

**RIDLEY-LOWELL BUSINESS AND TECHNICAL INSTITUTE, INC.  
SURVEY INFORMATION TABLE  
DEBT MEASUREMENT YEAR 2015**

Program: Cosmetology/Cosmetologist, General  
CIP: 120401

From the Nonresponse Bias Analysis (NRBA) Template:	
Adjusted Vetted Cohort Response Rate	53.13%
Average of Absolute Values of Relative Bias	9.35%
Mean Earnings	\$26,782
Median Earnings	\$18,200

	Standard Rates		Transitional Rates		Result
	Annual	Discretionary	Annual	Discretionary	
Original	11.10	100.00	11.10	100.00	Zone
Appeal	4.90	14.36	4.90	14.36	Pass



Federal Student Aid  
U.S. Department of Education  
400 Maryland Avenue, SW  
Washington, D.C. 20202

Via email: [altearningsappeal@ed.gov](mailto:altearningsappeal@ed.gov)

RE: ALTERNATIVE EARNINGS APPEAL  
Institution Name: Ridley-Lowell Business & Technical Institute  
OPEID: 021123  
COSMETOLOGY/COSMETOLOGIST, GENERAL,  
UNDERGRADUATE CERTIFICATE  
CIP Code: 12.0401

June 7, 2017

Dear Secretary of Education,

I attest that the survey was conducted in accordance with the *Standards for Conducting the Recent Graduates Employment and Earnings Survey* and that the mean or median earnings used to recalculate the debt-to-earnings ratios was accurately determined from the survey results.

Sincerely,

(b)(6)

Wilfred T. Weymouth  
President and CEO  
Ridley-Lowell Business & Technical Institute

Ridley - Lowell Business & Technical Institute

26 South Hamilton Street • Poughkeepsie, NY 12601 • Tel 845.471.0330 • Fax 845.471.4990 • [www.ridley.edu](http://www.ridley.edu)

**From:** LeGrand Institute of Cosmetology  
**Sent:** 30 Jun 2017 17:55:53 +0000  
**To:** AltEarningsAppeals  
**Subject:** Alternate Earnings Appeal  
**Attachments:** Assertion Letter.pdf, LeGrand Gainful Employment Standards Spreadsheet.xls, Gainful Employment Survey Standards First Draft.doc, GE Email 001.jpg, GE President's Letter 001.jpg

Hello,

OPE ID#: 037463  
CIP Codes: 12.0401  
Credential Level: 01

We are submitting the following documents for our appeal of the Gainful Employment Rates.

- President's Certification Letter
- Independent Auditor's Report
- Department of Ed's Calculation Tool (excel format)
- Survey Standards of RGEES
- Email requesting appeal

If we are missing any documentation, please let us know as soon as possible. I have tried to reach the Department of Education for answers to my questions but I have not been able to talk to anyone. I am sure this has been a busy time for your department. (803) 425-8449 Thank you.

Sincerely,

Kimberly Gibson  
Administrator

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12/23/2016

Print

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**Subject:** Notice of Intent to File Alternate Earnings Appeal

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**From:** LeGrand Institute of Cosmetology (legrandinstitute@yahoo.com)

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**To:** altearningsappeals@ed.gov;

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**Date:** Friday, December 23, 2016 7:06 PM

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To Whom it May Concern;

We will be working on our appeal of the Debt to Earnings Ratios. Our information follows. Thank you.

Institution Name: LeGrand Institute of Cosmetology Inc.

OPE id#: 037463

CIP Codes: 12.0401

Credential Level: 01

Sincerely,

Kimberly Gibson  
Administrator

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# Le GRAND Institute of Cosmetology

2418 Broad Street - PO Box 2102 - Camden, SC 29020 - (803) 425-8449

June 30, 2017

To Whom it May Concern;

By signing below, I certify that our survey was conducted in accordance with the Standards for Conducting the Recent Graduates Employment and Earnings Survey. LeGrand Institute of Cosmetology submitted its Notice of Intent to File Alternate Earnings Appeal by email on December 23, 2016. Alternative earnings data for debt to earnings rate appeals was obtained using the Recent Graduates Employment and Earnings Survey (RGEES) and the calculation tool from the Department of Education.

The mean/median earnings used to recalculate the GE programs Debt to Earnings Rate was accurately determined from the survey results. The new mean is \$19,383 and the new median is \$17,828. Using the annual loan payment amounts provided by the Department of Education, we have recalculated our Debt-to-Earnings Annual rates using the new mean as the denominator in the following table. According to our calculation, our institution now falls within the zone.

Debt Measure Name	Cohort	Rate	Numerator	Denominator	PASS/FAIL
Debt-to-Earnings Annual	2YP	8.11	1,571	19,383	Zone
Transitional Debt-to-Earnings Annual	2YP	8.70	1,687	19,383	Zone

We have enclosed an examination level attestation engagement report from an independent auditor as an attachment to our email.

We were unclear as to what supporting documentation by the Secretary we needed to submit for our appeal and had left several messages by phone and email that were not returned, so I have attached the following documents to our email even though they may not be required to file the appeal:

- o Email requesting appeal dated December 23, 2016;
- o Independent Accountant's Report;
- o Department of Ed's Calculation Tool with our data used to calculate new mean and median, response rate and non-response bias; and
- o Survey Standards submitted to the Independent Auditor for review.

If there is any other documentation we need to submit to finalize our appeal, please let us know as soon as possible. We have worked very hard at this for several months to collect this data in order to submit this appeal.

Sincerely,

(b)(6)

Debra R. LeGrand  
President

# LIGHTHEART | SANDERS

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT ACCOUNTANT'S REPORT

To LeGrand Institute of Cosmetology, Inc.

We have examined management's assertions that LeGrand Institute of Cosmetology, Inc. conducted its gainful employment survey of its Title IV programs in accordance with the Standards for Conducting the Recent Graduates Employment and Earnings Survey (GE Standards) and that the mean or median earnings used to recalculate the debt-to earnings ratios was accurately determined from the survey results for the award year ended June 30, 2015. LeGrand Institute of Cosmetology, Inc.'s management is responsible for this statement. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, the requirements set forth in the GE Standards and with attestation standards contained in the Government Accountability Office's Government Auditing Standards promulgated by the Comptroller General of the United States and with procedures for attestations contained in guides developed by and available from the Department of Education's Office of Inspector General, and accordingly, included examining, on a test basis, evidence supporting management's assertions that LeGrand Institute of Cosmetology, Inc. conducted its gainful employment survey in accordance with the previously mentioned standards and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the gainful employment survey referred to above presents, in all material respects, gainful employment survey results in accordance with the Standards for Conducting the Recent Graduates Employment and Earnings Survey.

This report is intended solely for the information and use of management and the Department of Education and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



Lighthouse Sanders and Associates

June 28, 2017



This template calculates the response rate for graduates in your survey.

Simply enter the number of graduates who completed the survey in cell B6 and the total number of graduates in the cohort in cell C6.

The survey response rate will be automatically calculated in cell D6.

<b>Number of survey respondents</b>	<b>Number of graduates in the cohort</b>	<b>Response rate</b>
30	50	60.00%

This template calculates the mean and median income for graduates in your program. Simply copy the name and total income for each survey respondent starting in row 8. Mean and median income will be automatically calculated in cells C5 and C6, respectively.

<b>MEAN</b>	<b>\$30,300</b>
<b>MEDIAN</b>	<b>\$35,000</b>
<b>Name (or unique ID):</b>	<b>Total Earnings:</b>
(b)(6)	\$20,000
	\$50,000
	\$0
	\$18,000
	\$45,000
	\$40,000
	\$60,000
	\$32,000
	\$0
	\$38,000



This template calculates the response rate for graduates in your survey.

Simply enter the number of graduates who completed the survey in cell B6 and the total number of graduates in the cohort in cell C6.

The survey response rate will be automatically calculated in cell D6.

<b>Number of survey respondents</b>	<b>Number of graduates in the cohort</b>	<b>Response rate</b>
30	51	58.82%

This template calculates the mean and median income for graduates in your program. Simply copy the name and total income for each survey respondent starting in row 8. Mean and median income will be automatically calculated in cells C5 and C6, respectively.

<b>MEAN</b>	<b>\$19,383</b>
<b>MEDIAN</b>	<b>\$17,828</b>
<b>Name (or unique ID):</b>	<b>Total Earnings:</b>
(b)(6)	\$24,000
	\$1,969
	\$22,927
	\$49,032
	\$12,500
	\$11,500
	\$19,000
	\$35,000
	\$19,000
	\$0
	\$22,088
	\$16,656
	\$36,554
	\$40,000
	\$1,080
	\$44,894
	\$14,965
	\$2,000
	\$25,000
	\$9,220
	\$16,584
	\$29,765
	\$12,103
	\$0
	\$9,165
	\$32,600
	\$10,500
	\$23,346
	\$14,835
	\$25,200



# STANDARDS FOR CONDUCTING THE RECENT GRADUATES EMPLOYMENT AND EARNINGS SURVEY (RGEES)

## INTRODUCTION

The Recent Graduates Employment and Earnings Survey (RGEES) can be used in an earnings appeal under the Gainful Employment Regulations as an alternative to the Social Security Administration (SSA) earnings data. The alternative earnings survey may be administered to graduates in a specified cohort of students who completed the program and who received Title IV assistance to attend a gainful employment program.

The Recent Graduates Employment and Earnings Survey must be administered to the finalized list of graduates that the U.S. Department of Education (ED) uses to calculate the debt-to-earnings ratios under the Gainful Employment Regulations, as determined under 34 CFR 668.405(c)(4). However, the survey may also be administered to graduates who were excluded by ED due to activities that were assumed to depress their incomes (e.g., enrolled student, military service) (CFR 668.406(b)(3)(i)).

This kind of study, in which every individual on the list is asked to participate, is called a universe survey. For comparability, the Recent Graduates Employment and Earnings Survey at a minimum must be administered to every one of the graduates (i.e., the universe) identified on the finalized list of Title IV-assisted program completers that was used by the Department of Education for matching with the SSA records.

To facilitate data collection for this appeals process, the U.S. Department of Education will make a data collection and processing platform available with the RGEES survey. The RGEES Platform, when loaded onto an institution's server, can be used for Internet-based administration of the RGEES. The RGEES Platform will assist the survey administrator in monitoring response rates during data collection. Once the data collection is completed, the RGEES platform will do the following:

- compile the data;
- apply data edits (e.g., top-coding edits on extremely high values, coding negative values to zero);
- provide a count of the number of edited records;
- compute total earnings for each respondent;
- compute the response rate;
- compute the mean and median earnings for the responding population; and
- compute the nonresponse bias analysis if the response rate is 50% or above.

*NOTE: In the standards that follow the requirements that are starred are met with information produced using the RGEES Platform and those using the platform need only address the unstarred requirements. For those electing to not use the platform, the survey administrator must adhere to each of the requirements.*

# STANDARDS FOR CONDUCTING THE RECENT GRADUATES EMPLOYMENT AND EARNINGS SURVEY (RGEES)

## Standard 1: Planning Your Data Collection

**Standard 1: The survey design components required to conduct the Recent Graduates Employment and Earnings Survey include a plan that addresses the objectives of the survey, the survey design, the data collection plan, the confidentiality pledge, a data security plan, and the human and fiscal resources and time needed to achieve high data quality. To meet this standard, the survey design plan must include the following:**

1.1: The goals of the Recent Graduates Employment and Earnings Survey (RGEES) are to contact graduates within the cohort and interview them regarding their earnings for 2015 and whether or not they included all of their income (did they do side jobs for cash) and their cash tips. The objective is to get at least thirty complete surveys out of the fifty-one completers in the cohort. The list of program completers that were surveyed come from the list provided by the Department of Education. In surveying the graduates, it is our hope that they did not include all of their earnings and that by adding this unreported income to income already reported on their tax return (either from their AGI, if they received a W2 from an employer, or from line 12 if they received a 1099 or filed as a business and reported their income minus expenses), we will be able to provide a more accurate picture of what their true earnings are. Another objective is to move from a failing rate to at least a zone rate.

1.2: We used the RGEES survey in paper format and asked the questions on that survey.

1.3: The anticipated data collection procedures included the following elements:

1. We started calling our graduates the last week in January. It was our hope to get the surveys done in a couple of weeks, so that we could submit our appeal to the DOE by deadline.
2. The primary mode of collection was telephone. We found that many of our completers had disconnected numbers, so we then tried to locate them with other family member's phone numbers that we had and by contacting them on Facebook. When Facebook was unsuccessful and we could locate where they were working, we visited them at their workplace to complete an in-person interview.
3. Our data collection protocol is to only interview the 51 selected completers in the cohort provided by the Department of Education. The surveys will only be conducted by Kimberly Gibson, the Administrator, and Amanda Watkins, the Administrative Assistant. We will use the RGEES survey provided by the Department of Education in paper format. There will be one survey paper per completer. The surveys will be divided up between Kimberly Gibson and Amanda Watkins. When calling completers, we will need the paper survey and a pen. If we were unable to reach the completer, the time and date of the call will be written down. We will not try to call the same completer for a couple of days in between attempts. The surveys will be kept in a locked office in a closed file. Once the data is collected, it will be used to populate a non-bias, a mean and median using the Department of Education's link.
4. Kimberly Gibson trained her Administrative Assistant, Amanda Watkins, on how to conduct the surveys. No other staff members were involved in the data collection process. All data was edited by Kimberly Gibson.
5. We hoped to have at least 30 graduates respond to our survey in a two week period. We did not anticipate how difficult it was going to be first, to get in touch with the completer and second, to get them to give us the information we needed to complete the survey.



## STANDARDS FOR CONDUCTING THE RECENT GRADUATES EMPLOYMENT AND EARNINGS SURVEY (RGEES)

6. We offered an incentive of being entered into a drawing for a twenty-five dollar gift card to Walmart and a discount on SharkFin shears. We are a distributor of SharkFin shears. When we did in person interviews, we took a small bag with some snacks in it (popcorn and candy) and a cell phone wallet sticker with our school logo on it to basically apologize for the inconvenience of having to come to their work.
7. Methods used to achieve acceptable response rates (see Standard 2) - We told the graduates that they would receive a gift and be entered into a drawing to receive a \$25 Walmart gift card.

1.4: We explained to each of our completers that their information would not be disclosed to anyone else and that their survey information would be used independent from their name and anything else that could identify them.

1.5: Kimberly Gibson and Amanda Watkins will be the only two employees who will conduct the surveys. They both understand that information must be guarded at all times for confidentiality. Surveys will be locked in a closed file in their office. This plan will be used during collection, processing and analysis.

1.6: Data will be used for any other purpose other than the appeal.

1.7: The quality assurance plan for each phase of the survey process (collection, processing and analysis) was monitored and assessed. During Collection, Kimberly Gibson will monitor all aspects of the survey process. She will be responsible for training Amanda Watkins on how to conduct the survey and how to answer questions related to tax returns. Once all data is collected it will be processed.

Kimberly Gibson will be the only staff member who will process the data. She will be checking to make sure the data is not out of range and seems reasonable. She will perform the appropriate edits if needed. Once the data is processed, it will be analyzed.

Kimberly Gibson will be the only staff member who will analyze the data. She will be using the template created by the Department of Education located at the following website: <http://ifap.ed.gov/GainfulEmploymentInfo/attachments/NRBAtemplate.xlsx>. She will enter the data into the various spreadsheets to determine the mean and median, response rate and nonbias response.

By limiting the number of staff involved, we can assure that we are receiving accurate data from our respondents.

1.8: We do not want to overburden our graduates with completing the survey. We want them to feel comfortable giving us the information we need and we feel the best way to do that is for them to hear our voice which is why we first tried to contact them by telephone. If we could not reach them by telephone, then we would resort to using text messages and Facebook messages, so that we could explain why we are trying to get in touch with them. Most people these days especially the younger generation do not talk on the phone. They conduct personal business through emails, texts and social media. Once we made contact by email, text or Facebook message, we would then follow up with another phone call. Our last resort was going to be going to their workplace. We found this to be successful for those students who were unsure as to how their data was going to be used. By having the face to face interaction, it reassured them that we were only going to use their information for this survey and that it would be anonymous.

## **STANDARDS FOR CONDUCTING THE RECENT GRADUATES EMPLOYMENT AND EARNINGS SURVEY (RGEES)**

1.9: Once the surveys are printed and we know what information we are asking for, we can start the survey process by contacting the 51 graduates in the cohort. Once we have collected at least 30 surveys, then we can enter the data we collected into the Department of Ed's excel template to calculate the new mean and median. The next stage will be typing our standards and submitting to an independent auditor and finally, compiling all the necessary appeal documentation to submit to the Department of Education for consideration of an appeal.

1.10: We are **estimating** that it will take at least one month to complete the full survey cycle. We have estimated the following times for the items that follow.

1. Planning and development - 2 days - February 1 - 2, 2017;
2. Data collection - three weeks - February 3 - February 23, 2017;
3. \*Processing and data editing - two hours - February 23, 2017;
4. Disclosure avoidance plan and analysis, if data will be used for any purpose other than the aggregated data from the RGEES; N/A
5. File construction - two hours - February 23, 2017;
6. Survey documentation - 1 day - February 24, 2017; and
7. Completion and review of the reporting template and any additional internal reports - 1 day - February 27, 2017.

### **Standard 2: Collection Methodology**

**Standard 2: Administer data collection instruments and methods in a manner that achieves the best balance between maximizing data quality and controlling measurement error while minimizing respondent burden using best practices established in the field of survey methodology.**

2.1: Respondents were encouraged to respond to the survey so that we got the most accurate data possible.

2.2: The data collection was designed and administered to achieve the best data quality possible. When possible, graduates provided copies of their taxes. Each question was read and explained to them before asking for an amount. In cases where this data was not readily available, we asked them to contact us at a later time either by email, text or Facebook message.

1. We started by calling the graduates, so that we could explain what exactly we were asking for. When we were unable to reach them by telephone, we tried contacting them by Facebook. When that did not work, some surveys were conducted in-person.;
2. We did not use the RGEES platform to administer the survey. ;
3. We utilized telephone, Facebook, email and in-person interviews to meet the response rate requirements. Due to time constraints, we did not use mailed surveys.; and
4. Our data collection protocol will begin by trying to contact our graduates by telephone. If their phone number is not longer working, we will try to contact their emergency contacts they gave us while they were enrolled as a student. If we are not able to reach their emergency contacts or their emergency contacts are reluctant to give us a new contact number for them, we will try to reach out to them via Facebook and/or their email address listed on their FAFSA. As a last resort, we will try to visit their place of employment if that is known. We will wait a couple days between contact as to not bombard them and disrupt their daily routine.

2.3: Data collection activities were monitored to make sure we did not contact someone more than once in a day.

## **STANDARDS FOR CONDUCTING THE RECENT GRADUATES EMPLOYMENT AND EARNINGS SURVEY (RGEES)**

1. Kimberly Gibson and Amanda Watkins divided up the surveys and kept detailed notes including dates of when respondents were called, if they were reached, and when they would get back to us. If they did not get back to us in the timeframe they told us they would, we would try an alternate form of contact.
2. If we see that a graduate has failed to respond to our mode of communication, we will try another form of communication. For example, if we had left several phone messages with no response, we would try to send them a message on Facebook. (Please see Exhibit 1 - Gainful Employment Contact Table).

### **Standard 3: Maintaining Confidentiality**

**Standard 3: Federal law requires that the confidentiality of data that contain information about individuals (i.e., personally identifiable information or PII) must be protected (20 U.S.C. 1232g). Anyone who will have access to the information must understand the importance of protecting the confidentiality of the survey respondents' information, be cognizant of the requirements of the law, and monitor the confidentiality of PII in their daily activities and in the release of information to the public. Steps must be taken throughout the data collection, processing, and reporting activities to ensure that data are handled in such a way as to avoid disclosure of PII.**

**LEGAL REQUIREMENTS: The Family Educational Rights and Privacy Act (FERPA) (20 U.S.C. 1232g) and any relevant state confidentiality or privacy laws apply to personally identifiable information used or collected in the survey. Data that include personally identifiable information from students' education records are protected under FERPA and may only be used for the evaluation of federally supported education programs or for conducting studies for, or on behalf of, educational agencies or institutions to improve instruction.**

3.1: Graduates were informed that their information is protected by FERPA. The respondents will be informed of these protections, and will be assured that their individual data, including their employment and earnings data, will be protected from unauthorized disclosure, will be combined with those of other respondents from their program, and will only be reported in the aggregate when there are a sufficient number of graduates to protect each respondent's data.

3.2: Survey data was protected at all times in a locked office with limited access by staff members. Amanda Watkins and Kimberly Gibson were the only two staff members with access to the Gainful Employment Surveys. Social Security Numbers were not used on the surveys and PII was limited to first and last names of students on the surveys. We did not use the RGEES platform to collect data. Amanda Watkins was informed that data security breaches should be reported directly to the Administrator, Kimberly Gibson. No security breaches were found or reported.

3.3: We were able to get 30 surveys. We did not perform any cross-tabulations.

### **Standard 4: Data Editing**

**STANDARD 4: Data editing will be used to correct inconsistent data in the RGEES data.**

4.1: The following edits were used.

1. Negative values for any income questions will be replaced with zeros.
2. We did not have any graduates with income over \$999,999.

4.2: We did not use the RGEES platform.

# STANDARDS FOR CONDUCTING THE RECENT GRADUATES EMPLOYMENT AND EARNINGS SURVEY (RGEES)

## Standard 5: Calculation of Response Rates

**Standard 5: Surveys must be designed and conducted to achieve the highest practical rates of response to ensure that survey results are representative of the list of recent graduates who received Title IV assistance so that they can be used with confidence to reflect the employment status and earnings of the Title IV-assisted recent graduate cohort. Nonresponse bias analysis must be conducted when response rates or other factors suggest the potential for bias to occur.**

5.1: A completed survey must include sufficient responses to determine whether the respondent has earnings and to support reporting the respondent's total earnings (including 0 earnings). The RGEES survey will be considered "complete" if the respondent fills out at least one of the earnings items. The survey response rate is calculated as the ratio of the number of completed surveys (S) to the number of graduates in the cohort (C). Potential respondents that are eligible and not interviewed may include refusals, noncontacts, incomplete responses, or other reasons for nonresponse. Response Rate =  $RR = S/C$ .

1. No additional cases were added to our cohort.

5.2: Our cohort contained 51 graduates. We were able to get 30 complete surveys. To calculate the response rate, LINC utilized the Excel Document provided by the Department:

<http://ifap.ed.gov/GainfulEmploymentInfo/attachments/NRBAtemplate.xlsx>.

Our response rate is 58.82%; therefore, we meet the 50% requirement and are able to use the data to support our appeal. Please see the table that follows.

### **Response Rate**

Number of survey respondents	Number of graduates in the cohort	Response rate
30	51	58.82%

## Standard 6: Nonresponse Bias Analysis

**1. Based on the results of the RGEES, LINC does not believe the response rates vary across the attributes examined (i.e. do the response rates computed for the group of respondents who receive Pell grants differ from those who had a zero expected family contribution, or those who are female).**

2. LINC does not believe there is a significant difference between respondents and non-respondents on the attributes examined (for example does the percent of responding graduates who received Pell grants differ from the percent of nonresponding graduates who received Pell grants; are there differences between responding and nonresponding graduates in the percentages of graduates with zero expected family contributions; or the percentages who are female).

### 6.1

To calculate the nonbiased response LINC utilized the Excel Document provided by the Department:<http://ifap.ed.gov/GainfulEmploymentInfo/attachments/NRBAtemplate.xlsx>

Please see the chart below:

## STANDARDS FOR CONDUCTING THE RECENT GRADUATES EMPLOYMENT AND EARNINGS SURVEY (RGEES)

Graduate characteristic	Number of respondents	Percentage of respondents	Number of nonrespondents	Percentage of nonrespondents	Estimated bias	Relative bias	Absolute value of relative bias
Total	30		21				
Graduates with Pell Grants	27	90.00	19	90.48	-0.20	-0.22	0.22
Graduates with a zero expected family contribution	17	56.67	15	71.43	-6.08	-9.69	9.69
Females	29	96.67	21	100.00	-1.37	-1.40	1.40
<b>AVERAGE</b>							<b>3.77</b>

After completion of the RGEES, LINC has a non-response rate of 3.77%, which is lower than the Department minimum of 10%.

LINC had a total of thirty respondents. Of the thirty respondents, 27 qualified for a Pell grant, 17 had a zero expected family contribution, and 29 were female. (Please see Exhibit 2 for GE Survey Data that was used for Calculation of Non Response Bias.)

LINC had a total of twenty-one non-respondents. Of the twenty-one non-respondents, nineteen qualified for a Pell grant, fifteen had a zero expected family contribution, and twenty-one were females.

### 6.2

As a minimum requirement, the average relative bias due to non-response in the data for recent graduates surveyed for a specific program must not exceed 10 percent. LINC achieved a 3.77 percent rate.

### **Standard 7: Calculating the Mean and Median**

**Standard 7: Established procedures must be used to compute the mean and median of the earnings data collected using RGEES.**

7.1: The mean is the average, computed as the sum of all earnings across graduates who responded to the survey divided by the number of graduates who responded to the survey. Nonrespondents were excluded from the computation, but respondents who reported zero (\$0) earnings will be included in the computation. The mean will be calculated using the EXCEL document provided by the Department: <http://ifap.ed.gov/GainfulEmploymentInfo/attachments/NRBAtemplate.xlsx>. The mean generated by the template is \$19,383.00.

As a check, we calculated the mean by adding up each respondent's earnings and then dividing by the number of respondents. We manually calculated the mean to be \$19,383.00; therefore, our number matched the number generated from the Department of Ed's template.

