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DIVISION OF
STATE GOVERNMENT ACCOUNTABILITY

EFFECTIVE OVERSIGHT OF THE
TUITION ASSISTANCE PROGRAM:

Schools Can Avoid Disallowances by
Ensuring Eligibility

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Executive Summary

The Tuition Assistance Program (TAP) is among the nation's largest state-sponsored, need-based grant programs for student aid. Since 1974, TAP has served millions of New York State students seeking postsecondary education. TAP can reduce the overall costs of college for students by 10 to 25 percent.

In 2010-2011, New York State spent \$869 million on the Tuition Assistance Program, which provided aid to 309,540 students. TAP creates educational opportunities for students who might otherwise delay or not obtain postsecondary education without these funds. TAP also is a significant indirect source of financial support for our State's colleges, universities, and other postsecondary schools. Ensuring that TAP is awarded only to eligible students helps to maintain the program's integrity, and keeps schools from losing money as a result of disallowances.

Three State entities share most of the responsibility for TAP. The State Education Department promulgates regulations that govern TAP. The Higher Education Services Corporation reviews whether students are financially eligible to receive TAP grants and calculates TAP award amounts. The Office of the State Comptroller audits TAP awards to verify that they are distributed only to students who are eligible as defined in State laws and regulations. Postsecondary schools also have an important role in administering the grant program: they must ensure that TAP awards are distributed only to eligible students.

TAP has complex eligibility rules that include demographic, financial and academic criteria. The Comptroller's audits have found that certain schools had distributed awards incorrectly to some students who, based on TAP's rules, were not eligible. These errors can result in disallowances, which can trigger a recommendation that the Higher Education Services Corporation seek repayment of TAP funds from schools to the State. Recommended disallowances can range from a few hundred dollars to several million dollars for a single school.

Since 2007, audits of 17 schools have recommended repayment of more than \$9 million in incorrectly distributed TAP awards. As of September 30, 2011, the Higher Education Services Corporation had recovered \$7.6 million. One audit had recommended that the Brooklyn Institute of Business Technology repay \$1.3 million to the State, but the school went out of business before any funds were collected.

The most common errors identified in the Comptroller's recently released audits concern maintenance of full-time student status, documenting matriculation and ensuring good academic standing. Schools often fail to apply the criteria defined in law and regulations when distributing TAP awards, and erroneously use their own criteria instead.

To aid schools in their administration of TAP, this report includes a checklist of key eligibility questions for things such as ensuring full-time status and maintaining good academic standing. To avoid making the frequently recurring errors identified by the Comptroller's audits, school officials need to address these questions before distributing TAP grants to students.

To help schools improve compliance with eligibility requirements and thus avoid disallowances, the Comptroller recommends that school staff be required to participate in training on TAP eligibility and that schools use software to help ensure that students maintain their eligibility for TAP during course registration. The Comptroller also recommends that a TAP working group consisting of representatives of participating schools, the Higher Education Services Corporation, the Office of the State Comptroller and the State Education Department meet regularly to consider and recommend legislative reforms that would simplify eligibility criteria and develop performance measures for TAP.

Since 1974, the Tuition Assistance Program has helped millions of New Yorkers gain access to colleges, universities and other postsecondary schools. TAP offers New Yorkers the opportunity to move up the economic ladder.

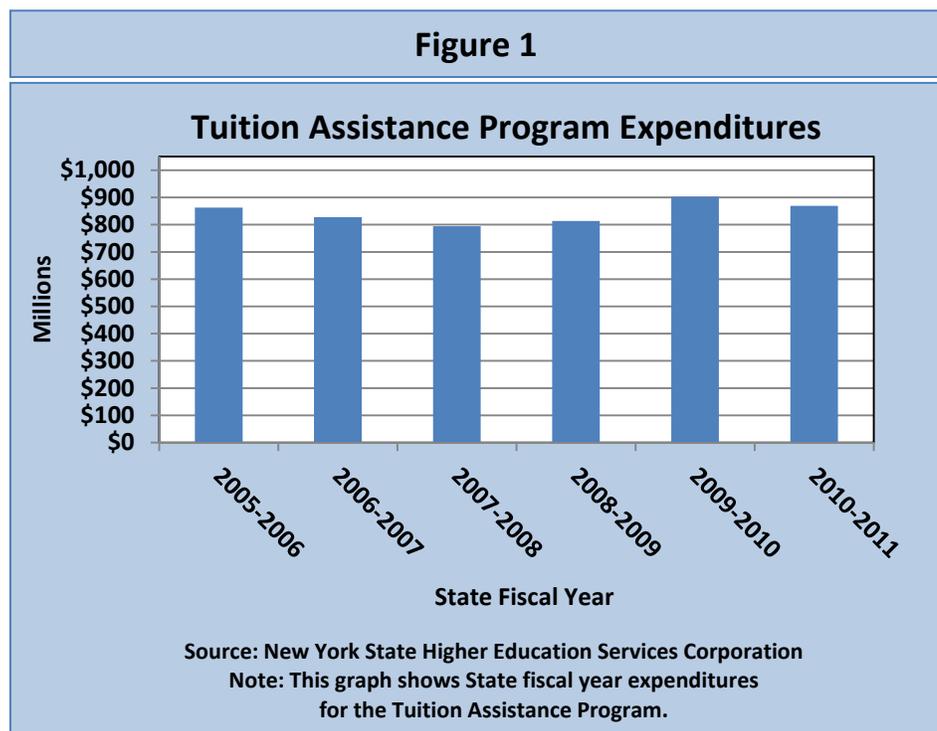
TAP Creates Opportunities for New Yorkers

