



Accrediting Commission of Career Schools and Colleges

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**HAND-DELIVERED**

ccisherry@sbcglobal.net

Sherry Pruett  
Director  
Coast Career Institute  
1354 South Hill Street  
Los Angeles, California 90015

**School #M070737**  
**Warning**

Dear Ms. Pruett:

At the February 2016 meeting, the Accrediting Commission of Career Schools and Colleges (“ACCSC” or “the Commission”) considered the Application for Renewal of Accreditation submitted by Coast Career Institute (“CCI”) located in Los Angeles, California. Upon review of the October 22, 2015 Team Summary Report (“TSR”) and the school’s response to that report, the Commission voted to place CCI on **Warning** with a subsequent review scheduled for ACCSC’s **August 2016** meeting.

As CCI is aware, the Commission monitors schools throughout the period of accreditation to ensure continued compliance with accrediting standards. Pursuant to the Commission’s rules, when reason exists to indicate a departure from accrediting standards or when the Commission determines the need to otherwise verify a school’s compliance, the Commission may direct a special evaluation or fact-finding on-site evaluation to determine prior and continuing compliance (*Section VII (Q) (2) & Section III (B)(4), Rules of Process and Procedure, Standards of Accreditation*). The Commission found that the school’s response to the TSR raised significant questions about changes that are occurring at the institution, and the management’s ability to demonstrate current compliance with accrediting standards as a result. Accordingly, the Commission voted to direct CCI to receive an **unannounced on-site evaluation team** to conduct an assessment of CCI’s operations and compliance with accreditation requirements.

The on-site evaluation team will consist of an ACCSC Team Leader and one Commission representative. The enclosed On-Site Evaluation Team Announcement identifies the team and their affiliations. The team will review institutional operations and practices, interview school personnel, survey and interview students as necessary, and examine institutional records in an attempt to determine the school’s compliance with accreditation requirements. The Commission will provide CCI with a copy of the report prepared by the on-site evaluation team and the school will be afforded the opportunity to respond to the report in the event there are team findings related to the institution’s compliance with accreditation standards. CCI is reminded that refusal to cooperate in a required on-site evaluation may be grounds for removal of an institution from the accredited list (*Section VII (P)(1)(e), Rules of Process and Procedure, Standards of Accreditation*).

The on-site evaluation team’s review will involve, but will not be limited to, CCI’s compliance with the standards set forth below.

**Areas of Concern:**

1. CCI must demonstrate that the school engages in ongoing efforts to promote student loan repayment (*Section I (E)(1), Substantive Standards, Standards of Accreditation*). The on-site evaluation team noted that the school’s three year Cohort Default Rate (“CDR”) for fiscal-year 2011, as published by the U.S. Department of Education (“the Department”) is 55.7%. The Department notified CCI that the school lost eligibility to participate in the William D. Ford Federal Direct Loan Program, effective May 22, 2015. In response, CCI stated that “[a]s a result of our three-year Cohort Default Rate for fiscal-year 2011, Coast Career Institute has submitted an Economical Disadvantaged appeal to the U.S. Department of Education” and that the school is “currently waiting for a response from the

Department of Education.” The response does not provide further explanation regarding the basis for the “Economical Disadvantaged” appeal. In absence of further information regarding the appeal and the Department’s decision, the Commission determined that further monitoring of the school’s status is warranted.

The school’s response also states, “[o]ur current default rate is at 6.1% percent.” The response, however, does not indicate what is meant by “current default rate,” or the formula used to calculate the percentage. The Commission reviewed the most current data reported on the Department’s website (Official Cohort Default Rates for Schools), as outlined in the follow table:

<b>3-year Cohort Default Rates</b>			
<b>Year</b>	<b>No. Borrowers in Repayment</b>	<b>No. Borrowers in Default</b>	<b>Official Default Rate</b>
2012	55	26	47.2%
2011	138	77	55.7%
2010	95	7	7.3%

Although 47.2% represents a modest improvement over the 55.7% for the fiscal-year 2011, it appears that the school is still subject to loss of eligibility to participate in the Federal Family Education Loan (FFEL) Program and/or William D. Ford Federal Direct Loan (Direct Loan) Program because the school’s fiscal-year 2012 official cohort default rate is greater than 40.0%. According to the Department, “if a school fails to successfully appeal this sanction, it will lose eligibility to participate in the FFEL and/or Direct Loan Program until September 30, 2017.”

