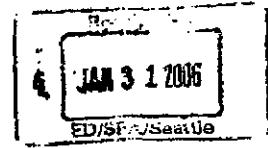


Exhibit D



January 27, 2006

VIA OVERNIGHT DELIVERY

Ms. DeNise Hill
Institutional Review Specialist
San Francisco/Seattle School Participation Team
U.S. Department of Education
701 Fifth Avenue, Suite 1600
Seattle, WA 98104

RE: Court Reporting Institute Program Review (PRCN 200441023525)

Dear Ms. Hill:

We have prepared the following narrative and supporting exhibits in response to your letter dated November 10, 2005 (the "November 10 Letter"), describing the U.S. Department of Education's ("ED") concerns and requests for additional information related to the program review conducted at our institution on September 30 to October 1, 2003. We appreciate your continued guidance and assistance throughout this process and look forward to resolving these issues as quickly as possible. The administration and staff of Court Reporting Institute ("CRI") have been dedicated to complying with all ED standards regarding the administration of Title IV funds since its inception in 1988 and hope that the following explanation of past and future policies and practices will address any remaining areas of concern.

For ease of review, we have restated ED's concerns and requests for information in italics in the order presented in the November 10 Letter and follow each with our responses. Supporting exhibits are embedded within the text and identified in bold and included as attachments to the narrative. We refer to the 3000- hour day Court Reporting program throughout our response, but note that the following discussions also apply to these evening students.

Institutions participating in Title IV programs are required by Title IV regulations to develop and consistently implement a Satisfactory Academic Progress (SAP) Policy. This

SEATTLE (206) 363-8300
929 North 130th St. SE, Suite-2
SEATTLE, WA 98133

BOISE (208) 322-8517
1951 South Saturn Way, Suite-120
BOISE, ID 83704

SAN DIEGO (858) 292-8200
8665 Gibbs Drive, Suite-204
SAN DIEGO, CA 98123-1765

TACOMA (253) 474-4744
15 Oregon Ave., Suite- 401
TACOMA, WA 98409-7461

*policy must address the qualitative and quantitative requirements each student must follow to remain eligible for Title IV aid. The SAP policy, as stated in the CRI catalog, is not in full compliance with the quantitative component of SAP.*

*Specifically, CRI offers a 3000-clock hour Court Reporting Program. Students enrolled in this program are allowed to earn up to 4500 clock hours to complete the program. However, this does not satisfy the maximum time frame requirement that specifies each student complete their program of study in one and one-half times the published length of the program. The published length of the program, according to the school's catalog is 3000 clock hours to be completed in 30 months. The maximum time frame should be calculated in terms of months and not in terms of clock hours. Therefore, students enrolled in the program can only complete 3000 clock hours, but have up to 45 months to do so.*

*By not adequately or consistently monitoring (SAP) standards for its students, the institution may be disbursing Title IV aid to ineligible students: this deprives other eligible student of aid and creates increased expense for the U.S. Department of Education*

We believe that there has been a misunderstanding about how CRI monitors satisfactory academic progress ("SAP") and measures the duration of Title IV eligibility for students enrolled in our 3000 clock hour, 30-month Court Reporting full-time day program. The CRI catalog states that in order to maintain SAP, students must earn a grade point average of at least 2.0 and proceed through the program at a rate that allows completion at a specified time. Pages 35 and 39 of the 2001 and 2002 catalogs, respectively, further define this requirement by stating "this time frame may not exceed one and one-half times the length of the program (Court Reporting: 45 months day school and 67.5 months evening school)." Copies of the referenced pages are enclosed at **Exhibits 1 and 2**. However, it appears that our interchangeable references to months and clock hours in the definition of maximum time frame in our catalog has caused some confusion.

The first and most important premise required to understand the CRI SAP is that each month in the full-time Court Reporting day program is a separate module that consists of 100 clock hours. As a result, the normal program length is described in the catalog as 3000 clock hours earned over 30 months. Similarly, the maximum time frame is defined as 45 months, or 4500 clock hours. Except in the case of an official leave of absence due to mitigating circumstances, days that students are not in attendance still count toward the maximum time frame in terms of both months and clock hours. As such, describing the maximum time frame of the full-time Court Reporting program as 4500 clock hours, 45 months, or even 45 terms is exactly the same measure.

The SAP policy outlined in the CRI catalog was created to ensure that students are allowed no more than 150% of the published program length to complete all required

coursework in the Court Reporting program. According to this policy, students are granted an additional grace period for up to 50% of the published program length to correct academic or proficiency shortfalls that prevented these individuals from completing the program requirements within during the first 3000 hours. However, no student is or was permitted to receive Title IV funds after he or she has successfully completed (as evidenced by the grades of A, B, C, D, and P) the 3000 clock hours of study in the Court Reporting program as listed in the institutional catalog.

CRI created a "Satisfactory Academic Progress Time Table" to monitor student performance at certain predetermined points in the Court Reporting program and to emphasize the maximum timeframe permitted to complete the 3000 hours outlined in the curriculum overview published in the catalog.<sup>1</sup> The chart was published on pages 36 and 40 of the 2001 and 2002 CRI catalogs, respectively, enclosed as Exhibits 3 and 4 and preceded by the following text in both instances:

Court Reporting students are evaluated once per academic year and at the 25% and 50% points of the maximum time frame. *In order to ensure that each student completes the court reporting program within one and one-half times the established program length*, the following speed levels must be completed at or before the corresponding number of clock hours (emphasis added).

The chart outlined seven evaluation points and the necessary proficiency achievement at each in order to remain in good academic standing. The minimum expectations were at that time as follows:

Clock Hours Attempted	Speed Level Completed
900	Theory II
1125*	One (1) 80 Words Per Minute ("WPM") Test
1800	100 WPM
2250*	120 WPM
2700	140 WPM
3600	180 WPM
4500	225 WPM

\*The 1125 hour (11.25 month) and 2250 hour (22.5 month) evaluation points represent 25% and 50%, respectively, of the maximum timeframe for completion of the program and therefore were mandatory evaluation points required by CRI's accreditor (ACICS).