New York State's Tuition Assistance Program (TAP) is a State-sponsored, need-based grant program for student aid. Since 1974, TAP has served millions of New Yorkers seeking a college education and has helped them avoid the indebtedness that ensues from student loans. For full-time college students who live on campus, TAP can reduce students' total costs (including tuition, fees, and basic living expenses such as transportation and health care) by 10 to 25 percent, depending on whether the institution is private or public.

All states have some type of state-funded, need-based entitlement grant program for students seeking postsecondary education. New York's Tuition Assistance Program is among the nation's largest, about the same size as California's program. In 2009-2010, New York spent \$901 million on TAP and provided assistance to 32 percent of the full-time equivalent (FTE) student enrollment in postsecondary education. California spent \$1 billion on its CAL Grant A, B, C program, which aided 12 percent of that state's enrolled FTE students. Nationwide, states as well as the District of Columbia and Puerto Rico offered need-based grants to 15 percent of students.

TAP serves students from households that have New York State taxable incomes below \$80,000. Grants vary based on factors such as the amount of tuition charged; whether other family members are attending college; whether students are married or single, and whether

Figure 1



they are financially dependent, or independent. Annual awards range from \$500 to \$5,000; in 2009-2010, the average award was \$2,731. TAP eligibility is generally limited to up to four academic years or eight semesters for a bachelor's degree and three academic years or six semesters for associate degrees and other two-year programs. The awards are paid directly to schools on behalf of students.

In recent years, annual TAP expenditures have ranged from \$795 million to

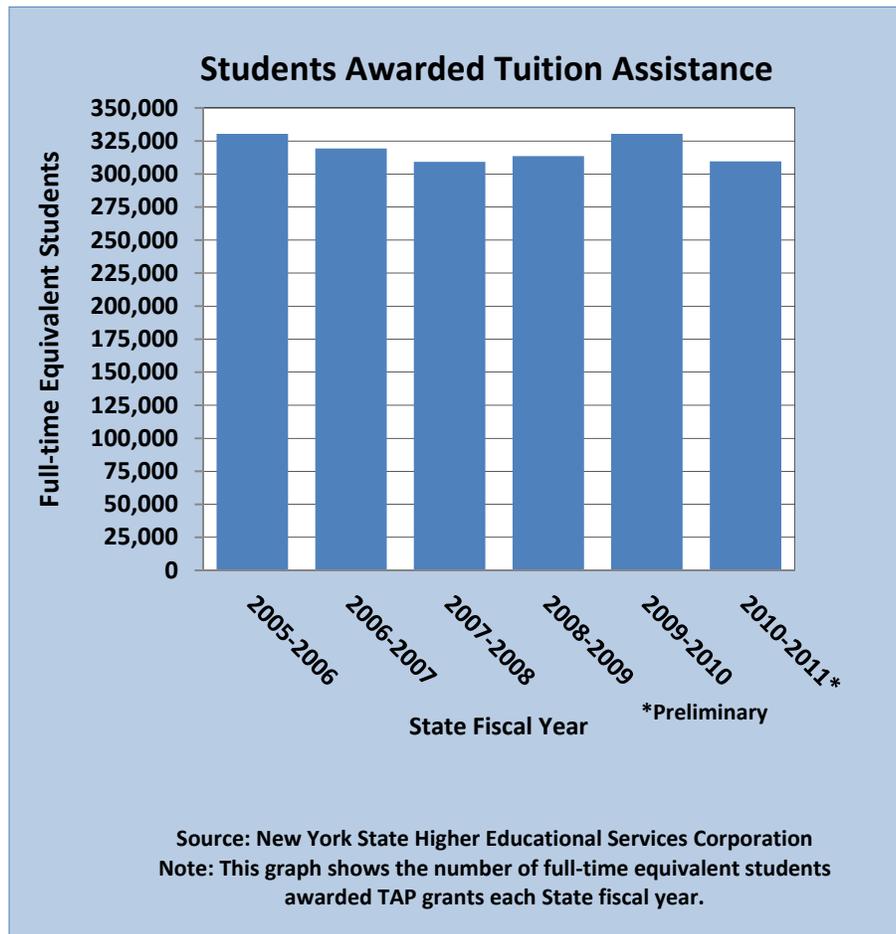
\$901 million for 309,188 to 330,110 FTE students (see Figures 1 and 2). The decline in FTE students in 2010-2011 reflects the elimination of TAP grants for graduate students, and other changes to criteria used to determine eligibility and to calculate award amounts, which affected undergraduate students.

