploma. Pursuant to that requirement, students had to complete 24 credit hours of postsecondary education coursework—3 credit hours each in Math, Social Science, Natural Science, and Humanities; 6 credit hours in English; and 6 credit hours in courses required for the student's program. Plaza College required students to complete these 24 credit hours as part of their postsecondary certificate or associate degree programs. The 24 credit hours counted toward the high school completion component and the student's postsecondary education program. Given the design of its programs, Plaza College should not have included unique courses or costs associated with the high school completion component of its career pathway programs.

To determine whether the school excluded the high school completion component from students' enrollment statuses and costs of attendance, we selected a partially dollar-weighted stratified sample of 94 students from the population of 289 students who were enrolled in a Plaza College career pathway program and received at least 1 Title IV disbursement for award year 2021–2022. For each of the 94 students, we reviewed Plaza College's enrollment and financial aid records. We verified that the courses shown in the school's enrollment records for the student matched the courses for the student's postsecondary education program (as listed in the school's catalog). We also verified that the enrollment records did not include any high school completion-related courses other than the 24 credit hours required by the New York State Education Department. Additionally, we verified that the institutional charges shown in the school's financial aid records matched the charges for the student's postsecondary education program (as shown in the school's catalog). Finally, we verified that the institutional charges and cost of attendance shown in the school's financial aid records did not include charges or costs unique to the high school completion component of a career pathway program.

Because we did not identify any instances of noncompliance for the 94 students included in our sample, we are 90 percent confident that Plaza College excluded the high school completion component from the enrollment statuses and costs of attendance for at least 98 percent (285) of the 289 students who were enrolled in the

school's career pathway programs and received at least 1 Title IV disbursement for award year 2021–2022.

Because we concluded that the school complied with the requirements in Dear Colleague Letter GEN-16-09, we are not making any recommendations.

Appendix A. Scope and Methodology

We evaluated Plaza College’s compliance with Federal requirements relevant to career pathway programs during award year 2021–2022. We did not evaluate the quality of the school’s career pathway programs.

To accomplish our audit objectives, we first gained an understanding of the following law, regulations, guidance, and other information relevant to the objectives and in effect for our audit period:

- Section 484(d) of the HEA;
- 34 C.F.R. sections 668.24, 668.142, and 668.151;
- Department guidance in Dear Colleague Letter GEN-16-09, Electronic Announcement (EA ID: OPE Announcements-21-02) “Ability to Benefit Frequently Asked Questions,” and relevant sections of the Federal Student Aid Handbook 2021–2022; and
- lists of ATB tests approved by the Secretary of Education as set forth in a June 24, 2015, electronic announcement, “Approved Ability-to-Benefit (ATB) Tests,” and 85 Federal Register 71326–71328 (November 9, 2020), “List of Approved ‘Ability-to-Benefit’ (ATB) Tests and Passing Scores.”

We then reviewed information in the Department’s Common Origination and Disbursement system and the school’s Fiscal Operations Report and Application to Participate to identify the Title IV programs in which Plaza College participated during award year 2021–2022. In addition, we reviewed the school’s website, catalog, accreditation documents, Eligibility and Certification Approval Report, and organizational chart to gain an understanding of the school’s history and organizational structure. Further, we interviewed Plaza College officials and reviewed Plaza College’s policies and procedures relevant to career pathway programs and ATB testing to gain an understanding of the school’s processes for ensuring compliance with career pathway program requirements.

To identify any relevant findings or recommendations identified during prior audits and reviews, we reviewed annual audit reports for the years ended December 31, 2019, through December 31, 2021; a September 4, 2020, Federal Student Aid program review report; and a November 17, 2017, Middle States Commission on Higher Education accreditation review report.