7.2: The median is the midpoint of the distribution of all reported earnings, including zeros (\$0). One half of the respondents with earnings reported (including zeros (\$)) are above the median and one half are below the median. The median will be calculated using the EXCEL document provided by the Department: <http://ifap.ed.gov/GainfulEmploymentInfo/attachments/NRBAtemplate.xlsx>. The median generated by the template is \$17,828.00.

1. As a check, we manually ordered our respondents' earnings from the lowest (\$0) to the highest (\$999,999).

## STANDARDS FOR CONDUCTING THE RECENT GRADUATES EMPLOYMENT AND EARNINGS SURVEY (RGEES)

2. We had 30 respondents and therefore determined that our middle number was going to be the 15th and 16th number in the data set. Our median values are \$16,656 and \$19,000, respectively. Then, the mean was computed of these two numbers. We manually calculated \$17,828; therefore, our number matched the number generated from the Department of Ed's template.

MEAN	\$19,383
MEDIAN	\$17,828
Name (or unique ID):	Total Earnings:
(b)(6)	\$24,000
	\$1,969
	\$22,927
	\$49,032
	\$12,500
	\$11,500
	\$19,000
	\$35,000
	\$19,000
	\$0
	\$22,088
	\$16,656
	\$36,554
	\$40,000
	\$1,080
	\$44,894
	\$14,965
	\$2,000
	\$25,000
	\$9,220
	\$16,584
	\$29,765
	\$12,103
	\$0
	\$9,165
	\$32,600
	\$10,500
	\$23,346
	\$14,835
	\$25,200

# STANDARDS FOR CONDUCTING THE RECENT GRADUATES EMPLOYMENT AND EARNINGS SURVEY (RGEES)

## Standard 8: Documenting a Survey System

**Standard 8: Complete documentation must be developed for each program that uses the RGEES in an appeal of the program's graduates' earnings under the Gainful Employment Regulations. Documentation includes those materials necessary to replicate and evaluate each survey.**

8.1: Survey documentation must, at a minimum, include the elements that follow.

1. Our final data set:

Column 1 Respondent	Column 2 3A	Column 3 3B	Column 4 4A	Column 5 5A	Column 6 Total Respondent Income
(b)(6)	-	-	21088	1000	22088
	15000	0	-	10200	25200
	1449	0	13386	-	14835
	10132.6	8213.27	-	5000	23345.87
	-	-	9000	1500	10500
	-	-	30000	2600	32600
	9165.42	0	-	-	9165.42
	0	-	-	-	0
	8591	0	2012	1500	12103
	11663.12	5101.89	-	13000	29765.01
	15084	0	-	1500	16584
	7470.28	0	-	1750	9220.28
	9500	0	-	15500	25000
	-	-	-	2000	2000
	-	-	13765	1200	14965
	44894	-	-	-	44894
	-	-	-	1080	1080
	-	-	-	40000	40000
	-	-	11554	25000	36554
	-	-	16656	-	16656
	0	-	-	-	0
	-	-	12000	7000	19000
	-	-	30000	5000	35000
	17000	-	-	2000	19000
	-	-	6000	5500	11500
	-	-	10000	2500	12500
	49032	-	-	-	49032
	22927	-	-	-	22927
	1469	-	-	500	1969
	-	-	12000	12000	24000

2. To code each respondent, we used the first initial of their first name and the first initial of their last name to represent their data. If I had two respondents with the same first and last initial (ex. BH), I used the second letter of their last name (ex. BHi and BHo). If I had two respondents with the same first initial and same last initial and same second letter (ex. ABr), I used the first and second letter of their first name and the first and second letter of their last name (ex. AlBr and AsBr).

3. Data File Layout:

Column 1 - Respondent's Initials

Column 2 - 3A - "Think about the job you held the longest during 2015. In total, how much did you earn from that employer, before taxes and other deductions, in 2015?"

## STANDARDS FOR CONDUCTING THE RECENT GRADUATES EMPLOYMENT AND EARNINGS SURVEY (RGEES)

Column 3 - 3B - "Now think about all OTHER jobs you held during 2015. In total, how much did you receive from all other employers, before taxes and other deductions, in 2015? If you had no additional jobs, please enter a zero."

Column 4 - 4A - "Excluding any income mentioned above, did you receive any self-employment income, including income from your own business, in 2015?"

Column 5 - 5A - "People sometimes earn extra money doing work outside of their regular jobs, such as freelancing, consulting, moonlighting or doing other casual jobs. In 2015, did you earn any other money from work you did that you have not already reported on this survey?"

Column 6 - Total Respondent Income - Total income from each respondent. Data file layout;

4. Descriptions of constructed variables on the data file that are computed from responses to other variables on the file: Column 6 is a sum of Column 2, Column 3, Column 4 and Column 5.
5. List of variables that could be used (alone or in combination) to uniquely identify an individual graduate in the data file: To code each respondent, we used the first initial of their first name and the first initial of their last name to represent their data. If I had two respondents with the same first and last initial (ex. BH), I used the second letter of their last name (ex. BHi and BHo). If I had two respondents with the same first initial and same last initial and same second letter (ex. ABr), I used the first and second letter of their first name and the first and second letter of their last name (ex. AIBr and AsBr).
6. List of all edits applied to the data: There were no edits applied to the data.
7. Frequency counts of all survey items, including counts of the number missing:

Each column totals 30 which is our number of total number of surveys.

Column	# Responses	# Missing
2	16	14
3	9	21
4	13	17
5	22	8

8.2: Data will not be used for any purposes other than the appeal under the Gainful Employment Regulations; therefore, we are not including the following documentation.

1. (N/A) General description of disclosure avoidance techniques and
2. (N/A) Descriptions of restrictions on the use of data (e.g., limited to statistical uses; when using restricted data files, all unweighted counts included in any release must be rounded).

8.3: System documentation must include the elements that follow. If using the RGEES Platform, and any alternative modes are used, 1 and 2 should be modified to include relevant information for modes other than the web collection.

1. All instructions to respondents and interviewers about how to properly respond to a survey item or about how to properly present a survey item;

**Survey Item 3A reads: "Think about the job you held the longest during 2015. In total, how much did you earn from that employer, before taxes and other deductions, in 2015?"** We asked respondents if they received any W2s from an employer. If they received a W2, that meant that they were an employee of an employer and that income should be counted on lines 3A and 3B. If they had only one W2, then we asked them to put that amount on line 3A. If they received more than one W2, we asked them which job they held for the longest period of time. They were asked to put that W2 income amount on line 3A. They were asked to total all other W2 income and put it on line 3B.



## STANDARDS FOR CONDUCTING THE RECENT GRADUATES EMPLOYMENT AND EARNINGS SURVEY (RGEES)

**Survey Item 4A reads: "Excluding any income mentioned above, did you receive any self-employment income, including income from your own business, in 2015?"** We asked them if they received a 1099 from a employer or if they had income from their own business. If they had this type of income, we asked them if, when they submitted their taxes, if they gave their accountant expense receipts because businesses apply expenses against their gross income. Net income is the total that is put on their tax return. We asked them to put that amount on line 4A.

**Survey 5A reads: "People sometimes earn extra money doing work outside of their regular jobs, such as freelancing, consulting, moonlighting or doing other casual jobs. In 2015, did you earn any other money from work you did that you have not already reported on this survey?"** We asked them if they did side jobs like weddings or pageants where they may have received untaxed compensation and we also asked them if they reported all of their cash tips. If they received money that was not taxed, we asked them to put this amount on line 5A.

### 2. Description of the data collection methodology;

Due to time constraints, we did not use mailed surveys. We started by calling the graduates, so that we could explain what exactly we were asking for. When we were unable to reach them by telephone, we tried contacting them by Facebook and/or email. When that did not work, some surveys were conducted in-person. We will wait a couple days between contact as to not bombard them and disrupt their daily routine.

Kimberly Gibson and Amanda Watkins divided up the surveys and kept detailed notes including dates of when respondents were called, if they were reached, and when they would get back to us. If they did not get back to us in the timeframe they told us they would, we would try an alternate form of contact.

### 3. Data editing plan specifications: We did not have any data edits; however, we would have used the following edits: Negative values for any income questions will be replaced with zeros and income over \$999,999 would be replaced with \$999,999.

### 4. Data processing plan specifications and justifications for why they were implemented; I do not believe that I implemented any specifications to the data processing plan.

### 5. Response rates; and

Number of survey respondents	Number of graduates in the cohort	Response rate
30	51	58.82%

### 6. Nonresponse bias analysis, if applicable.

1. Based on the results of the RGEES, LINC does not believe the response rates vary across the attributes examined (i.e. do the response rates computed for the group of respondents who receive Pell grants differ from those who had a zero expected family contribution, or those who are female).

2. LINC does not believe there is a significant difference between respondents and non-respondents on the attributes examined (for example does the percent of responding graduates who received Pell grants differ from the percent of nonresponding graduates who received Pell grants; are there differences between responding and nonresponding graduates in the percentages of graduates with zero expected family contributions; or the percentages who are female).

## STANDARDS FOR CONDUCTING THE RECENT GRADUATES EMPLOYMENT AND EARNINGS SURVEY (RGEES)

Exhibit 1 - Page 1 - Gainful Employment Contact Data

Respondent	Date of Contact	Mode of Contact	Survey Completed
(b)(6)		Phone - talked to her	YES
		Phone	YES
		Phone - left message	YES
		Facebook Message	
		Text	
		In person	
		Phone - left message	NO
		Phone - left message	
		Phone - said she would get info	
		Phone - left message	YES
		Facebook Message	
		Facebook Message	
		Phone - left message	
		Phone - left message	
		Phone - talked to her	
		Text	YES
		Email	
		Phone - disconnected	NO
		Facebook Message	
		Phone - left message with aunt	
		Phone - left message	YES
		Phone - left message	
		Facebook message - said she would send info	YES
		In person at workplace	
		Phone - left message	NO
		Phone - person unavailable	YES
		Facebook Message	
	In person		
	Phone - spoke to her	YES	
	Phone		
	Facebook Message	YES	
	Facebook Message		
	In person		
	Phone - no answer	NO	
	Facebook Message		
	Text Message		
	Facebook Message	NO	
	Facebook Message	YES	
	Phone		
	Facebook Message	YES	
	Facebook Message	YES	
	Facebook Message		
	Facebook Message		
	Facebook Message - said she would get info	NO	
	Facebook Message		
	Facebook Message		
	Facebook message	YES	

## STANDARDS FOR CONDUCTING THE RECENT GRADUATES EMPLOYMENT AND EARNINGS SURVEY (RGEES)

Exhibit 1 - Page 2 - Gainful Employment Contact Data

Respondent	Date of Contact	Mode of Contact	Survey Completed
(b)(6)		Phone - not accepting calls	NO
		Phone - Not accepting calls	
		Facebook Message	
		Phone - Left Message	
		Phone - Left Message	
		<b>Phone - Left Message</b>	<b>YES</b>
		<b>In Person</b>	
		Facebook Message	NO
		<b>Phone - left message</b>	<b>YES</b>
		<b>Facebook Message</b>	
		Phone - no answer	NO
		Phone - no answer	
		Phone - left message	NO
		Phone - left message	
		Phone - left message	
		Phone - will send tax info	
		Phone - will send tax info	
		<b>Phone - Mailbox Full</b>	<b>YES</b>
		<b>Facebook Message</b>	
		<b>Phone - mailbox full</b>	
		<b>Facebook Message</b>	
		<b>In person</b>	
		Phone - number disconnected	NO
		Phone - no answer	NO
		Facebook Message	
		<b>Phone - left message</b>	<b>YES</b>
		<b>Phone - left message</b>	
		<b>Phone - left message</b>	
		Phone - no answer	NO
		Phone - left message	NO
	<b>Facebook Message</b>	<b>YES</b>	
	Phone - left message	NO	
	Facebook Message		
	Phone - left message		
	Phone - left message	NO	
	Text		
	Text		
	<b>Facebook Message</b>	<b>YES</b>	
	Phone - Kept ringing - could not leave message	NO	
	Phone - wrong #		
	Phone - wrong number	NO	
	<b>Phone - Left Message</b>	<b>YES</b>	
	<b>Phone - left message</b>	<b>YES</b>	
	<b>Facebook Message</b>		
	<b>Facebook Message</b>	<b>YES</b>	
	<b>Facebook Message</b>		
	<b>Facebook Message</b>		

# STANDARDS FOR CONDUCTING THE RECENT GRADUATES EMPLOYMENT AND EARNINGS SURVEY (RGEES)

Exhibit 1 - Page 3 - Gainful Employment Contact Data

(b)(6)	Contact	Mode of Contact	Survey Completed
		Phone - left message Facebook Message Facebook Message	YES
		Phone - not working that day In person	YES
		Facebook Message	NO
		Phone - left message Phone - left message Phone - left message Phone - left message Phone - left message Facebook Message - said she would send info In person - visited salon	
		Refused to complete survey	NO
		Phone - number disconnected Facebook Message	NO
		Facebook Message Email	YES
		Facebook Message	YES
		In person interview	YES
		Phone - disconnected Facebook Message Facebook Message	NO

# STANDARDS FOR CONDUCTING THE RECENT GRADUATES EMPLOYMENT AND EARNINGS SURVEY (RGEES)

Exhibit 2 - Page 1 - GE Survey Data for Calculation of Non Response Bias

Respondent	Women	Pell Grants	Zero EFC	Responded to Survey
(b)(6)		YES	YES	YES
		YES	NO	YES
		YES	YES	YES
		YES	YES	NO
		NO	NO	YES
		YES	YES	YES
		YES	YES	NO
		YES	YES	YES
		YES	YES	YES
		YES	YES	NO
		YES	YES	YES
		YES	NO	YES
		YES	NO	YES
		YES	NO	NO
		YES	YES	NO
		YES	YES	YES
		YES	YES	NO
		YES	YES	YES
		YES	YES	NO
		YES	YES	NO
		YES	YES	NO
		YES	YES	YES
		YES	YES	NO
		NO	NO	NO
		YES	YES	YES
		YES	NO	NO
		NO	NO	NO
		YES	YES	YES
		YES	YES	NO
		YES	YES	NO
		NO	NO	YES
		YES	YES	NO
		YES	YES	NO
		YES	NO	YES
		YES	NO	YES
		YES	NO	YES
		YES	YES	YES
		YES	YES	YES
		YES	YES	YES
		YES	YES	YES
		YES	YES	NO
	YES	NO	NO	

# STANDARDS FOR CONDUCTING THE RECENT GRADUATES EMPLOYMENT AND EARNINGS SURVEY (RGEES)

Exhibit 2 - Page 2 - GE Survey Data for Calculation of Non Response Bias

Respondent	Women	Pell Grants	Zero EFC	Responded to Survey
(b)(6)		YES	YES	YES
		YES	YES	YES
		YES	NO	YES
		YES	YES	NO

---

**Subject:** Notice of Intent to File Alternate Earnings Appeal

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**From:** LeGrand Institute of Cosmetology (legrandinstitute@yahoo.com)

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**To:** altearningsappeals@ed.gov;

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**Date:** Friday, December 23, 2016 7:06 PM

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To Whom it May Concern;

We will be working on our appeal of the Debt to Earnings Ratios. Our information follows. Thank you.

Institution Name: LeGrand Institute of Cosmetology Inc.

OPE id#: 037463

CIP Codes: 12.0401

Credential Level: 01

Sincerely,

Kimberly Gibson  
Administrator

# LeGRAND

Institute of Cosmetology

2418 Broad Street - PO Box 2102 - Camden, SC 29020 - (803) 425-8449

June 30, 2017

To Whom it May Concern;

By signing below, I certify that our survey was conducted in accordance with the Standards for Conducting the Recent Graduates Employment and Earnings Survey. LeGrand Institute of Cosmetology submitted its Notice of Intent to File Alternate Earnings Appeal by email on December 23, 2016. Alternative earnings data for debt to earnings rate appeals was obtained using the Recent Graduates Employment and Earnings Survey (RGEES) and the calculation tool from the Department of Education.

The mean/median earnings used to recalculate the GE programs Debt to Earnings Rate was accurately determined from the survey results. The new mean is \$19,383 and the new median is \$17,828. Using the annual loan payment amounts provided by the Department of Education, we have recalculated our Debt-to-Earnings Annual rates using the new mean as the denominator in the following table. According to our calculation, our institution now falls within the zone.

Debt Measure Name	Cohort	Rate	Numerator	Denominator	PASS/FAIL
Debt-to-Earnings Annual	2YP	8.11	1,571	19,383	Zone
Transitional Debt-to-Earnings Annual	2YP	8.70	1,687	19,383	Zone

We have enclosed an examination level attestation engagement report from an independent auditor as an attachment to our email.

We were unclear as to what supporting documentation by the Secretary we needed to submit for our appeal and had left several messages by phone and email that were not returned, so I have attached the following documents to our email even though they may not be required to file the appeal:

- o Email requesting appeal dated December 23, 2016;
- o Independent Accountant's Report;
- o Department of Ed's Calculation Tool with our data used to calculate new mean and median, response rate and non-response bias; and
- o Survey Standards submitted to the Independent Auditor for review.

If there is any other documentation we need to submit to finalize our appeal, please let us know as soon as possible. We have worked very hard at this for several months to collect this data in order to submit this appeal.

Sincerely,

(b)(6)

Debra R. LeGrand  
President



**From:** Linda Chau Yik  
**Sent:** 2 Mar 2017 12:45:22 -0700  
**To:** AltEarningsAppeals  
**Cc:** Peggy Lee Cao;Mallory Garcia  
**Subject:** Alternate Earnings Appeal  
**Attachments:** CEO Certification.pdf, PMTS Pasadena 2015 RGEES Attestation Report FINAL.pdf  
**Importance:** High

Dear Alt Earnings Appeals.,

Please find the following 2 attachments for Paul Mitchell The School- Pasadena.

1. Final electronic version of 2015 RGEES Attestation
2. CEO Signed Certification

Thank you

**Have a beautiful day!**

Linda Chau  
**Co-Director**

PAUL MITCHELL THE SCHOOL - PASADENA  
825 E GREEN ST PASADENA CA 91101  
PH: 626.284.2863 ext.106 | E-FAX 626.284.2764

MORE INFORMATION ABOUT SCHOOL CLICK [HERE](#) OR  
GO TO [PAULMITCHELL.EDU/PASADENA](http://PAULMITCHELL.EDU/PASADENA); LIKE US ON [FACEBOOK](#)

**BE**  
*Amazing*

February 24, 2017

RE: Alternative Earnings Survey Certification from CEO

I, Alee Cao, as Owner and Dean of Paul Mitchell the School Pasadena attest that the Alternative Earnings survey was conducted in accordance with the Standards for Conducting the Recent Graduates and Employment and Earnings Survey and that the mean or median earnings used to recalculate the debt-to-earnings ratios was accurately determined from the survey results.

Alee Cao

(b)(6)

Owner & Dean

Paul Mitchell The School Pasadena

**WRITE US**

825 E. Green St.  
Pasadena, CA 91101

**CALL US**

626.284.2863

**CHECK US OUT**

[pmtspasadena.com](http://pmtspasadena.com)

**ABE**  
Amazing

**THE CAO INSTITUTE OF AESTHETICS, INC.  
D/B/A PAUL MITCHELL THE SCHOOL - PASADENA  
COMPLIANCE ATTESTATION EXAMINATION OF  
THE STANDARDS FOR CONDUCTING  
THE RECENT GRADUATES EMPLOYMENT AND EARNINGS SURVEY  
DEBT MEASUREMENT YEAR 2015**

**THE CAO INSTITUTE OF AESTHETICS, INC.  
D/B/A PAUL MITCHELL THE SCHOOL - PASADENA**

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**REPORT ON COMPLIANCE WITH SPECIFIED  
REQUIREMENTS APPLICABLE TO THE STANDARDS FOR CONDUCTING THE  
RECENT GRADUATES EMPLOYMENT AND EARNINGS SURVEY**

**INDEPENDENT ACCOUNTANTS' REPORT**

To the Stockholder  
The Cao Institute of Aesthetics, Inc.  
d/b/a Paul Mitchell the School - Pasadena

**Report on Compliance with Specified Requirements Applicable to the Standards  
for Conducting the Recent Graduates Employment and Earnings Survey**

We have examined management's assertions, that The Cao Institute of Aesthetics, Inc. d/b/a Paul Mitchell the School - Pasadena conducted its Recent Graduates Employment and Earnings Survey Debt Measurement Year 2015 in accordance with the requirements set forth in the Standards for Conducting the Recent Graduates Employment and Earnings Survey listed in Appendix A of the *Best Practices Guide for Recent Graduates Employment and Earnings Survey* published in November 2015.

**Management's Responsibility**

Management is responsible for conducting the Recent Graduates Employment and Earnings Survey in accordance with the requirements set forth in the Standards for Conducting the Recent Graduates Employment and Earnings Survey listed in Appendix A of the *Best Practices Guide for Recent Graduates Employment and Earnings Survey* published in November 2015.

**Accountants' Responsibility**

Our responsibility is to express an opinion on The Cao Institute of Aesthetics, Inc.'s d/b/a Paul Mitchell the School - Pasadena compliance based on our examination of the types of compliance requirements referred to above. We conducted our examination of compliance in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States; attestation standards established by the American Institute of Certified Public Accountants; and the *Best Practices Guide for Recent Graduates Employment and Earnings Survey* issued by the U.S. Department of Education in November 2015, and accordingly, included examining, on a test basis, evidence about The Cao Institute of Aesthetics, Inc.'s d/b/a Paul Mitchell the School - Pasadena compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our examination provides a reasonable basis for our opinion on compliance with the Standards for Conducting the Recent Graduates Employment Survey. However, our examination does not provide a legal determination on The Cao Institute of Aesthetics, Inc.'s d/b/a Paul Mitchell the School - Pasadena compliance with specified requirements.

### **Opinion on Compliance with the Standards for Conducting the Recent Graduates Employment Survey**

In our opinion, The Cao Institute of Aesthetics, Inc. d/b/a Paul Mitchell the School - Pasadena complied with the types of compliance requirements referred to above that could have a direct and material effect on its survey appeal conforming to the Standards for Conducting the Recent Graduates Employment and Earnings Survey for the programs subject to the Department of Education's Gainful Employment regulations for Debt Measurement Year 2015.

### **Other Matters**

The Cao Institute of Aesthetics, Inc.'s d/b/a Paul Mitchell the School - Pasadena results from the Recent Graduates Employment and Earnings Survey are presented in the accompanying Survey Information Table. The Survey Information Table was not subjected to the testing procedures applied in the examination of compliance, and accordingly, we express no opinion on the Survey Information Table.

### **Purpose of this Report**

This report is intended solely for the information and use of the audit committee, management, and U.S. Department of Education, and is not intended to be and should not be used by anyone other than these specified parties.

*Kuntze & Associates, P.C.*

March 1, 2017  
Darien, Illinois

**THE CAO INSTITUTE OF AESTHETICS, INC.  
D/B/A PAUL MITCHELL THE SCHOOL - PASADENA  
STANDARDS REGARDING RECENT GRADUATES  
EMPLOYMENT AND EARNINGS SURVEY  
DEBT MEASUREMENT YEAR 2015**

The Cao Institute of Aesthetics, Inc. d/b/a Paul Mitchell the School - Pasadena (the "Institution") asserts that the Standards for Conducting the Recent Graduates Employment and Earnings Survey for Debt Measurement Year 2015 were followed as listed below:

1. Planning Your Data Collection
2. Data Collection Methodology
3. Maintaining Confidentiality
4. Data Editing
5. Calculation of Response Rates
6. Nonresponse Bias Analysis
7. Calculating the Mean and Median
8. Documenting a Survey System

**THE CAO INSTITUTE OF AESTHETICS, INC.  
D/B/A PAUL MITCHELL THE SCHOOL - PASADENA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DEBT MEASUREMENT YEAR 2015**

There are no findings.



**THE CAO INSTITUTE OF AESTHETICS, INC.  
D/B/A PAUL MITCHELL THE SCHOOL - PASADENA  
SURVEY INFORMATION TABLE  
DEBT MEASUREMENT YEAR 2015**

Program: Cosmetology/Cosmetologist, General  
CIP: 120401

From the RGEES Platform Reports:	
Adjusted Vetted Cohort Response Rate	50.7%
Average of Absolute Values of Relative Bias	9%
Mean Earnings	\$21,879
Median Earnings	\$11,000

	Standard Rates		Transitional Rates		Result
	Annual	Discretionary	Annual	Discretionary	
Original	10.84	100.00	14.82	100.00	Zone
Appeal	7.96	41.22	10.88	56.37	Pass

**From:** Liza Agbunag  
**Sent:** 16 May 2017 15:19:48 -0400  
**To:** AltEarningsAppeals  
**Subject:** Alternate Earnings Appeal  
**Attachments:** President's Certification-The Beauty Institute OPEID 02206200-02206201.pdf, RGEES Compliance Attestation-The Beauty Institute OPEID 02206200-02206201.pdf

Attached are the following documentations for the alternate earnings appeal for The Beauty Institute-OPEID 02206200 & 02206201.