As afforded to the Commission under *Section I (E)(2), Substantive Standards, Standards of Accreditation*, given that the school’s annual cohort student loan default rates are at a high level in relation to established standards, the Commission seeks additional information with regard to this matter. Of particular interest is the school’s ability to manage the process of encouraging student repayment; plans for the material impact that a loss of eligibility would have on the financial structure and resources of the school; and plans for how the school will meet obligations to students including a teach-out plan in the event the school is unable to maintain operations.

2. CCI did not notify the Commission in advance of changes taking effect or being implemented in accordance with the provisions set forth in this section of the *Rules* as it pertains to changes of location (*Section IV (A)(1), Rules of Process of Procedure, Standards of Accreditation*). In December 2009, the school was approved for an expansion of its facility at 1354 S. Hill Street into 1340 S. Hill Street. At the time of the August 2015 on-site evaluation, the team found that CCI no longer occupies 1354 S. Hill Street, which is the official address on file for the school with ACCSC, the California Bureau for Private Postsecondary Education, and the United States Department of Education. The school has moved entirely into 1340 S. Hill Street, Los Angeles, California 90015, a move that constitutes a change of location. The school did not seek prior approval of this substantive change from ACCSC in accordance with the *Rules of Process and Procedure*.

In response to the on-site evaluation team’s finding, CCI responded, “Coast Career Institute has since submitted a letter to ACCSC notifying of our address change.” The school’s response includes a copy of a letter from Bridgette Illingworth to ACCSC’s Manager of Records, dated December 9, 2015. The letter is written to inform ACCSC that the branch located in Colton, California (#B072346) taught out all remaining students as of October 20, 2015. The letter states that “all graduate student files and career placement needs will be maintained by the main campus located at 1340 S. Hill Street Los Angeles, CA 90015.” The Commission noted that the statement does not indicate that the address in

the letter constitutes a “new” address for the main school, or inform the Commission that the facilities at 1350 S. Hill Street had been vacated by the main school. Regardless, a statement embedded within a letter regarding a different school does not constitute appropriate notification or application for approval of a change of location. According to *Section IV (E)(4)* of the *Rules of Process and Procedure*, a change of location is defined as follows: “[a] change of location occurs when an institution moves its facility from one location to another that is 25 miles or less from the former location.” The approval process for this substantive change includes:

- The school must apply to the Commission at least 60 days prior to its intended move date by filing an Application for a Change of Location-Part I. The school is not authorized to change location or relocate until the application has been approved by the Commission regardless of when the application is submitted to the Commission office.
- Within 30 days following the move, the school is required to submit an Application for a Change of Location-Part II.

In addition, CCI provided a copy of the City of Los Angeles Tax Registration Certificate that indicates CCI is registered under the address of 1340 S. Hill Street, Los Angeles, California 90015. The Commission did not find that this documentation demonstrates compliance with accrediting standards and requirements for the notification and application for approval of a change of location. The Commission found that CCI has yet to show that the school understands ACCSC’s requirements with regard to the approval of substantive changes and is able to follow the appropriate process and procedures. The school’s lack of ability in this regard raises a critical question about the management’s ability to lead and manage the school in compliance with accrediting standards.

3. CCI must demonstrate that prior to enrollment the school determines that each student meets all admission requirements (*Section V (A)(4)*, *Substantive Standards*, *Standards of Accreditation*). CCI requires a high school diploma for admission into the school. During the August 2015 on-site evaluation, the team questioned the validity of credentials that CCI accepted from East Beverly High School, located in Santa Monica, California. Specifically, the team noted that 41 applicants were accepted with a “diploma” from East Beverly Hills High School, and of those, 22 students received Federal financial aid after enrolling at CCI. In response to the team’s question regarding the equivalency and validity of the East Beverly High School diploma, CCI stated:

*Coast Career Institute spoke with East Beverly Hills H.S. whereas it was stated they had two graduation dates per year. Each of their students would fall under those two specific dates. Furthermore, although East Beverly Hills High School does have a training facility, Coast Career Institute is no longer enrolling graduates from East Beverly Hills High School. Our admission’s officer is now performing more in depth research into High School verification prior to student enrollment.*