The 4500 clock hour maximum time frame is the final entry in this chart and requires all students to complete the 225 WPM requirement, the speed proficiency for graduation,

<sup>1</sup> This chart was incorporated in the assessments that took place at the end of each 450 hour increment in the Court Reporting program to review Title IV eligibility. These other assessments included the review of cumulative grade point average, number of completed hours, and ACICS successful course completion percentage (described later in this section).

by this deadline. (As stated earlier, every one month at CRI is a separate module consisting of 100 clock hours, so each evaluation point can be converted to months by deleting two zeros). Absent mitigating circumstances, students who fail to satisfy the "Speed Level Completed" requirement at any of the seven evaluation points lose eligibility to receive Title IV funds and can continue in the Court Reporting program only in an "extended enrollment status," during which time the student is responsible for all program costs. As such, any student who failed to satisfy the final graduation requirement prior to the end of the maximum time frame would no longer be eligible to receive Title IV funds.

Section 668.16(e)(2)(ii)(A) of Title 34 of the Code of Federal Regulations ("CFR") allows CRI to define the maximum timeframe in terms of clock hours in the catalog. Specifically, this section states that an SAP policy must include a quantitative component that includes a maximum time frame defined as "no longer than 150 percent of the published length of the educational program measured in academic years, terms, credit hours attempted, clock hours completed, etc. as appropriate (emphasis added)." CRI chose to define the maximum timeframe utilizing the last option provided in the regulation.

The guidance that accompanied the November 29, 1994 publication of the adoption of the most recent revisions to §668.16(e)(2)(ii)(A) in the *Federal Register* confirms the drafters of this regulation intended to allow schools to define the maximum time frame for a program of study in terms of clock hours. In response to several public comments about the confusing quantitative SAP standards, ED attempted to clarify §668.16(e) by revising the previous versions of the regulations with more explicit directives. Included among those revisions were changes to § 668.16(e)(2)(ii)(A) expanding the description of the appropriate quantitative standard to include the text as it appears in the current version of the Code of Federal Regulations. ED explained the rationale for the revisions as follows:

Section 668.16(e)(2)(ii)(A) has been amended to clarify that the maximum timeframe in which a student must complete his or her educational program must be, for an undergraduate program, no longer than 150 percent of the published length of the educational program *measured in academic years, terms, credit hours, or clock hours.*

59 Fed. Reg. 61141, 61159 (November 29, 1994) (italics in original). A copy of this Final Rule is enclosed as **Exhibit 5**.

The concerns outlined in the program review report appear to be the result of a misunderstanding or miscommunication of how CRI measures academic progress. The fact that each month equals 100 hours enables CRI to choose to define maximum time frame in terms of either published clock hours and/or the number of months in the program as each is essentially interchangeable. However, even if this were not the case,

§668.16(e)(2)(ii)(A) of the Code of Federal Regulations and accompanying guidance at the time of adoption permit CRI to choose to define the maximum time frame in terms of clock hours. For greater clarification, we have revised the maximum time frame in the published SAP standards to be stated in months in order to avoid any confusion in the future. Copies of the revised policies are enclosed as **Exhibit 6**.

Conversations with ED following the issuance of the original program review report identified subsequent guidance in the Student Financial Aid Handbook that identified months as an appropriate, if not preferred, measure of the maximum timeframe for clock hour schools. However, §668.16(e)(2)(ii)(A) does not specifically reference months as an acceptable method for defining the maximum time frame for an undergraduate program of study. CRI created the SAP policy in reliance on the statement that schools are permitted to define the maximum time frame in terms of clock hours, which we did in the catalogs and followed when tracking the progress of enrolled students. Fortunately, the 100 hour monthly modules utilized by CRI result in exactly the same maximum time frame for students to complete their program of study regardless of the measure utilized. The 4500 clock hours are delivered over the course of 45 months, so these definitions can be used interchangeably without impacting the amount of time a student can remain enrolled at the institution. By stating that no student can attempt more than 4500 hours, no student could remain enrolled as a regular (Title IV eligible) student more than 45 months. CRI therefore has complied with the text of the applicable regulation in defining the maximum time frame for students to complete the program of study.

The original program review report and the November 10 Letter request that CRI complete a file review of all students enrolled in the 3000 clock hour program for the 2001-2002, 2002-2003, 2003-2004, and 2004-2005 award years, identify those who received funds in excess of 3000 clock hours and provide specific information for each. We provided an initial response of four students as a sample to solicit feedback on the format of the chart and subsequently submitted complete spreadsheets with the requested information for all referenced award years shortly thereafter. I confirmed by telephone that ED received this subsequent response within the timeframe requested in the program review report. Nevertheless, the November 10 Letter only references the initial sample submission, so we have resubmitted the subsequent response (with minor revisions described in greater detail below) as **Exhibit 7**.

The revisions in **Exhibit 7** reflect our revised understanding of the original request for information after consulting with a financial aid servicer. We engaged with Sally Samuels of Financial Aid Management for Education, Inc., more commonly known as FAME, and realized that ED's request did not focus on all students who received financial aid after the 3000 hour mark, but instead requested information on those who received more than 3000 hours of funding. The original spreadsheets included students who were enrolled for more than 30 months, but did not receive funding for all 3000 hours attended. Subsequent conversations with ED staff confirmed that a student can

have 3 full academic years (900 hours each) of funding plus 300 hours, and they can receive that funding within 45 months for the standard day student. We then requested, and received, permission to revise the spreadsheets to correct this misunderstanding and remove students who did not receive 3 full academic years and 300 hours of funding. The enclosed spreadsheets include the latest clarification.

We wish to emphasize that CRI completed the requested information despite concerns about the sudden expansion of scope of the file review in 2005. The original program review was conducted on September 30–October 3, 2003 and reviewed files from the 2001–2002 and 2002–2003 award years. The results of this review were not provided to CRI until May 31, 2005; approximately 20 months after the completion of the review and after almost two additional award years had been completed. In fact, the report was issued only after CRI representatives contacted ED offices in Seattle to inquire about the report and the impact it had on a pending request for an additional location in Tacoma, Washington. ED staff did not share with CRI representatives any concerns about the SAP standards or the administration of Title IV funds during the exit interview and therefore CRI continued to disburse funds using existing policies and procedures. This response demonstrates that CRI immediately would have corrected any apparent deficiencies at the time of the report (despite our belief that we complied in good faith with the text of ED regulations) if ED staff expressed these concerns in the exit interview or at any time during the following 20 months.