Of the 2010-2011 awards, 40 percent funded academic programs at independent schools; 35 percent funded

studies at State University of New York (SUNY) schools; and 25 percent funded higher education at schools in the City University of New York (CUNY) system.

For New York's institutions of higher education, TAP is an important source of indirect support, without which many students might forgo schooling. TAP awards equal 4 percent of SUNY's total revenue, which consists of tuition and other revenue sources, and 6 percent of CUNY's total revenue. TAP payments can

Figure 2



constitute a larger share of an individual school's financial resources, depending on the proportion of student enrollment that receives TAP. At some proprietary (e.g. for-profit) institutions, more than 75 percent of students receive TAP awards; awards to students from the grant program equal almost half of these institutions' tuition revenue. For example, TAP provided nearly \$9 million (53 percent) of the \$17 million in undergraduate tuition revenue reported by the Globe Institute of Technology in 2004-2005, according to data from the State Education Department. This contrasts with Cornell University, which reported \$91.7 million in undergraduate tuition revenue in 2004-2005, of which TAP funded just \$3.5 million (4 percent). Hunter College reported \$56.7 million in undergraduate tuition revenue, including \$14 million from TAP (25 percent). Clearly, in addition to providing students with learning opportunities, TAP also financially benefits colleges, vocational schools, and other postsecondary educational institutions. For profiles of selected TAP-participating institutions, see Appendix B.

Guidance for Schools

In the Office of the State Comptroller, the Division of State Government Accountability audits postsecondary institutions to ensure that they correctly certify students' TAP awards – meaning that the schools have complied with the program's legal eligibility requirements and distributed TAP grants only to students who met those criteria. The audits examine eligibility decisions and identify errors made by schools. Frequent findings from recent audits are presented in this report, along with general guidance on TAP eligibility requirements. This report also summarizes the Comptroller's TAP audit protocols, to give schools a sense of the audit process.

While intended to aid the work of TAP officers and other school administrators, this report does not alter the obligation of schools to know and apply the laws and regulations that govern eligibility in this grant program. School administrators maintain frontline responsibility for the program and must ensure that the laws and regulations are applied correctly to each student when awarding tuition assistance. When errors are detected during audits, schools lose out and can be asked to repay the State.

In 2010-2011, New York State awarded \$855 million in TAP grants. Of this, 40 percent went to students at independent schools; 35 percent went to students at SUNY schools; and 25 percent went to students at CUNY schools.

Student Eligibility

A student’s eligibility for TAP is determined each academic term and depends on a number of factors, including income, citizenship or immigration status, academic performance, and residency status as specified in State Education Law and in the regulations of the State Education Commissioner and the Higher Education Services Corporation. Students must also meet other academic requirements, such as enrolling in an approved program of study, achieving a minimum grade point average, maintaining sufficient and appropriate credits, and declaring a major timely. Relevant laws and regulations that explain these requirements are detailed in Figure 3.

Figure 3

Eligibility Requirements	Education Law and Regulations
Approved Program of Study	§667(1) and part 145, Subpart 145-2.3
Citizenship and Immigration Status	§661(3) and Part 2201, Subpart 2201.1
Full-Time Status	§661(4) and Part 145, Subpart 145-2.1
Good Academic Standing	§665(6) and Part 145, Subpart 145-2.2
Income	Part 2202, Subpart 2202.7
Maintain “C” Average	§661(4)(c)
Matriculation	§661(4)(a) and Part 145, Subpart 145-2.4
Minimum Tuition	Part 2202, Subpart 2202.2
Residency	§661(5) and Part 2201, Subpart 2201.1
Sources: New York State Education Law and Regulations	
Note: This chart lists major eligibility criteria and the corresponding sections of State law and regulations.	

