



ACCREDITING COUNCIL FOR CONTINUING EDUCATION & TRAINING
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December 19, 2012

VIA EMAIL
(vscenter@aol.com)

Ms. Sara Cristi
Director
A-Technical College
1033 South Broadway
Los Angeles, CA 90015

***Re: Reaccreditation Deferred;
Continue Institutional Show Cause;
Teach-out Plan Required;
Interim Report Required;
ACCET ID # 887***

Dear Ms. Cristi:

At its December 2012 meeting, the Accrediting Commission of the Accrediting Council for Continuing Education & Training (ACCET) considered the application for reaccreditation of A-Technical in Los Angeles, California, the on-site visit team report (visit conducted September 25-26, 2012), and the institution's response to that report, dated November 21, 2012. As a result of its review, the Commission voted to defer consideration, to extend the institution's accredited status pending further review at its April 2013 meeting, and to continue the Institutional Show Cause directive initiated on August 13, 2012 for failure to timely submit audited financial statements for 2010 and 2011, as required by ACCET policy Document 27 – Policy on Financial Reporting and Financial Stability, and the subsequent expansion of that status in a letter, dated September 26, 2012 for failure to pay late fees relative to the institution's failure to provide financial statements and now continued based on serious concerns raised in the team report. While the institution's response adequately addressed a few of weaknesses raised in the on-site team report, the following issues are in need of further clarification and/or resolution relative to ACCET standards, policies, and procedures:

1. Standards II-D, Records, VIII-B, Attendance

The team report indicated the institution was unable to document daily attendance and/or determine the percentage of missed classes. Nor could the team find evidence to verify the attendance of students who were withdrawn for not meeting the attendance requirements. The team was unable to verify that the files were being routinely audited or that the institution routinely maintains transcripts on each student. The team also noted that the tardy and early departure policy was not educationally sound, allowing students to miss a significant amount of time without remedial consequences.

The institution indicated in its response that it has updated its attendance reports to be entered electronically into their RGB system. Attendance records are now reported daily in the electronic system by a Recorder; however, the institution failed to respond with a policy and procedure on how these attendance reports are routinely audited and assessed. Further, the institution failed to address how transcripts are created, monitored, and updated, nor did the institution respond to the tardiness and early departure policy which does not include definitions for and consequences and did not address the issue of the policy being educationally un-sound. A set of consequences is not merely a student indicating that he/she disagrees with their student progress report, but rather consequences in light of a poor attendance record that imperils their progress in attaining the knowledge and skills necessary for success in employment after graduating.

Therefore, the institution must provide a narrative update on these issues, including a policy on how the institution documents, monitors and enforces attendance to ensure educationally sound practices aimed at improving student success in the training. The policy must address how the institution ensures that attendance records are reliably and accurately maintained, with evidence that the institution systematically and effectively audits its attendance reports and issues transcripts. The attendance policy must also be updated to include an educationally sound tardy and early departure policy, with evidence that students and faculty have been made aware of this policy change, along with evidence that it is enforced.

2. Standard III-B, Financial Procedures

The team report indicated the institution failed to complete its payroll tax payment in a timely manner and was assessed a late fee by the IRS in 2011. Therefore, the institution was notified by the USDE on November 22, 2011 that its financial ratios yielded a composite score of -0.1 out of a possible 3.0 and did not meet the Department's standards of financial responsibility. As a result, the amount of the letter of credit required by the USDE federal was raised due to inadequate financial ratios and the institution had been placed on heightened cash monitoring 1 payment method. Lastly, the institution could not provide verification that first quarter payment of the state's tuition recovery fund had been paid. The institution's accountant stated that the first quarter statement had just been received and the due date could be ignored. However, second quarter statements were sent and were due as well.

The institution indicated in its response a list of financial challenges caused by the issues noted above and a copy of a cancelled check to evidence first and second quarter of paid payroll taxes. However, the check for payroll taxes included does not fully evidence payment using specific documentation from BPPE. No documentation was given that a Letter of Credit was posted, and no update was provided on how the institution was responding to the U.S. Department of Education's heightening cash monitoring, its continued provisional certification and how the institution will respond to these challenges.

Therefore, the institution must provide a narrative update on these issues including evidence of the updated Letter of Credit, evidence that applicable payroll taxes are paid and current, as of the due date of this interim report, and a detailed plan as to how the institution will manage these financial challenges and strengthen its financial stability in the future. Further, given the uncertain financial position of the institution, the Commission expressed concern relative to its ability to continue to provide its instructional program to its enrollees. As a consequence, the institution is directed to submit a teach-out plan responsive to the requirement outlined in ACCET Document 32 – Teach-Out/Closure Policy to ensure advanced preparation to protect students in the event the institution is not able to meet its obligations to them at some future date.

3. Standard III-C, Financial Assistance/Scholarships

The team report indicated that the team was unable to verify the last date of attendance for refund calculation purposes, due to institution's failure to maintain daily updated and accurate attendance records, as cited under Standard II-D, Records. The team reviewed ten student files, and four of those students were dismissed for failure to meet attendance requirements; however there was no documentation of attendance in the students' files. The institution was unable to document the attendance data that formed the basis for return to Title IV and refund calculations were indeed correct.

The institution indicated in its response that refunds are made automatically through its RGM System and that all attendance record sheets are noted by the instructor and passed on to the Recorder who enters the attendance data into the RGM system; however, the response failed to include sufficient supporting documentation to evidence how attendance is monitored, recorded, and accessed to perform refund calculations. The response included one electronic attendance record that does not evidence systematic and effective implementation in practice over time that attendance records are properly recorded and monitored for refund purposes.

Therefore, the institution must provide a narrative update on this issue, including a Standard Operating Procedure for tracking and monitoring attendance, including in the case of drops for refund calculations. The response must include appropriate documentation to clearly evidence systematic and effective implementation in practice.

A copy of this report, **including the attached interim report cover sheet**, must be emailed to interimreports@accet.org no later than **March 1, 2013**.

As a reminder, please be advised that late submission and receipt of documents and reports are subject to significant late fees in accordance with Commission policy. These fees are outlined in ACCET Document 10, which can be found at www.accet.org.

Deferral of reaccreditation is not an adverse action and is explained in ACCET Document 11 - Policies and Practices of the Accrediting Commission, which is available on our website at

www.accet.org. The deferral of a final decision is intended to allow for an opportunity to clarify and resolve the areas of concern cited above, specifically focused on the demonstration of systematic and implementation of policies and procedures in practice, over time. In accordance with Commission policy, no substantive changes including, but not limited to, new programs or major program revisions, new branch campuses or other new sites, and/or relocation out of the general market area, will be permitted during the term of the deferral period.

Your demonstrated capabilities and commitment in support of the institution's accredited status are essential to a favorable outcome in this process. Should you have any questions or need further assistance regarding this letter, please contact the ACCET office at your earliest opportunity.

Sincerely,



Electronic Signature

Roger J. Williams
Executive Director

RJW/kmb

Attachment: Interim Report Cover Sheet

cc: Ms. Kay Gilcher, Chief, Accreditation Division, USDE (aslrecordsmanager@ed.gov)
Ms. Martina Fernandez-Rosario, ACD-San Francisco, USDE (martina.fernandez-rosario@ed.gov)
Mr. Ron Bennett, Director, School Eligibility Service Group, USDE (ron.bennett@ed.gov)
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