1. President's Signed Certification.
2. Compliance Attestation Examination Report .

Thank you  
Liza Agbunag  
The Beauty Institute  
P: 732-320-2194  
F: 732-876-0253  
[thevisionhq@gmail.com](mailto:thevisionhq@gmail.com)

# THE BEAUTY INSTITUTE

6 Industrial Way West, Bldg. E Suite 16, Eatontown, NJ 07724

March 6, 2017

US Department of Education  
Via Email to :AltEarningsAppeals@ed.gov

RE: President Certification: Alternate Earnings Appeal  
Magnolia School of Ambler Corporation  
dba The Beauty Institute: OPEID # 02206200/02206201  
50 East Butler Pike, Ambler, PA 19002  
9902 E. Roosevelt Blvd., Philadelphia, PA 19115

This letter is to certify that the earnings survey was conducted in accordance with the Standards for Conducting the Recent Graduates Employment and Earnings Survey and that the mean or median earnings used to re calculate the GE program's D/E rate were accurately determined from the survey results.

Sincerely,

(b)(6)

Truc Do  
President

**MAGNOLIA SCHOOL OF AMBLER CORPORATION  
D/B/A THE BEAUTY INSTITUTE  
COMPLIANCE ATTESTATION EXAMINATION OF  
THE STANDARDS FOR CONDUCTING  
THE RECENT GRADUATES EMPLOYMENT AND EARNINGS SURVEY  
DEBT MEASUREMENT YEAR 2015**

**MAGNOLIA SCHOOL OF AMBLER CORPORATION  
D/B/A THE BEAUTY INSTITUTE**

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**REPORT ON COMPLIANCE WITH SPECIFIED  
REQUIREMENTS APPLICABLE TO THE STANDARDS FOR CONDUCTING THE  
RECENT GRADUATES EMPLOYMENT AND EARNINGS SURVEY**

**INDEPENDENT ACCOUNTANTS' REPORT**

To the Stockholder  
Magnolia School of Ambler Corporation  
d/b/a The Beauty Institute

**Report on Compliance with Specified Requirements Applicable to the Standards  
for Conducting the Recent Graduates Employment and Earnings Survey**

We have examined management's assertions, that Magnolia School of Ambler Corporation d/b/a The Beauty Institute conducted its Recent Graduates Employment and Earnings Survey Debt Measurement Year 2015 in accordance with the requirements set forth in the Standards for Conducting the Recent Graduates Employment and Earnings Survey listed in Appendix A of the *Best Practices Guide for Recent Graduates Employment and Earnings Survey* published in November 2015.

**Management's Responsibility**

Management is responsible for conducting the Recent Graduates Employment and Earnings Survey in accordance with the requirements set forth in the Standards for Conducting the Recent Graduates Employment and Earnings Survey listed in Appendix A of the *Best Practices Guide for Recent Graduates Employment and Earnings Survey* published in November 2015.

**Accountants' Responsibility**

Our responsibility is to express an opinion on Magnolia School of Ambler Corporation's d/b/a The Beauty Institute compliance based on our examination of the types of compliance requirements referred to above. We conducted our examination of compliance in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States; attestation standards established by the American Institute of Certified Public Accountants; and the *Best Practices Guide for Recent Graduates Employment and Earnings Survey* issued by the U.S. Department of Education in November 2015, and accordingly, included examining, on a test basis, evidence about Magnolia School of Ambler Corporation's d/b/a The Beauty Institute compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our examination provides a reasonable basis for our opinion on compliance with the Standards for Conducting the Recent Graduates Employment Survey. However, our examination does not provide a legal determination on Magnolia School of Ambler Corporation's d/b/a The Beauty Institute compliance with specified requirements.

### **Opinion on Compliance with the Standards for Conducting the Recent Graduates Employment Survey**

In our opinion, Magnolia School of Ambler Corporation d/b/a The Beauty Institute complied with the types of compliance requirements referred to above that could have a direct and material effect on its survey appeal conforming to the Standards for Conducting the Recent Graduates Employment and Earnings Survey for the programs subject to the Department of Education's Gainful Employment regulations for Debt Measurement Year 2015.

### **Other Matters**

Magnolia School of Ambler Corporation's d/b/a The Beauty Institute results from the Recent Graduates Employment and Earnings Survey are presented in the accompanying Survey Information Table. The Survey Information Table was not subjected to the testing procedures applied in the examination of compliance, and accordingly, we express no opinion on the Survey Information Table.

### **Purpose of this Report**

This report is intended solely for the information and use of the audit committee, management, and U.S. Department of Education, and is not intended to be and should not be used by anyone other than these specified parties.

*Knuttle & Associates, P.C.*

**MAGNOLIA SCHOOL OF AMBLER CORPORATION  
D/B/A THE BEAUTY INSTITUTE  
STANDARDS REGARDING RECENT GRADUATES  
EMPLOYMENT AND EARNINGS SURVEY  
DEBT MEASUREMENT YEAR 2015**

Magnolia School of Ambler Corporation d/b/a The Beauty Institute (the "Institution") asserts that the Standards for Conducting the Recent Graduates Employment and Earnings Survey for Debt Measurement Year 2015 were followed as listed below:

1. Planning Your Data Collection
2. Data Collection Methodology
3. Maintaining Confidentiality
4. Data Editing
5. Calculation of Response Rates
6. Nonresponse Bias Analysis
7. Calculating the Mean and Median
8. Documenting a Survey System



**MAGNOLIA SCHOOL OF AMBLER CORPORATION  
D/B/A THE BEAUTY INSTITUTE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DEBT MEASUREMENT YEAR 2015**

There are no findings.

**MAGNOLIA SCHOOL OF AMBLER CORPORATION  
D/B/A THE BEAUTY INSTITUTE  
SURVEY INFORMATION TABLE  
DEBT MEASUREMENT YEAR 2015**

Program: Cosmetology/Cosmetologist, General  
CIP: 120401

From the Nonresponse Bias Analysis (NRBA) Template:	
Adjusted Vetted Cohort Response Rate	51.55%
Average of Absolute Values of Relative Bias	2.28%
Mean Earnings	\$22,961
Median Earnings	\$20,000

	Standard Rates		Transitional Rates		Result
	Annual	Discretionary	Annual	Discretionary	
Original	9.02	100.00	12.90	100.00	Zone
Appeal	5.71	24.71	8.17	35.34	Pass

**From:** Liza Agbunag  
**Sent:** 16 May 2017 15:16:39 -0400  
**To:** AltEarningsAppeals  
**Subject:** Alternate Earnings Appeal  
**Attachments:** President's Certification-The Beauty Institute OPEID 02144000.pdf,  
RGEES Compliance Attestation Report-The Beauty Institute OPEID 02144000.pdf

Attached are the following documentations for the alternate earnings appeal for The Beauty Institute-OPEID 02144000.

1. President's Signed Certification.
2. Compliance Attestation Examination Report .

Thank you  
Liza Agbunag  
The Beauty Institute  
P: 732-320-2194  
F: 732-876-0253  
[thevisionhq@gmail.com](mailto:thevisionhq@gmail.com)

# THE BEAUTY INSTITUTE

6 Industrial Way West, Bldg. E Suite 16, Eatontown, NJ 07724

March 6, 2017

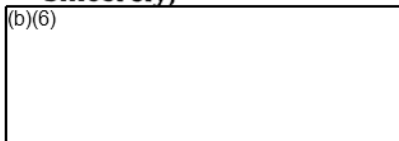
US Department of Education  
Via Email to :AltEarningsAppeals@ed.gov

RE: President Certification: Alternate Earnings Appeal  
Magnolia School of Philadelphia Corporation  
dba The Beauty Institute: OPEID # 02144000  
1921 Union Blvd., Allentown, PA 18109

This letter is to certify that the earnings survey was conducted in accordance with the Standards for Conducting the Recent Graduates Employment and Earnings Survey and that the mean or median earnings used to re calculate the GE program's D/E rate were accurately determined from the survey results.

Sincerely,

(b)(6)

A rectangular box with a black border, used to redact the signature of the sender. The text "(b)(6)" is written in the top-left corner of the box.

Truc Do  
President

**MAGNOLIA SCHOOL OF PHILADELPHIA CORPORATION  
D/B/A THE BEAUTY INSTITUTE  
COMPLIANCE ATTESTATION EXAMINATION OF  
THE STANDARDS FOR CONDUCTING  
THE RECENT GRADUATES EMPLOYMENT AND EARNINGS SURVEY  
DEBT MEASUREMENT YEAR 2015**

**MAGNOLIA SCHOOL OF PHILADELPHIA CORPORATION  
D/B/A THE BEAUTY INSTITUTE**

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**REPORT ON COMPLIANCE WITH SPECIFIED  
REQUIREMENTS APPLICABLE TO THE STANDARDS FOR CONDUCTING THE  
RECENT GRADUATES EMPLOYMENT AND EARNINGS SURVEY**

**INDEPENDENT ACCOUNTANTS' REPORT**

To the Stockholder  
Magnolia School of Philadelphia Corporation  
d/b/a The Beauty Institute

**Report on Compliance with Specified Requirements Applicable to the Standards  
for Conducting the Recent Graduates Employment and Earnings Survey**

We have examined management's assertions, that Magnolia School of Philadelphia Corporation d/b/a The Beauty Institute conducted its Recent Graduates Employment and Earnings Survey Debt Measurement Year 2015 in accordance with the requirements set forth in the Standards for Conducting the Recent Graduates Employment and Earnings Survey listed in Appendix A of the *Best Practices Guide for Recent Graduates Employment and Earnings Survey* published in November 2015.

**Management's Responsibility**

Management is responsible for conducting the Recent Graduates Employment and Earnings Survey in accordance with the requirements set forth in the Standards for Conducting the Recent Graduates Employment and Earnings Survey listed in Appendix A of the *Best Practices Guide for Recent Graduates Employment and Earnings Survey* published in November 2015.

**Accountants' Responsibility**

Our responsibility is to express an opinion on Magnolia School of Philadelphia Corporation's d/b/a the Beauty Institute compliance based on our examination of the types of compliance requirements referred to above. We conducted our examination of compliance in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States; attestation standards established by the American Institute of Certified Public Accountants; and the *Best Practices Guide for Recent Graduates Employment and Earnings Survey* issued by the U.S. Department of Education in November 2015, and accordingly, included examining, on a test basis, evidence about Magnolia School of Philadelphia Corporation's d/b/a The Beauty Institute compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our examination provides a reasonable basis for our opinion on compliance with the Standards for Conducting the Recent Graduates Employment Survey. However, our examination does not provide a legal determination on Magnolia School of Philadelphia Corporation's d/b/a The Beauty Institute compliance with specified requirements.

### **Opinion on Compliance with the Standards for Conducting the Recent Graduates Employment Survey**

In our opinion, Magnolia School of Philadelphia Corporation d/b/a The Beauty Institute complied with the types of compliance requirements referred to above that could have a direct and material effect on its survey appeal conforming to the Standards for Conducting the Recent Graduates Employment and Earnings Survey for the programs subject to the Department of Education's Gainful Employment regulations for Debt Measurement Year 2015.

### **Other Matters**

Magnolia School of Philadelphia Corporation's d/b/a The Beauty Institute results from the Recent Graduates Employment and Earnings Survey are presented in the accompanying Survey Information Table. The Survey Information Table was not subjected to the testing procedures applied in the examination of compliance, and accordingly, we express no opinion on the Survey Information Table.

### **Purpose of this Report**

This report is intended solely for the information and use of the audit committee, management, and U.S. Department of Education, and is not intended to be and should not be used by anyone other than these specified parties.

*Kuntle & Associates, P.C.*



**MAGNOLIA SCHOOL OF PHILADELPHIA CORPORATION  
D/B/A THE BEAUTY INSTITUTE  
STANDARDS REGARDING RECENT GRADUATES  
EMPLOYMENT AND EARNINGS SURVEY  
DEBT MEASUREMENT YEAR 2015**

Magnolia School of Philadelphia Corporation d/b/a The Beauty Institute (the "Institution") asserts that the Standards for Conducting the Recent Graduates Employment and Earnings Survey for Debt Measurement Year 2015 were followed as listed below:

1. Planning Your Data Collection
2. Data Collection Methodology
3. Maintaining Confidentiality
4. Data Editing
5. Calculation of Response Rates
6. Nonresponse Bias Analysis
7. Calculating the Mean and Median
8. Documenting a Survey System

**MAGNOLIA SCHOOL OF PHILADELPHIA CORPORATION  
D/B/A THE BEAUTY INSTITUTE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DEBT MEASUREMENT YEAR 2015**

There are no findings.

**MAGNOLIA SCHOOL OF PHILADELPHIA CORPORATION  
D/B/A THE BEAUTY INSTITUTE  
SURVEY INFORMATION TABLE  
DEBT MEASUREMENT YEAR 2015**

Program: Cosmetology/Cosmetologist, General  
CIP: 120401

From the Nonresponse Bias Analysis (NRBA) Template:	
Adjusted Vetted Cohort Response Rate	52.44%
Average of Absolute Values of Relative Bias	7.85%
Mean Earnings	\$19,993
Median Earnings	\$18,000

	Standard Rates		Transitional Rates		Result
	Annual	Discretionary	Annual	Discretionary	
Original	9.99	100.00	12.09	100.00	Zone
Appeal	7.72	66.00	9.34	79.85	Pass

**From:** Lori Overgaard  
**Sent:** 30 Jun 2017 14:41:49 -0500  
**To:** AltEarningsAppeals  
**Subject:** Alternate Earnings Appeal  
**Attachments:** CEO Signed Certification.pdf, Xenon III 2015 RGEES Attestation Report (Final).pdf

Please find attached Xenon Academy III, Inc.'s 2015 RGEES Attestation and CEO signed Certification.

**Lori Overgaard**  
**Director of Corporate Business Office**  
*(402) 697-2398*  
*8456 Park Drive*  
*Omaha, NE 68127*  
[lori@xenonacademy.net](mailto:lori@xenonacademy.net)






I Jacqueline Hornig Attest that the Recent Graduate Employment and Earning Survey was conducted in accordance with the Standards for Conducting the Recent Graduates and Employment and Earning Survey.

I also attest that the mean or median earnings used to recalculate the debt-to-earnings ratios was accurately determined from survey results.

(b)(6)

  
Signature

6-28-17  
Date

**XENON INTERNATIONAL ACADEMY III, INC.  
COMPLIANCE ATTESTATION EXAMINATION OF  
THE STANDARDS FOR CONDUCTING  
THE RECENT GRADUATES EMPLOYMENT AND EARNINGS SURVEY  
DEBT MEASUREMENT YEAR 2015**

**XENON INTERNATIONAL ACADEMY III, INC.**

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**REPORT ON COMPLIANCE WITH SPECIFIED  
REQUIREMENTS APPLICABLE TO THE STANDARDS FOR CONDUCTING THE  
RECENT GRADUATES EMPLOYMENT AND EARNINGS SURVEY**

**INDEPENDENT ACCOUNTANTS' REPORT**

To the Board of Directors  
Xenon International Academy III, Inc.

**Report on Compliance with Specified Requirements Applicable to the Standards  
for Conducting the Recent Graduates Employment and Earnings Survey**

We have examined management's assertions, that Xenon International Academy III, Inc. conducted its Recent Graduates Employment and Earnings Survey Debt Measurement Year 2015 in accordance with the requirements set forth in the Standards for Conducting the Recent Graduates Employment and Earnings Survey listed in Appendix A of the *Best Practices Guide for Recent Graduates Employment and Earnings Survey* published in November 2015.

**Management's Responsibility**

Management is responsible for conducting the Recent Graduates Employment and Earnings Survey in accordance with the requirements set forth in the Standards for Conducting the Recent Graduates Employment and Earnings Survey listed in Appendix A of the *Best Practices Guide for Recent Graduates Employment and Earnings Survey* published in November 2015.

**Accountants' Responsibility**

Our responsibility is to express an opinion on Xenon International Academy III, Inc.'s compliance based on our examination of the types of compliance requirements referred to above. We conducted our examination of compliance in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States; attestation standards established by the American Institute of Certified Public Accountants; and the *Best Practices Guide for Recent Graduates Employment and Earnings Survey* issued by the U.S. Department of Education in November 2015, and accordingly, included examining, on a test basis, evidence about Xenon International Academy II, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.



We believe that our examination provides a reasonable basis for our opinion on compliance with the Standards for Conducting the Recent Graduates Employment Survey. However, our examination does not provide a legal determination on Xenon International Academy III, Inc.'s compliance with specified requirements.

### **Opinion on Compliance with the Standards for Conducting the Recent Graduates Employment Survey**

In our opinion, Xenon International Academy III, Inc. complied with the types of compliance requirements referred to above that could have a direct and material effect on its survey appeal conforming to the Standards for Conducting the Recent Graduates Employment and Earnings Survey for the programs subject to the Department of Education's Gainful Employment regulations for Debt Measurement Year 2015.

### **Other Matters**

Xenon International Academy III, Inc. results from the Recent Graduates Employment and Earnings Survey are presented in the accompanying Survey Information Table. The Survey Information Table was not subjected to the testing procedures applied in the examination of compliance, and accordingly, we express no opinion on the Survey Information Table.

### **Purpose of this Report**

This report is intended solely for the information and use of the audit committee, management, and U.S. Department of Education, and is not intended to be and should not be used by anyone other than these specified parties.

*Knuttle & Associates, P.C.*

**XENON INTERNATIONAL ACADEMY III, INC.  
STANDARDS REGARDING RECENT GRADUATES  
EMPLOYMENT AND EARNINGS SURVEY  
DEBT MEASUREMENT YEAR 2015**

Xenon International Academy III, Inc. (the "Institution") asserts that the Standards for Conducting the Recent Graduates Employment and Earnings Survey for Debt Measurement Year 2015 were followed as listed below:

1. Planning Your Data Collection
2. Data Collection Methodology
3. Maintaining Confidentiality
4. Data Editing
5. Calculation of Response Rates
6. Nonresponse Bias Analysis
7. Calculating the Mean and Median
8. Documenting a Survey System

**XENON INTERNATIONAL ACADEMY III, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DEBT MEASUREMENT YEAR 2015**

There are no findings.

**XENON INTERNATIONAL ACADEMY III, INC.  
SURVEY INFORMATION TABLE  
DEBT MEASUREMENT YEAR 2015**

Program: Cosmetology/Cosmetologist, General  
CIP: 120401

From the RGEES Platform Reports:	
Adjusted Vetted Cohort Response Rate	51.5%
Average of Absolute Values of Relative Bias	6%
Mean Earnings	\$28,131
Median Earnings	\$27,000

	Standard Rates		Transitional Rates		Result
	Annual	Discretionary	Annual	Discretionary	
Original	13.59	100.00	14.33	100.00	Fail
Appeal	7.90	21.21	8.33	22.37	Pass

**From:** Lori Overgaard  
**Sent:** 26 Jun 2017 16:36:01 -0500  
**To:** AltEarningsAppeals  
**Cc:** jackie@xenonacademy.net  
**Subject:** Alternate Earnings Appeal  
**Attachments:** Xenon II 2015 RGEES Attestation Report (Final).pdf, CEO Signed Certification.pdf, appeal acknowledgement.pdf

Please find attached our 2015 RGEES Attestation, CEO signed Certification and our appeal acknowledgement.

-  
**Lori Overgaard**  
**Director of Corporate Business Office**  
*(402) 697-2398*  
*8456 Park Drive*  
*Omaha, NE 68127*  
[lori@xenonacademy.net](mailto:lori@xenonacademy.net)



**XENON INTERNATIONAL ACADEMY II, INC.  
COMPLIANCE ATTESTATION EXAMINATION OF  
THE STANDARDS FOR CONDUCTING  
THE RECENT GRADUATES EMPLOYMENT AND EARNINGS SURVEY  
DEBT MEASUREMENT YEAR 2015**

**XENON INTERNATIONAL ACADEMY II, INC.**

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**REPORT ON COMPLIANCE WITH SPECIFIED  
REQUIREMENTS APPLICABLE TO THE STANDARDS FOR CONDUCTING THE  
RECENT GRADUATES EMPLOYMENT AND EARNINGS SURVEY**

**INDEPENDENT ACCOUNTANTS' REPORT**

To the Board of Directors  
Xenon International Academy II, Inc.

**Report on Compliance with Specified Requirements Applicable to the Standards  
for Conducting the Recent Graduates Employment and Earnings Survey**

We have examined management's assertions, that Xenon International Academy II, Inc. conducted its Recent Graduates Employment and Earnings Survey Debt Measurement Year 2015 in accordance with the requirements set forth in the Standards for Conducting the Recent Graduates Employment and Earnings Survey listed in Appendix A of the *Best Practices Guide for Recent Graduates Employment and Earnings Survey* published in November 2015.

**Management's Responsibility**

Management is responsible for conducting the Recent Graduates Employment and Earnings Survey in accordance with the requirements set forth in the Standards for Conducting the Recent Graduates Employment and Earnings Survey listed in Appendix A of the *Best Practices Guide for Recent Graduates Employment and Earnings Survey* published in November 2015.

**Accountants' Responsibility**

Our responsibility is to express an opinion on Xenon International Academy II, Inc.'s compliance based on our examination of the types of compliance requirements referred to above. We conducted our examination of compliance in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States; attestation standards established by the American Institute of Certified Public Accountants; and the *Best Practices Guide for Recent Graduates Employment and Earnings Survey* issued by the U.S. Department of Education in November 2015, and accordingly, included examining, on a test basis, evidence about Xenon International Academy II, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.



We believe that our examination provides a reasonable basis for our opinion on compliance with the Standards for Conducting the Recent Graduates Employment Survey. However, our examination does not provide a legal determination on Xenon International Academy II, Inc.'s compliance with specified requirements.

### **Opinion on Compliance with the Standards for Conducting the Recent Graduates Employment Survey**

In our opinion, Xenon International Academy II, Inc. complied with the types of compliance requirements referred to above that could have a direct and material effect on its survey appeal conforming to the Standards for Conducting the Recent Graduates Employment and Earnings Survey for the programs subject to the Department of Education's Gainful Employment regulations for Debt Measurement Year 2015.

### **Other Matters**

Xenon International Academy II, Inc. results from the Recent Graduates Employment and Earnings Survey are presented in the accompanying Survey Information Table. The Survey Information Table was not subjected to the testing procedures applied in the examination of compliance, and accordingly, we express no opinion on the Survey Information Table.

### **Purpose of this Report**

This report is intended solely for the information and use of the audit committee, management, and U.S. Department of Education, and is not intended to be and should not be used by anyone other than these specified parties.

*Knuttle & Associates, P.C.*

June 15, 2017  
Darien, Illinois

**XENON INTERNATIONAL ACADEMY II, INC.  
STANDARDS REGARDING RECENT GRADUATES  
EMPLOYMENT AND EARNINGS SURVEY  
DEBT MEASUREMENT YEAR 2015**

Xenon International Academy II, Inc. (the "Institution") asserts that the Standards for Conducting the Recent Graduates Employment and Earnings Survey for Debt Measurement Year 2015 were followed as listed below:

1. Planning Your Data Collection
2. Data Collection Methodology
3. Maintaining Confidentiality
4. Data Editing
5. Calculation of Response Rates
6. Nonresponse Bias Analysis
7. Calculating the Mean and Median
8. Documenting a Survey System

**XENON INTERNATIONAL ACADEMY II, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DEBT MEASUREMENT YEAR 2015**

There are no findings.

**XENON INTERNATIONAL ACADEMY II, INC.  
SURVEY INFORMATION TABLE  
DEBT MEASUREMENT YEAR 2015**

Program: Cosmetology/Cosmetologist, General  
CIP: 120401

From the RGEES Platform Reports:	
Adjusted Vetted Cohort Response Rate	50.60%
Average of Absolute Values of Relative Bias	5.00%
Mean Earnings	\$27,539
Median Earnings	\$25,000

	Standard Rates		Transitional Rates		Result
	Annual	Discretionary	Annual	Discretionary	
Original	9.09	290.19	9.09	290.19	Zone
Appeal	6.02	16.76	6.02	16.76	Pass



I Jacqueline Hornig attest that the Recent Graduates Employment and Earning survey was conducted in accordance with the Standards for Conducting the Recent Graduates and Employment and Earnings Survey.

I also attest that the mean or median earnings used to recalculate the debt-to-earnings ratios was accurately determined from the survey results

(b)(6)

Signature

Date

March 7, 2017

## Lori Overgaard

---

**From:** Jackie Hornig <jackie@xenonacademy.net>  
**Sent:** Thursday, February 23, 2017 3:13 PM  
**To:** Lori Overgaard  
**Subject:** FW:

**From:** AltEarningsAppeals [mailto:AltEarningsAppeals@ed.gov]  
**Sent:** Thursday, February 23, 2017 2:32 PM  
**To:** Jackie Hornig <jackie@xenonacademy.net>; AltEarningsAppeals <AltEarningsAppeals@ed.gov>  
**Subject:** RE:

Dear Jackie Hornig,

After further review, FSA acknowledges receipt of your Notice of Intent to File an Alternate Earnings Appeal for the program with OPEID and CIP code **026105/120401/01**.

However, please note that we will not be modifying the Debt to Earnings Data spreadsheet with the "A" to signify pending appeals, but you will be permitted to submit Alternate Earnings Appeal for the program you specified up until the March 10 deadline.

Thank you,

Alternate Earnings Appeals  
Gainful Employment Operations  
Business Operations

**Federal Student Aid**  
U.S. DEPARTMENT OF EDUCATION

PROUD SPONSOR OF  
THE AMERICAN MINISTERS

-----Original Message-----

**From:** Jackie Hornig [mailto:jackie@xenonacademy.net]  
**Sent:** Thursday, February 23, 2017 11:17 AM  
**To:** AltEarningsAppeals  
**Subject:** FW:  
**Importance:** High

I have attached a copy of the e-mail exchange supporting my position that BOTH of our schools Letters of intent to appeal were submitted on January 20th at 8:19 A.M. At the same time, on the same e-mail.