Oversight and Management

Three State entities share most of the responsibility for the Tuition Assistance Program: the Higher Education Services Corporation (HESC), the Office of the State Comptroller (OSC), and the State Education Department (SED). The Education Commissioner issues regulations on eligibility, educational program completion, academic achievement, and standards and procedures for institutions that participate in the program. HESC approves the participation of postsecondary institutions in the program, processes TAP applications, reviews the financial eligibility of students, and calculates students’ award amounts. HESC is also charged with collecting any recommended disallowances from schools if an

audit finds that TAP was distributed to ineligible students. The certification of TAP awards by participating postsecondary institutions – a process intended to ensure that only eligible students receive TAP grants – is audited by OSC, which may also conduct other kinds of TAP audits at the request of the Education Commissioner or the HESC President. OSC also disburses TAP awards to the institutions.

Individual colleges, universities, and other postsecondary institutions also play a critical role. School officials are responsible for ensuring that students are eligible to receive TAP funds. The State's eligibility rules are complex. Not following those rules can cost a school money if an audit recommends that the school repay the State. Normally, by the time an audit is conducted, many students have already received their TAP awards, have completed their courses and are no longer attending school. Students are generally not penalized and are usually unaware of an audit. Any repayment from a school to the State happens after students have received the educational services.

Poor oversight of TAP by schools can lead to adverse consequences for students. For example, a school's lack of compliance with eligibility rules can cause students to exhaust their eligibility for TAP before completing their studies, or lead to delays in students' schooling as they seek other means of funding their education.

Results of Recent TAP Audits

Audits released since 2007 examined award certifications at 17 postsecondary institutions that resulted in recommended repayments to the State totaling \$9.9 million out of \$396 million in distributed TAP awards (see Appendix A). Through September 2011, HESC, which seeks repayment of TAP funds from schools as recommended by OSC, was reimbursed \$7.6 million. Delays in collecting the recommended disallowances can occur because schools arrange payment plans with HESC, schools dispute the recommended repayment based on interpretation of statute or regulations, or schools go out of business before HESC collects the funds.

As of September 30, 2011, one school had not repaid anything to the State. The recommended disallowance for that school—the Brooklyn Institute of Technology—totaled \$1.3 million. Before HESC had collected any funds, the proprietary school went out of business. When schools do not repay the State,

HESC can reduce future TAP payments or refer the schools to the State Attorney General's Office.

Frequent Findings in the Comptroller's Audits

OSC audits have identified frequently recurring errors in the certification of TAP awards by postsecondary schools. While the Comptroller's audits indicate that schools are generally conscientious in their administration of TAP, there is room for improvement. Common errors made by school administrators include not determining whether students are enrolled in appropriate and sufficient credits to

Percentage of Undergraduates Receiving TAP 2004-2005 School Year at Select Schools

Globe Institute of Technology	77%
SUNY at Binghamton	43%
Hunter College	38%
Borough of Manhattan Community College	34%
Cornell University	16%

Sources: New York State Education Department; OSC analysis

be deemed full-time, not determining whether students are in good academic standing, and not ensuring that students have fulfilled requirements needed to matriculate. Students and schools could also benefit from schools giving students better guidance on maintaining their TAP eligibility,

which would require schools to allocate resources for this purpose. Common errors identified by the Comptroller's audits are discussed below.

Ensuring Full-Time Status

College administrators sometimes make the mistake of certifying full-time TAP awards for students who are not attending school on a full-time basis as defined by the Education Commissioner. Typically, this occurs because either students are not taking a sufficient number of credits in a given semester, or they are enrolled in courses that, for a variety of reasons, do not count toward the completion of their degrees.

Most schools operate on a 15-week semester basis. According to State regulations, to be considered full-time in these schools, students must enroll in courses consisting of at least 12 semester hours. Students in schools that operate with different academic calendars are subject to comparable requirements regarding full-time status. Schools should also ensure that students receiving TAP awards select the appropriate courses to satisfy the minimum full-time credit requirement for student financial aid purposes – ones that count toward degree completion, as required by State regulations.

Figure 4

Case in Point: Ensuring Full-Time Status

Consider Marlene, a full-time bachelor's degree-seeking student who, during her third year of college, has decided to change her declared major. She is taking 15 credits and has switched from economics to nursing. Marlene is taking one class in marketing, one in psychology, one in elder care, one in accounting and one in pharmacology. Each class is three credits. Only the elder care, pharmacology and psychology classes count toward her nursing degree. How could school officials assist Marlene in understanding the impact her change of major and choice of classes might have on her eligibility for TAP?