We continue to believe that CRI was correctly administering Title IV funds throughout the period in question. Court reporting is unlike any other educational program administered by participating institutions. Students are judged not only by their cumulative grade point average (“GPA”), but also by their ability to transcribe the words of one or more speakers at specific rates throughout their program. Students do not progress at the same rate and it is common for certain individuals to progress rapidly through certain courses, but then stall as the speed level requirements increase in the latter portions of the program. This explains why CRI evaluates the grades earned for each course (the qualitative assessment), but tracks their progress throughout the program using several other methods to ensure that he or she can complete the program within the maximum timeframe for the curriculum (the quantitative assessments).

One additional quantitative assessment, defined as the “successful course completion percentage” by CRI’s accreditor, the Accrediting Council for Independent Colleges and Schools (“ACICS”), required CRI to confirm that students are successfully completing 55% and 60% of the clock hours attempted at 25% and 50% of the maximum time frame, respectively.<sup>2</sup> This also provides some insight into why CRI tracks student progress in much the same manner as a school that awards quarter or semester credit hours.

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<sup>2</sup> The ACICS successful course completion percentage is calculated by dividing the number of clock hours successfully completed (reflected by a grade of “D” or better, or the letter “P” for speedbuilding courses) by the total number of clock hours attempted.

As stated in several previous responses to ED, the nature of the court reporting curriculum mandates that CRI "award" clock hours to students who successfully complete the course objectives outlined in the catalog. Students who graduate from the Court Reporting program have successfully completed the entire curriculum and therefore have been "awarded" 3000 clock hours of instruction. Students can attempt additional hours within the 45-month maximum time to successfully complete 3000 hours, but CRI only "awards" clock hours to those who successfully pass the classes.

As described above, this method of "awarding" clock hours resembles a credit hour institution. For example, consider the following student enrolled in two three-credit classes at a credit hour school (grades in parenthesis):

Math 101 (A)  
English 101 (F)

At the conclusion of the term, the student has successfully completed three hours in Math 101, but failed English 101. As a result, the school "awards" the student three credits in Math, but not three credits in English. Both courses appear on the transcript, but the school only awarded three credits. Consider the subsequent term:

Math 102 (A)  
English 101 (B)

The student repeated English 101 and earned a passing grade and similarly passed Math 102. At the end of this term, the student has been "awarded" nine credits: three in Math 101, three in Math 102, and three in English 101. However, the student has attempted 12 credits. No credits were awarded for the first unsuccessful attempt to pass English 101.

CRI "awards" clock hours in the same manner. The Court Reporting program has fewer academic courses, but the same rationale applies. Consider the following CRI student:

English I - 60 clock hours (A)  
Stenograph Speedbuilding I - 270 clock hours (F)

CRI would "award" this student 60 clock hours toward the 3000 total program length for passing English I, but zero hours for Stenograph Speedbuilding I. The student attempted 330 hours, but CRI awarded only 60. The same rationale continues in the subsequent term:

English II - 60 clock hours (A)  
Stenograph Speedbuilding I - 270 clock hours (Pass)

After the end of this second term, CRI has "awarded" 390 clock hours. The student earned 60 hours for both English I and English II and finally passed Stenograph Speedbuilding I to earn an additional 270 hours. The student attempted 660 hours, but CRI only "awarded" 390 hours toward the 3000 required for graduation. All 660 attempted hours (or 6.6 months) count toward the maximum timeframe. Once a student is "awarded" the 3000 hours required for graduation, no additional clock hours are "awarded" and no additional financial aid is disbursed.

The November 10 Letter cites this previously submitted example and inquires about the number of times a student can repeat a course of study. The course completion policy published in the catalog states that "Students may repeat each academic [non-speedbuilding] course only once and the higher grade of the two attempts is used for the calculation of the cumulative GPA." Students are permitted to repeat speedbuilding courses until it is mathematically impossible for the individual to complete the program within the maximum time frame defined in the catalog. See Exhibit 6. This policy is supported by the text in the 2005-2006 Student Financial Aid Handbook, Volume 1 (Student Eligibility), which states on page 1-8 that "To quantify academic progress your school MUST set a maximum time frame in which a student is expected to finish a program as soon as it is clear that a student will not graduate within this period, she becomes ineligible for aid. For an undergraduate program the time frame cannot exceed 150% (emphasis added)."

The repeated course does not impact a student's GPA, but does impact the quantitative standards, as each individual must achieve the required speed levels in the previously described chart at specific benchmarks in the program and each course counts against the maximum time frame for completion of the curriculum and is calculated in the ACICS successful course completion percentage. For example, if a student is forced to repeat a 100 hour course in two consecutive months, the student has attempted 200 hours and only has 4300 hours to earn the 3000 hours required for graduation. If at any time a student has more 100-hour monthly sessions remaining in the program than the maximum timeframe will permit, the student will lose Title IV eligibility at that point. Similarly, if a student fails to successfully complete 60% of the clock hours attempted at 50% of the maximum timeframe as required by ACICS, the student become ineligible for Title IV funds.

In reviewing the file <sup>(b)(6)</sup> it indicates that the student became self-pay after earning an additional 1500 clock hours. The documentation in the file shows that the student was paid for an additional academic year for which she was not entitled. Provide documentation, which would demonstrate how Court Reporting students are funded for clock hours in excess of 3000 hours <sup>(b)(6)</sup>

<sup>(b)(6)</sup> academic progress was evaluated at each published assessment point for cumulative grade point average and quantitative progress



prior to disbursing any Title IV aid, (b)(6) was permitted to remain enrolled as a regular (Title IV eligible) student at each point that (b)(6) satisfied the published standards. (b)(6) also completed 450 hours as a self-pay student, took a temporary leave of absence, and was granted one temporary waiver of the SAP requirements due to mitigating circumstances late in (b)(6) enrollment in the Court Reporting program. When CRI determined that (b)(6) could not complete the program within the published maximum time frame (b)(6) was no longer permitted to receive Title IV funds and became a self-pay student. (b)(6) eventually moved out of the area and did not complete the Court Reporting program. A more detailed description of (b)(6) enrollment follows.