One campus shows as an appeal has been filed and one does not. Both letter were submitted ON Time On the same e-mail.

When a email was received from your office saying we had not sent in an appeal yet and if we did not submit that day it would be too late. I RESUBMITTED each letter For a second time, As you can see an e-mail was sent from your office confirming the letters were received.

This error on your end must be rectified as I have met the requirement, as demonstrated by one of the two schools on the e-mail is Showing as appealing.

Jackie Hornig  
Executive Director  
Xenon Academy  
Jackie@XenonAcademy.net  
8456 Park Drive  
Omaha NE 68127  
402.697.2398 X101

**From:** Lori Overgaard  
**Sent:** 19 Jun 2017 08:34:21 -0500  
**To:** AltEarningsAppeals  
**Subject:** Alternate Earnings Appeal  
**Attachments:** CEO Signed Certification.pdf, Xenon II 2015 RGEES Attestation Report (Final).pdf, appeal acknowledgement.pdf

Please find attached our RGEES Attestation, CEO signed certification and the email acknowledgement that we filed an appeal.

**Lori Overgaard**  
**Director of Corporate Business Office**  
*(402) 697-2398*  
*8456 Park Drive*  
*Omaha, NE 68127*  
[lori@xenonacademy.net](mailto:lori@xenonacademy.net)







I Jacqueline Hornig attest that the Recent Graduates Employment and Earning survey was conducted in accordance with the Standards for Conducting the Recent Graduates and Employment and Earnings Survey.

I also attest that the mean or median earnings used to recalculate the debt-to-earnings ratios was accurately determined from the survey results

(b)(6)

Signature

Date

March 7, 2017

**XENON INTERNATIONAL ACADEMY II, INC.  
COMPLIANCE ATTESTATION EXAMINATION OF  
THE STANDARDS FOR CONDUCTING  
THE RECENT GRADUATES EMPLOYMENT AND EARNINGS SURVEY  
DEBT MEASUREMENT YEAR 2015**

**XENON INTERNATIONAL ACADEMY II, INC.**

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**REPORT ON COMPLIANCE WITH SPECIFIED  
REQUIREMENTS APPLICABLE TO THE STANDARDS FOR CONDUCTING THE  
RECENT GRADUATES EMPLOYMENT AND EARNINGS SURVEY**

**INDEPENDENT ACCOUNTANTS' REPORT**

To the Board of Directors  
Xenon International Academy II, Inc.

**Report on Compliance with Specified Requirements Applicable to the Standards  
for Conducting the Recent Graduates Employment and Earnings Survey**

We have examined management's assertions, that Xenon International Academy II, Inc. conducted its Recent Graduates Employment and Earnings Survey Debt Measurement Year 2015 in accordance with the requirements set forth in the Standards for Conducting the Recent Graduates Employment and Earnings Survey listed in Appendix A of the *Best Practices Guide for Recent Graduates Employment and Earnings Survey* published in November 2015.

**Management's Responsibility**

Management is responsible for conducting the Recent Graduates Employment and Earnings Survey in accordance with the requirements set forth in the Standards for Conducting the Recent Graduates Employment and Earnings Survey listed in Appendix A of the *Best Practices Guide for Recent Graduates Employment and Earnings Survey* published in November 2015.

**Accountants' Responsibility**

Our responsibility is to express an opinion on Xenon International Academy II, Inc.'s compliance based on our examination of the types of compliance requirements referred to above. We conducted our examination of compliance in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States; attestation standards established by the American Institute of Certified Public Accountants; and the *Best Practices Guide for Recent Graduates Employment and Earnings Survey* issued by the U.S. Department of Education in November 2015, and accordingly, included examining, on a test basis, evidence about Xenon International Academy II, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our examination provides a reasonable basis for our opinion on compliance with the Standards for Conducting the Recent Graduates Employment Survey. However, our examination does not provide a legal determination on Xenon International Academy II, Inc.'s compliance with specified requirements.

### **Opinion on Compliance with the Standards for Conducting the Recent Graduates Employment Survey**

In our opinion, Xenon International Academy II, Inc. complied with the types of compliance requirements referred to above that could have a direct and material effect on its survey appeal conforming to the Standards for Conducting the Recent Graduates Employment and Earnings Survey for the programs subject to the Department of Education's Gainful Employment regulations for Debt Measurement Year 2015.

### **Other Matters**

Xenon International Academy II, Inc. results from the Recent Graduates Employment and Earnings Survey are presented in the accompanying Survey Information Table. The Survey Information Table was not subjected to the testing procedures applied in the examination of compliance, and accordingly, we express no opinion on the Survey Information Table.

### **Purpose of this Report**

This report is intended solely for the information and use of the audit committee, management, and U.S. Department of Education, and is not intended to be and should not be used by anyone other than these specified parties.

*Knuttle & Associates, P.C.*

June 15, 2017  
Darien, Illinois

**XENON INTERNATIONAL ACADEMY II, INC.  
STANDARDS REGARDING RECENT GRADUATES  
EMPLOYMENT AND EARNINGS SURVEY  
DEBT MEASUREMENT YEAR 2015**

Xenon International Academy II, Inc. (the "Institution") asserts that the Standards for Conducting the Recent Graduates Employment and Earnings Survey for Debt Measurement Year 2015 were followed as listed below:

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2. Data Collection Methodology
3. Maintaining Confidentiality
4. Data Editing
5. Calculation of Response Rates
6. Nonresponse Bias Analysis
7. Calculating the Mean and Median
8. Documenting a Survey System

**XENON INTERNATIONAL ACADEMY II, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DEBT MEASUREMENT YEAR 2015**

There are no findings.

**XENON INTERNATIONAL ACADEMY II, INC.  
SURVEY INFORMATION TABLE  
DEBT MEASUREMENT YEAR 2015**

Program: Cosmetology/Cosmetologist, General  
CIP: 120401

From the RGEES Platform Reports:	
Adjusted Vetted Cohort Response Rate	50.60%
Average of Absolute Values of Relative Bias	5.00%
Mean Earnings	\$27,539
Median Earnings	\$25,000

	Standard Rates		Transitional Rates		Result
	Annual	Discretionary	Annual	Discretionary	
Original	9.09	290.19	9.09	290.19	Zone
Appeal	6.02	16.76	6.02	16.76	Pass



## Lori Overgaard

---

**From:** Jackie Hornig <jackie@xenonacademy.net>  
**Sent:** Thursday, February 23, 2017 3:13 PM  
**To:** Lori Overgaard  
**Subject:** FW:

**From:** AltEarningsAppeals [mailto:AltEarningsAppeals@ed.gov]  
**Sent:** Thursday, February 23, 2017 2:32 PM  
**To:** Jackie Hornig <jackie@xenonacademy.net>; AltEarningsAppeals <AltEarningsAppeals@ed.gov>  
**Subject:** RE:

Dear Jackie Hornig,

After further review, FSA acknowledges receipt of your Notice of Intent to File an Alternate Earnings Appeal for the program with OPEID and CIP code **026105/120401/01**.

However, please note that we will not be modifying the Debt to Earnings Data spreadsheet with the "A" to signify pending appeals, but you will be permitted to submit Alternate Earnings Appeal for the program you specified up until the March 10 deadline.

Thank you,

Alternate Earnings Appeals  
Gainful Employment Operations  
Business Operations

**Federal Student Aid**  
U.S. DEPARTMENT OF EDUCATION

PROUD SPONSOR OF  
THE AMERICAN MINISTERS

-----Original Message-----

**From:** Jackie Hornig [mailto:jackie@xenonacademy.net]  
**Sent:** Thursday, February 23, 2017 11:17 AM  
**To:** AltEarningsAppeals  
**Subject:** FW:  
**Importance:** High

I have attached a copy of the e-mail exchange supporting my position that BOTH of our schools Letters of intent to appeal were submitted on January 20th at 8:19 A.M. At the same time, on the same e-mail.

One campus shows as an appeal has been filed and one does not. Both letter were submitted ON Time On the same e-mail.

When a email was received from your office saying we had not sent in an appeal yet and if we did not submit that day it would be too late. I RESUBMITTED each letter For a second time, As you can see an e-mail was sent from your office confirming the letters were received.

This error on your end must be rectified as I have met the requirement, as demonstrated by one of the two schools on the e-mail is Showing as appealing.

Jackie Hornig  
Executive Director  
Xenon Academy  
Jackie@XenonAcademy.net  
8456 Park Drive  
Omaha NE 68127  
402.697.2398 X101

**From:** Lorrinda Romero  
**Sent:** 21 Jun 2017 18:08:13 +0000  
**To:** AltEarningsAppeals  
**Cc:** 'tom@t2tmail.com';Gayla Henry  
**Subject:** Alternate Earnings Appeal  
**Attachments:** Alternate Earnings Appeal.pdf, Independent Accountant Report.pdf  
**Importance:** High

On Tuesday, June 20, 2017, we submitted our Alternate Earnings Appeal. However, we failed to request a delivery receipt.

We are submitting the Alternate Earnings Appeal again with the deliver receipt request.

Thank you

Lorrinda Romero  
Executive Assistant  
International Salon and Spa Academy  
5707 N. Academy Blvd.  
Colorado Springs, CO 80918  
(719) 597-1413 Ext. 1009  
[www.issaco.edu](http://www.issaco.edu)

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**From:** Lorrinda Romero  
**Sent:** Tuesday, June 20, 2017 9:14 AM  
**To:** 'AltEarningsAppeals@ed.gov'  
**Subject:** Alternate Earnings Appeal

Attached is the Alternate Earnings Appeal and Independent Accountant's Report for International Salon and Spa Academy

Lorrinda Romero  
Executive Assistant  
International Salon and Spa Academy  
5707 N. Academy Blvd.  
Colorado Springs, CO 80918  
(719) 597-1413 Ext. 1009  
[www.issaco.edu](http://www.issaco.edu)



June 14, 2017

I hereby certify that the survey was conducted in accordance with the Standards for Conduction the Recent Graduates Employment and Earnings Survey and that the mean or median earnings used to recalculate the debt-to-earnings ratios was accurately determined from the survey results.

(b)(6)

Thomas Twardowski

President

# International Salon and Spa Academy

## 1. PLANNING YOUR DATA COLLECTION-----

### Standard 1:

The survey design components required to conduct the Recent Graduates Employment and Earnings Survey include a plan that addresses the objectives of the survey, the survey design, the data collection plan, the confidentiality pledge, a data security plan, and the human and fiscal resources and time needed to achieve high data quality. To meet this standard, the survey design plan must include the following:

- 1.11: \*A detailed discussion of the goals and objectives of the survey or survey system, including the information needs that will be met, content areas included, the list of program completers to be surveyed, and analytic goals (see Standard 8)

After reviewing the standards of conduct and best practices guide for an earnings appeal, International Salon and Spa Academy (the Academy) has the following goals and objectives:

1. The Academy will comply with all regulatory and compliance rules set forth by the Department for an earnings appeal.
2. The Academy will attempt to collect as many completed surveys as possible, with a goal of over 50% of graduates.
3. The Academy will use the RGEES platform for data collection.
4. The Academy will provide each graduate an equal opportunity to complete the RGEES.
5. The Academy will keep all graduates' information safe and secure.

Exhibit 1 - A list of all 67 graduates. The Academy will offer a \$25 Amazon gift card to all graduates to encourage responses, speed up the process and show the graduates how important it is to participate in the RGEES.

Exhibit 2 -A timeline of events on how the Academy attempted to reach each graduate.

Emails were sent using the RGEES platform. The email used was a template suggested by the Department in the Best Practice Guide; see Exhibit 3. Follow up emails also used a template suggested by the Department in the Best Practice Guide; see Exhibit 4.

From February 24, 2017 thru June 10, 2017, staff on the Academy's RGEES team called every phone number on the students' account and contacted phone numbers on the graduates' reference sheets. See Exhibit 5. Champion, Facebook, PremiumWhitePages.com, BeenVerified.com, FamilyTree.com, MyLife.com, persopo.com, and NationalCellularDirectory.com were also used as tracking tools. During this process, many phone numbers were disconnected, or were wrong phone number. Email addresses were also found to be not functional. The Academy kept track of this in Exhibit 6 – Notes from staff.

1.22: \*A listing of all survey data items. It is preferred that only RGEES items appear in the survey used to collect data for the Gainful Employment Regulations earnings appeal process.

Survey data items include:

- Verification of name
- Wages, salary, tips, overtime pay, bonuses or commissions from an employer in the year specified, for the job held the longest
- Total Wages, salary, tips, overtime pay, bonuses or commissions from any other employers in the year specified
- Any self-employment income, including from your own business in the year specified
- Any money earned from work you did that was not already reported in this survey

Our survey was administered through the RGEES platform, using only the questions that the U.S. Department of Education provided in the *Standards for Conducting the Recent Graduates Employment and Earnings Survey (Appendix A)*. No other questions were used in this survey.

If the survey provided by ED is administered in conjunction with another survey of program completers, the RGEES questions must be used intact. That is, no alteration of the wording of the survey questions is permitted, and the order of individual items must be preserved. Any additional items must be separate and not applicable to the Gainful Employment issue. These additional items can be added only at the end of the survey to avoid affecting the responses to the questions provided in the Recent Graduates Employment and Earnings Survey.

No other questions were used in this survey.

Only data from the RGEES questions may be used in an appeal.

1.33: The anticipated data collection procedures must include the elements that follow.

1. Timing of data collection; RGEES platform will be installed and the survey sent out beginning February 10, 2017 with a response completion date of June 10, 2017.
2. Primary mode of collection (e-mail, mail survey, telephone, or in-person interview) (See *RGEES Best Practices Guide*; for information based on OMB "Guidance on Agency Survey and Statistical Information Collections," 1/20/2006);

The RGEES Platform will be our mode of collection. Email, phone, social media, and texting will be employed as follow up methods.

3. Data collection protocol to be used by data collection staff;

RGEES will be used as the data collection tool. All graduates of the cohort will be entered into RGEES. An initial email (suggested by the Department in the Best Practice Guide See Exhibit 3) with survey information will be sent to all members of the cohort thru the RGEES platform. Follow up email (Exhibit 4) will be sent depending on response rate. Any nonresponsive graduates will then receive a phone call.

A copy of phone scripts (Exhibit 7), a copy of the survey (Exhibit 8) and a list of graduates with contact information (Exhibit 5) is given to each staff member that has been chosen to help conduct the survey. Staff will make the phone call, leave a message, talk to the person, arrange a time for follow up or complete the survey over the phone, as appropriate. Notes will be taken on each call made regarding time, result, message, etc. (Exhibit 6)

Any calls not completed due to wrong number, disconnected number, incorrect email address, etc. will be reported to the Executive Assistant. The Executive Assistant, working with the Alumni Services Coordinator, will follow up to get any updated or more complete information from Champion College Services, Inc or other relevant tracking agencies.

Nonresponsive graduates will be mailed a survey. Returned surveys will be entered into the RGEES platform via proxy.

4. Training of survey collection staff and persons coding and editing the data;

A meeting was held on February 24 to train Gayla Henry, Carrie Peterson, Margaret Petersen, Vickie Andres, Gaynol Hopson, Penny Lightfoot and Lorrinda Romero in the protocols for collecting data. A copy of phone scripts, a copy of the survey and a list of graduates was given to each person. The protocol was reviewed and refined. Staff were to begin making calls immediately, returning all completed surveys with notes to the Executive Assistant for proxy entry in the RGEES platform. Notes were kept for each call made regarding messages, responses, email address corrections, person contacted, and responses for non-participation. Any respondents wishing to respond via the web were sent an email with the survey via the RGEES platform

5. Anticipated response rate for the data collection (see Standard 5.1);

A completed survey must include sufficient responses to determine whether the respondent has earnings and to support reporting the respondent's total earnings (including 0 earnings). The RGEES survey will be considered "complete" if the respondent fills out at least one of the earnings items. The survey response rate is calculated as the ratio of the number of completed surveys (S) to the number of graduates in the cohort (C). Potential respondents that are eligible and not interviewed may include refusals, non-contacts, incomplete responses, or other reasons for non-response. The response rate goal is a minimum of 50%.

Methods used to achieve acceptable response rates (see Standard 2). To maximize participation, it will be made clear to contacted graduates that the survey will be of no cost to them personally and that their participation can only help our appeal process. We will be respectful of the graduates' wishes and possible time constraints. We will let them know immediately how long it will take and that the information they provide will be used as part of the appeals process only. We will also be offering a \$25 Amazon gift card for completed surveys.

6. 1.4: \*A nondisclosure pledge (see Standard 3.1).

The Academy understands Federal law requires that confidentiality of the data contained (i.e. personally identifiable information or PII) must be protected (20 U.S.C. 1232g). Academy employees who had access to the information during the RGEES understand the importance of protecting the confidentiality of the survey respondent's information, are cognizant of the requirements of the law, and monitor the confidentiality of PII in their daily activities and in the release of information to the public. The Academy did protect graduates through the data collection, processing, and reporting activities to ensure that data was handled in such a way to avoid disclosure of PII. Please see Standard 3 for the processes the Academy used to maintain a high level of data security.

1.55: A security plan for preserving the confidentiality of the data during collection, processing, and analysis (see Standard 3.2 for details).

DATA SECURITY PLAN

A data security plan was developed implemented and adhered to.

During data collection and once data is collected, data is secured against unauthorized access.

- All electronic spread sheets are stored on a secure server and are limited to authorized project staff.
- All survey data entered are on the secure computer that only has the RGEES platform and are limited to authorized project staff.
- All paper spreadsheets are generated by the Executive Assistant and maintained by the staff in secure locations.
- All computers are secured against malicious software and intrusion using the best available information security practices.
- All data and systems are periodically monitored and updated

Access was limited to appropriate staff. Only staff selected to participate in the RGEES survey are given information on a need to know basis. These staff members are:

Thomas Twardowski – President – directed and oversaw the process

Gayla Henry – Executive Director – contacting students and collecting survey information

Lorrinda Romero – Executive Assistant – set up RGEES platform with IT personnel, minimal student contact and survey information collection, proxy entry in RGEES platform, ran all reports from RGEES platform. Only the Executive Assistant had access to the RGEES platform and the RGEES platform computer

Margaret Peterson – Financial Aid - contacting students and collecting survey information

Carrie Petersen – Alumni Services Coordinator - contacting students and collecting survey information

Gaynol Hopson – Instructor - contacting students and collecting survey information

Vickie Andres – Instructor - contacting students and collecting survey information

Penny Lightfoot – Instructor - contacting students and collecting survey information

This list is reviewed periodically

Use of PII and other identifiers were minimized as much as possible to prevent disclosure. Information taken from the Cohort list includes the graduate's name, Zero EFC



status, PELL status, and Female status. This excel spreadsheet is not given to the staff collecting data, but is only used for input in the REGESS system. Excel spreadsheets given to staff for data collection include only the student's name, date of graduation, mailing address, telephone numbers, and email addresses.

Respondents were informed that their data would be held as confidential and only used for statistical purposes.

This non-aggregated data was not used or released for anything except this audit.

Data was not released in cross-tabular form.

The Data Security Plan is reviewed routinely and updated as necessary.

1.66: If data may be used now or in the future for any purpose beyond the appeal, provide a disclosure analysis plan that describes how disclosure risk will be controlled (see Standard 3.3 for details).

Data will only be used for the appeal

1.77: Outline the quality assurance plan for each phase of the survey process that will permit monitoring and assessing the performance during implementation.

During installation of the RGEES software, qualified IT personnel will do the installation.

Testing of the RGEES platform is done by the Executive Assistant and IT personnel.

During the survey process, the RGEES platform is monitored daily, and staff collecting data are monitored daily.

After the survey, the Executive Assistant together with the President will monitor, collect, and compile the results.

1.88: Outline the general parameters for monitoring nonresponse and evaluating survey procedures and results (see Standards 5 and 6 for details). We are using the RGEES system which will track and monitor response and nonresponse.

1.99: Identify and monitor key milestones of the survey and the time relationships among them. Survey responses are monitored daily and problems/concerns addressed as they arise.

1.10: An estimate of the target time period needed for the full survey cycle, including the estimated times for the items that follow.

1. Planning and development; January 23-February 9, 2017
2. Data collection; February 10-June 10, 2017
3. \*Processing and data editing; June 10-June 13, 2017
4. Disclosure avoidance plan and analysis, if data will be used for any purpose other than the aggregated data from the RGEES; N/A
5. File construction; 1 day
6. Survey documentation; 1 day and

7. \*Completion and review of the reporting template and any additional internal reports.  
June 14, 2017

## 2. DATA COLLECTION METHODOLOGY -----

### Standard 2:

**Administer data collection instruments and methods in a manner that achieves the best balance between maximizing data quality and controlling measurement error while minimizing respondent burden using best practices established in the field of survey methodology.**

- 2.11: Encourage respondents to participate to maximize response rates and improve data quality. (See the *RGEES Best Practices Guide* for data collection strategies that can be used to achieve high response rates).

To maximize participation, it will be made clear to contacted graduates that the survey will be of no cost to them personally and that their participation can only help our appeal process. We will be respectful of the graduates' wishes and possible time constraints. We will let them know immediately how long it will take and that the information they provide will be used as part of the appeals process only.

The Academy used a variety of methods to contact and encourage graduates in the cohort to complete the survey. A \$25 Amazon Gift Card for each completed survey was offered to each graduate.

See attached Exhibit 2

See attached examples of all texts and emails sent

- 2.22: Design and administer the data collection to achieve the best data quality possible. Doing so requires the steps that follow.

1. Identify the appropriate methods / modes (e.g., e-mail, mail, telephone, Internet) of data collection for recent program completers, the objectives of the data collection, the resources available, and time constraints; RGEES was used as the primary method of contact as it was determined to be the most efficient and timely manner to collect the data for the Academy
2. When using the RGEES platform, or any other electronic data collection system, establish protocols for computer systems to ensure that Internet data collection functions correctly (see the *RGEES Platform User Guide* on how to install/use the platform); IT personnel were hired to purchase a secure computer, correctly install the RGEES software and ensure that it works correctly, and monitor the system and backup protocols.
3. Use more than one mode of data collection to improve response rates and / or if needed to meet response rate requirements (e.g., follow up nonrespondents in a mail or Internet survey with telephone calls). (See Standard 5.2 and the Data Collection section in the *RGEES Best Practices Guide* for additional guidance on response modes); Follow up contact

included phone calls and texts, 3<sup>rd</sup> party location services, Facebook, and graduates' referral contacts

4. Establish the data collection protocol to be followed by the staff involved in the data collection (see the *RGEES Best Practices Guide*).

We will maintain a balance between data quality and minimizing respondent burden. We will conduct surveys via email through the RGEES platform. The RGEES Platform is a web-based tool that contains the survey, has the ability to send e-mails, can be used to monitor response rates during data collection and can perform the requisite statistical analyses.

Text messages will be sent out prior to the initial survey and after the initial email is sent through our ZipWhip text messaging service, see Exhibit 10.

Initial and follow up emails with the survey attached will be sent out through RGEES platform. (Exhibits 5 and 6)

Follow up phone calls to nonrespondents will be made as follows:

A copy of phone scripts (Exhibit 8), a copy of the survey and a list of nonresponsive graduates with contact information is given to each staff member selected to help with the survey. Staff will make the phone call, leave a message, talk to the person, arrange a time for follow up or complete the survey over the phone, as appropriate. Notes will be taken on each call made regarding time, result, message, etc. (Exhibit 4)

Any calls not completed due to wrong number, disconnected number, incorrect email address, etc. will be reported to the Executive Assistant.

The Executive Assistant, working with the Alumni Services Coordinator, will follow up to get any updated or more complete information from Champion College Services, Inc. or other relevant tracking agencies.

Nonresponsive graduates will then be mailed a survey (Exhibit 9). Returned surveys will be entered into the RGEES platform via proxy by the Executive Assistant.

### 2.33: Monitor data collection activities.

1. Use internal reporting systems that provide timely reporting of response rates and the reasons for nonresponse throughout the data collection (e.g., paradata, such as refusals, hard to locate cases). These systems should be flexible enough to identify important subgroups with low response rates for more intensive follow-ups. The RGEES Platform has a participation rate reporting function that supports this monitoring. All nonresponsive graduates' information is given to the Executive Assistant who tracks information on a master Cohort list and through the RGEES platform.
2. Specify procedures to use to identify and correct problems. (See the *RGEES Best Practices Guide* for details.)

Wrong telephone numbers, disconnected numbers, incorrect email address, etc. will be reported to the Executive Assistant who will work with the Alumni Services Coordinator to report them to Champion College Services, Inc. for skip tracing services. RGEES team members may use social media, school reference records, PremiumWhitePages.com, BeenVerified.com, FamilyTree.com, MyLife.com, persopo.com, and NationalCellularDirectory.com to try to contact cohort graduates. Any new or updated information is provided on the student list and contact is attempted through all formats.

## 3. MAINTAINING CONFIDENTIALITY -----

### Standard 3:

**Federal law requires that the confidentiality of data that contain information about individuals (i.e., personally identifiable information or PII) must be protected (20 U.S.C. 1232g). Anyone who will have access to the information must understand the importance of protecting the confidentiality of the survey respondents' information, be cognizant of the requirements of the law, and monitor the confidentiality of PII in their daily activities and in the release of information to the public. Steps must be taken throughout the data collection, processing, and reporting activities to ensure that data are handled in such a way as to avoid disclosure of PII.**

### LEGAL REQUIREMENTS:

**The Family Educational Rights and Privacy Act (FERPA) (20 U.S.C. 1232g) and any relevant state confidentiality or privacy laws apply to personally identifiable information used or collected in the survey. Data that include personally identifiable information from students' education records are protected under FERPA and may only be used for the evaluation of federally supported education programs or for conducting studies for, or on behalf of, educational agencies or institutions to improve instruction.**

- 3.11: \*The Recent Graduates Employment and Earnings Survey uses the graduation/completion status of program participants, student background information, and their contact information from the students' education records for graduates of a specific Gainful Employment program as part of the evaluation of Title IV-supported gainful employment education programs. This information is protected by FERPA. The respondents must be

informed of these protections, and must be assured that their individual data, including their employment and earnings data, will be protected from unauthorized disclosure, will be combined with those of other respondents from their program, and will only be reported in the aggregate when there are a sufficient number of graduates to protect each respondent's data. Note that the reporting rule in the Gainful Employment Regulations requires 30 cases to report data for a program (Section 668.402).