Marlene should have been counseled prior to the start of her new term that switching majors could affect her eligibility for TAP. Marlene is in her third year of study, and, because she has received TAP continuously during her study, it is unlikely that she will be able to complete the nursing major with the remaining TAP grants that she is still eligible to receive.

School officials should have advised Marlene that her marketing and accounting classes do not count toward completion of her nursing degree. In addition, school officials should have explained to Marlene that she is not enrolled in a sufficient number of credits (12 minimum) to be considered full-time for purposes of receiving TAP – even though she is taking more than the minimum number of credits required according to her college's definition of full-time status. To resolve this, the school should have advised Marlene to enroll in at least 12 credits that count toward her nursing degree. The school could also have recommended that Marlene maximize her course load each semester so as to complete as many credits as possible that count toward her nursing degree before exhausting her eligibility for TAP.

The example in Figure 4 illustrates the difference between full-time status as defined by a school, and full-time status as defined in the regulations of the Education Commissioner. To help determine whether full-time students are taking appropriate courses, schools need to answer the following questions:

- ◆ Has the student enrolled in at least 12 credit hours at a semester-based school? If the student has declared a major, do at least 12 credit hours of the courses selected count toward completion of that degree?
- ◆ Has the student been advised to enroll in more than 12 credit hours? A lower class load is unlikely to be sufficient to complete a bachelor's degree within four years. Most bachelor's degrees require a minimum of 120 credit hours to graduate or an average of 15 credit hours per semester, which is more than the TAP minimum requirement of 12 credit hours per semester.
- ◆ Has the student been advised that the lifetime limit for TAP grants is generally eight semesters for four-year degrees, or six semesters for two-year degrees? If students understand that the number of TAP awards is limited, they might be more conscientious about completing their degrees on time.
- ◆ Has the student repeated a course despite earning a passing grade the first time?

In an ideal situation, school officials would review each student's records and recommend a strategy to complete a program of study before each student's eligibility for TAP is exhausted. Schools often lack the resources needed to provide such guidance, and students often make choices independently about their studies without notifying their advisors – choices that could adversely affect their eligibility for TAP. Schools should consider using software that would restrict student class choices based on TAP eligibility, or that would block students from completing their enrollment until they consult with school officials and obtain guidance regarding their choices.

Documenting Matriculation

Schools sometimes lack documentation that a student who has received TAP has matriculated. Matriculation for the purpose of determining eligibility for State student financial aid is different from matriculation as defined by individual schools for their own purposes. For TAP, matriculation is an eligibility requirement, and is defined in the Education Commissioner's regulations. Individual schools might have their own definitions of matriculation, which might not include a requirement of documented evidence of high school completion, for instance – although TAP does require such evidence.

According to the regulations of the Education Commissioner, to be matriculated, a student must first apply to a postsecondary school. Once a school accepts the student, the school must document that, according to its own admissions procedures and standards as well as relevant State or federal regulations, the student has the ability to benefit from the educational program. In addition, the school must assess and account for that student's unique academic needs and provide remediation if necessary. Some questions school administrators should consider include:

- ◆ If the student attended secondary school in the United States, does that student have valid proof of high school completion, such as a high school diploma from a school registered with the SED or a certificate of General Educational Development (GED)?
- ◆ If the student has a high school completion credential from a school outside the United States or an Individualized Education Program diploma, has the student taken an SED-approved test of ability to benefit (ATB) and received a passing score?

Figure 5 provides an example of the kinds of documentation that demonstrate that students are matriculated in accordance with the Education Commissioner's regulations.

Figure 5

One School's Story

A popular four-year surgical technician training program at a proprietary school attracted many applicants. Most of the applicants received federal and State assistance to help cover the cost of their schooling. The viability of that training program depends largely on the availability of such financial assistance, and on the school's compliance with the regulations of those programs. Yet school administrators failed to document that these students had completed their secondary educations, or were capable of progressing academically in the training program—as required for State tuition assistance. Basic documents such as high school completion credentials and ATB test scores were not on file for most of the students who had received TAP funds. State audits found that students were not matriculated as defined by the State Education Commissioner, and as a result, the school had to return \$1.5 million – the equivalent of more than 10 percent of the school's annual operating revenue – to the State.