As described earlier in this response (and repeated here for ease of review) the CRI quantitative academic progress chart in effect at the time required the following minimum expectations at certain evaluation points in the program:

<u>Clock Hours Attempted</u>	<u>Speed Level Completed</u>
900	Theory II
1125*	One (1) 80 Words Per Minute ("WPM") Test
1800	100 WPM
2250	120 WPM
2700	140 WPM
3600	180 WPM
4500	225 WPM

\*The 1125 hour (11.25 month) and 2250 hour (22.5 month) evaluation points represent 25% and 50%, respectively, of the maximum timeframe for completion of the program and therefore were mandatory evaluation points required by CRI's accreditor (ACICS).

(b)(6) enrolled at CRI in March 1999 and, as reflected in the above chart, (b)(6) was required to have completed Theory II after attempting 900 clock hours. (b)(6) also was required to have earned a GPA of 2.0 in any academic classes (b)(6) completed (b)(6) satisfied both of these requirements after successfully completing all 900 hours attempted, and (b)(6) therefore was permitted to remain enrolled as a Title IV eligible student.

(b)(6) was required to demonstrate that (b)(6) had successfully completed at least one 80 WPM test in order to receive (b)(6) second disbursement in the second year. Again, (b)(6) all SAP requirements and was funded for the second 450 hours. At the end of 1800 hours, (b)(6) was required to demonstrate that (b)(6) had successfully completed the 100 WPM requirements. (b)(6) was enrolled in Stenograph Speedbuilding II (120-140 WPM) at that point and therefore was again permitted to remain enrolled as a Title IV eligible student.

<sup>3</sup> Students are required to maintain a GPA of at least 2.0 throughout the Court Reporting Program or they will be placed on probation. For ease of review, we have not restated this requirement at each evaluation point in the discussion of academic progress.

(b)(6) continued (b)(6) studies in the third year and was evaluated at the 2250 hour point to ensure that (b)(6) was maintaining satisfactory progress. At that time, (b)(6) was required to demonstrate that (b)(6) was successfully transcribing at a rate of 120 WPM and that (b)(6) had successfully completed 60% of the clock hours attempted to satisfy the ACICS quantitative standard. (b)(6) satisfied these requirements and therefore retained (b)(6) Title IV eligibility. Unfortunately, (b)(6) did not satisfy the 140 WPM requirement at the 2700 hour evaluation point at the end of that year and therefore was not permitted to receive any additional Title IV funding until (b)(6) reestablished satisfactory progress.

(b)(6) subsequently requested a leave of absence prior to resuming (b)(6) academic studies. (b)(6) returned as a "non-regular" (ineligible for Title IV funds) student for the first 450 hours of the fourth year. (b)(6) eventually passed the 140 WPM threshold, thereby reestablishing satisfactory progress, and received the second disbursement for the remaining 450 hours in the year. At this point, (b)(6) still was on track to complete (b)(6) studies within the maximum timeframe.

(b)(6) struggled in the next term after reestablishing satisfactory progress and, as described in greater detail below, requested a mitigating circumstances waiver during (b)(6) enrollment in the 160 WPM class (b)(6). CRI granted this temporary waiver and (b)(6) continued (b)(6) studies at the institution. This was the period referenced in the program review report as the "additional academic year for which (b)(6) was not entitled" after completing part of the previous term as a self-pay student. CRI reviewed the request for the waiver, determined that the circumstances justified the action, and believed that (b)(6) had resolved the issues that negatively impacted (b)(6) performance. At the conclusion of this year, CRI determined that it was unlikely that (b)(6) would complete the program prior of the expiration of the maximum timeframe and discontinued (b)(6) Title IV eligibility.

*Please provide the institution's policy on waiving Satisfactory Progress: addressing how often it can be waived and what are the extenuating circumstances that would make students eligible for an SAP waiver.*

CRI publishes a mitigating circumstances policy in the current version of the institutional catalog that permits the Director of the school to temporarily suspend the application of the standards of academic progress upon the documentation of certain limited circumstances for students who request such a waiver. This policy is enclosed at **Exhibit 8**. Mitigating circumstances are defined in the catalog as 1) death in the family, 2) serious illness or injury to the student, or 3) other "major life-affecting circumstances. Students requesting such a waiver must file a letter of appeal that includes the grounds for the appeal, a plan to reestablish satisfactory progress, acknowledgement of the impact this waiver could have on graduation requirements and the progress expectations at the next evaluation point, and confirmation that the appeal is voluntary. The director may

grant only one appeal to a student that fails to maintain satisfactory progress. Students requesting a second appeal must be approved by the school president.

The two students referenced in the November 10 Letter faced extraordinary circumstances that justified CRI's decision to temporarily suspend satisfactory progress requirements. (b)(6) in the 2001-2002 award year) and (b)(6) (b)(6) in the 2002-2003 award year) faced unusual circumstances and approached the administration to share their difficulties and desire to continue to pursue the Court Reporting program. Following meetings examinations of both the extenuating circumstances and their professed ability to overcome these challenges, CRI granted the requests. A more detailed discussion of these circumstances follows.

(b)(6)

CRI's current use of the mitigating circumstances exception is limited to the three categories described in the institutional catalog and utilized only when requested by the student after complying with the published procedures. Approvals are, and will be, conservatively granted and students must not only demonstrate that unusual circumstances negatively impacted academic performance, but also he or she has overcome these issues and can successfully continue academic studies. The preceding paragraphs demonstrate that the waivers are not 100% successful, but they nonetheless represent the correct use of administrative discretion when extraordinary circumstances arise and the student can demonstrate the ability to overcome or resolve the external issues negatively impacting coursework.

*The institution must revise its school catalog and other consumer information that advises students that their maximum time frame exceeds the number of hours that the program is approved for.*

We have revised the school catalog and other consumer information to advise students that they will be permitted to remain enrolled for the maximum program length in terms of months, but that each enrollee can receive funding for only the normal program length (3000 hours). The revised policy clearly states the normal time frame and maximum time frames for each academic year as well as the required speed. It also states that a student can only receive Title IV funding for the normal program length. Please see Exhibit 6. Furthermore, despite the fact that we firmly believe we have been correctly administering Title IV funds, we notified all currently enrolled students that CRI will not disburse any funds after a student has attempted 3000 hours. Attached as Exhibits 9a and 9b are copies of the notice distributed to the student body confirming disclosure of this limitation and an affirmation that each must sign during the admissions process confirming disclosure of the 3000 hour limit on funding. The CRI catalog clearly explains this limitation and our student orientation also will emphasize this point. Current and future students will clearly and repeatedly be notified of the limitation on eligibility in the financial aid offices.