FERPA and other confidentiality and privacy laws were maintained during all phases of the RGEES collection. Graduates were informed of these protections, and assured that their individual data, including their employment and earnings data, will be protected from unauthorized disclosure, and their earnings data will be combined with those of other respondents from their program and used in a statistical manner only.

Our cohort consisted of 67 graduates which meets the Gainful Employment Regulations requiring 30 cases.

3.22: Establish procedures and mechanisms to ensure the information is protected during the production, use, storage, transmittal, and disposition of the survey data in any format (paper survey forms, electronic files, printouts). Ensure that personally identifiable survey data are protected from physical and electronic intrusion (see RGEES Best Practices Guide for a template for your Security Plan).

#### DATA SECURITY PLAN

A data security plan was developed implemented and adhered to.

During data collection and once data is collected, data is secured against unauthorized access.

- All electronic spread sheets are stored on a secure server and are limited to authorized project staff.
- All survey data entered are on the secure computer that only has the RGEES platform and are limited to authorized project staff.
- All paper spreadsheets are generated by the Executive Assistant and maintained by the staff in secure locations.
- All computers are secured against malicious software and intrusion using the best available information security practices.
- All data and systems are periodically monitored and updated

Access was limited to appropriate staff. Only staff selected to participate in the RGEES survey are given information on a need to know basis. These staff members are:

Thomas Twardowski – President – directed and oversaw the process

Gayla Henry – Executive Director – contacting students and collecting survey information

Lorrinda Romero – Executive Assistant – set up RGEES platform with IT personnel, minimal student contact and survey information collection, proxy entry in RGEES platform, ran all reports from RGEES platform. Only the Executive Assistant had access to the RGEES platform and the RGEES platform computer

Margaret Peterson – Financial Aid - contacting students and collecting survey information

Carrie Petersen – Alumni Services Coordinator - contacting students and collecting survey

information

Gaynor Hopson – Instructor - contacting students and collecting survey information

Vickie Andres – Instructor - contacting students and collecting survey information

Penny Lightfoot – Instructor - contacting students and collecting survey information

This list is reviewed periodically

Use of PII and other identifiers were minimized as much as possible to prevent disclosure. Information taken from the Cohort list includes the graduate's name, Zero EFC status, PELL status, and Female status. This excel spreadsheet is not given to the staff collecting data, but is only used for input in the REGESS system. Excel spreadsheets given to staff for data collection include only the student's name, date of graduation, mailing address, telephone numbers, and email addresses.

Respondents were informed that their data would be held as confidential and only used for statistical purposes.

This non-aggregated data was not used or released for anything except this audit.

Data was not released in cross-tabular form.

The Data Security Plan is reviewed routinely and updated as necessary.

3.33: The reporting rule in the Gainful Employment Regulations requires 30 cases to report data for a program (Section 668.402). If any additional cross-tabulations are released for external use (e.g., using characteristics of the graduates), any table with a cell with 1 or 2 cases must be recategorized to ensure that each cell in the table has at least 3 cases. This rule applies to counts and to the numerator of any computed rates or percentages, and to the number of cases used to compute an average.

No additional cross-tabulations are used nor being released.

#### **4. DATA EDITING -----**

**STANDARD 4: Data editing will be used to correct inconsistent data in the RGEES data.**

4.1: \*The edits that follow must be used. No additional edits may be used.

1. Negative values for any of the income questions will be replaced with zeroes (i.e., survey items 3a, 3b, 4a, and 5a). No negative values were reported and 0 was used.
2. When the total income (i.e., sum of survey item responses for 3a, 3b, 4a, and 5a) is calculated, values over \$999,999 will be replaced with \$999,999. There was no total income over \$999,999 reported.

4.2:\* Code the data set to flag each action taken during editing; also retain the unedited data along with the edited data. N/A

## 5. CALCULATION OF RESPONSE RATES -----

**Standard 5: Surveys must be designed and conducted to achieve the highest practical rates of response to ensure that survey results are representative of the list of recent graduates who received Title IV assistance so that they can be used with confidence to reflect the employment status and earnings of the Title IV-assisted recent graduate cohort. Nonresponse bias analysis must be conducted when response rates or other factors suggest the potential for bias to occur.**

5.11: \* A completed survey must include sufficient responses to determine whether the respondent has earnings and to support reporting the respondent's total earnings (including 0 earnings). The RGEES survey will be considered "complete" if the respondent fills out at least one of the earnings items. The survey response rate is calculated as the ratio of the number of completed surveys (S) to the number of graduates in the cohort (C). Potential respondents that are eligible and not interviewed may include refusals, noncontacts, incomplete responses, or other reasons for nonresponse.

$$\text{Response Rate} = \text{RR} = S/C$$

1. If cohort members who were excluded from the agreed upon cohort list that the U.S. Department of Education submitted to the Social Security Administration to obtain the cohort earnings data are added, the count of those added cohort members should be added to the number of cases in the cohort (C) and also to the number of completed surveys (S) (see Introduction for a description of excluded cases). The Department of Education cohort list was used, with no names added.

The RGEES platform was used to gather and calculate the response rate. See Exhibit 11 RGEES Response Rate Report.

5.22: **As a minimum requirement, at least one half of the recent graduates surveyed for a specific program must submit a completed survey through one or more modes of data collection. That is, the response rate for an individual program must be at least 50 percent for the data to be used to support an appeal under the Gainful Employment Regulations appeal process.**

Our response rate is 68.7%

## 6. NONRESPONSE BIAS ANALYSIS -----

**Standard 6: The potential impact of nonresponse on the quality of information obtained from the survey must be taken into consideration. Nonresponse bias is a serious problem and occurs when there is a correlation between the likelihood of participation in the survey and the responses to the survey variable(s) being measured. Survey estimates may be biased if those who choose to participate (respondents) differ substantially and systematically from those who choose not to participate (nonrespondents). If these differences are related to employment status or earnings, the results from the RGEES may be misleading or even**

**erroneous. The nonresponse bias analysis can indicate the potential impact of nonresponse bias. A nonresponse bias analysis must be conducted if the unit response rate is between 50 percent and 80 percent.**

**Nonresponse bias is assessed by comparing respondents and nonrespondents on information available from graduates' student records. Analysis of recent program level data identified three variables that are readily available in student records and are correlated with earnings: graduates with Pell grants, graduates with a zero expected family contribution, and graduates who are female. A nonresponse bias analysis examines these attributes of the program graduates to determine whether response rates are related to those attributes and/or whether the characteristics of respondents and nonrespondents differ on these characteristics.**

**If excluded cohort members that are not part of the finalized cohort list that the U.S. Department of Education submitted to the Social Security Administration to obtain the cohort earnings data are added to the list of graduates, the student attribute data for those graduates should be included in the data set prior to conducting the nonresponse bias analysis. (If the RGEES platform is used, data for these graduates should be added to the RGEES data base. If the RGEES platform is not used, these counts should be included in the nonresponse bias analysis.)**

- 1. The first question in a nonresponse bias analysis is whether the response rates vary across the attributes examined (i.e., do the response rates computed for the group of respondents who received Pell grants differ from those who had a zero expected family contribution, or those who are female)?**
  - 2. The second question in a nonresponse bias analysis is whether there are differences between respondents and nonrespondents on the attributes examined—for example, does the percent of responding graduates who received Pell grants differ from the percent of nonresponding graduates who received Pell grants; are there differences between responding and nonresponding graduates in the percentages of graduates with zero expected family contributions; or the percentages who are female).**
- 6.11: \*The basic measure of nonresponse bias is the relative bias, that is, the ratio of the bias in an attribute to the percentage of graduates in the cohort with the attribute(s) measured based on data from the graduates' student records. The relative bias must be computed for the percent of graduates who received Pell Grants while enrolled, the percent with zero expected family contributions, and the percent female and the average relative bias averaged over these three attributes.**

**If excluded cohort members that are not part of the agreed upon cohort list that the U.S. Department of Education submitted to the Social Security Administration to obtain the cohort earnings data are added to the cohort, they must be added to the data collection data base before the final nonresponse bias analysis is conducted (see Introduction for a description of excluded cases).**

**\*The nonresponse bias analysis must be conducted both with and without the excluded cases. The relative bias must be calculated as follows:**



1. An estimate of the bias due to nonresponse for each of the three attributes examined can be computed as the product of the nonresponse rate and the difference between respondents and nonrespondents. An estimate of the bias for each of the three attributes examined is given by:

$$B(\bar{Y}_{NR}) = \bar{Y}_R - \bar{Y}_T = (N_{NR}/N) (\bar{Y}_R - \bar{Y}_{NR})$$

Where:

$\bar{Y}_T$  = the percent based on all cases;

$\bar{Y}_R$  = the percent based only on respondent cases;

$\bar{Y}_{NR}$  = the percent based only on the nonrespondent cases;

$N$  = the total number of cases; and

$N_{NR}$  = the number of nonrespondent cases.

RGEES Nonresponse Bias Report

06/08/2017 12:53

CHARACTERISTIC	GRADUATE NUMBER	GRADUATE PERCENT	RESPONDENT NUMBER	RESPONDENT PERCENT	ESTIMATED BIAS	RELATIVE BIAS
Pell Grant Recipient	50	74.6	35	76.1	-1.5	-0.02
Zero expected family contribution	40	59.7	26	56.5	3.2	0.05
Female	64	95.5	44	95.7	-0.2	
Average of absolute values of relative bias						0.02

2. An estimate of the relative bias is then computed as the ratio of the bias due to nonresponse to the actual value derived from student records.

$$RelB(\bar{Y}_{NR}) = B(\bar{Y}_{NR}) / \bar{Y}_T$$

3. The average relative bias due to nonresponse, computed as the average of the absolute value of the relative bias due to nonresponse measured for each of the three attributes examined, is used to measure the relative bias due to nonresponse present in of the RGEES data.

$$\text{Average Rel}B(\bar{Y}_{NR}) = (|B(\bar{Y}_{1NR}) / \bar{Y}_{1T}| + |B(\bar{Y}_{2NR}) / \bar{Y}_{2T}| + |B(\bar{Y}_{3NR}) / \bar{Y}_{3T}|) / 3$$

The RGEES platform was used to gather and calculate the response rate. See Exhibit 12 RGEES Nonresponse Bias Report.

6.22: \*In the case of nonresponse to the RGEES, the following decision rule applies:

As a minimum requirement, the average relative bias due to nonresponse (equation 6.1.3) in the data for recent graduates surveyed for a specific program must not exceed 10 percent. That is, the average relative bias computed over the percent of graduates who received a Pell grant, the percent with a zero expected family contribution, and the percent female within an individual program must not exceed 10 percent in order for the earnings data from RGEES to be used to support an appeal under the Gainful Employment Regulations appeal process.

The RGEES platform was used to gather and calculate the response rate. The relative bias response rate was 0.02. See Exhibit 12 RGEES Nonresponse Bias Report.

## 7. CALCULATING THE MEAN AND MEDIAN-----

**Standard 7: Established procedures must be used to compute the mean and median of the earnings data collected using RGEES.**

7.11: \*The mean is the average, computed as the sum of all earnings across graduates who responded to the survey divided by the number of graduates who responded to the survey. Nonrespondents must be excluded from the computation, but respondents who reported zero (\$0) earnings must be included in the computation. (The mean will be calculated automatically by the RGEES platform. If the RGEES platform is not used, the mean must be computed as described here.)

7.22: \*The median is the midpoint of the distribution of all reported earnings, including zeros (\$0). One half of the respondents with earnings reported (including zeros (\$)) are above the median and one half are below the median. . (The median will be calculated automatically by the RGEES platform. If the RGEES platform is not used, the median must be computed as described here.)

1. Order the respondents' earnings from the lowest (\$0) to the highest (\$999,999). (If multiple graduates have equal amounts of total income, enter that amount once for each graduate with that amount of income.)
2. Identify the middlemost earnings value which is the median earnings value. If the number of respondents is even, there is no one middle value. In this instance, the median is computed as the mean of the two earnings values closest to the middle.

The RGEES platform was used to gather and calculate the response rate. Access to individual survey results were not available once the graduates were moved to a "vetted" status to generate reports in the RGEES platform. See Exhibit 13 RGEES Mean and Median Earnings Report.

## 8. DOCUMENTING A SURVEY SYSTEM -----

**Standard 8: Complete documentation must be developed for each program that uses the RGEES in an appeal of the program's graduates' earnings under the Gainful Employment Regulations. Documentation includes those materials necessary to replicate and evaluate each survey.**

8.1: \*Survey documentation must, at a minimum, include the elements that follow.

1. Final data set(s), final instrument(s) or a facsimile thereof; final response rate = 68.7% out of 67 graduates, nonresponse relative bias=0.02, mean earnings total = \$16850.17, median earnings total = \$16164
2. Definitions of all variables, including coding; none used
3. Data file layout; RGEES platform
4. Descriptions of constructed variables on the data file that are computed from responses to other variables on the file; RGEES platform did all computing
5. List of variables that could be used (alone or in combination) to uniquely identify an individual graduate in the data file; name, social security number
6. List of all edits applied to the data; none
7. Frequency counts of all survey items, including counts of the number missing.

Surveys counted daily for first month, then once a week

8.2: If the data will be used for any purposes other than the appeal under the Gainful Employment Regulations, the documentation must also include the elements that follow.

1. General description of disclosure avoidance techniques N/A and
2. Descriptions of restrictions on the use of data (e.g., limited to statistical uses; when using restricted data files, all unweighted counts included in any release must be rounded). N/A

Data was not used for any purposed other than the appeal.

8.33: \*System documentation must include the elements that follow. If using the RGEES Platform, and any alternative modes are used, 1 and 2 should be modified to include relevant information for modes other than the web collection.

1. All instructions to respondents and interviewers about how to properly respond to a survey item or about how to properly present a survey item; Instructions were give to respondents and interviewers based on the Best Practices Guide. To maximize participation, it will be made clear to contacted graduates that the survey will be of no cost to them personally and that their participation can only help our appeal process. We will be respectful of the graduates' wishes and possible time constraints. We will let them know immediately how long it will take and that the information they provide will be used as part of the appeals process only.
2. Description of the data collection methodology; RGEES platform emails and responses through the RGEES platform system, Champion College Services, Inc., phone calls, social media, school reference records, PremiumWhitePages.com, BeenVerified.com,

FamilyTree.com, MyLife.com, persopo.com, and NationalCellularDirectory.com were used to contact graduates and receive survey results where were put in the RGEES system via proxy by the Executive Director.

3. Data editing plan specifications (see Standard 4 and the *RGEES Best Practices Guide*); no data editing was done
4. Data processing plan specifications and justifications for why they were implemented; Data collection and processing was done electronically through the RGEES platform. This was deemed to be the most secure and reliable method of processing.
5. Response rates; Response rate was 68.7% and
6. Nonresponse bias analysis, Nonresponse relative bias was 0.02.

**EXHIBIT 1**  
**2015 Cosmetology Cohort**

Student First Name	Student Middle Name	Student Last Name	Student Date of Birth	ZERO EFC	PELL	FEMALE
A			(b)(6)	N	Y	Y
Y			(b)(6)	Y	Y	Y
I			(b)(6)	Y	Y	Y
C			(b)(6)	N	N	Y
L			(b)(6)	N	Y	Y
H			(b)(6)	N	N	Y
P			(b)(6)	Y	Y	N
M			(b)(6)	Y	Y	Y
D			(b)(6)	Y	Y	Y
T			(b)(6)	Y	Y	Y
I			(b)(6)	Y	Y	Y
S			(b)(6)	Y	Y	Y
L			(b)(6)	Y	Y	Y
K			(b)(6)	N	N	Y
S			(b)(6)	N	Y	Y
K			(b)(6)	Y	Y	Y
H			(b)(6)	N	N	Y
J			(b)(6)	Y	Y	Y
D			(b)(6)	Y	Y	Y
L			(b)(6)	Y	Y	Y
J			(b)(6)	N	N	Y
K			(b)(6)	N	N	Y
J			(b)(6)	Y	Y	Y
T			(b)(6)	Y	Y	Y
J			(b)(6)	N	N	Y
S			(b)(6)	N	Y	Y
C			(b)(6)	Y	Y	Y
K			(b)(6)	N	N	Y
C			(b)(6)	N	N	Y
C			(b)(6)	N	Y	Y
I			(b)(6)	Y	Y	N



## EXHIBIT 2

### DATES AND METHODS OF CONTACT

January 23, 2017 a text message was sent to all graduates.

January 23, 2017 an email was sent to all graduates.

February 7, 2017 a text message was sent to all graduates.

February 10, 2017 the first RGEES email was sent to all graduates

February 14, 2017 a text message was sent to all graduates.

February 17, 2017 a follow up RGEES email was sent to all nonresponsive graduates

February 24, 2017 phone calls from selected personnel were made to all nonresponsive graduates

February 28, 2017 a follow up RGEES email was sent to all nonresponsive graduates

March 1, 2017 a letter was mailed to all nonresponsive graduates

March 3, 2017 a follow up RGEES email was sent to all nonresponsive graduates

March 5, 2017 a follow up RGEES email was sent to all nonresponsive graduates

February 24 through June 10, 2017, phone calls, emails, Facebook and tracking systems were used to attempt contact of cohort graduates by selected personnel. Any survey responses were entered into the RGEES platform via Proxy by the Executive Assistant.

A \$25 Amazon gift card was offered to all graduates and emailed to all graduates who responded to the survey.

EXHIBIT 3

"ISSA first email" in the RGEES platform

Hello [first name] [last name],

As a graduate of International Salon and Spa Academy (ISSA), you have been selected to participate in the Recent Graduates Employment and Earnings Survey (RGEES).

By completing this simple, 5-minute survey about your earnings since graduation, you can help ISSA remain eligible for federal financial aid, thereby affording future students at ISSA the same help and assistance that was afforded to you when you were a student.

The RGEES will ask you about your earnings in an effort to calculate the average earnings of cosmetology students who graduated from ISSA. This information will be used only in the recalculation of ISSA's Debt-to-Earnings Ratio and never for any other purpose. Your individual survey responses will never be shared with any other department.

As a token of our appreciation, we will send you a **\$25 Amazon gift card** to thank you for your participation.

You will be able to complete the RGEES survey on the Internet. Please use the link and credentials included below to complete the RGEES.

RGEES URL: <http://rgees.issaco.edu>

Username: [username]

PIN: [password]

We will be here to guide you through this process, and we have set up a help desk reachable at [lorrinda@issaco.edu](mailto:lorrinda@issaco.edu) and 719-597-1413 ext 1009 for any of your questions.

The more graduates who complete the survey, the more successful ISSA will be. Your involvement actively helps ISSA and your fellow students.

Sincerely,

Gayla Henry, Executive Director



EXHIBIT 4

"ISSA revised first follow up" in the RGEES platform

Dear [first name] [last name],

You recently received an email invitation to participate in the Recent Graduates Employment and Earnings Survey (RGEES) on behalf of International Salon and Spa Academy. We still need your participation. Your feedback is extremely important to the institution and future students.

For participation in the RGEES you can get a **\$25 Amazon gift card**. This is given to you as compensation for your time and effort upon completion of the survey.

Your participation actively helps ISSA and fellow students. We need for you to participate in the RGEES.

Sincerely,  
Gayla Henry, Executive Director

# EXHIBIT 5

2015 Cosmetology Cohort contact information

First Name	Last Name	Alt Name	DOB	Mailing address	Phone number(s)
------------	-----------	----------	-----	-----------------	-----------------

(b)(6)

(b)(6)

email address 1

email address 2

email address 3

(b)(6)



## EXHIBIT 6 – STAFF NOTES

(b)(6)

2/24/17 ~ 2:55pm ~left message(L/M)  
2/27/17 ~5:58pm~ spoke in person- best to call during day after 11:00am  
3/3/17 ~ 11:25 am ~ L/M  
survey completed

(b)(6)

2/24/17 ~# disc - researched alt #'s  
2/28/17~ 12:17pm~ L/M  
3/3/17 ~10:31am ~L/M  
3/3/17~2:06pm~ rec'd call back- spoke to her- updated work history- ok to send link  
survey completed

(b)(6)

2/24/17~ 2:57pm~ L/M  
2/27/17~ 6:25pm~ L/M  
2/28/17 ~ spoke to person- not her # anymore - researched alt #'s  
2/28/17~ 2:01pm~L/M alt # 1  
2/28/17~2:03pm~ spoke in person- ok to send link  
3/3/17~ 10:29am- followup msg reminder to complete survey  
survey completed

(b)(6)

2/24/17~2:58pm~ # not accepting calls~ research alt #'s  
2/28/17~12:25pm L/M alt #'s  
3/3/17 ~10:34am~ L/M  
survey completed

(b)(6)

2/24/17~3:00pm~ spoke in person- daughter's b-day, call back on Monday  
2/27/17~6:27pm~ L/M  
2/28/17~12:26pm L/M  
3/2/17~2:34pm~ L/M  
3/6/17~ 10:05am~ L/M

(b)(6)

2/24/17 ~ bad #- research alt #'s  
2/28/17~12:28pm~ L/M alt#'s  
3/3/17~ 10:41am~ alt # disc/not in service

(b)(6)

3/6/17~9:15am- called her grandmother to get updated number  
3/6/17~sent text msg  
3/7/17~11:06am~ called in to me- ok to send link  
survey completed

(b)(6)

2/24/17~ 3:02pm~ L/M  
2/27/17~ 6:28pm~ L/M  
3/3/17 ~ 10:42am~ L/M  
3/6/17~ 10:07am~ L/M  
survey completed

NOTES AND CONTACTS FROM CARRIE PETERSEN

First Name	Last Name	Student DOB	Actions
b(6)			3/4/17 LM on VM 3/18/2017 sent text-no response
			3/1-LM on VM 3/4-LM on VM and text 3/6-text sent
			3/1-1st number got hung up on, 2nd LM 3rd Disconnected 3/4-LM on VM
			3/1-LM on VM 3/4-sent text/Wrong # response
			3/1-LM on 3 numbers 3/5- sent text 3/17-LM on VM
			3/1-LM on VM 3/5-sent text 3/17 LM on VM and sent text
			2/24/17-Made contact-Hung up on me-DNC per Lorrinda
			2/24-LM on VM, 2/26-LM on Work and Cell- 2/27-responded and took survey
			3/2- wrong #
			3/4- LM and sent text
			Took survey
			3/2-LM on VM 3/4-sent text 3/5-LM on VM
			2/24-LM on VM- 2/26-LM on VM 2/27 sent text 3/1-No message left 3/17-LM on VM
			3/4-LM on VM 3/5 LM on VM 3/6-Daquita-her daughter sent her a message trying to connect with Deborah
			2/24-LM on VM 2/27-sent text-responded "will not participate" DNC
			3/1-LM sent text 3/4-text 3/17 LM on VM
			3/2-Number not in service
			3/5-LM on VM
			3/4- no voicemail set up 3/5-NA 3/6-NA
			Took survey
			3/4- LM and sent text 3/6 LM on VM
			3/4- NA sent text 3/5-NA 3/6 NA sent text



b)(6)

2/24-wrong # 3/1-No social media 3/4-email bounced back 3/17-was told DNC on updated list

3/4-sent text to all 4 numbers-2 responded wrong # 3/5-LM on other two working #'s

3/1-All 3 numbers listed are wrong #'s

3/2- LM on VM 3/5-LM on VM sent text

3/4-LM on all 3 numbers 3/5-sent text to all 3, one response, bad # 3/6- May be under last name Box

3/4/17 LM on VM 3/17/17 new # found 719-635-3758 LM on VM 3/18/17 text-no response

3/4/17 LM on 2 of the 4 #'s-2 #'s are disconnected 3/5/17 sent text-bad # reply 3/17-responded to Gaynor

3/1-LM on VM 2 bad #'s 3/4- LM on VM 3/6 sent text

3/1-LM on VM 3/4-LM on VM and text 3/6-text sent-no response

2/24/17 Made contact-call after 7pm 2/24-called at 7:15 pm N/A LM-sent text 2/26-LM 3/1- LM 3/4-No Message 3/17 LM

3/2-LM and sent text 3/2-response wrong #

3/4-Not a working #

2/24-No incoming calls, sent text-no reply 3/4-text-no response 3/6-no incoming calls 3/17-wrong # contacted on LinkedIn-read no reply

3/1- LM on VM 3/5-sent text-she called back but didn't talk. Recalled twice

(b)(6)

3/1 LM on VM 3/4- NA-sent text
3/2-LM on VM 3/4-sent text 3/5-LM on VM 3/17-no message left
3/1- LM 3/4- Mother asked for us to stop calling DNC
3/5-LM on VM 3/6 sent text
3/5-LM on VM-sent text

Notes from Lorrinda Romero

(b)(6)	left message 2/24 at 1:44pm, no response
	call attempted 2/24 1:45pm, no name, mailbox full
	2/24, wrong number
	2/24 wrong number
	2/24 1:48pm left message, no response
	2/24 no name, mailbox full
	2/24 3:00 completed survey on phone, entered by proxy in RGEES

Complete Surveys

Gayno1

Student Last Name	Student First Name	Facebook	Been Verified	White pages Premium	Completed Efforts	Returned Call	Survey Completed	Comments	Phone Numbers
(b)(6)					3/2 left msg 3/5 left msg	3/6	3/6	husband former student	(b)(6)
					2/26 called NG	2/28	2/28	Facebook friend w/Maurice (b)(6) left message	
					2/26 called NG 2/27 left msg	2/27	2/27	Facebook friend (b)(6) left msg with (b)(6) Works at (b)(6) Salon - left msg	
					2/24 called NG	2/26	2/27	Working at Walmart	
					2/27 left msg		2/27	Owens (b)(6)	
					2/24 called NG	3/6	2/27		
					2/25 left msg	2/27	2/27	Friends with Teacher Karen	
					2/25 called NG		2/27		
					2/24 called NG 2/26 left msg	2/27	2/27		
					2/25 left msg	3/27	3/27		
							5/12		
					3/29 left msg	3/30	3/30	Married last name (b)(6)	
					2/29 called NG	3/31	3/31	(b)(6)	
					3/31 called	3/31	5/1		
							5/1	works at (b)(6)	
					3/29 left msg	5/2	5/2	aka (b)(6)	
					5/3 left msg		5/3	works at (b)(6)	
							5/4	(b)(6)	
					5/1 called NG		5/4	aka (b)(6) asked (b)(6) Neal to have her call me	
							5/17		
						yes	5/12		
					called, answered		5/17		

## Notes from Penny Lightfoot

6/12/2017

(b)(6) Was not a working number.