Sampling Methodology

We used sampling to determine whether (1) Plaza College’s career pathway programs included counseling to support students in achieving their education and career goals; (2) Plaza College excluded the high school completion component of its career pathway programs from students’ enrollment statuses and costs of attendance, and (3) students enrolled in the school’s career pathway programs completed 6 credit hours of postsecondary education coursework or achieved a passing score on an approved ATB test before enrolling. To select our sample, we first obtained a list of the 289 students who enrolled in Plaza College’s career pathway programs and received at least 1 Title IV disbursement for award year 2021–2022. We then stratified the population of 289 students based on the career pathway programs in which they were enrolled. Finally, we selected a partially dollar-weighted stratified sample of 94 students from the population of 289 students who were enrolled in a Plaza College career pathway program and received at least 1 Title IV disbursement for award year 2021–2022 (see [Table 1](#)).

Our sample design gave each student a 50 percent chance of being selected based on Title IV funds received and a 50 percent chance of being selected at random. It also allowed each student to be selected from the population more than once.³ For the dollar-weighted portion of the design, the probability of selecting a student was proportional to the total Title IV funds received by the student. For example, a student that received \$1,000 in Title IV funds would have twice the probability of being selected than a student who received \$500 in Title IV funds. Of the 94 students included in our sample, 39 (41 percent) enrolled in Plaza College based on completing 6 credit hours of postsecondary education coursework, and 55 (59 percent) enrolled based on passing an approved ATB test.

Table 1. Population and Sample Sizes by Career Pathway Program

Career Pathway Program	Population of Students Enrolled in the Program	Number of Students in Sample Enrolled in the Program
Administrative Studies	19	7
Business Administration	39	10

³ The sampling design allowed projection to both the population of students and the Title IV funds disbursed for these students. We selected a total of 108 students. Because 11 students were selected 2 times, 1 student was selected 3 times, and 1 student was not enrolled in a career pathway program during the audit period, our sample only included 94 unique students.

Career Pathway Program	Population of Students Enrolled in the Program	Number of Students in Sample Enrolled in the Program
Health Information Technology	16	6
Healthcare Management	35	11
Medical Assisting	27	8
Office Assistant	141	48
Paralegal Studies	12	4
Totals	289	94

Analysis Techniques

We reviewed Plaza College’s records to determine whether they demonstrated that each of the school’s seven career pathway programs met all seven career pathway program eligibility requirements in section 484(d)(2) of the HEA. Specifically, we reviewed Plaza College’s catalog, minutes of advisory council meetings with employers in the local economy, and written explanations of how the school’s career pathway programs satisfied the requirements to be considered eligible career pathway programs as defined by section 484(d)(2) of the HEA.

To determine whether each of the 94 students included in our sample received counseling to support them in achieving their education and career goals, we reviewed Plaza College’s records showing the number of course hours each student completed. We also reviewed communication logs and emails that school advisors used to document counseling sessions with students. We concluded that students received the required academic counseling if the school’s records showed that the advisors and students discussed academic-related topics. We concluded that students received the required career-related counseling if the school’s records showed that they completed a professional development course in which Career Services employees provided help with interview skills, resume writing, and job searches.

To determine whether 39 of the 94 students included in our sample met the 6-credit hour student eligibility requirement in section 484(d)(1)(A) of the HEA, we reviewed student enrollment records and transcripts. We concluded that a student met the 6-credit hour student eligibility requirement if the school’s enrollment records and transcripts showed that the student completed at least 6 credit hours of postsecondary education coursework before being enrolled in a career pathway program and receiving a Title IV disbursement.

To determine whether the other 55 students included in our sample met the ATB test student eligibility requirement in section 484(d)(1)(A) of the HEA, we reviewed ATB test score reports. We also reviewed certificates provided by the school to verify that all three test administrators who administered ATB tests for the 55 students were certified by the ATB test publisher when they administered the tests. To determine whether the ATB tests were administered in accordance with 34 C.F.R. section 668.151, we reviewed Plaza College's ATB testing policies and the test publisher's user manual. We also interviewed (a) Plaza College's president, provost, dean of Students, dean of Enrollment Management, director of Student Advisement, director of Career Services, and director of Financial Aid; (b) 2 Plaza College admissions office employees, including the director of Admissions; (c) 3 test administrators who administered ATB tests for the 55 students included in our sample who enrolled based on passing an ATB test; and (d) 10 students included in our sample who enrolled based on passing an ATB test.⁴

We concluded that the 55 students included in our sample met the ATB student eligibility requirement in section 484(d)(1)(A) of the HEA if they enrolled in one of Plaza College's 7 career pathway programs and received a passing score on a Department-approved ATB test. We concluded that ATB tests were independently administered if we could determine that the test administrators maintained ATB tests at a secure location and met the definition of a test administrator, and Plaza College or campus officials did not (1) compromise test security or testing procedures; (2) pay a test administrator a bonus, commission, or other incentive based on test scores or pass rates; or (3) otherwise interfere with the test administrator's independence or test administration.