#### *Conclusion*

CRI always has placed compliance with the various regulatory requirements as the highest priority during institutional operations. CRI staff has participated in ED training sessions and CRI has been the subject of numerous onsite evaluations by ACICS, guarantee agencies, and other oversight agencies and submitted countless compliance audits by our independent Certified Public Accountant throughout its 18 years of operation. The institution has never been cited for inappropriately monitoring the maximum timeframe for enrolled students and, until CRI approached ED requesting information about the previous program review more than 20 months after it was completed, never informed that any practices were anything but compliant with all regulatory standards that govern our conduct.

We take great pride in our regulatory record and therefore were stunned to learn of concerns about CRI's administration of Title IV programs. We structured our standards of satisfactory progress to comply with the text of ED regulations and created several other quantitative measures of progress to reflect the unique nature of training to ensure that no student was permitted to languish in the Court Reporting program if they were not able to complete the program within the maximum timeframe. This often led to difficult decisions about discontinuing the eligibility of those who had already invested a significant amount of time and energy to enter the markets as court reporters.

Although CRI is a proprietary institution, we did not engage in any activities for the purpose of personal enrichment. CRI always has always attempted to help small student populations receive the best possible educational training to reach their occupational objectives. A close examination of our financial statements reflects the dedication to this objective and, unlike many schools currently participating in Title IV programs, the lack of emphasis on financial gain at the expense of students.

The greatest testimonial to the type of training CRI provides can be found in our placement outcomes for the three campuses since 2003. The Annual Institutional Reports submitted to ACICS for the 2003, 2004 and 2005 reporting periods (July 1-June 30) for the Court Reporting program reflect that CRI placed 100% of eligible graduates in the field of training following graduation.<sup>4</sup> The dedication of the faculty and staff at CRI to equipping those who desire to enter the field of court reporting with the skills necessary to find gainful employment following graduation is reflected in these figures. Every school aspires to place all of its graduates following graduation, but we expect that CRI is one of the few schools participating in Title IV programs that can conclusively state we meet this objective for an individual program for three consecutive years. We realize that placement outcomes do not directly contradict concerns about the administration of Title IV programs, but CRI could not report such positive figures it were artificially extending Title IV payments for unqualified students who could not complete the Court Reporting program within the maximum timeframe.

We therefore respectfully request that ED acknowledge that despite continued disagreement about the compliance of CRI's utilization of the maximum timeframe for Title IV eligibility, the institution has made significant changes in policies and procedures to accommodate the suggestions of ED staff. CRI always operated in good faith and designed our policy to comply with the text of the regulations and the additional guidance of the text of the *Federal Register*. We believe very strongly in compliance with all regulatory requirements and, as this response demonstrates, CRI immediately will make any and all requested changes to operations to satisfy the expectations of ED staff despite objections. We fear that the imposition of any liability based on ED's interpretation of the regulations and informal guidance almost two years after the completion of the program review (and exit interview that noted no concerns with our administration of Title IV funds) will severely impact, if not prevent altogether, CRI's ability to continue to train the 400 students currently enrolled, service the graduates currently working in the field, and continue to employ our faculty and staff. We are willing to work with ED and take whatever steps are necessary to prevent such an unfortunate outcome and are available to answer any questions or concerns about this response or CRI's operations.

<sup>4</sup> The ACICS placement rate is determined by adding the total number of graduates placed in the field of training or in a related field and dividing the total number of graduates minus those who were unavailable for placement.

X 100% became court reporters!  
How hard is it to place 1 student?

he's worried

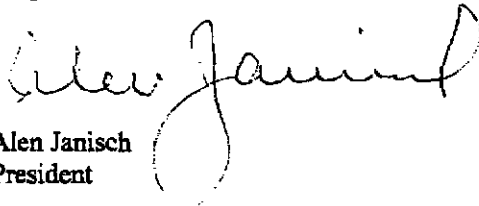
Ms. DeNise Hill  
January 27, 2006  
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Please do not hesitate to contact me if we can do anything to assist your review of our institution.

Sincerely,



Barb Zimmerman  
Corporate Financial Aid Director



Alen Janisch  
President

Enclosures

From 2001 Catalog

**COURT REPORTING  
SATISFACTORY ACADEMIC PROGRESS**

Satisfactory progress is determined by the following criteria:

Acceptable class performance

Explanation of criteria:

- A. Lecture classes. Students must maintain at least a 2.0 cumulative grade point average. A student may not take a lecture class more than twice to maintain a cumulative 2.0. Withdrawals will not be counted in grade point averages.
- B. Speedbuilding classes. Students must complete speedbuilding classes within a set number of clock hours. Steno and typing classes are pass/fail. Students will not be issued a grade for steno or typing classes.

In order to be considered to be making satisfactory progress toward a diploma, a student must maintain a 2.0 academic GPA as well as proceed through the program at a pace leading to completion in a specified time frame. This time frame may not exceed one and one-half times the length of the program (Court Reporting... 45 months day school and 67.5 months evening school).

**GRADUATION DATES MAY VARY AND/OR EXCEED PROGRAM LENGTH  
ACCORDING TO PRACTICE AND STUDY HABITS.**

If a student fails to complete the program in the above listed time frames, a certificate of completion will be issued in place of a diploma upon completion of the program.

Evaluation Points:

- 1. A student must cumulatively complete at least 55% of the clock hours attempted toward the educational objective at the 25% point of the established maximum time frame of the program. In addition, a student must achieve a minimum of a 2.0 cumulative grade point average at this point.
- 2. A student must cumulatively complete at least 60% of the clock hours attempted toward the educational objective at the 50% point of the established maximum time frame of the program. In addition, a student must achieve a minimum of a 2.0 grade point average at this point.

From 2002 Catalog

**COURT REPORTING  
SATISFACTORY ACADEMIC PROGRESS**

Satisfactory progress is determined by the following criteria:

Acceptable class performance

Explanation of criteria:

- A. Lecture classes. Students must maintain at least a 2.0 cumulative grade point average. A student may not take a lecture class more than twice to maintain a cumulative 2.0. Withdrawals will not be counted in grade point averages.
- B. Speedbuilding classes. Students must complete speedbuilding classes within a set number of clock hours. Steno and typing classes are pass/fail. Students will not be issued a grade for steno or typing classes.