Emailed her @ (b)(6) and did not get a response.

Found her on facebook, gave her my phone number and we touched basis and was able to complete the survey.

All contact was made on February 27,2017

(b)(6) is not a good phone number.

Made contact on 2/27/2017 by way of facebook she agreed to call me back and do the survey.

For the next several days we keep missing each other, then on March 6, 2017 we completed the survey over the phone.

(b)(6) left a message on 2/27/2017 no response.

Called (b)(6) and it was a wrong number.

Vickie Andres notes;

Dates I called on March 4,10,18 2017 Feburary 26 2017

(b)(6) (b)(6)

No answer to any calls, no e-mail address,no contact

Feburary

(b)(6) March 4 call back on Monday March 5 (b)(6)  
(b)(6) always busy no answer, contacted him using  
Facebook, told him to call (b)(6) and he called and (b)(6) ask  
the question for the survey to him new number (b)(6)

(b)(6) I called every Saturday eveing  
dates are March 4,11,18,25. no answer, e-mailed both address  
for her 4 times no response,

(b)(6) called left message she  
called the school and talk to (b)(6) took the survey. I called and  
e-mailed weekly, March 4,11,18,25 2017

(b)(6) do not call  
again or will report me. I left messages , facebook, grand  
parents would not give me any information

Name	Date	Mailed Survey	Date	Outcome	OBCL Site for licensure	Outcome
(b)(6)			3/1/2017		X	(b)(6)
	3/1/2017	X	3/1/2017	Survey not returned	X	
			3/1/2017		X	
			3/1/2017		X	
			3/1/2017		X	
	3/1/2017	X	3/1/2017	Survey not returned	X	
			3/1/2017		X	
	3/1/2017	X	3/1/2017	Survey not returned	X	
			3/1/2017		X	
	3/1/2017	X	3/1/2017	Survey not returned	X	
			3/1/2017		X	
			3/1/2017		X	
			3/1/2017		X	
			3/1/2017		X	
			3/1/2017		X	
			3/1/2017		X	
	3/1/2017	X	3/1/2017	Survey not returned	X	
	3/1/2017	X	3/1/2017	Return No forward Address	X	
			3/1/2017		X	
			3/1/2017		X	
	3/1/2017	X	3/1/2017	Survey not returned	X	
			3/1/2017		X	
			3/1/2017		X	
			3/1/2017		X	
			3/1/2017		X	
			3/1/2017		X	
			3/1/2017		X	
	3/1/2017	X	3/1/2017	Return No forward Address	X	
			3/1/2017		X	





(b)(6)

					Page3
			3/1/2017		X
			3/1/2017		X
			3/1/2017		X
3/1/2017	X		3/1/2017	Survey not returned	X
			3/1/2017		X
			3/1/2017		X
			3/1/2017		X
			3/1/2017		X

(b)(6)



# EXHIBIT 7

Phone Script for RGEES

May I speak with \_\_\_\_\_?

Hi \_\_\_\_\_. This is \_\_\_\_\_ from International Salon and Spa Academy.  
Do you remember me? I had you in my \_\_\_\_\_ class.

Do you have a few minutes to talk to me?

*Yes – continue*

*Not right now – when would be a good time for me to call back?*

As a graduate of International you've been selected to participate in the Recent Graduates Employment and Earnings Survey (RGEES). We're collecting information about the average earnings of graduates who received federal financial aid.

The information you provide will be grouped with information from other graduates. Average earnings for all graduates will be calculated and reported. Your individual earnings will NEVER be reported, disclosed, or used in any other manner.

There are 5 brief questions about your 2014 income.

Would you like to complete the survey online or over the phone?

**To complete the survey online**, let me verify that the email address we have for you is correct.

*Verify email address on the list or get valid email address*

Within the next day you will receive an email with a link to the survey, a login and a password. Login, complete the survey, and submit. As a token of our appreciation, we will send you a **\$25 Amazon gift card** to thank you for your participation.

**If they want to complete the survey over the phone say:**

Great, we have 5 questions for you.

*the survey is provided, read each question and write down their response, then give the completed survey to Lorrinda. Make sure you write down who you are talking to on the form)*

As a token of our appreciation, we will email you a **\$25 Amazon gift card** to thank you for your participation. Let me verify that the email address we have for you is correct.

*Verify email address on the list or get valid email address*

## EXHIBIT 8

### Recent Graduates Employment and Earnings Survey

*The purpose of the Recent Graduates Employment and Earnings Survey is to collect information about the average earnings of graduates from programs whose students receive federal financial aid and which are subject to regulations on gainful employment.*

*The information you provide on this survey will be grouped with information from other graduates of your program. Average earnings for all graduates of the program will be calculated and reported to the U.S. Department of Education. Your individual earnings will **never** be reported, disclosed, or used in any other manner.*

1. **Please verify that you are <First-Name Last-Name>. Is this correct?** If you have legally changed your name but once went by <First-Name Last-Name>, please answer Yes below.
  - No → *Continue with question 2.*
  - Yes → *Skip to question 3.*
2. **Have you ever gone by <First-Name Last-Name>?** If you have legally changed your name but once went by <First-Name Last-Name>, please answer Yes below.
  - No → *Thank you. Please return the survey so that we can remove you from our list and you are not contacted again.*
  - Yes

The next few questions are about employment earnings **during the 2014 calendar year.**

This survey asks about wages and self-employment income separately. In some cases, it may not be clear to you where earnings you received should be reported. Please just use your best judgment about this, but please **do NOT report the same earnings more than once.** Remember to include earnings from **ALL jobs, even if they are not related to your degree or certificate.** Please do NOT include sources of income other than employment, such as alimony, child support, social security, disability, or unemployment compensation.

3. **Did you receive any wages, salary, tips, overtime pay, bonuses, or commissions from an employer in 2014?**
  - No → *Skip to question 4.*
  - Yes → **3a.** Think about the **job you held the longest** during 2014. In total, how much did you earn from that employer, before taxes and other deductions, in 2014?

\$ \_\_\_\_\_

**3b.** Now think about **all OTHER jobs** you held during 2014. In total, how much did you receive from **all other employers**, before taxes and other deductions, in 2014? If you had no additional jobs, please enter a zero.

\$ \_\_\_\_\_

4. Excluding any income mentioned above, did you receive any self-employment income, including income from your own business, in 2014?

No → Skip to question 5.

Yes → 4a. What was the amount you received in net self-employment income in 2014? Please report income minus expenses. If this amount is negative, please enter zero.

\$ \_\_\_\_\_

5. People sometimes earn extra money doing work outside of their regular jobs, such as freelancing, consulting, moonlighting, or doing other casual jobs. In 2014, did you earn any other money from work you did that you have not already reported on this survey?

No → Thank you. Please **return the survey**.

Yes → 5a. What was the amount of your additional earnings from work in 2014 that are not already reported above?

\$ \_\_\_\_\_

*Thank you for your participation.*

# EXHIBIT 9

Letter mailed on March 1, 2017

March 1, 2017

Dear

As a graduate of International Salon and Spa Academy (ISSA), you have been selected to participate in the Recent Graduates Employment and Earnings Survey (RGEES).

By completing this simple, 5-minute survey about your earnings since graduation, you can help ISSA remain eligible for federal financial aid, thereby affording future students at ISSA the same help and assistance that was afforded to you when you were a student.

The RGEES will ask you about your earnings in an effort to calculate the average earnings of cosmetology students who graduated from ISSA. This information will be used only in the recalculation of ISSA's Debt-to-Earnings Ratio and never for any other purpose. **Your individual survey responses will never be shared with anyone.**

As a token of our appreciation, we will send you a **\$25 Amazon gift card** to thank you for your participation.

We have enclosed a copy of the survey. You can call us at 719-597-1413 ext 1009 with the information or you can complete the survey and mail it back to us.

The more graduates who complete the survey, the more successful ISSA will be. Your involvement actively helps ISSA and your fellow students.

Sincerely,

Gayla Henry, Executive Director

## EXHIBIT 10

### Text messages sent

1/23/17

Watch for short 5 question survey about your income since your graduation from Int'l Salon & Spa Academy. This Confidential data used for survey only, not reported anywhere else. Check your email for more information.

2/10/17

It's almost time! Short survey about your income since your graduation from Int'l Salon & Spa Academy coming soon. This Confidential data used for survey only, not reported anywhere else. Watch your email for more information.

2/14/17

We've sent out the email with your survey! If you haven't received it, please check your spam folder or call us to make sure we have your correct email address. Your Amazon gift card is waiting! International Salon and Spa Academy

# EXHIBIT 11

RGEES Response Rate Report

06/08/2017 12:50

DATA_COLLECTION	GRADUATES IN BC	GRADUATES IN VC	GRADUATES IN AVC	BC RESPONSE RATE	VC RESPONSE RATE	AVC RESPONSE RATE
YP 14 Cosmetology	67	67	67	68.7	68.7	68.7
YP 14 Cosmetology	67	67	67	68.7	68.7	68.7



# EXHIBIT 12

RGEES Nonresponse Bias Report  
 06/08/2017 12:53

CHARACTERISTIC	GRADUATE NUMBER	GRADUATE PERCENT	RESPONDENT NUMBER	RESPONDENT PERCENT	ESTIMATED BIAS	RELATIVE BIAS
Pell Grant Recipient	50	74.6	35	76.1	-1.5	-0.02
Zero expected family contribution	40	59.7	26	56.5	3.2	0.05
Female	64	95.5	44	95.7	-0.2	
Average of absolute values of relative bias						0.02

# EXHIBIT 13

RGEES Mean and Median Earnings Report  
 06/08/2017 12:52

EARNINGS	MEAN	MEDIAN	ZERO EARNINGS	RESPONDENTS	NUMBER OF TRIMMED RESPONDENTS	PERCENT OF TRIMMED RESPONDENTS
Total	16850.17	16164	1	46	0	0
YP 14 Cosmetology	16850.17	16164	1	46	NA	NA
From Employer	14291.91	13000	1	46	0	0
YP 14 Cosmetology	14291.91	13000	1	46	NA	NA
From Own Business	2176.09	0	0	46	0	0
YP 14 Cosmetology	2176.09	0	0	46	NA	NA
Other	382.17	0	0	46	0	0
YP 14 Cosmetology	382.17	0	0	46	NA	NA

Annual Earnings (Estimated per data from Dept. of Ed.'s 2012 Informational Rates)	\$16,850
Poverty Guideline x 1.5 (per 2014 guidelines)	\$17,505
Discretionary Income	-\$655
Median Loan Debt (per graduate data from 2010/2011 and 2011/2012)	\$9,500
Annual Interest Rate	6.80%
Repayment Period	10
Annual Loan Payment	\$1,311.92
Estimated MCB Annual Earnings Rate	7.79% * this will r
<b>Annual Earnings Rate Passing Threshold</b>	<b>8%</b>
Estimated MCB Discretionary Income Rate	
<b>Discretionary Income Rate Passing Threshold</b>	<b>20%</b> discretion.

Annual Earnings Rate = Annual Loan Payment/Annual Earnings  
Discretionary Income Rate = Annual Loan Payment/Discretionary Income  
Annual Loan Payment =  $12 * (D * ((1/(12)) * ((1 + (1/12)) * (Y * 12)))) / (((1 + (1/12)) * (Y * 12)) - 1)$

D = median loan debt for GE program  
I = annual interest rate = 6.8%  
Y = number of years of repayment = 10

\* Rates are estimates only and assume 30 or more students completed the program in 2010/2011 and 2011/2012 combined. Otherwise, data from 2008/2009 and 2009/2010 will need to be used.

**Zone:**  
Programs whose graduates have annual loan payments between 8% and 12% of total earnings  
OR between 20% and 30% of discretionary earnings.

GE program becomes ineligible if the program:  
\* Fails two out of any three consecutive award years for which D/E rates are calculated  
OR  
\* Has a combination of zone and failing rates for four consecutive years D/E rates are calculated

most likely improve and move closer to pass in future years

entry won't count/ does not work for our students income  
entry designed to accommodate high cost programs

# LIGHTHEART | SANDERS

## CERTIFIED PUBLIC ACCOUNTANTS

### INDEPENDENT ACCOUNTANT'S REPORT

To International Salon and Spa Academy

We have examined management's assertions that International Salon and Spa Academy conducted its gainful employment survey of its Title IV programs in accordance with the Standards for Conducting the Recent Graduates Employment and Earnings Survey (GE Standards) and that the mean or median earnings used to recalculate the debt-to earnings ratios was accurately determined from the survey results for the award year ended June 30, 2015. International Salon and Spa Academy's management is responsible for this statement. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, the requirements set forth in the GE Standards and with attestation standards contained in the Government Accountability Office's Government Auditing Standards promulgated by the Comptroller General of the United States and with procedures for attestations contained in guides developed by and available from the Department of Education's Office of Inspector General, and accordingly, included examining, on a test basis, evidence supporting management's assertions that International Salon and Spa Academy conducted its gainful employment survey in accordance with the previously mentioned standards and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the gainful employment survey referred to above presents, in all material respects, gainful employment survey results in accordance with the Standards for Conducting the Recent Graduates Employment and Earnings Survey.

This report is intended solely for the information and use of management and the Department of Education and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



Lighthouse Sanders and Associates

June 14, 2017

**From:** Lorrinda Romero  
**Sent:** 20 Jun 2017 15:13:44 +0000  
**To:** AltEarningsAppeals  
**Subject:** Alternate Earnings Appeal  
**Attachments:** Alternate Earnings Appeal.pdf, Independent Accountant Report.pdf

Attached is the Alternate Earnings Appeal and Independent Accountant's Report for International Salon and Spa Academy

Lorrinda Romero  
Executive Assistant  
International Salon and Spa Academy  
5707 N. Academy Blvd.  
Colorado Springs, CO 80918  
(719) 597-1413 Ext. 1009  
[www.issaco.edu](http://www.issaco.edu)



June 14, 2017

I hereby certify that the survey was conducted in accordance with the Standards for Conducting the Recent Graduates Employment and Earnings Survey and that the mean or median earnings used to recalculate the debt-to-earnings ratios was accurately determined from the survey results.

(b)(6)

Thomas Twardowski

President

# International Salon and Spa Academy

## 1. PLANNING YOUR DATA COLLECTION-----

### Standard 1:

The survey design components required to conduct the Recent Graduates Employment and Earnings Survey include a plan that addresses the objectives of the survey, the survey design, the data collection plan, the confidentiality pledge, a data security plan, and the human and fiscal resources and time needed to achieve high data quality. To meet this standard, the survey design plan must include the following:

- 1.11: \*A detailed discussion of the goals and objectives of the survey or survey system, including the information needs that will be met, content areas included, the list of program completers to be surveyed, and analytic goals (see Standard 8)

After reviewing the standards of conduct and best practices guide for an earnings appeal, International Salon and Spa Academy (the Academy) has the following goals and objectives:

1. The Academy will comply with all regulatory and compliance rules set forth by the Department for an earnings appeal.
2. The Academy will attempt to collect as many completed surveys as possible, with a goal of over 50% of graduates.
3. The Academy will use the RGEES platform for data collection.
4. The Academy will provide each graduate an equal opportunity to complete the RGEES.
5. The Academy will keep all graduates' information safe and secure.

Exhibit 1 - A list of all 67 graduates. The Academy will offer a \$25 Amazon gift card to all graduates to encourage responses, speed up the process and show the graduates how important it is to participate in the RGEES.

Exhibit 2 -A timeline of events on how the Academy attempted to reach each graduate.

Emails were sent using the RGEES platform. The email used was a template suggested by the Department in the Best Practice Guide; see Exhibit 3. Follow up emails also used a template suggested by the Department in the Best Practice Guide; see Exhibit 4.

From February 24, 2017 thru June 10, 2017, staff on the Academy's RGEES team called every phone number on the students' account and contacted phone numbers on the graduates' reference sheets. See Exhibit 5. Champion, Facebook, PremiumWhitePages.com, BeenVerified.com, FamilyTree.com, MyLife.com, persopo.com, and NationalCellularDirectory.com were also used as tracking tools. During this process, many phone numbers were disconnected, or were wrong phone number. Email addresses were also found to be not functional. The Academy kept track of this in Exhibit 6 – Notes from staff.



1.22: \*A listing of all survey data items. It is preferred that only RGEES items appear in the survey used to collect data for the Gainful Employment Regulations earnings appeal process.

Survey data items include:

- Verification of name
- Wages, salary, tips, overtime pay, bonuses or commissions from an employer in the year specified, for the job held the longest
- Total Wages, salary, tips, overtime pay, bonuses or commissions from any other employers in the year specified
- Any self-employment income, including from your own business in the year specified
- Any money earned from work you did that was not already reported in this survey

Our survey was administered through the RGEES platform, using only the questions that the U.S. Department of Education provided in the *Standards for Conducting the Recent Graduates Employment and Earnings Survey (Appendix A)*. No other questions were used in this survey.

If the survey provided by ED is administered in conjunction with another survey of program completers, the RGEES questions must be used intact. That is, no alteration of the wording of the survey questions is permitted, and the order of individual items must be preserved. Any additional items must be separate and not applicable to the Gainful Employment issue. These additional items can be added only at the end of the survey to avoid affecting the responses to the questions provided in the Recent Graduates Employment and Earnings Survey.

No other questions were used in this survey.

Only data from the RGEES questions may be used in an appeal.

1.33: The anticipated data collection procedures must include the elements that follow.

1. Timing of data collection; RGEES platform will be installed and the survey sent out beginning February 10, 2017 with a response completion date of June 10, 2017.
2. Primary mode of collection (e-mail, mail survey, telephone, or in-person interview) (See *RGEES Best Practices Guide*; for information based on OMB "Guidance on Agency Survey and Statistical Information Collections," 1/20/2006);

The RGEES Platform will be our mode of collection. Email, phone, social media, and texting will be employed as follow up methods.

3. Data collection protocol to be used by data collection staff;

RGEES will be used as the data collection tool. All graduates of the cohort will be entered into RGEES. An initial email (suggested by the Department in the Best Practice Guide See Exhibit 3) with survey information will be sent to all members of the cohort thru the RGEES platform. Follow up email (Exhibit 4) will be sent depending on response rate. Any nonresponsive graduates will then receive a phone call.

A copy of phone scripts (Exhibit 7), a copy of the survey (Exhibit 8) and a list of graduates with contact information (Exhibit 5) is given to each staff member that has been chosen to help conduct the survey. Staff will make the phone call, leave a message, talk to the person, arrange a time for follow up or complete the survey over the phone, as appropriate. Notes will be taken on each call made regarding time, result, message, etc. (Exhibit 6)

Any calls not completed due to wrong number, disconnected number, incorrect email address, etc. will be reported to the Executive Assistant. The Executive Assistant, working with the Alumni Services Coordinator, will follow up to get any updated or more complete information from Champion College Services, Inc or other relevant tracking agencies.

Nonresponsive graduates will be mailed a survey. Returned surveys will be entered into the RGEES platform via proxy.

4. Training of survey collection staff and persons coding and editing the data;

A meeting was held on February 24 to train Gayla Henry, Carrie Peterson, Margaret Petersen, Vickie Andres, Gaynol Hopson, Penny Lightfoot and Lorrinda Romero in the protocols for collecting data. A copy of phone scripts, a copy of the survey and a list of graduates was given to each person. The protocol was reviewed and refined. Staff were to begin making calls immediately, returning all completed surveys with notes to the Executive Assistant for proxy entry in the RGEES platform. Notes were kept for each call made regarding messages, responses, email address corrections, person contacted, and responses for non-participation. Any respondents wishing to respond via the web were sent an email with the survey via the RGEES platform

5. Anticipated response rate for the data collection (see Standard 5.1);

A completed survey must include sufficient responses to determine whether the respondent has earnings and to support reporting the respondent's total earnings (including 0 earnings). The RGEES survey will be considered "complete" if the respondent fills out at least one of the earnings items. The survey response rate is calculated as the ratio of the number of completed surveys (S) to the number of graduates in the cohort (C). Potential respondents that are eligible and not interviewed may include refusals, non-contacts, incomplete responses, or other reasons for non-response. The response rate goal is a minimum of 50%.

Methods used to achieve acceptable response rates (see Standard 2). To maximize participation, it will be made clear to contacted graduates that the survey will be of no cost to them personally and that their participation can only help our appeal process. We will be respectful of the graduates' wishes and possible time constraints. We will let them know immediately how long it will take and that the information they provide will be used as part of the appeals process only. We will also be offering a \$25 Amazon gift card for completed surveys.

6. 1.4: \*A nondisclosure pledge (see Standard 3.1).

The Academy understands Federal law requires that confidentiality of the data contained (i.e. personally identifiable information or PII) must be protected (20 U.S.C. 1232g). Academy employees who had access to the information during the RGEES understand the importance of protecting the confidentiality of the survey respondent's information, are cognizant of the requirements of the law, and monitor the confidentiality of PII in their daily activities and in the release of information to the public. The Academy did protect graduates through the data collection, processing, and reporting activities to ensure that data was handled in such a way to avoid disclosure of PII. Please see Standard 3 for the processes the Academy used to maintain a high level of data security.

1.55: A security plan for preserving the confidentiality of the data during collection, processing, and analysis (see Standard 3.2 for details).

DATA SECURITY PLAN

A data security plan was developed implemented and adhered to.

During data collection and once data is collected, data is secured against unauthorized access.

- All electronic spread sheets are stored on a secure server and are limited to authorized project staff.
- All survey data entered are on the secure computer that only has the RGEES platform and are limited to authorized project staff.
- All paper spreadsheets are generated by the Executive Assistant and maintained by the staff in secure locations.
- All computers are secured against malicious software and intrusion using the best available information security practices.
- All data and systems are periodically monitored and updated

Access was limited to appropriate staff. Only staff selected to participate in the RGEES survey are given information on a need to know basis. These staff members are:

Thomas Twardowski – President – directed and oversaw the process

Gayla Henry – Executive Director – contacting students and collecting survey information

Lorrinda Romero – Executive Assistant – set up RGEES platform with IT personnel, minimal student contact and survey information collection, proxy entry in RGEES platform, ran all reports from RGEES platform. Only the Executive Assistant had access to the RGEES platform and the RGEES platform computer

Margaret Peterson – Financial Aid - contacting students and collecting survey information

Carrie Petersen – Alumni Services Coordinator - contacting students and collecting survey information

Gaynol Hopson – Instructor - contacting students and collecting survey information

Vickie Andres – Instructor - contacting students and collecting survey information

Penny Lightfoot – Instructor - contacting students and collecting survey information

This list is reviewed periodically

Use of PII and other identifiers were minimized as much as possible to prevent disclosure. Information taken from the Cohort list includes the graduate's name, Zero EFC

status, PELL status, and Female status. This excel spreadsheet is not given to the staff collecting data, but is only used for input in the REGESS system. Excel spreadsheets given to staff for data collection include only the student's name, date of graduation, mailing address, telephone numbers, and email addresses.

Respondents were informed that their data would be held as confidential and only used for statistical purposes.

This non-aggregated data was not used or released for anything except this audit.

Data was not released in cross-tabular form.

The Data Security Plan is reviewed routinely and updated as necessary.

1.66: If data may be used now or in the future for any purpose beyond the appeal, provide a disclosure analysis plan that describes how disclosure risk will be controlled (see Standard 3.3 for details).

Data will only be used for the appeal

1.77: Outline the quality assurance plan for each phase of the survey process that will permit monitoring and assessing the performance during implementation.

During installation of the RGEES software, qualified IT personnel will do the installation.

Testing of the RGEES platform is done by the Executive Assistant and IT personnel.

During the survey process, the RGEES platform is monitored daily, and staff collecting data are monitored daily.

After the survey, the Executive Assistant together with the President will monitor, collect, and compile the results.

1.88: Outline the general parameters for monitoring nonresponse and evaluating survey procedures and results (see Standards 5 and 6 for details). We are using the RGEES system which will track and monitor response and nonresponse.