Maintaining Good Academic Standing

In the Education Commissioner's regulations, there are two primary requirements for maintenance of good academic standing: making satisfactory academic progress toward program completion or completion of a major, and pursuing the program of study or declared major in which a student is enrolled. To make satisfactory academic progress, students must earn a minimum cumulative number of credits and achieve a minimum cumulative grade point average at the end of each semester. To be regarded as pursuing a program of study, a student must complete a set number of credits that are required for the program each semester.

According to 2010-2011 criteria, by the end of the second year of college, a student in receipt of a TAP award is generally required to earn 45 cumulative credits and a cumulative 2.0 grade point average. In addition, during the second semester of the second year, the student must complete at least nine credits that are mandated for the student's declared major. These criteria vary depending on the date that the student first received TAP funding, the educational needs of the student, and the type of program in which the student is enrolled.

Most full-time students in bachelor's degree programs may receive TAP grants for just eight semesters. The statutory limit on receipt of TAP is intended to encourage students to complete their studies in a timely manner. Schools need to track the progress that students make toward degree completion, and determine whether students are maintaining good academic standing and will finish their studies before exhausting the allowable number of TAP grants. Once a student begins to receive TAP funds, schools should monitor the students' achievement of certain benchmarks each term, a process that determines whether the students remain eligible for continued TAP grants. School officials should review the following to help determine whether students are maintaining good academic standing each term:

- ◆ Has the student maintained the required cumulative minimum grade point average each term?
- ◆ Has the student completed the required number of cumulative credits at the end of each term?
- ◆ Has the student completed the required number of appropriate credits for the declared major during each term?

Another recommended action for schools to assist students in maintaining their eligibility for TAP is to train advisors who coach students about course and major selection to understand TAP eligibility laws and regulations. During audits, school officials often inform the Comptroller's staff that academic advisors encouraged students to make choices regarding course selection that ultimately made the student ineligible for TAP. Academic advisors working in the academic interests of the student often lack familiarity with TAP laws and regulations that would help them to assist students in making the right academic choices and maintaining eligibility for TAP.

Other Eligibility Requirements

Other TAP eligibility requirements that the Comptroller's audits examine relate to residency and tuition. To be considered a State resident for purposes of TAP eligibility, a student must legally reside in the State for one year before attending school or have been a legal resident during the last two semesters of high school. For purposes of TAP eligibility, legal residence is sometimes established by submitting documentation that demonstrates that a student or his or her parents have a permanent residence in the State, which could include a lease, a tax return, a utility bill or driver's license. Another regulation holds schools responsible for reporting to HESC the amount of tuition actually incurred by students, a figure that is used to calculate TAP awards. If an audit finds that a school has reported tuition amounts in excess of actual charges, it can recommend that HESC seek repayment. Schools are also expected to act on a timely basis in crediting a student's account with a TAP payment. Audits have found that some schools fail to credit students' accounts with their TAP awards – and as a result, the students do not get the benefit of the awards.

Eligibility and Compliance Considerations

Consideration of a few basic questions regarding eligibility status before certifying students as eligible for TAP will lessen the chances of audit disallowances.

Ensuring Full-Time Status

1. Has the student enrolled in at least 12 credit hours at a semester-based school? If the student has declared a major, do at least 12 credit hours of the courses selected count toward completion of that degree?
2. Has the student been advised to enroll in more than 12 credit hours? A lower class load is unlikely to be sufficient to complete a bachelor's degree within four years. Most bachelor's degrees require a minimum of 120 credit hours to graduate or an average of 15 credit hours per semester, which is more than the TAP minimum requirement of 12 credit hours per semester.
3. Has the student been advised that the lifetime limit for TAP grants is generally eight semesters for four-year degrees, or six semesters for two-year degrees? If students understand that the number of TAP awards is limited, they might be more conscientious about completing their degrees on time.
4. Has the student repeated a course despite earning a passing grade the first time?

Documenting Matriculation

5. If the student attended secondary school in the United States, does that student have valid proof of high school completion from a school registered with the SED, such as a high school diploma or GED?
6. If the student has a high school completion credential from outside the United States or an Individualized Education Program (IEP) diploma, has the student taken an SED-approved ATB and received a passing score?

Maintaining Good Academic Standing

7. Has the student maintained the required cumulative minimum grade point average each term?
8. Has the student completed the required number of cumulative credits at the end of each term?
9. Has the student completed the required number of appropriate credits for the declared major during each term?

