



DEC - 8 2015

Dr. Patrick Opatz
Interim President
Century College
3300 Century Avenue North
White Bear Lake, MN 55110-1894

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Dear Dr. Opatz:

This letter is to inform you that the U.S. Department of Education (Department) intends to fine Century College (Century) a total of \$10,000 based on the violations of statutory and regulatory requirements outlined below. This fine action is taken in accordance with the procedures that the Secretary of Education (Secretary) has established for assessing fines against institutions participating in any of the programs authorized under Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. § 1070 *et seq.* (Title IV, HEA programs). As applicable here, under the Department's regulations, the Department may impose a fine of up to \$35,000 for each violation. 34 C.F.R. § 668.84. As detailed below, this fine action is based on Century's failure to comply with the requirements of the Drug-Free Schools and Communities Act Amendments of 1989 (DFSCA) as reflected in 34 C.F.R. Part 86.

The DFSCA and the Department's regulations require an institution of higher education to adopt and implement a drug prevention program for its students. 34 C.F.R. § 86.100.

The Department conducted a program review at Century from March 10, 2015 to March 12, 2015. The review included a general assessment of Century's compliance with the statutes and regulations pertaining to the institution's participation in the Title IV, HEA programs. The reviewers also examined Century's compliance with the DFSCA and the Department's implementing regulations.

On May 22, 2015, the Department issued a Program Review Report (PRR) to Century. The review found that Century had not complied with the DFSCA and the Department's implementing regulations. Century responded to the report on July 31, 2015. After reviewing Century's responses, the Department issued its Final Program Review Determination (FPRD) letter to Century on September 22, 2015. The FPRD is incorporated by reference into this fine action. (Enclosure 1).

The Department is taking this fine action based on the findings in the FPRD relating to Century's compliance with the DFSCA which concluded that Century failed to comply with certain requirements in the drug and alcohol abuse prevention regulations as reflected in 34 C.F.R. Part 86.

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

Administrative Actions and Appeals Service Group
830 First St., N.E. Washington, D.C. 20002-8019
StudentAid.gov

CENTURY DID NOT COMPLY WITH THE DRUG AND ALCOHOL ABUSE PREVENTION REQUIREMENTS

The DFSCA and the Department's regulations require institutions of higher education to adopt and implement a drug prevention program for its students and employees that, at a minimum, includes the annual distribution in writing to each employee, and to each student who is taking one or more classes for any type of academic credit (except continuing education units) standards of conduct that: clearly prohibit, at a minimum, the unlawful possession, use, or distribution of illicit drugs and alcohol by students and employees on its property or as part of any of its activities; describe the applicable legal sanctions under local, State, or Federal law for the unlawful possession or distribution of illicit drugs and alcohol; describe the health risks associated with the use of illicit drugs and the abuse of alcohol; describe any drug or alcohol counseling, treatment, or rehabilitation or re-entry programs that are available to employees or students; and include a clear statement that the institution will impose disciplinary sanctions on students and employees (consistent with local, State, and Federal law), and a description of those sanctions for violation of the standards of conduct. In addition, an institution must conduct a biennial review of its program to determine its effectiveness and implement changes to the program if they are needed and ensure that the disciplinary sanctions mentioned above are consistently enforced. 34 C.F.R. § 86.100.

The Department found that Century failed to comply with the DFSCA and 34 C.F.R. Part 86. Specifically, Century failed to conduct a biennial review of the DAAPP's effectiveness and produce a report of findings.

In its response to the PRR, Century acknowledged that it did not conduct the required biennial review of the DAAPP.

In determining the amount of a fine, the Department considers both the gravity of the offense and the size of the institution. 34 C.F.R § 668.92. Pursuant to the Secretary's decision In the Matter of Bnai Arugath Habosem, Docket No. 92-131-ST (August 24, 1993), the size of an institution is based on whether it is above or below the median funding levels for the Title IV, HEA programs in which it participates. The latest year for which complete funding data is available for Century is 2013-2014 award year. According to the Department records, Century received approximately \$17,423,245 in Federal Pell Grant (Pell) funds, \$29,292,597 in Federal Direct Loan funds and \$488,743 in Campus-Based funds. The latest information available to the Department indicates that the median funding level for institutions participating in the Federal Pell Grant program is \$1,571,915, for institutions participating in the Federal Direct Loan programs, the median funding level is \$2,408,978, and for institutions participating in the Campus-Based programs, the median funding level is \$266,597. Accordingly, Century is a large institution because its funding levels for Federal Direct Loan, Federal Pell Grant, and Campus-Based funds are above the median funding levels for those Title IV, HEA programs.

Dr. Patrick Opatz
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As detailed in this letter, Century's violation of the DFSCA and the implementing regulations are very serious. Congress enacted the DFSCA to ensure that students and employees had vital information about drugs and alcohol prevention program at their institution. A DAAPP that has not been tested in a biennial review may be unreliable and unhelpful to students and employees. Moreover, the Department considers an institution's compliance with the DFSCA requirements to be part of its administrative capability, and Century's failure to comply with those requirements constitutes an inability to administer properly the Title IV programs.

I have assessed a fine of \$10,000 for Century's failure to conduct a biennial review to evaluate the effectiveness of its DAAPP and to assess the consistency of sanctions imposed for violations of its disciplinary standards and codes of conduct related to drugs and alcohol. Students and employees cannot be expected to make good use of a DAAPP that has not been tested for its effectiveness.

The fine of \$10,000 will be imposed on **December 31, 2015**, unless I receive, by that date, a request for a hearing or written material indicating why the fine should not be imposed. Century may submit both a written request for a hearing and written material indicating why a fine should not be imposed. If Century chooses to request a hearing or submit written material, you must write to me at:

Administrative Actions and Appeals Service Group
U.S. Department of Education
Federal Student Aid/Program Compliance
830 First Street, NE – UCP-3, Room 84F2
Washington, DC 20002-8019

If Century requests a hearing, the case will be referred to the Office of Hearings and Appeals, which is a separate entity within the Department. That office will arrange for assignment of Century's case to a hearing official who will conduct an independent hearing. Century is entitled to be represented by counsel during the proceedings. If Century does not request a hearing but submits written material instead, I will consider that material and notify Century of the amount of fine, if any, that will be imposed.

ANY REQUEST FOR A HEARING OR WRITTEN MATERIAL THAT CENTURY SUBMITS MUST BE RECEIVED BY DECEMBER 31, 2015; OTHERWISE, THE \$10,000 FINE WILL BE EFFECTIVE ON THAT DATE.

Dr. Patrick Opatz
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If you have any questions or desire any additional explanation of Century's rights with respect to this action, please contact Lawrence Mwethuku of my staff at 202/377-3684.

Sincerely,



Susan D. Crim, Director
Administrative Actions and Appeals Service Group
Federal Student Aid/Program Compliance
U.S. Department of Education

Enclosure

cc: Accreditation Matters, CHEA, via chea@chea.org
Amanda Bohnhoff, Minnesota State Colleges & Universities, via
amanda.bohnhoff@so.mnscu.edu