To determine whether Plaza College excluded from students' enrollment statuses and costs of attendance the component of its career pathway programs that enables a student to attain a high school diploma or its recognized equivalent, we reviewed the New York State Education Department's requirements for a high school equivalency diploma. We also reviewed Plaza College's records for all 94 students included in our sample; specifically, we reviewed student transcripts, enrollment records, and ledger cards showing financial aid information and the cost of attendance. We concluded that Plaza College excluded the high school completion component of its career pathway programs if the student's (1) transcript did not include any high school completion-related courses other than the 24 credit hours required by the New York State

⁴ We attempted to arrange interviews with all 55 students included in our sample who enrolled based on passing an ATB test. However, only 10 (18 percent) of those students responded to our communications and agreed to be interviewed.

Education Department and (2) ledger cards did not include costs unique to obtaining a high school diploma or its recognized equivalent.

Use of Computer-Processed Data

We relied, in part, on data that Plaza College retained in its information systems. Specifically, we relied on a list identifying students who enrolled in Plaza College's career pathway programs and received at least one Title IV disbursement for award year 2021–2022. We assessed the reliability of the data by comparing the names of the students on the Plaza College-provided list with those having a student eligibility code relevant to career pathway programs as shown in the Department's Common Origination and Disbursement system.⁵ We did not identify any unexplained differences. Therefore, we concluded that Plaza College's list was sufficiently reliable for identifying students whom the school reported as enrolled in Plaza College's career pathway programs and received at least one Title IV disbursement for award year 2021–2022.

Compliance with Auditing Standards

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We conducted our audit at Plaza College's offices in Forest Hills, New York, and our offices from August 2022 through June 2023. We discussed the results of our audit with Plaza College officials on June 29, 2023, and provided them with the draft of this report on September 27, 2023.

⁵ Schools self-report student eligibility codes relevant to career pathway programs to the Department's Common Origination and Disbursement system.

Appendix B. Acronyms and Abbreviations

ATB	ability to benefit
C.F.R.	Code of Federal Regulations
Department	U.S. Department of Education
HEA	Higher Education Act of 1965, as amended

Plaza College's Comments



September 29, 2023

Gary D. Whitman
Regional Inspector General for Audit
United States Department of Education
Office of Inspector General
400 Maryland Avenue, S.W.,
Washington, Dc 20202-1510

Re: Plaza College's Eligible Career Pathway Programs (Control Number ED-OIG/A19IL0103)

Dear Mr. Whitman:

The purpose of this letter is to respond to the draft audit report of Plaza College's Career Eligible Pathway Programs. As per your request, we have reviewed the findings contained within the report. Please see the Exhibit A attached hereto, which lists the findings as written in the report and the College's corresponding positions.

In addition, we wanted to take this opportunity to thank the members of the Office of Inspector General for their professionalism, courteousness with students and staff, and availability to our management team throughout the process.

Please do not hesitate to contact me with any further questions.

Sincerely,

Charles E. Callahan IV
Provost

CC: Charles Callahan, President

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Exhibit A

Finding 1. Plaza College's Career Pathway Programs Met All Seven Requirements to be Considered Eligible Career Pathway Programs

Plaza College Position: Plaza College agrees with the results of the audit

Finding 2. Students Enrolled in Plaza College's Career Pathway Programs Met the Student Eligibility Requirements in Section 484(d) of the HEA

Plaza College Position: Plaza College agrees with the results of the audit

Finding 3. Plaza College Excluded the High School Completion Component from Students' Enrollment Statuses and Costs of Attendance

Plaza College Position: Plaza College agrees with the results of the audit

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