Recommendations for Reform

The Tuition Assistance Program is a valuable program that offers a pathway for New Yorkers from low- and moderate-income households to obtain the postsecondary education credentials that will help them to move up the economic ladder. The Comptroller recommends the following actions to help schools improve their administration of TAP and avoid costly disallowances:

1. A working group of schools and State agencies (HESC, SED and OSC) charged with oversight of TAP should meet regularly. The working group should consider: new audit protocols and topics; reforms to simplify TAP eligibility criteria; elaborating financial criteria for the participation of schools in TAP; performance measures to evaluate TAP; new TAP training for school officials; and a revision of the 1989 memorandum of understanding that outlines the roles of HESC, SED, and OSC.
2. Schools should consider using software that would restrict student class choices based on TAP eligibility, or that would block students from completing their enrollment until they consult with school officials and obtain guidance regarding their choices. Schools should require their TAP officers and academic advisors to attend any State-provided training on TAP, and to learn TAP law and regulations.
3. HESC should implement procedures to ensure that disallowances are collected from financially troubled schools and from schools that go out of business. HESC should monitor and report publicly on collected reimbursements as compared with the Comptroller's recommended disallowances.

Comptroller's TAP Audit Protocols

To participate in TAP, schools must agree in writing to comply with all applicable laws and regulations. The schools' role in TAP is to ensure that TAP grants are awarded only to eligible students as defined in law and regulation. Schools must allow OSC to audit any of their records and procedures used in administering TAP. The Comptroller's audits focus primarily on student eligibility.

Schools are notified in writing by the Comptroller's staff that an audit is scheduled. The engagement letter is then followed by a phone call confirming that auditors will be visiting the schools. Auditors usually examine a random sample of awards paid during a prescribed audit period. Auditors can also examine awards outside the prescribed audit period should information arise during fieldwork indicating that awards may have been distributed to students who were not eligible.

While being audited, schools can expect to be asked for evidence of their compliance with State eligibility rules for TAP. This can include requests for proof of students' high school completion, academic transcripts, financial transactions with the schools, admissions and financial aid records, and other documents.

When auditors find that students are ineligible for awards received, they can recommend an audit disallowance – which basically asks HESC to seek repayment from the schools. The method used to calculate disallowances was developed by OSC in consultation with a university researcher.

To calculate the total disallowance for each audit, the auditors project the value of the sample awards distributed in error to all TAP awards distributed by the school during the audit period. The auditors then choose the larger of the two values as a total disallowance—either the straight sum of the awards distributed in error or the projection.

During fieldwork, auditors sometimes become aware of additional information about TAP awards made outside the audit period and might also disallow those awards. Such disallowances are not projected and are simply added to the projected total disallowance.

Once a sample of awards has been reviewed, the auditors issue preliminary findings to the school, SED, and HESC, and ask for comments. After considering the school's response and possibly revising the audit findings, the auditors send a draft audit report to the school, SED, and HESC for additional comments and review. After considering all responses, additional changes may be made and a final report is issued.

If disallowances are recommended in the final report, HESC seeks repayment from schools within 30 days. Schools that do not reimburse HESC within 30 days could also be required to pay interest on the recommended disallowance.

OSC proposes a new TAP audit protocol, to be implemented after consultation with SED and HESC in April 2012. First, the auditors will review a small sample of

a school's TAP awards. Whether a full audit is warranted will depend on the nature and incidence of errors in the sample. When a full audit is not deemed necessary, schools will be required to: repay any awards found to be in error; develop and implement a plan to correct the problems identified within 12 months of the review; and report to the Comptroller, HESC, and SED regarding the results of the review and the implementation of a corrective action plan. Auditors may conduct a second review to verify that a corrective action plan is in place.

A full audit will be conducted only when an assessment of the magnitude of the problems identified in an initial review concludes a full audit is justified. When a full audit is conducted, the recommended repayment of funds will generally be based on a statistical projection of sample awards distributed in error to all TAP awards distributed by the school during the audit period.

Conclusion: Ensuring Program Integrity

The State's institutions of higher education largely administer TAP with integrity, but there are opportunities to improve and strengthen their administration of TAP. The Comptroller's audits have found that, for the most part, schools correctly certify TAP awards. The same types of errors recur frequently, so guidance based on audit findings can help schools avoid making the same mistakes. The guidance presented in this report is intended as a reference for school administrators, and not as a substitute for knowledge of and compliance with State laws and regulations from SED and HESC governing TAP. To ensure that only eligible students receive TAP awards, schools should designate personnel who know and keep up to date with the laws and regulations. Adhering to eligibility standards in certifying TAP awards will help schools avoid audit disallowances that cost them money, and will achieve the kind of oversight and efficiency that taxpayers expect and deserve.

Resources for Additional Information

The Higher Education Services Corporation provides students and parents with easy-to-access information about ways to finance higher education. For statistics (such as annual expenditures and recipients) on the Tuition Assistance Program, download the HESC annual report and financial statement from:

- ◆ <http://www.hesc.com/content.nsf>.