In order to be considered to be making satisfactory progress toward a diploma, a student must maintain a 2.0 academic GPA as well as proceed through the program at a pace leading to completion in a specified time frame. This time frame may not exceed one and one-half times the length of the program (Court Reporting: 45 months day school and 67.5 months evening school).

**GRADUATION DATES MAY VARY AND/OR EXCEED PROGRAM LENGTH  
ACCORDING TO PRACTICE AND STUDY HABITS.**

If a student fails to complete the program in the above listed time frames, a certificate of completion will be issued in place of a diploma upon completion of the program.

Evaluation Points:

1. A student must cumulatively complete at least 55% of the clock hours attempted toward the educational objective at the 25% point of the established maximum time frame of the program. In addition, a student must achieve a minimum of a 2.0 cumulative grade point average at this point.
2. A student must cumulatively complete at least 60% of the clock hours attempted toward the educational objective at the 50% point of the established maximum time frame of the program. In addition, a student must achieve a minimum of a 2.0 grade point average at this point.



**COURT REPORTING  
SATISFACTORY ACADEMIC PROGRESS CONTINUED**

If a student fails to meet the first standard, the student will be placed on academic probation. The probationary period will be 225 clock hours. The student will still be eligible for financial aid. If the student fails to meet this standard by the end of the probationary period, the student may remain in school; but the student will not be eligible for financial aid until they meet the original criteria and any other criteria required for the number of clock hours completed at the end of the probationary period. At this time, the student must petition the school requesting to be placed in an extended enrollment status.

If a student fails to meet the second standard, the student will be dismissed from the program unless the student petitions the school requesting to be placed in an extended enrollment status. A student allowed to remain in school as an extended enrollment status student is not eligible for financial aid. Tuition will still accrue, and the student will be financially responsible to the school. The student may regain regular student status when they have successfully maintained satisfactory academic progress.

If a student fails to meet either of the standards above and then reestablishes satisfactory academic progress, the student will return to regular student status on a probationary basis. The student will be on probationary status for their next academic year. The student will be evaluated at the end of each school quarter to ensure that they are maintaining satisfactory academic progress.

**SATISFACTORY ACADEMIC PROGRESS TIME TABLE  
COURT REPORTING SPEEDBUILDING CLASSES**

Court reporting students are evaluated once per academic year and at the 25% and 50% points of the maximum time frame. In order to ensure that each student completes the court reporting program within one and one-half times the established program length, the following speed levels must be completed at or before the corresponding number of clock hours.

CLOCK HOURS COMPLETED	SPEED LEVEL COMPLETED
900	THEORY II
1125	ONE (1) 80 WPM TEST
1800	100 WPM
2250	120 WPM
2700	140 WPM
3600	180 WPM
4500	225 WPM

**COURT REPORTING  
SATISFACTORY ACADEMIC PROGRESS CONTINUED**

If a student fails to meet the first standard, the student will be placed on academic probation. The probationary period will be 225 clock hours. The student will still be eligible for financial aid. If the student fails to meet this standard by the end of the probationary period, the student may remain in school; but the student will not be eligible for financial aid until they meet the original criteria and any other criteria required for the number of clock hours completed at the end of the probationary period. At this time, the student must petition the school requesting to be placed in an extended enrollment status.

If a student fails to meet the second standard, the student will be dismissed from the program unless the student petitions the school requesting to be placed in an extended enrollment status. A student allowed to remain in school as an extended enrollment status student is not eligible for financial aid. Tuition will still accrue, and the student will be financially responsible to the school. The student may regain regular student status when they have successfully maintained satisfactory academic progress.

If a student fails to meet either of the standards above and then reestablishes satisfactory academic progress, the student will return to regular student status on a probationary basis. The student will be on probationary status for their next academic year. The student will be evaluated at the end of each 450-clock-hour period to ensure that they are maintaining satisfactory academic progress.

**SATISFACTORY ACADEMIC PROGRESS TIME TABLE  
COURT REPORTING SPEEDBUILDING CLASSES**

Court reporting students are evaluated once per academic year and at the 25% and 50% points of the maximum time frame. In order to ensure that each student completes the court reporting program within one and one-half times the established program length, the following speed levels must be completed at or before the corresponding number of clock hours.

CLOCK HOURS COMPLETED	SPEED LEVEL COMPLETED
900	THEORY II
1125	ONE (1) 80 WPM TEST
1800	100 WPM
2250	120 WPM
2700	140 WPM
3600	180 WPM
4500	225 WPM

maintain satisfactory progress to receive Title IV HEA program assistance. It is hoped that an institution's ability to administer Title IV HEA programs must be judged, in part, on the existence and implementation of an adequate satisfactory progress policy.

Furthermore, the general requirements that a school have a satisfactory academic progress policy have been a part of the administrative capability standards in the general provisions regulations for many years.

In order to maintain the integrity of the Title IV HEA programs, the Secretary does not believe that Title IV HEA program assistance should be provided beyond the point at which a student can reasonably be expected to complete his or her education. The Secretary believes that this regulation achieves that objective.

**Change: None.**

**Comments:** A number of commenters felt that the Department is wrong in justifying this policy of satisfactory academic progress on the grounds that a number period will be used to calculate completion rates under the Student Right-to-Know Act, since the latter law contains information stating that they not address student aid eligibility. Furthermore, the Student Right-to-Know Act applies only to four-year, full-time degree seeking students while the satisfactory academic progress standards would apply to all Title IV students.

**Discussion:** The Secretary was not trying to justify the satisfactory academic progress policy based on the Student Right-to-Know Act. The Secretary was merely pointing out that the Student Right-to-Know Act also uses the concept of a full-time undergraduate student completing a program in no more than 150 percent of the published length of the educational program.

**Change: None.**

**Comments:** A number of commenters opposed the revised satisfactory academic progress standards set by the Department on the basis that they would discriminate against minority and disabled students. Many commenters suggested that the imposition of the 150 percent maximum does not provide traditional students between the ages of 18 and 24 such liberty to change programmatic decisions. Furthermore, several commenters suggested that the regulation should provide for a phase-in of the standard, because if it is not phased-in over time, many students will have entered postsecondary education under one assumption about timeliness for completion only to have their arrangements changed sometime during their educational career. The

commenters felt that for every student, it will not be possible or practical to change these timeliness and it would be unfair to hold them to any new standard.