The above statement does not provide evidence that the East Beverly Hills High School credential is the recognized equivalent of a high school diploma. In addition, although the response indicates the school has ceased accepting the East Beverly Hills High School credential, the response does not explain the reason for CCI’s decision in this regard. The response also does not describe how the revised policy is communicated to prospective students. The Commission found that in addition to being non-responsive to the question regarding the East Beverly Hills High School credential, the response also raises questions with regard to the management and oversight of the admissions process. And, in absence of documentation that the East Beverly Hills High School credential is the equivalent of a high school diploma, CCI has not demonstrated that the 22 students were eligible for the federal financial aid received.

4. CCI must demonstrate that the school supports student achievement rates through student transcripts, the school's verifiable records and documentation of initial employment of its graduates, and exam pass rate data obtained from the requiring entity (*Section VII (B)(1)(b), Substantive Standards, Standards of Accreditation and Appendix VII – Guidelines for Employment Classification*). CCI did not demonstrate that the school has the proper documentation for the following categories, as noted by the on-site evaluation team during a review of supporting documentation for the school's 2015 Annual Report:
- CCI did not provide complete documentation for graduates classified as "employed in field." The employment records did not include date of initial employment (hire date), job title, or source of verification.
  - CCI did not provide supporting and verifiable documentation for each graduate classified as "self-employed." During the on-site evaluation, the team found that the school had not maintained signed statements from self-employed graduates acknowledging that self-employment is aligned with the individual's employment goals.
  - CCI did not provide supporting and verifiable documentation for each graduate classified as "Unavailable for Graduation," "Unavailable for Employment," or "Graduates – Further Education." During the on-site evaluation, the team found that the school had no policy or procedures for collecting this documentation

In response to the aforementioned issues, CCI stated that the school revised the graduate placement record for CCI's career services officer to complete and implemented a new form for all self-employed graduates. The school included blank copies of both forms with its response. Although the forms appear to be structured in a manner that would collect all required information, CCI did not provide completed copies of the documents to demonstrate that the forms have been implemented successfully. In addition, CCI did not explain how the school secures documentation to support the status of "unavailable for graduation."

5. CCI must demonstrate that the school engages in ongoing institutional assessment and improvement activities and planning appropriate to the size and scale of the school's operations and that support the management and administration of the school as well as the quality of education provided (*Section I (B)(1), Substantive Standards, Standards of Accreditation*). During the on-site evaluation, the team noted that CCI's planning document appeared to be a task list required for operating the school, did not extend beyond the current year (2015), and did not address the following areas:
- CCI's May 22, 2015 loss of eligibility to participate in William D. Ford Federal Direct Loan Program;
  - The discontinuation of three programs: Diagnostic Medical Sonography, Floral Arrangements & Bridal Accessories; and Medical Office Assistant; or
  - The pending closure of the branch campus located in Colton, California.

In response to the TSR, CCI stated:

*Coast Career Institute (CCI) maintains an ongoing intuitional assessment plan. It is a task list to remind CCI items to be addressed and implement new items as well. We are attaching our revised intuitional assessment plan for the following years 2016, 2017, and 2018. All supporting documentation will be maintained with the executive director, available upon request.*

The Commission reminds CCI that a fundamental component required for demonstration of compliance with accrediting standards is self-evaluation and institutional assessment and improvement planning. Self-evaluation is an assessment of the complete school, conducted by faculty and students, as well as by the school administration. The process should involve the entire school. The self-evaluation process provides an opportunity for the staff and faculty to examine the school and to draft findings and recommendations for action. The findings and recommendations for action formulate the basis of the institutional improvement planning process, whereby goals are established and plans of action are developed, as required by *Section I (B) of the Substantive Standards, Standards of Accreditation*. The copy of the “revised institutional assessment plan” provided by CCI as part of the response does not show evidence of the school’s self-evaluation process, or improvement planning process. The document appears to be more a procedural checklist that shows how the school intends to conduct assessment and improvement planning, rather than documentation that the process has taken place. Overall, the Commission found that CCI has not demonstrated that the school engages in meaningful institutional assessment and improvement planning, which deepens the Commission’s questions regarding the management of the institution.