1.99: Identify and monitor key milestones of the survey and the time relationships among them. Survey responses are monitored daily and problems/concerns addressed as they arise.

1.10: An estimate of the target time period needed for the full survey cycle, including the estimated times for the items that follow.

1. Planning and development; January 23-February 9, 2017
2. Data collection; February 10-June 10, 2017
3. \*Processing and data editing; June 10-June 13, 2017
4. Disclosure avoidance plan and analysis, if data will be used for any purpose other than the aggregated data from the RGEES; N/A
5. File construction; 1 day
6. Survey documentation; 1 day and

7. \*Completion and review of the reporting template and any additional internal reports.  
June 14, 2017

## 2. DATA COLLECTION METHODOLOGY -----

### Standard 2:

**Administer data collection instruments and methods in a manner that achieves the best balance between maximizing data quality and controlling measurement error while minimizing respondent burden using best practices established in the field of survey methodology.**

- 2.11: Encourage respondents to participate to maximize response rates and improve data quality. (See the *RGEES Best Practices Guide* for data collection strategies that can be used to achieve high response rates).

To maximize participation, it will be made clear to contacted graduates that the survey will be of no cost to them personally and that their participation can only help our appeal process. We will be respectful of the graduates' wishes and possible time constraints. We will let them know immediately how long it will take and that the information they provide will be used as part of the appeals process only.

The Academy used a variety of methods to contact and encourage graduates in the cohort to complete the survey. A \$25 Amazon Gift Card for each completed survey was offered to each graduate.

See attached Exhibit 2

See attached examples of all texts and emails sent

- 2.22: Design and administer the data collection to achieve the best data quality possible. Doing so requires the steps that follow.

1. Identify the appropriate methods / modes (e.g., e-mail, mail, telephone, Internet) of data collection for recent program completers, the objectives of the data collection, the resources available, and time constraints; RGEES was used as the primary method of contact as it was determined to be the most efficient and timely manner to collect the data for the Academy
2. When using the RGEES platform, or any other electronic data collection system, establish protocols for computer systems to ensure that Internet data collection functions correctly (see the *RGEES Platform User Guide* on how to install/use the platform); IT personnel were hired to purchase a secure computer, correctly install the RGEES software and ensure that it works correctly, and monitor the system and backup protocols.
3. Use more than one mode of data collection to improve response rates and / or if needed to meet response rate requirements (e.g., follow up nonrespondents in a mail or Internet survey with telephone calls). (See Standard 5.2 and the Data Collection section in the *RGEES Best Practices Guide* for additional guidance on response modes); Follow up contact

included phone calls and texts, 3<sup>rd</sup> party location services, Facebook, and graduates' referral contacts

4. Establish the data collection protocol to be followed by the staff involved in the data collection (see the *RGEES Best Practices Guide*).

We will maintain a balance between data quality and minimizing respondent burden. We will conduct surveys via email through the RGEES platform. The RGEES Platform is a web-based tool that contains the survey, has the ability to send e-mails, can be used to monitor response rates during data collection and can perform the requisite statistical analyses.

Text messages will be sent out prior to the initial survey and after the initial email is sent through our ZipWhip text messaging service, see Exhibit 10.

Initial and follow up emails with the survey attached will be sent out through RGEES platform. (Exhibits 5 and 6)

Follow up phone calls to nonrespondents will be made as follows:

A copy of phone scripts (Exhibit 8), a copy of the survey and a list of nonresponsive graduates with contact information is given to each staff member selected to help with the survey. Staff will make the phone call, leave a message, talk to the person, arrange a time for follow up or complete the survey over the phone, as appropriate. Notes will be taken on each call made regarding time, result, message, etc. (Exhibit 4)

Any calls not completed due to wrong number, disconnected number, incorrect email address, etc. will be reported to the Executive Assistant.

The Executive Assistant, working with the Alumni Services Coordinator, will follow up to get any updated or more complete information from Champion College Services, Inc. or other relevant tracking agencies.

Nonresponsive graduates will then be mailed a survey (Exhibit 9). Returned surveys will be entered into the RGEES platform via proxy by the Executive Assistant.

### 2.33: Monitor data collection activities.

1. Use internal reporting systems that provide timely reporting of response rates and the reasons for nonresponse throughout the data collection (e.g., paradata, such as refusals, hard to locate cases). These systems should be flexible enough to identify important subgroups with low response rates for more intensive follow-ups. The RGEES Platform has a participation rate reporting function that supports this monitoring. All nonresponsive graduates' information is given to the Executive Assistant who tracks information on a master Cohort list and through the RGEES platform.
2. Specify procedures to use to identify and correct problems. (See the *RGEES Best Practices Guide* for details.)

Wrong telephone numbers, disconnected numbers, incorrect email address, etc. will be reported to the Executive Assistant who will work with the Alumni Services Coordinator to report them to Champion College Services, Inc. for skip tracing services. RGEES team members may use social media, school reference records, PremiumWhitePages.com, BeenVerified.com, FamilyTree.com, MyLife.com, persopo.com, and NationalCellularDirectory.com to try to contact cohort graduates. Any new or updated information is provided on the student list and contact is attempted through all formats.

## 3. MAINTAINING CONFIDENTIALITY -----

### Standard 3:

**Federal law requires that the confidentiality of data that contain information about individuals (i.e., personally identifiable information or PII) must be protected (20 U.S.C. 1232g). Anyone who will have access to the information must understand the importance of protecting the confidentiality of the survey respondents' information, be cognizant of the requirements of the law, and monitor the confidentiality of PII in their daily activities and in the release of information to the public. Steps must be taken throughout the data collection, processing, and reporting activities to ensure that data are handled in such a way as to avoid disclosure of PII.**

### LEGAL REQUIREMENTS:

**The Family Educational Rights and Privacy Act (FERPA) (20 U.S.C. 1232g) and any relevant state confidentiality or privacy laws apply to personally identifiable information used or collected in the survey. Data that include personally identifiable information from students' education records are protected under FERPA and may only be used for the evaluation of federally supported education programs or for conducting studies for, or on behalf of, educational agencies or institutions to improve instruction.**

- 3.11: \*The Recent Graduates Employment and Earnings Survey uses the graduation/completion status of program participants, student background information, and their contact information from the students' education records for graduates of a specific Gainful Employment program as part of the evaluation of Title IV-supported gainful employment education programs. This information is protected by FERPA. The respondents must be

informed of these protections, and must be assured that their individual data, including their employment and earnings data, will be protected from unauthorized disclosure, will be combined with those of other respondents from their program, and will only be reported in the aggregate when there are a sufficient number of graduates to protect each respondent's data. Note that the reporting rule in the Gainful Employment Regulations requires 30 cases to report data for a program (Section 668.402).

FERPA and other confidentiality and privacy laws were maintained during all phases of the RGEES collection. Graduates were informed of these protections, and assured that their individual data, including their employment and earnings data, will be protected from unauthorized disclosure, and their earnings data will be combined with those of other respondents from their program and used in a statistical manner only.

Our cohort consisted of 67 graduates which meets the Gainful Employment Regulations requiring 30 cases.

3.22: Establish procedures and mechanisms to ensure the information is protected during the production, use, storage, transmittal, and disposition of the survey data in any format (paper survey forms, electronic files, printouts). Ensure that personally identifiable survey data are protected from physical and electronic intrusion (see RGEES Best Practices Guide for a template for your Security Plan).

#### DATA SECURITY PLAN

A data security plan was developed implemented and adhered to.

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- All paper spreadsheets are generated by the Executive Assistant and maintained by the staff in secure locations.
- All computers are secured against malicious software and intrusion using the best available information security practices.
- All data and systems are periodically monitored and updated

Access was limited to appropriate staff. Only staff selected to participate in the RGEES survey are given information on a need to know basis. These staff members are:

Thomas Twardowski – President – directed and oversaw the process

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Margaret Peterson – Financial Aid - contacting students and collecting survey information

Carrie Petersen – Alumni Services Coordinator - contacting students and collecting survey



information

Gaynor Hopson – Instructor - contacting students and collecting survey information

Vickie Andres – Instructor - contacting students and collecting survey information

Penny Lightfoot – Instructor - contacting students and collecting survey information

This list is reviewed periodically

Use of PII and other identifiers were minimized as much as possible to prevent disclosure. Information taken from the Cohort list includes the graduate's name, Zero EFC status, PELL status, and Female status. This excel spreadsheet is not given to the staff collecting data, but is only used for input in the REGESS system. Excel spreadsheets given to staff for data collection include only the student's name, date of graduation, mailing address, telephone numbers, and email addresses.

Respondents were informed that their data would be held as confidential and only used for statistical purposes.

This non-aggregated data was not used or released for anything except this audit.

Data was not released in cross-tabular form.

The Data Security Plan is reviewed routinely and updated as necessary.

3.33: The reporting rule in the Gainful Employment Regulations requires 30 cases to report data for a program (Section 668.402). If any additional cross-tabulations are released for external use (e.g., using characteristics of the graduates), any table with a cell with 1 or 2 cases must be recategorized to ensure that each cell in the table has at least 3 cases. This rule applies to counts and to the numerator of any computed rates or percentages, and to the number of cases used to compute an average.

No additional cross-tabulations are used nor being released.

#### **4. DATA EDITING -----**

**STANDARD 4: Data editing will be used to correct inconsistent data in the RGEES data.**

4.1: \*The edits that follow must be used. No additional edits may be used.

1. Negative values for any of the income questions will be replaced with zeroes (i.e., survey items 3a, 3b, 4a, and 5a). No negative values were reported and 0 was used.
2. When the total income (i.e., sum of survey item responses for 3a, 3b, 4a, and 5a) is calculated, values over \$999,999 will be replaced with \$999,999. There was no total income over \$999,999 reported.

4.2:\* Code the data set to flag each action taken during editing; also retain the unedited data along with the edited data. N/A

## 5. CALCULATION OF RESPONSE RATES -----

**Standard 5: Surveys must be designed and conducted to achieve the highest practical rates of response to ensure that survey results are representative of the list of recent graduates who received Title IV assistance so that they can be used with confidence to reflect the employment status and earnings of the Title IV-assisted recent graduate cohort. Nonresponse bias analysis must be conducted when response rates or other factors suggest the potential for bias to occur.**

5.11: \* A completed survey must include sufficient responses to determine whether the respondent has earnings and to support reporting the respondent's total earnings (including 0 earnings). The RGEES survey will be considered "complete" if the respondent fills out at least one of the earnings items. The survey response rate is calculated as the ratio of the number of completed surveys (S) to the number of graduates in the cohort (C). Potential respondents that are eligible and not interviewed may include refusals, noncontacts, incomplete responses, or other reasons for nonresponse.

$$\text{Response Rate} = \text{RR} = S/C$$

1. If cohort members who were excluded from the agreed upon cohort list that the U.S. Department of Education submitted to the Social Security Administration to obtain the cohort earnings data are added, the count of those added cohort members should be added to the number of cases in the cohort (C) and also to the number of completed surveys (S) (see Introduction for a description of excluded cases).  
The Department of Education cohort list was used, with no names added.

The RGEES platform was used to gather and calculate the response rate. See Exhibit 11 RGEES Response Rate Report.

5.22: **As a minimum requirement, at least one half of the recent graduates surveyed for a specific program must submit a completed survey through one or more modes of data collection. That is, the response rate for an individual program must be at least 50 percent for the data to be used to support an appeal under the Gainful Employment Regulations appeal process.**

Our response rate is 68.7%

## 6. NONRESPONSE BIAS ANALYSIS -----

**Standard 6: The potential impact of nonresponse on the quality of information obtained from the survey must be taken into consideration. Nonresponse bias is a serious problem and occurs when there is a correlation between the likelihood of participation in the survey and the responses to the survey variable(s) being measured. Survey estimates may be biased if those who choose to participate (respondents) differ substantially and systematically from those who choose not to participate (nonrespondents). If these differences are related to employment status or earnings, the results from the RGEES may be misleading or even**

**erroneous. The nonresponse bias analysis can indicate the potential impact of nonresponse bias. A nonresponse bias analysis must be conducted if the unit response rate is between 50 percent and 80 percent.**

**Nonresponse bias is assessed by comparing respondents and nonrespondents on information available from graduates' student records. Analysis of recent program level data identified three variables that are readily available in student records and are correlated with earnings: graduates with Pell grants, graduates with a zero expected family contribution, and graduates who are female. A nonresponse bias analysis examines these attributes of the program graduates to determine whether response rates are related to those attributes and/or whether the characteristics of respondents and nonrespondents differ on these characteristics.**

**If excluded cohort members that are not part of the finalized cohort list that the U.S. Department of Education submitted to the Social Security Administration to obtain the cohort earnings data are added to the list of graduates, the student attribute data for those graduates should be included in the data set prior to conducting the nonresponse bias analysis. (If the RGEES platform is used, data for these graduates should be added to the RGEES data base. If the RGEES platform is not used, these counts should be included in the nonresponse bias analysis.)**

- 1. The first question in a nonresponse bias analysis is whether the response rates vary across the attributes examined (i.e., do the response rates computed for the group of respondents who received Pell grants differ from those who had a zero expected family contribution, or those who are female)?**
  - 2. The second question in a nonresponse bias analysis is whether there are differences between respondents and nonrespondents on the attributes examined—for example, does the percent of responding graduates who received Pell grants differ from the percent of nonresponding graduates who received Pell grants; are there differences between responding and nonresponding graduates in the percentages of graduates with zero expected family contributions; or the percentages who are female).**
- 6.11: \*The basic measure of nonresponse bias is the relative bias, that is, the ratio of the bias in an attribute to the percentage of graduates in the cohort with the attribute(s) measured based on data from the graduates' student records. The relative bias must be computed for the percent of graduates who received Pell Grants while enrolled, the percent with zero expected family contributions, and the percent female and the average relative bias averaged over these three attributes.**

**If excluded cohort members that are not part of the agreed upon cohort list that the U.S. Department of Education submitted to the Social Security Administration to obtain the cohort earnings data are added to the cohort, they must be added to the data collection data base before the final nonresponse bias analysis is conducted (see Introduction for a description of excluded cases).**

**\*The nonresponse bias analysis must be conducted both with and without the excluded cases. The relative bias must be calculated as follows:**

1. An estimate of the bias due to nonresponse for each of the three attributes examined can be computed as the product of the nonresponse rate and the difference between respondents and nonrespondents. An estimate of the bias for each of the three attributes examined is given by:

$$B(\bar{Y}_{NR}) = \bar{Y}_R - \bar{Y}_T = (N_{NR}/N) (\bar{Y}_R - \bar{Y}_{NR})$$

Where:

$\bar{Y}_T$  = the percent based on all cases;

$\bar{Y}_R$  = the percent based only on respondent cases;

$\bar{Y}_{NR}$  = the percent based only on the nonrespondent cases;

$N$  = the total number of cases; and

$N_{NR}$  = the number of nonrespondent cases.

RGEES Nonresponse Bias Report

06/08/2017 12:53

CHARACTERISTIC	GRADUATE NUMBER	GRADUATE PERCENT	RESPONDENT NUMBER	RESPONDENT PERCENT	ESTIMATED BIAS	RELATIVE BIAS
Pell Grant Recipient	50	74.6	35	76.1	-1.5	-0.02
Zero expected family contribution	40	59.7	26	56.5	3.2	0.05
Female	64	95.5	44	95.7	-0.2	
Average of absolute values of relative bias						0.02

2. An estimate of the relative bias is then computed as the ratio of the bias due to nonresponse to the actual value derived from student records.

$$RelB(\bar{Y}_{NR}) = B(\bar{Y}_{NR}) / \bar{Y}_T$$

3. The average relative bias due to nonresponse, computed as the average of the absolute value of the relative bias due to nonresponse measured for each of the three attributes examined, is used to measure the relative bias due to nonresponse present in of the RGEES data.

$$\text{Average Rel}B(\bar{Y}_{NR}) = (|B(\bar{Y}_{1NR}) / \bar{Y}_{1T}| + |B(\bar{Y}_{2NR}) / \bar{Y}_{2T}| + |B(\bar{Y}_{3NR}) / \bar{Y}_{3T}|) / 3$$

The RGEES platform was used to gather and calculate the response rate. See Exhibit 12 RGEES Nonresponse Bias Report.

6.22: \*In the case of nonresponse to the RGEES, the following decision rule applies:

As a minimum requirement, the average relative bias due to nonresponse (equation 6.1.3) in the data for recent graduates surveyed for a specific program must not exceed 10 percent. That is, the average relative bias computed over the percent of graduates who received a Pell grant, the percent with a zero expected family contribution, and the percent female within an individual program must not exceed 10 percent in order for the earnings data from RGEES to be used to support an appeal under the Gainful Employment Regulations appeal process.

The RGEES platform was used to gather and calculate the response rate. The relative bias response rate was 0.02. See Exhibit 12 RGEES Nonresponse Bias Report.

## 7. CALCULATING THE MEAN AND MEDIAN-----

**Standard 7: Established procedures must be used to compute the mean and median of the earnings data collected using RGEES.**

7.11: \*The mean is the average, computed as the sum of all earnings across graduates who responded to the survey divided by the number of graduates who responded to the survey. Nonrespondents must be excluded from the computation, but respondents who reported zero (\$0) earnings must be included in the computation. (The mean will be calculated automatically by the RGEES platform. If the RGEES platform is not used, the mean must be computed as described here.)

7.22: \*The median is the midpoint of the distribution of all reported earnings, including zeros (\$0). One half of the respondents with earnings reported (including zeros (\$)) are above the median and one half are below the median. . (The median will be calculated automatically by the RGEES platform. If the RGEES platform is not used, the median must be computed as described here.)

1. Order the respondents' earnings from the lowest (\$0) to the highest (\$999,999). (If multiple graduates have equal amounts of total income, enter that amount once for each graduate with that amount of income.)
2. Identify the middlemost earnings value which is the median earnings value. If the number of respondents is even, there is no one middle value. In this instance, the median is computed as the mean of the two earnings values closest to the middle.

The RGEES platform was used to gather and calculate the response rate. Access to individual survey results were not available once the graduates were moved to a "vetted" status to generate reports in the RGEES platform. See Exhibit 13 RGEES Mean and Median Earnings Report.

## 8. DOCUMENTING A SURVEY SYSTEM -----

**Standard 8: Complete documentation must be developed for each program that uses the RGEES in an appeal of the program's graduates' earnings under the Gainful Employment Regulations. Documentation includes those materials necessary to replicate and evaluate each survey.**

8.1: \*Survey documentation must, at a minimum, include the elements that follow.

1. Final data set(s), final instrument(s) or a facsimile thereof; final response rate = 68.7% out of 67 graduates, nonresponse relative bias=0.02, mean earnings total = \$16850.17, median earnings total = \$16164
2. Definitions of all variables, including coding; none used
3. Data file layout; RGEES platform
4. Descriptions of constructed variables on the data file that are computed from responses to other variables on the file; RGEES platform did all computing
5. List of variables that could be used (alone or in combination) to uniquely identify an individual graduate in the data file; name, social security number
6. List of all edits applied to the data; none
7. Frequency counts of all survey items, including counts of the number missing.

Surveys counted daily for first month, then once a week

8.2: If the data will be used for any purposes other than the appeal under the Gainful Employment Regulations, the documentation must also include the elements that follow.

1. General description of disclosure avoidance techniques N/A and
2. Descriptions of restrictions on the use of data (e.g., limited to statistical uses; when using restricted data files, all unweighted counts included in any release must be rounded). N/A

Data was not used for any purposed other than the appeal.

8.33: \*System documentation must include the elements that follow. If using the RGEES Platform, and any alternative modes are used, 1 and 2 should be modified to include relevant information for modes other than the web collection.

1. All instructions to respondents and interviewers about how to properly respond to a survey item or about how to properly present a survey item; Instructions were give to respondents and interviewers based on the Best Practices Guide. To maximize participation, it will be made clear to contacted graduates that the survey will be of no cost to them personally and that their participation can only help our appeal process. We will be respectful of the graduates' wishes and possible time constraints. We will let them know immediately how long it will take and that the information they provide will be used as part of the appeals process only.
2. Description of the data collection methodology; RGEES platform emails and responses through the RGEES platform system, Champion College Services, Inc., phone calls, social media, school reference records, PremiumWhitePages.com, BeenVerified.com,

FamilyTree.com, MyLife.com, persopo.com, and NationalCellularDirectory.com were used to contact graduates and receive survey results where were put in the RGEES system via proxy by the Executive Director.

3. Data editing plan specifications (see Standard 4 and the *RGEES Best Practices Guide*); no data editing was done
4. Data processing plan specifications and justifications for why they were implemented; Data collection and processing was done electronically through the RGEES platform. This was deemed to be the most secure and reliable method of processing.
5. Response rates; Response rate was 68.7% and
6. Nonresponse bias analysis, Nonresponse relative bias was 0.02.

## EXHIBIT 1 2015 Cosmetology Cohort

Student First Name	Student Middle Name	Student Last Name	Student Date of Birth	ZERO EFC	PELL	FEMALE
(b)(6)				N	Y	Y
				Y	Y	Y
				Y	Y	Y
				N	N	Y
				N	Y	Y
				N	N	Y
				Y	Y	N
				Y	Y	Y
				Y	Y	Y
				Y	Y	Y
				Y	Y	Y
				Y	Y	Y
				Y	Y	Y
				N	N	Y
				N	Y	Y
				Y	Y	Y
				Y	Y	Y
				N	N	Y
				Y	Y	Y
				Y	Y	Y
N	N	Y				
N	Y	Y				
Y	Y	Y				
N	N	Y				
N	N	Y				
Y	Y	Y				
N	N	Y				
N	N	Y				
N	N	Y				
N	N	Y				
N	N	Y				
Y	Y	Y				





## EXHIBIT 2

### DATES AND METHODS OF CONTACT

January 23, 2017 a text message was sent to all graduates.

January 23, 2017 an email was sent to all graduates.

February 7, 2017 a text message was sent to all graduates.

February 10, 2017 the first RGEES email was sent to all graduates

February 14, 2017 a text message was sent to all graduates.

February 17, 2017 a follow up RGEES email was sent to all nonresponsive graduates

February 24, 2017 phone calls from selected personnel were made to all nonresponsive graduates

February 28, 2017 a follow up RGEES email was sent to all nonresponsive graduates

March 1, 2017 a letter was mailed to all nonresponsive graduates

March 3, 2017 a follow up RGEES email was sent to all nonresponsive graduates

March 5, 2017 a follow up RGEES email was sent to all nonresponsive graduates

February 24 through June 10, 2017, phone calls, emails, Facebook and tracking systems were used to attempt contact of cohort graduates by selected personnel. Any survey responses were entered into the RGEES platform via Proxy by the Executive Assistant.

A \$25 Amazon gift card was offered to all graduates and emailed to all graduates who responded to the survey.

EXHIBIT 3

"ISSA first email" in the RGEES platform

Hello [first name] [last name],

As a graduate of International Salon and Spa Academy (ISSA), you have been selected to participate in the Recent Graduates Employment and Earnings Survey (RGEES).

By completing this simple, 5-minute survey about your earnings since graduation, you can help ISSA remain eligible for federal financial aid, thereby affording future students at ISSA the same help and assistance that was afforded to you when you were a student.

The RGEES will ask you about your earnings in an effort to calculate the average earnings of cosmetology students who graduated from ISSA. This information will be used only in the recalculation of ISSA's Debt-to-Earnings Ratio and never for any other purpose. Your individual survey responses will never be shared with any other department.

As a token of our appreciation, we will send you a **\$25 Amazon gift card** to thank you for your participation.

You will be able to complete the RGEES survey on the Internet. Please use the link and credentials included below to complete the RGEES.

RGEES URL: <http://rgees.issaco.edu>

Username: [username]

PIN: [password]

We will be here to guide you through this process, and we have set up a help desk reachable at [lorrinda@issaco.edu](mailto:lorrinda@issaco.edu) and 719-597-1413 ext 1009 for any of your questions.

The more graduates who complete the survey, the more successful ISSA will be. Your involvement actively helps ISSA and your fellow students.

Sincerely,

Gayla Henry, Executive Director

EXHIBIT 4

"ISSA revised first follow up" in the RGEES platform

Dear [first name] [last name],

You recently received an email invitation to participate in the Recent Graduates Employment and Earnings Survey (RGEES) on behalf of International Salon and Spa Academy. We still need your participation. Your feedback is extremely important to the institution and future students.

For participation in the RGEES you can get a **\$25 Amazon gift card**. This is given to you as compensation for your time and effort upon completion of the survey.

Your participation actively helps ISSA and fellow students. We need for you to participate in the RGEES.

