



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF INSPECTOR GENERAL

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Stephen Weber, President
San Diego State University
5500 Campanile Drive, MH 3340
San Diego, CA 92182

Dear Dr. Weber:

This **Final Audit Report**, entitled *San Diego State University's Eligibility Determination for Federal Pell Grants Awarded to Postbaccalaureate Students Enrolled in Teaching Credential Programs*, presents the results of our audit. The purpose of the audit was to determine whether San Diego State University (SDSU) has policies and procedures that provide reasonable assurance that postbaccalaureate students enrolled in teacher credential programs are eligible for the Federal Pell Grant Program. Our audit covered the Federal Pell Grants awarded for the 2005-2006 award year.

BACKGROUND

Under 34 C.F.R. § 690.6(c), a postbaccalaureate student may receive a Federal Pell Grant if—

- (1) The postbaccalaureate program consists of courses that are required by a State for the student to receive a professional certification or licensing credential that is required for employment as a teacher in an elementary or secondary school in that State;
- (2) The postbaccalaureate program does not lead to a graduate degree;
- (3) The institution offering the postbaccalaureate program does not also offer a baccalaureate degree in education;
- (4) The student is enrolled as at least a half-time student; and
- (5) The student is pursuing an initial teacher certification or licensing credential within a State.

To be employed in a California public school, elementary and secondary public school teachers must be certified by the California Commission on Teacher Credentialing. The Commission issues guidelines for institutions to use in developing programs designed to prepare students for certification and approves the programs offered at California colleges and universities.

SDSU is one of 23 institutions in the California State University (CSU) system. SDSU offers nine postbaccalaureate programs that prepare students for initial teacher credential: Multiple Subject, Multiple Subject with Bilingual Cross-Cultural Language and Academic Development Emphasis Spanish (BCLAD), Single Subject, Single Subject with BCLAD, and five special education specialties. For the 2005-2006 award year, SDSU disbursed \$925,679 in Federal Pell Grant funds to students enrolled in these postbaccalaureate programs.

AUDIT RESULTS

SDSU's policies and procedures were adequate to ensure that the students who were enrolled in its postbaccalaureate teacher credential programs, met eligibility requirements for receiving Federal Pell Grants. For the 2005-2006 award year, SDSU made 673 Pell Grant awards to students enrolled in its postbaccalaureate teacher credential programs. Our review of SDSU's student financial aid and enrollment records for a random sample of 39 of the 673 awards confirmed that the students met the requirements for having a baccalaureate degree, having a financial need, maintaining satisfactory academic progress, and being enrolled at least half time. We also confirmed that SDSU did not offer a baccalaureate degree in education and that the postbaccalaureate programs were designed to prepare students for their initial teacher credential and did not lead to a graduate degree.

OTHER MATTER

During our review, we found that SDSU's *2005-2006 Bulletin of the Graduate Division* (Bulletin)¹ contained language that placed a stricter requirement on prerequisite courses for teacher credential programs than was actually applied in SDSU's procedures. The Bulletin sections covering admission standards and qualifications for four of the nine teacher credential programs place conditions on the timeframe for completion for prerequisite courses.²

The Bulletin sections for the Multiple Subject Program and the Single Subject Program state—

Prerequisite Courses. These courses or approved equivalents must be completed with grades of "C," "CR," or higher no more than five years prior to admission The courses may be in progress at the time of program application. Proof of registration is required to be considered for admission.

¹ The Bulletin is the catalog that describes SDSU's graduate and credential programs and the courses required under each program.

² The teacher credential programs in special education included a list of prerequisite courses, but did not contain the cited language on the timeframe for the courses.

The Bulletin sections for the Multiple Subject with BCLAD Program and the Single Subject with BCLAD Program state—

Prerequisite Courses. The following courses must be completed with a grade of "C" or better prior to admission to the program, but may be in progress at the time of application or taken in the term immediately prior to the program start date.