A few commenters believed that the satisfactory academic progress provisions were confusing and overly burdensome.

**Discussion:** Section 608.106(f)(3) modifies earlier regulations which provided that an institution must establish a maximum timeframe in which the student must complete his or her educational objective, by providing that the maximum timeframes can be no longer than 150 percent of the published length of the educational program. The 150 percent can be calculated using credit hours, clock hours, terms, academic years, or any other reasonable measure. For example, a school with an undergraduate program consisting of 120 credit hours may have a policy that includes a provision requiring a student to complete the program within 180 credit hours. Such a policy would not only provide a maximum student standing full-time 6 years to complete a 6-year program, but also easily accommodate part-time students because the use of credit hours as the measure allows for less than full-time attendance as well as non-continuous enrollment.

The Secretary recognizes that these requirements may create a hardship for some students who were matriculating under the institution's old policy but do not meet the requirements of the new policy. However, § 608.106(f)(6) requires each institution to have procedures for students to appeal determinations that they are not making satisfactory progress, and an institution may consider as part of a student's appeal whether mitigating circumstances occurred that would justify payment to an otherwise-eligible student. With such a determination that mitigating circumstances are present, a student who otherwise would fall one or more tests of the institution's satisfactory progress standards could still be eligible for payment for the increment of education need to receive satisfactory academic progress under § 608.106(f)(6).

For student appeals under the institution's satisfactory academic progress standards for aid disbursed during the 1994-95 award year, a student who met the institution's standards prior to July 1, 1994, but does not meet the new satisfactory progress standards might be awarded an additional disbursement for the increment of education need to receive

satisfactory academic progress under § 608.106(f)(6) if such a disbursement would permit the student to complete the program during that period.

An institution must determine and document each student's eligibility for an extension of eligibility due to a mitigating circumstance on an individual basis. An institution cannot routinely grant every applicable student an extension of eligibility as a matter to circumvent the 150 percent maximum.

The Secretary has recognized the need to clarify and simplify the provisions related to satisfactory academic progress. While this section has been revised in an effort to meet these goals, the regulatory language as provided for on April 28, 1994 final regulations have not been altered.

**Change: Section 608.106(f)** has been amended to clarify that the satisfactory academic progress standards of this section are for purposes of determining student eligibility for Title IV HEA program assistance and does not apply to non-Title IV students. The Secretary has approved the requirement that an institution's standards are considered to be reasonable if the standards conform with the standards of satisfactory progress of the institution's nationally recognized accrediting agency if the agency has those standards. Section 608.106(f)(2) has been amended to clarify which required elements of an institution's standards are qualitative and which are quantitative. Section 608.106(f)(3)(A) has been amended to clarify that the maximum timeframe in which a student must complete his or her educational program must be, for an undergraduate program, no longer than 150 percent of the published length of the educational program measured in academic years, terms, credit hours, or clock hours. Section 608.106(f)(4) has been amended to clarify that the Secretary considers an institution's satisfactory academic progress standards to be reasonable if the standards provide for a determination at the end of each increment by the institution as to whether the student has met the qualitative and quantitative components of the standards instead of a determination that the student has successfully completed the appropriate percentage or amount of work according to the established schedule. Section 608.106(f)(5) has been amended to clarify that the Secretary considers an institution's satisfactory academic progress standards to be reasonable if the standards provide specific procedures for a student to establish that he or she is requesting satisfactory progress rather than for a reinstatement of a student's aid.

## **COURT REPORTING DIPLOMA PROGRAM SATISFACTORY ACADEMIC PROGRESS – SEATTLE AND BOISE CAMPUSES**

CRI evaluates academic progress throughout the Court Reporting program at certain predetermined points (benchmarks) using both qualitative and quantitative measures described in the following paragraphs. Specific measures of progress include review of cumulative grade point average, speed building skill levels, and progress toward completion of the student's Court Reporting program prior to the expiration of the Maximum Time Frame ("MTF") as described later in this catalog. Students must satisfy all three evaluation measures in order to maintain satisfactory academic progress.

### **GRADE POINT AVERAGE**

Students are required to maintain a cumulative grade point average ("GPA") of at least 2.0 in the four-point grading system utilized by CRI. CRI assigns the grades of A, B, C, D, and F only at the completion of the academic (non-speed building) courses and the grades of PASS and FAIL at the end of the speed building courses. The grades of W and I can be used at the end of academic courses. A more detailed discussion of each of these grades and the impact each has on the calculation of GPA (and other evaluations of satisfactory academic progress) is included on page 25 of the catalog.

Students may repeat each academic course only once and the higher grade of the two attempts is used for the calculation of the cumulative GPA. Speed building courses can be repeated until the administration determines that it will be impossible for the student to complete the Court Reporting program prior to the expiration of the MTF discussed later in this policy. All time spent by students retaking courses counts toward the MTF for completion of the program.

### **SPEED BUILDING REQUIREMENTS**

Students are also required to achieve speed building progress at certain benchmarks throughout the program at a very high level of accuracy in order to maintain on-time graduation. The following chart outlines these expectations:

<b>CLOCK HOURS ATTEMPTED</b>	<b>SPEED LEVEL COMPLETED</b>	<b>ACCURACY PERCENTAGE</b>
900	80 wpm	96%
1800	140 wpm	97%
2700	200 wpm	98%
3000	225 wpm	98%

### **MAXIMUM TIMEFRAME**

The maximum timeframe for completion of the Court Reporting program, or "MTF," limits the amount of time a student can remain enrolled as a diploma-seeking student and may not exceed 150% of the normal program length of the program. The normal program lengths for day and evening students are 30 and 45 months, respectively. Therefore, the MTFs are **45 months for the day school students and 67.5 months for evening school students.**

In no case can a student exceed the applicable MTF and receive a diploma. A student who exceeds the MTF but subsequently meets all program requirements for graduation will be issued a "certificate of completion" instead of a diploma.

For those who receive federal student financial aid (Title IV grant and/or loans), the MTF also limits the total amount of time a student can receive such funds. Students can receive federal financial aid funding for 3000 hours of enrollment at CRI and must complete these hours within the MTF. If CRI determines at any point in the program that a student will not be able to successfully complete the coursework within MTF, he or she will lose financial aid eligibility and no additional funds will be disbursed. The student will then be dismissed or placed in an extended enrollment to continue their studies.