Sincerely,  
Gayla Henry, Executive Director

# EXHIBIT 5

## 2015 Cosmetology Cohort contact information

First Name	Last Name	Alt Name	DOB	Mailing address	Phone number(s)
(b)(6)					

(b)(6)

email address 1

email address 2

email address 3

(b)(6)





## EXHIBIT 6 – STAFF NOTES

(b)(6)

2/24/17 ~ 2:55pm ~left message(L/M)  
2/27/17 ~5:58pm~ spoke in person- best to call during day after 11:00am  
3/3/17 ~ 11:25 am ~ L/M  
survey completed

(b)(6)

2/24/17 ~# disc - researched alt #'s  
2/28/17~ 12:17pm~ L/M  
3/3/17 ~10:31am ~L/M  
3/3/17~2:06pm~ rec'd call back- spoke to her- updated work history- ok to send link  
survey completed

(b)(6)

2/24/17~ 2:57pm~ L/M  
2/27/17~ 6:25pm~ L/M  
2/28/17 ~ spoke to person- not her # anymore - researched alt #'s  
2/28/17~ 2:01pm~L/M alt # 1  
2/28/17~2:03pm~ spoke in person- ok to send link  
3/3/17~ 10:29am- followup msg reminder to complete survey  
survey completed

(b)(6)

2/24/17~2:58pm~ # not accepting calls~ research alt #'s  
2/28/17~12:25pm L/M alt #'s  
3/3/17 ~10:34am~ L/M  
survey completed

(b)(6)

2/24/17~3:00pm~ spoke in person- daughter's b-day, call back on Monday  
2/27/17~6:27pm~ L/M  
2/28/17~12:26pm L/M  
3/2/17~2:34pm~ L/M  
3/6/17~ 10:05am~ L/M

(b)(6)

2/24/17 ~ bad #- research alt #'s  
2/28/17~12:28pm~ L/M alt#'s  
3/3/17~ 10:41am~ alt # disc/not in service

(b)(6)

3/6/17~9:15am- called her grandmother to get updated number  
3/6/17~sent text msg  
3/7/17~11:06am~ called in to me- ok to send link  
survey completed

(b)(6)

2/24/17~ 3:02pm~ L/M  
2/27/17~ 6:28pm~ L/M  
3/3/17 ~ 10:42am~ L/M  
3/6/17~ 10:07am~ L/M  
survey completed

NOTES AND CONTACTS FROM CARRIE PETERSEN

First Name	Last Name	Student DOB	Actions
(b)(6)			3/4/17 LM on VM 3/18/2017 sent text-no response
			3/1-LM on VM 3/4-LM on VM and text 3/6-text sent
			3/1-1st number got hung up on, 2nd LM 3rd Disconnected 3/4-LM on VM
			3/1-LM on VM 3/4-sent text/Wrong # response
			3/1-LM on 3 numbers 3/5- sent text 3/17-LM on VM
			3/1-LM on VM 3/5-sent text 3/17 LM on VM and sent text
			2/24/17-Made contact-Hung up on me-DNC per Lorrinda
			2/24-LM on VM, 2/26-LM on Work and Cell- 2/27-responded and took survey
			3/2- wrong #
			3/4- LM and sent text
			Took survey
			3/2-LM on VM 3/4-sent text 3/5-LM on VM
			2/24-LM on VM- 2/26-LM on VM 2/27 sent text 3/1-No message left 3/17-LM on VM
			3/4-LM on VM 3/5 LM on VM 3/6-(b)(6) her daughter sent her a message trying to connect with (b)(6)
			2/24-LM on VM 2/27-sent text-responded "will not participate" DNC
			3/1-LM sent text 3/4-text 3/17 LM on VM
			3/2-Number not in service
3/5-LM on VM			
3/4- no voicemail set up 3/5-NA 3/6-NA			
Took survey			
3/4- LM and sent text 3/6 LM on VM			
3/4- NA sent text 3/5-NA 3/6 NA sent text			

(b)(6)

2/24-wrong # 3/1-No social media 3/4-email bounced back 3/17-was told DNC on updated list

3/4-sent text to all 4 numbers-2 responded wrong # 3/5-LM on other two working #'s

3/1-All 3 numbers listed are wrong #'s

3/2- LM on VM 3/5-LM on VM sent text

3/4-LM on all 3 numbers 3/5-sent text to all 3, one response, bad # 3/6- May be under last name Box

3/4/17 LM on VM 3/17/17 new # found 719-635-3758 LM on VM 3/18/17 text-no response

3/4/17 LM on 2 of the 4 #'s-2 #'s are disconnected 3/5/17 sent text-bad # reply 3/17-responded to Gaynol

3/1-LM on VM 2 bad #'s 3/4- LM on VM 3/6 sent text

3/1-LM on VM 3/4-LM on VM and text 3/6-text sent-no response

2/24/17 Made contact-call after 7pm 2/24-called at 7:15 pm N/A LM-sent text 2/26-LM 3/1- LM 3/4-No Message 3/17 LM

3/2-LM and sent text 3/2-response wrong #

3/4-Not a working #

2/24-No incoming calls, sent text-no reply 3/4-text-no response 3/6-no incoming calls 3/17-wrong # contacted on LinkedIn-read no reply

3/1- LM on VM 3/5-sent text-she called back but didn't talk. Recalled twice

(b)(6)

3/1 LM on VM 3/4- NA-sent text

3/2-LM on VM 3/4-sent text 3/5-LM on VM 3/17-no message left

3/1- LM 3/4- Mother asked for us to stop calling DNC

3/5-LM on VM 3/6 sent text

3/5-LM on VM-sent text

Notes from Lorrinda Romero

(b)(6)

left message 2/24 at 1:44pm, no response
call attempted 2/24 1:45pm, no name, mailbox full
2/24, wrong number
2/24 wrong number
2/24 1:48pm left message, no response
2/24 no name, mailbox full
2/24 3:00 completed survey on phone, entered by proxy in RGEES

Complete Surveys *Gayno1*

Student Last Name	Student First Name	Facebook	Been Verified	White pages Premium	Comed Efforts	Returned Call	Survey Completed	Comments	Phone Numbers
(b)(6)					3/2 left msg 3/5 left msg	3/6	3/6	husband former student	(b)(6)
		2/26 left msg			2/26 called NG	2/28	2/28	Facebook friend (b)(6) (b)(6) left message	
		2/26 left msg			2/26 called NG 2/27 left msg	2/27	2/27	Facebook friend (b)(6) (b)(6) - left msg with (b)(6) Works at (b)(6) Salon - left msg	
		2/26 Friend			2/24 called NG	2/26	2/27	Working at Walmart	
					2/27 left msg		2/27	Owns (b)(6)	
		2/26 Friend 3/5 answered FB		2/24- Married last name (b)(6)	2/24 called NG	3/6	2/27		
		2/25 Friend 2/26 FB Msg			2/25 left msg	2/27	2/27	Friends with Teacher Karen	
		2/25 left msg - accepted Friend			2/25 called NG		2/27		
		2/26 found			2/24 called NG 2/26 left msg	2/27	2/27		
		3/4 left msg - Friend 3/26 left msg left msg			2/25 left msg	3/27	3/27		
							5/12		
		3/29 left msg			3/29 left msg	3/30	3/30	Married last name (b)(6)	
		3/30 left msg Friend			2/29 called NG	3/31	3/31	(b)(6)	
					3/31 called	3/31	5/1		
		5/1 found					5/1	works at (b)(6)	
		5/1 left msg			3/29 left msg	5/2	5/2	aka (b)(6)	
		5/3 found via Mikala Plavek			5/3 left msg		5/3	works at (b)(6)	
							5/4	(b)(6)	
		5/1 Friend - left msg			5/1 called NG		5/4	aka (b)(6) asked (b)(6) to have her call me	
							5/17		
		left msg		314-647-1661 (mom)		yes	5/12		
			yes		called, answered		5/17		

Notes from Penny Lightfoot  
6/12/2017

(b)(6) Was not a working number.

Emailed her (b)(6) and did not get a response.

Found her on facebook, gave her my phone number and we touched basis and was able to complete the survey.

All contact was made on February 27,2017

(b)(6) is not a good phone number.

Made contact on 2/27/2017 by way of facebook she agreed to call me back and do the survey.

For the next several days we keep missing each other, then on March 6, 2017 we completed the survey over the phone.

(b)(6) left a message on 2/27/2017  
no response.

Called (b)(6) and it was a wrong number.



Vickie Andres notes;

Dates I called on March 4,10,18 2017 February 26 2017

(b)(6) [redacted]

No answer to any calls, no e-mail address, no contact

February

(b)(6) [redacted] March 4 call back on Monday March 5 (b)(6) [redacted]

(b)(6) [redacted] always busy no answer, contacted him using Facebook, told him to call (b)(6) [redacted] and he called and (b)(6) [redacted] ask the question for the survey to him new number (b)(6) [redacted]

(b)(6) [redacted] I called every Saturday evening dates are March 4,11,18,25. no answer, e-mailed both addresses for her 4 times no response,

(b)(6) [redacted] called left message she called the school and talk to (b)(6) [redacted] took the survey. I called and e-mailed weekly, March 4,11,18,25 2017

(b)(6) [redacted] do not call again or will report me. I left messages, facebook, grandparents would not give me any information

Case 1a

Name	Date	Mailed Survey	Date	Outcome	OBCL Site for licensure	Outcome
(b)(6)	3/1/2017	X	3/1/2017	Survey not returned	X	(b)(6)
(b)(6)			3/1/2017		X	
(b)(6)			3/1/2017		X	
(b)(6)			3/1/2017		X	
(b)(6)	3/1/2017	X	3/1/2017	Survey not returned	X	
(b)(6)			3/1/2017		X	
(b)(6)	3/1/2017	X	3/1/2017	Survey not returned	X	
(b)(6)			3/1/2017		X	
(b)(6)			3/1/2017		X	
(b)(6)			3/1/2017		X	
(b)(6)			3/1/2017		X	
(b)(6)			3/1/2017		X	
(b)(6)			3/1/2017		X	
(b)(6)			3/1/2017		X	
(b)(6)	3/1/2017	X	3/1/2017	Survey not returned	X	
(b)(6)	3/1/2017	X	3/1/2017	Return No forward Address	X	
(b)(6)			3/1/2017		X	
(b)(6)			3/1/2017		X	
(b)(6)	3/1/2017	X	3/1/2017	Survey not returned	X	
(b)(6)			3/1/2017		X	
(b)(6)			3/1/2017		X	
(b)(6)			3/1/2017		X	
(b)(6)			3/1/2017		X	
(b)(6)			3/1/2017		X	
(b)(6)	3/1/2017	X	3/1/2017	Survey not returned	X	
(b)(6)			3/1/2017		X	
(b)(6)			3/1/2017		X	
(b)(6)			3/1/2017		X	
(b)(6)	3/1/2017	X	3/1/2017	Return No forward Address	X	
(b)(6)			3/1/2017		X	







# EXHIBIT 7

Phone Script for RGEES

May I speak with \_\_\_\_\_?

Hi \_\_\_\_\_. This is \_\_\_\_\_ from International Salon and Spa Academy.  
Do you remember me? I had you in my \_\_\_\_\_ class.

Do you have a few minutes to talk to me?

*Yes – continue*

*Not right now – when would be a good time for me to call back?*

As a graduate of International you've been selected to participate in the Recent Graduates Employment and Earnings Survey (RGEES). We're collecting information about the average earnings of graduates who received federal financial aid.

The information you provide will be grouped with information from other graduates. Average earnings for all graduates will be calculated and reported. Your individual earnings will NEVER be reported, disclosed, or used in any other manner.

There are 5 brief questions about your 2014 income.

Would you like to complete the survey online or over the phone?

**To complete the survey online**, let me verify that the email address we have for you is correct.

*Verify email address on the list or get valid email address*

Within the next day you will receive an email with a link to the survey, a login and a password. Login, complete the survey, and submit. As a token of our appreciation, we will send you a **\$25 Amazon gift card** to thank you for your participation.

**If they want to complete the survey over the phone say:**

Great, we have 5 questions for you.

*the survey is provided, read each question and write down their response, then give the completed survey to Lorrinda. Make sure you write down who you are talking to on the form)*

As a token of our appreciation, we will email you a **\$25 Amazon gift card** to thank you for your participation. Let me verify that the email address we have for you is correct.

*Verify email address on the list or get valid email address*

## EXHIBIT 8

### Recent Graduates Employment and Earnings Survey

*The purpose of the Recent Graduates Employment and Earnings Survey is to collect information about the average earnings of graduates from programs whose students receive federal financial aid and which are subject to regulations on gainful employment.*

*The information you provide on this survey will be grouped with information from other graduates of your program. Average earnings for all graduates of the program will be calculated and reported to the U.S. Department of Education. Your individual earnings will **never** be reported, disclosed, or used in any other manner.*

1. **Please verify that you are <First-Name Last-Name>. Is this correct?** If you have legally changed your name but once went by <First-Name Last-Name>, please answer Yes below.
  - No → *Continue with question 2.*
  - Yes → *Skip to question 3.*
2. **Have you ever gone by <First-Name Last-Name>?** If you have legally changed your name but once went by <First-Name Last-Name>, please answer Yes below.
  - No → *Thank you. Please return the survey so that we can remove you from our list and you are not contacted again.*
  - Yes

The next few questions are about employment earnings **during the 2014 calendar year.**

This survey asks about wages and self-employment income separately. In some cases, it may not be clear to you where earnings you received should be reported. Please just use your best judgment about this, but please **do NOT report the same earnings more than once.** Remember to include earnings from **ALL jobs, even if they are not related to your degree or certificate.** Please do NOT include sources of income other than employment, such as alimony, child support, social security, disability, or unemployment compensation.

3. **Did you receive any wages, salary, tips, overtime pay, bonuses, or commissions from an employer in 2014?**
  - No → *Skip to question 4.*
  - Yes → **3a.** Think about the **job you held the longest** during 2014. In total, how much did you earn from that employer, before taxes and other deductions, in 2014?

\$ \_\_\_\_\_

**3b.** Now think about **all OTHER jobs** you held during 2014. In total, how much did you receive from **all other employers**, before taxes and other deductions, in 2014? If you had no additional jobs, please enter a zero.

\$ \_\_\_\_\_

4. Excluding any income mentioned above, did you receive any self-employment income, including income from your own business, in 2014?

No → Skip to question 5.

Yes → 4a. What was the amount you received in net self-employment income in 2014? Please report income minus expenses. If this amount is negative, please enter zero.

\$ \_\_\_\_\_

5. People sometimes earn extra money doing work outside of their regular jobs, such as freelancing, consulting, moonlighting, or doing other casual jobs. In 2014, did you earn any other money from work you did that you have not already reported on this survey?

No → Thank you. Please **return the survey**.

Yes → 5a. What was the amount of your additional earnings from work in 2014 that are not already reported above?

\$ \_\_\_\_\_

*Thank you for your participation.*



# EXHIBIT 9

Letter mailed on March 1, 2017

March 1, 2017

Dear

As a graduate of International Salon and Spa Academy (ISSA), you have been selected to participate in the Recent Graduates Employment and Earnings Survey (RGEES).

By completing this simple, 5-minute survey about your earnings since graduation, you can help ISSA remain eligible for federal financial aid, thereby affording future students at ISSA the same help and assistance that was afforded to you when you were a student.

The RGEES will ask you about your earnings in an effort to calculate the average earnings of cosmetology students who graduated from ISSA. This information will be used only in the recalculation of ISSA's Debt-to-Earnings Ratio and never for any other purpose. **Your individual survey responses will never be shared with anyone.**

As a token of our appreciation, we will send you a **\$25 Amazon gift card** to thank you for your participation.

We have enclosed a copy of the survey. You can call us at 719-597-1413 ext 1009 with the information or you can complete the survey and mail it back to us.

The more graduates who complete the survey, the more successful ISSA will be. Your involvement actively helps ISSA and your fellow students.

Sincerely,

Gayla Henry, Executive Director

## EXHIBIT 10

### Text messages sent

1/23/17

Watch for short 5 question survey about your income since your graduation from Int'l Salon & Spa Academy. This Confidential data used for survey only, not reported anywhere else. Check your email for more information.

2/10/17

It's almost time! Short survey about your income since your graduation from Int'l Salon & Spa Academy coming soon. This Confidential data used for survey only, not reported anywhere else. Watch your email for more information.

2/14/17

We've sent out the email with your survey! If you haven't received it, please check your spam folder or call us to make sure we have your correct email address. Your Amazon gift card is waiting! International Salon and Spa Academy

# EXHIBIT 11

RGEES Response Rate Report  
06/08/2017 12:50

DATA_COLLECTION	GRADUATES IN BC	GRADUATES IN VC	GRADUATES IN AVC	BC RESPONSE RATE	VC RESPONSE RATE	AVC RESPONSE RATE
YP 14 Cosmetology	67	67	67	68.7	68.7	68.7
YP 14 Cosmetology	67	67	67	68.7	68.7	68.7

# EXHIBIT 12

RGEES Nonresponse Bias Report  
 06/08/2017 12:53

CHARACTERISTIC	GRADUATE NUMBER	GRADUATE PERCENT	RESPONDENT NUMBER	RESPONDENT PERCENT	ESTIMATED BIAS	RELATIVE BIAS
Pell Grant Recipient	50	74.6	35	76.1	-1.5	-0.02
Zero expected family contribution	40	59.7	26	56.5	3.2	0.05
Female	64	95.5	44	95.7	-0.2	
Average of absolute values of relative bias						0.02

# EXHIBIT 13

RGEES Mean and Median Earnings Report  
06/08/2017 12:52

EARNINGS	MEAN	MEDIAN	ZERO EARNINGS	RESPONDENTS	NUMBER OF TRIMMED RESPONDENTS	PERCENT OF TRIMMED RESPONDENTS
Total	16850.17	16164	1	46	0	0
YP 14 Cosmetology	16850.17	16164	1	46	NA	NA
From Employer	14291.91	13000	1	46	0	0
YP 14 Cosmetology	14291.91	13000	1	46	NA	NA
From Own Business	2176.09	0	0	46	0	0
YP 14 Cosmetology	2176.09	0	0	46	NA	NA
Other	382.17	0	0	46	0	0
YP 14 Cosmetology	382.17	0	0	46	NA	NA

Annual Earnings (Estimated per data from Dept. of Ed.'s 2012 Informational Rates)	\$16,850
Poverty Guideline x 1.5 (per 2014 guidelines)	\$17,505
Discretionary Income	-\$655
Median Loan Debt (per graduate data from 2010/2011 and 2011/2012)	\$9,500
Annual Interest Rate	6.80%
Repayment Period	10
Annual Loan Payment	\$1,311.92
Estimated MCB Annual Earnings Rate	7.79% * this will r
<b>Annual Earnings Rate Passing Threshold</b>	<b>8%</b>
Estimated MCB Discretionary Income Rate	
<b>Discretionary Income Rate Passing Threshold</b>	<b>20%</b> discretion.

Annual Earnings Rate = Annual Loan Payment/Annual Earnings  
Discretionary Income Rate = Annual Loan Payment/Discretionary Income  
Annual Loan Payment =  $12 * (D * ((1/(12)) * ((1+(1/12))^{(Y*12)})) / ((1+(1/12))^{(Y*12)} - 1))$

D = median loan debt for GE program  
I = annual interest rate = 6.8%  
Y = number of years of repayment = 10

\* Rates are estimates only and assume 30 or more students completed the program in 2010/2011 and 2011/2012 combined. Otherwise, data from 2008/2009 and 2009/2010 will need to be used.

**Zone:**  
Programs whose graduates have annual loan payments between 8% and 12% of total earnings  
OR between 20% and 30% of discretionary earnings.

GE program becomes ineligible if the program:  
\* Fails two out of any three consecutive award years for which D/E rates are calculated  
OR  
\* Has a combination of zone and failing rates for four consecutive years D/E rates are calculated

most likely improve and move closer to pass in future years

entry won't count/ does not work for our students income  
entry designed to accommodate high cost programs

# LIGHTHEART | SANDERS

## CERTIFIED PUBLIC ACCOUNTANTS

### INDEPENDENT ACCOUNTANT'S REPORT

To International Salon and Spa Academy

We have examined management's assertions that International Salon and Spa Academy conducted its gainful employment survey of its Title IV programs in accordance with the Standards for Conducting the Recent Graduates Employment and Earnings Survey (GE Standards) and that the mean or median earnings used to recalculate the debt-to earnings ratios was accurately determined from the survey results for the award year ended June 30, 2015. International Salon and Spa Academy's management is responsible for this statement. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, the requirements set forth in the GE Standards and with attestation standards contained in the Government Accountability Office's Government Auditing Standards promulgated by the Comptroller General of the United States and with procedures for attestations contained in guides developed by and available from the Department of Education's Office of Inspector General, and accordingly, included examining, on a test basis, evidence supporting management's assertions that International Salon and Spa Academy conducted its gainful employment survey in accordance with the previously mentioned standards and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the gainful employment survey referred to above presents, in all material respects, gainful employment survey results in accordance with the Standards for Conducting the Recent Graduates Employment and Earnings Survey.

This report is intended solely for the information and use of management and the Department of Education and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



Lighthouse Sanders and Associates

June 14, 2017



**From:** Lou Starita  
**Sent:** 28 Feb 2017 14:15:55 -0700  
**To:** AltEarningsAppeals  
**Subject:** Alternate Earnings Appeal  
**Attachments:** CEO Signed Certification.pdf, Travstar, LLC 2015 RGEES Attestation - Final.pdf

To Whom It May Concern,  
Please find attached for **Paul Mitchell The School Boise**

1. Final electronic version of 2015 RGEES Attestation
2. CEO Signed Certification

Sincerely,


**Lou Starita**  
Dean  
**Paul Mitchell The School Boise/Nampa**

208-287-4040 Direct  
208-841-4488 Cell  
[lou@boise.paulmitchell.edu](mailto:lou@boise.paulmitchell.edu)  
[boise.paulmitchell.edu](http://boise.paulmitchell.edu)

February 23, 2017

RE: Alternative Earnings Survey Certification from Dean/Owner

I, Lou Starita, as Dean/Owner of Paul Mitchell the School Boise attest that the Alternative Earnings survey was conducted in accordance with the Standards for Conducting the Recent Graduates and Employment and Earnings Survey and that the mean or median earnings used to recalculate the debt-to-earnings ratios was accurately determined from the survey results.

Sincerely, 

(b)(6)

[Redacted signature area]

Lou Starita

Dean

**TRAVSTAR, LLC  
D/B/A PAUL MITCHELL THE SCHOOL  
COMPLIANCE ATTESTATION EXAMINATION OF  
THE STANDARDS FOR CONDUCTING  
THE RECENT GRADUATES EMPLOYMENT AND EARNINGS SURVEY  
DEBT MEASUREMENT YEAR 2015**

**TRAVSTAR, LLC  
D/B/A PAUL MITCHELL THE SCHOOL**

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**REPORT ON COMPLIANCE WITH SPECIFIED  
REQUIREMENTS APPLICABLE TO THE STANDARDS FOR CONDUCTING THE  
RECENT GRADUATES EMPLOYMENT AND EARNINGS SURVEY**

**INDEPENDENT ACCOUNTANTS' REPORT**

To the Member  
Travstar, LLC  
d/b/a Paul Mitchell the School

**Report on Compliance with Specified Requirements Applicable to the Standards  
for Conducting the Recent Graduates Employment and Earnings Survey**

We have examined management's assertions, that Travstar, LLC d/b/a Paul Mitchell the School conducted its Recent Graduates Employment and Earnings Survey for Debt Measurement Year 2015 in accordance with the requirements set forth in the Standards for Conducting the Recent Graduates Employment and Earnings Survey listed in Appendix A of the *Best Practices Guide for Recent Graduates Employment and Earnings Survey* published in November 2015.

**Management's Responsibility**

Management is responsible for conducting the Recent Graduates Employment and Earnings Survey in accordance with the requirements set forth in the Standards for Conducting the Recent Graduates Employment and Earnings Survey listed in Appendix A of the *Best Practices Guide for Recent Graduates Employment and Earnings Survey* published in November 2015.

**Accountants' Responsibility**

Our responsibility is to express an opinion on Travstar, LLC's d/b/a Paul Mitchell the School compliance based on our examination of the types of compliance requirements referred to above. We conducted our examination of compliance in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States; attestation standards established by the American Institute of Certified Public Accountants; and the *Best Practices Guide for Recent Graduates Employment and Earnings Survey* issued by the U.S. Department of Education in November 2015, and accordingly, included examining, on a test basis, evidence about Travstar, LLC's d/b/a Paul Mitchell the School compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our examination provides a reasonable basis for our opinion on compliance with the Standards for Conducting the Recent Graduates Employment Survey. However, our examination does not provide a legal determination on Travstar, LLC's d/b/a Paul Mitchell the School compliance with specified requirements.

### **Opinion on Compliance with the Standards for Conducting the Recent Graduates Employment Survey**

In our opinion, Travstar, LLC d/b/a Paul Mitchell the School complied with the types of compliance requirements referred to above that could have a direct and material effect on its survey appeal conforming to the Standards for Conducting the Recent Graduates Employment and Earnings Survey for the programs subject to the Department of Education's Gainful Employment regulations for Debt Measurement Year 2015.

### **Other Matters**

Travstar, LLC's d/b/a Paul Mitchell the School results from the Recent Graduates Employment and Earnings Survey are presented in the accompanying Survey Information Table. The Survey Information Table was not subjected to the testing procedures applied in the examination of compliance, and accordingly, we express no opinion on the Survey Information Table.

### **Purpose of this Report**

This report is intended solely for the information and use of the audit committee, management, and U.S. Department of Education, and is not intended to be and should not be used by anyone other than these specified parties.

*Knuttle & Associates, P.C.*

**TRAVSTAR, LLC  
D/BA PAUL MITCHELL THE SCHOOL  
STANDARDS REGARDING RECENT GRADUATES  
EMPLOYMENT AND EARNINGS SURVEY  
DEBT MEASUREMENT YEAR 2015**

Travstar, LLC d/b/a Paul Mitchell the School (the "Institution") asserts that the Standards for Conducting the Recent Graduates Employment and Earnings Survey for Debt Measurement Year 2015 were followed as listed below:

1. Planning Your Data Collection
2. Data Collection Methodology
3. Maintaining Confidentiality
4. Data Editing
5. Calculation of Response Rates
6. Nonresponse Bias Analysis
7. Calculating the Mean and Median
8. Documenting a Survey System

**TRAVSTAR, LLC  
D/B/A PAUL MITCHELL THE SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DEBT MEASUREMENT YEAR 2015**

There are no findings.