Contrary to the Bulletin statements, SDSU allowed students in the teacher credential programs to enroll in prerequisite courses as part of the program and included the credits from the prerequisite courses when determining a student's enrollment status. Enrollment status is used to determine the student's eligibility for the Pell Grant program and is used in the calculation of Pell Grant awards. If credits for the prerequisite courses had not been included in determining student enrollment status, several students in our sample would not have been eligible for a Pell Grant and others would have been eligible for a lesser amount than awarded.

As cited in the BACKGROUND section of this report, 34 C.F.R. § 690.6(c)(1) states that postbaccalaureate students may receive a Federal Pell Grant if, among other requirements, the postbaccalaureate program consists of courses that are required by a State for the student to receive a professional certification or licensing credential. SDSU's teacher credential program application forms, which are approved by the California Commission on Teacher Credentialing, identify the prerequisite courses as required courses for the teacher credential programs. As such, SDSU's practice of including a student's enrollment in prerequisite courses when determining Pell Grant eligibility and Pell awards does not conflict with Federal requirements. We suggest that SDSU take steps to resolve the inconsistency on requirements for prerequisite courses contained in the Bulletin language and the teacher credential program application forms.

OBJECTIVE, SCOPE, AND METHODOLOGY

Our audit objective was to determine whether SDSU has policies and procedures that provide reasonable assurance that postbaccalaureate students enrolled in teacher credential programs are eligible for the Federal Pell Grant Program. Our audit covered the Federal Pell Grants awarded for the 2005-2006 award year.

To accomplish our objective, we gained an understanding of pertinent provisions of the Higher Education Act of 1965, as amended; Federal regulations; and sections of the Department's *Federal Student Aid Handbook 2005-2006*. We reviewed single audit reports for the CSU system that were prepared by its independent public accountant for fiscal years ended June 30, 2004 and June 30, 2005, and a report issued by CSU's internal audit department. We reviewed written policies and procedures for awarding Pell Grants and interviewed SDSU staff responsible for awarding Federal Pell Grants and developing State-required courses for the teacher credential programs. We reviewed SDSU's catalogs to confirm that its postbaccalaureate teacher credential programs did not lead to a graduate degree and that SDSU did not offer a baccalaureate degree in education.

To evaluate SDSU's internal controls, we reviewed students' financial aid and enrollment records for a random sample of 39 of the 673 Federal Pell Grant awards made for the 2005-2006 award year to students enrolled in the postbaccalaureate teacher credential programs. For each award, we confirmed that the student—

- Had a baccalaureate degree, a financial need, and maintained satisfactory progress.
- Was enrolled as at least a half-time student and that the courses used to determine the enrollment status were required by the State for the student to receive a teacher credential;
- Was pursuing an initial teacher credential within the State;
- Was enrolled in a teacher credential program that was approved by the California Commission on Teacher Credentialing.

To select the sample and evaluate SDSU's procedures, we relied on data extracted by SDSU's staff from the school's financial aid management system. We assessed the reliability of the extracted data by comparing the total records provided in the extract to the total records in the financial aid management system. We also compared the data in the extract for each sampled award to the student enrollment and financial aid data shown in the financial aid management system for that award. We confirmed the award amounts shown in the extract by recalculating the awards using information in the financial aid management system. Based on these tests, we concluded that the data was sufficiently reliable for use in meeting the audit objective.

We performed our fieldwork at SDSU's Office of Student Aid and Scholarships in San Diego, California. We held an exit briefing with SDSU officials on May 25, 2007. Our audit was performed in accordance with generally accepted government auditing standards appropriate to the scope of the review described above.

ADMINISTRATIVE MATTERS

In accordance with the Freedom of Information Act (5 U.S.C. § 552), reports issued by the Office of Inspector General are available to members of the press and general public to the extent information contained therein is not subject to exemptions in the Act.

We appreciate the cooperation and assistance extended by your staff during the audit. If you have any questions, please contact me at (916) 930-2399. No response on your part is necessary.

Sincerely,

/s/ Beverly A. Dalman for

Gloria Pilotti
Regional Inspector General for Audit