Guidance, including a policy manual and the “TAP Coach” for college administrators, high school counselors, and financial aid professionals on the administration of TAP, can also be found at the HESC website at:

- ◆ http://www.hesc.com/content.nsf/CA/Financial_Aid_Professionals
- ◆ http://www.hesc.com/content.nsf/SFC/High_School_Counselors_and_College_Advisors.

Basic information about TAP and other sources of funding for college, including downloadable brochures, is also available on the HESC website at:

- ◆ http://www.hesc.com/content.nsf/SFC/Grants_Scholarships_and_Awards.

The State Education Department publishes numerous executive memos dating back to the 1980s offering guidance on TAP eligibility. These memos can be browsed on the web at the following link:

- ◆ <http://www.highered.nysed.gov/ocue/lrp/ceomemorandum.htm>.

Audits conducted by the Office of the State Comptroller of TAP and other programs and services can be found at:

- ◆ <http://www.osc.state.ny.us/audits/index.htm>.

Appendix A

Recent Audits of Schools Participating in the Tuition Assistance Program

Report Number	Type of School	Recommended Repayment
	Public Schools	
2008-T-1	Baruch College	\$1,344,446
2009-T-3	Hunter College	\$1,370,649
	Not-for-Profit Independent Schools	
2009-T-2	Bramson ORT	\$338,371
2007-T-1	Brooklyn Institute of Business Technology	\$1,337,581
2007-T-2	Canisius College	\$5,559
2009-T-4	College of New Rochelle	\$62,341
2006-T-5	Manhattanville College	\$27,263
2007-T-4	Molloy College	\$462,952
2009-T-5	New York Institute of Technology	\$114,830
2009-T-1	St. John's University	\$134,031
	Proprietary Independent Schools	
2008-T-4	ASA Institute of Business and Computer Technology	\$649,009
2010-T-2	Berkeley College	\$634,714
2007-T-5	Globe Institute of Technology	\$294,933
2007-T-6	Interboro Institute	\$2,373,588
2009-T-6	Long Island Business Institute	\$7,500
2008-T-2	Mandl School	\$121,331
2008-T-3	Technical Career Institute	\$593,302
	Total	\$9,872,400
Source: New York State Office of the State Comptroller		

Appendix B

Profiles of Selected Schools Participating in the Tuition Assistance Program

2004-2005 Profiles of Schools Offering Bachelor's Degrees			
(Academic Year Data)			
	CUNY Hunter College	SUNY at Binghamton	Cornell University**
In-State Undergraduate Tuition and Fees	\$4,300	\$5,756	\$30,167
Average TAP per Undergraduate Recipient	\$2,893	\$2,451	\$2,625
Undergraduate Enrollment	13,378	11,436	8,568
Undergraduates in Receipt of TAP	5,127	4,952	1,329
Percentage With Bachelor's Degree within Six Years	31.9%	78.4%	91.2%
Undergraduate Known Race and Ethnicity*			
American Indian/Alaska Native	0.1%	0.1%	0.3%
Asian/Pacific Islander	15.6%	18.0%	20.4%
Black or African American	23.7%	4.6%	4.5%
Latino/Hispanic	19.3%	4.3%	5.1%
White	38.6%	69.2%	64.4%
Non-Resident Alien	9.1%	2.5%	7.2%
*Totals do not add to 100 percent; students reported more than one category and "unknown" is excluded. **These data include only the endowed colleges at Cornell University. Sources: New York State Education Department; OSC analysis			

2004-2005 Profiles of Schools Offering Associate's Degrees		
(Academic Year Data)		
	Globe Institute of Technology	CUNY Borough of Manhattan Community College
In-State Undergraduate Tuition and Fees	\$9,136	\$3,040
Average TAP per Undergraduate Recipient	\$4,508	\$2,306
Undergraduate Enrollment	2,581	15,008
Undergraduates in Receipt of TAP	1,981	5,198
Percentage With Associate's Degree within Three Years	18.4%	12.0%
Undergraduate Known Race and Ethnicity*		
American Indian/Alaska Native	1.2%	0.1%
Asian/Pacific Islander	23.8%	13.5%
Black or African American	39.2%	54.3%
Latino/Hispanic	12.8%	24.1%
White	38.4%	11.1%
Non-Resident Alien	1.0%	17.3%
*Totals do not add to 100 percent; students reported more than one category and "unknown" is excluded. Sources: New York State Education Department; OSC analysis		

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