6. CCI must demonstrate that for every program there are detailed and organized instructional outlines and course syllabi showing a scope and sequence of subject matter sufficient to achieve the program objectives and to acquire the necessary knowledge, skills, and competencies. (*Section II (A)(2)(a), Substantive Standards, Standards of Accreditation*). During the on-site evaluation, the team noted that CCI does not provide students with syllabi for each course, but instead provides student with a program syllabus and description that does not include specific learning outcomes with each course. In response, CCI stated that the school revised its course syllabi and provided a copy of syllabi for the Cake Decorating, Optical Dispensing Technician, Private Security Guard, and Solar System Installation Technician programs. The Commission noted that the syllabi are course-by-course descriptions and simply include the course titles, instructional hours, and credit hours. CCI has yet to demonstrate that the school has detailed and organized instructional outlines and course syllabi that meet accrediting standards and raises the question regarding the competence of educational administration of the institution and basic knowledge regarding the purpose and structure of a course syllabus which is a fundamental part of postsecondary education.
7. CCI must demonstrate that the school executes an enrollment agreement for all enrolled students and furnishes to the student prior to the student starting class a final copy of the enrollment agreement signed by both parties (*Section IV (C)(2)(b) and (d), Substantive Standards, Standards of Accreditation*). During the on-site evaluation, the team found two enrollment agreements that were not signed by the Campus Director. In response, CCI stated:

*Coast Career Institute’s policy is to have the campus director sign all enrollment agreements. The admission’s officer has 48 hours to deliver the completed student academic file including all signed enrollment forms. In the case with the above two mentioned students, both had cancelled our program and were not signed by the director. The campus director will now sign all enrollment agreements including those that cancelled prior to receiving the admissions/student academic file.*

The response, however, does not include documentation showing that the two students cancelled before starting class, obviating the need for a fully executed enrollment agreement. Although there is not a requirement for the school to sign enrollment agreements for students that have already cancelled, the school’s response does not include a clear description of the timeline of the enrollment process, showing that the admissions documentation is obtained prior to the accepting school official’s signature, and that a final copy of the enrollment agreement – signed by both parties – is furnished to the student which is prior to the student starting class.

8. CCI must demonstrate that the school's management has the ability to lead and manage a post-secondary educational institution in compliance with accrediting standards and that the school has appropriate administrative and operational policies and procedures in place (*Section I (A)(1), Substantive Standards, Standards of Accreditation*). As noted in the previous items of this letter, CCI's inability to address the findings enumerated by the on-site evaluation raises questions regarding the management's ability to operate the school in compliance with accrediting standards. In part, the Commission will take into account the findings of the unannounced on-site evaluation team and the school's response to make a determination regarding the overall adequacy of the school's management.

**WARNING RESTRICTIONS:**

Pursuant to *Section VII (K)(7), Rules of Process and Procedure, Standards of Accreditation*, the Commission will not consider substantive changes, a change of location/relocation, or additions (i.e., separate facilities, new programs) to a school or its separate facilities while the school is under a Warning Order.

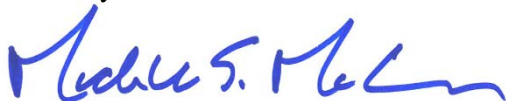
**RESPONSE REQUIREMENTS:**

By applying for accreditation, a school accepts the obligation to demonstrate continuous compliance with the *Standards of Accreditation*. While the Commission employs its own methods to determine a school's compliance with accrediting standards, the burden rests with the school to establish that it is meeting the standards. The Commission's deliberations and decisions are made on the basis of the written record and thus a school must supply the Commission with complete documentation of the school's compliance with accrediting standards.

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For further assistance or additional information, please contact Corey Rosso at 703.247.4507 or [crosso@accsc.org](mailto:crosso@accsc.org).

Sincerely,



Michale S. McComis, Ed.D.  
Executive Director

c: Brigitte Illingworth  
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## **ON-SITE EVALUATION TEAM ANNOUNCEMENT**

**Purpose:** Commission-Directed Unannounced On-Site Evaluation

**Date of Evaluation:** April 11, 2016

**School:** Coast Career Institute  
School #M070737  
1354 South Hill Street  
Los Angeles, California 90015  
Sherry Pruett, Director  
213.747.6289

### **Team Members:**

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