#### **FAILURE TO MAINTAIN SATISFACTORY ACADEMIC PROGRESS**

If a student is not maintaining satisfactory academic progress by maintaining at least a cumulative GPA of 2.0 prior to the end of the first academic year, he or she will be placed on academic probation. The probationary period will continue through the second academic year. The student will remain eligible for financial aid during the probationary period. A student who does not maintain a cumulative GPA of 2.0 at the end of the second and successive academic years will be dismissed or provided the opportunity to continue their studies in an extended enrollment status absent a successful appeal as described below. A student placed in an extended enrollment status is not eligible for federal financial aid and must assume the burden of paying for courses or be dismissed. All months in attendance will count toward the MTF for completion of the program.

Students who fail to achieve at least the minimum speed building requirements as described above will be placed on probation for the subsequent academic year. If the student does not meet the speed building requirements at the end of the probationary period, he or she will be dismissed or placed in an extended enrollment status as described above.

Regardless of the probation or extended enrollment statuses, no student can receive Title IV funding for more than 3000 hours of training.

A student who exceeds the MTF for completion of the Court Reporting program cannot reestablish satisfactory progress and eligibility for Title IV funds.

#### **REINSTATEMENT OF ELIGIBILITY**

The student must improve the area of performance that fell below the aforementioned standards in order to reestablish satisfactory academic progress. He or she must be able to demonstrate that they have passed the speed level requirements (speed and accuracy) for the academic year in which they were not maintaining satisfactory progress and the speed level requirement at the point of reinstatement. The student must also maintain a cumulative grade point average of 2.0. If the student can reestablish satisfactory academic progress and mathematically complete the program within the MTF, the student will be placed on probation and again be eligible for Title IV funds.

Regardless of the reinstatement of eligibility for financial aid funds, no student can receive Title IV funding for more than 3000 hours of training.

## **APPEAL**

Students may appeal a determination that they are not making satisfactory academic progress at any checkpoint. The appeal must be in writing and based on documented mitigating circumstances (i.e., death in the family, serious illness or injury of the student, or other major life-affecting circumstance). Students should address appeals to the campus Director within seven (7) days of receiving notice that they are not maintaining satisfactory academic progress. The campus Director will consider the appeal and render a decision in writing within seven (7) days of receiving the request.

If the appeal for mitigating circumstances is granted, the student will be placed on academic probation for the next academic year, will remain eligible for federal financial aid subject to the aforementioned restrictions, and will be considered to be making satisfactory academic progress during the probationary period. The student must have reestablished satisfactory academic progress as outlined above in order to remain eligible for federal financial aid during the academic year following the probationary period.

If the appeal for mitigating circumstances is denied by the campus director, the student may appeal to the President. The decision of the President will be final. If the appeal for mitigating circumstances is granted by the President, the student will be placed on academic probation for the next academic year, will remain eligible for federal financial aid subject to the aforementioned restrictions, and will be considered to be making satisfactory academic progress during the probationary period. The student must have reestablished satisfactory academic progress as outline above in order to remain eligible for federal financial aid during the academic year following the probationary period.

## **EFFECT OF PREVIOUSLY COMPLETED TRAINING AND/OR DEMONSTRATED PROFICIENCY ON SATISFACTORY ACADEMIC PROGRESS**

Previous training completed at another accredited postsecondary institution or the demonstrated proficiency of transcription at certain speed and accuracy levels will be evaluated and accepted at the college's discretion. The speed building skill level or academic hours or credit(s) transferred will count toward the student's program of study in determining satisfactory academic progress. This will decrease the total amount of financial aid funds they are entitled to receive at CRI to less than 3000 hours.

If a student changes programs, the college will include in the determination of a student's satisfactory academic progress standing the credits attempted and grades earned that count toward the student's new program of study. A student may change programs only once.

## REQUEST TO APPEAL A DETERMINATION OF UNSATISFACTORY PROGRESS.

A student may appeal a determination that they are not making satisfactory academic progress at any checkpoint. The appeal must be based on documented mitigating circumstances. (i.e., death in the family, serious illness or injury of the student, or other major life-affecting circumstances). If the appeal for mitigating circumstances is granted, the student will be placed on probation for the next academic year, will remain eligible for federal financial aid, and will be considered to be making satisfactory academic progress during that period. The student must have reestablished satisfactory progress as outlined in the catalog to remain eligible for federal financial aid during the academic year following the probationary period.

Letter of appeal should include the following:

1. A statement documenting the mitigating circumstances that prevented satisfactory progress (SAP) at the affected checkpoint.
  - a. Mitigating circumstances:
    - i. Death in the family
    - ii. Serious illness or injury of the student
    - iii. Other major life-affecting circumstances
2. An outline of the student's plan to regain satisfactory progress (i.e. additional study time, review, etc.)
3. Acknowledgement that by appealing the unsatisfactory progress determination the student understands that this will affect on-time graduation dates.
4. Acknowledgement that the student may not be maintaining SAP for the next checkpoint
5. Acknowledgement that the student has been informed of the next SAP requirements and dates at which they must be met.
6. Acknowledgement that this appeal is of their own freewill. CRI will in no way require a student to appeal SAP.)

Note: An appeal of a determination that the student is not maintaining SAP is just that, an appeal. The Director of the school must approve it. The approval will also be based on, attendance history, individual motivation and the desire to proceed in the program. It may also require a meeting with the Director of the school. The appeal and approval of this request means you are not maintaining satisfactory progress which means you are not maintaining an on-time graduation rate.

The student may appeal for a waiver once to the Director of the School. Any further requests for waivers must go to the President. The President may allow an additional waiver.

**Important announcement Regarding Government Title IV Funding**

January 11, 2006

*Very important  
because many were  
told they would  
be funded  
4500 hrs*

*not  
changes*

An announcement was made to all classes in regard to Government funding changes last week. If you missed that announcement, please be informed that CRI students may use government funds (Grants and Loans) for 3000 hours of education only. There are eligibility requirements for these funds. After 3000, students have access to non-government student loans.

Please see your Financial Aid Administrator for additional details if needed.

*This is where  
Wachovia  
came  
in!*