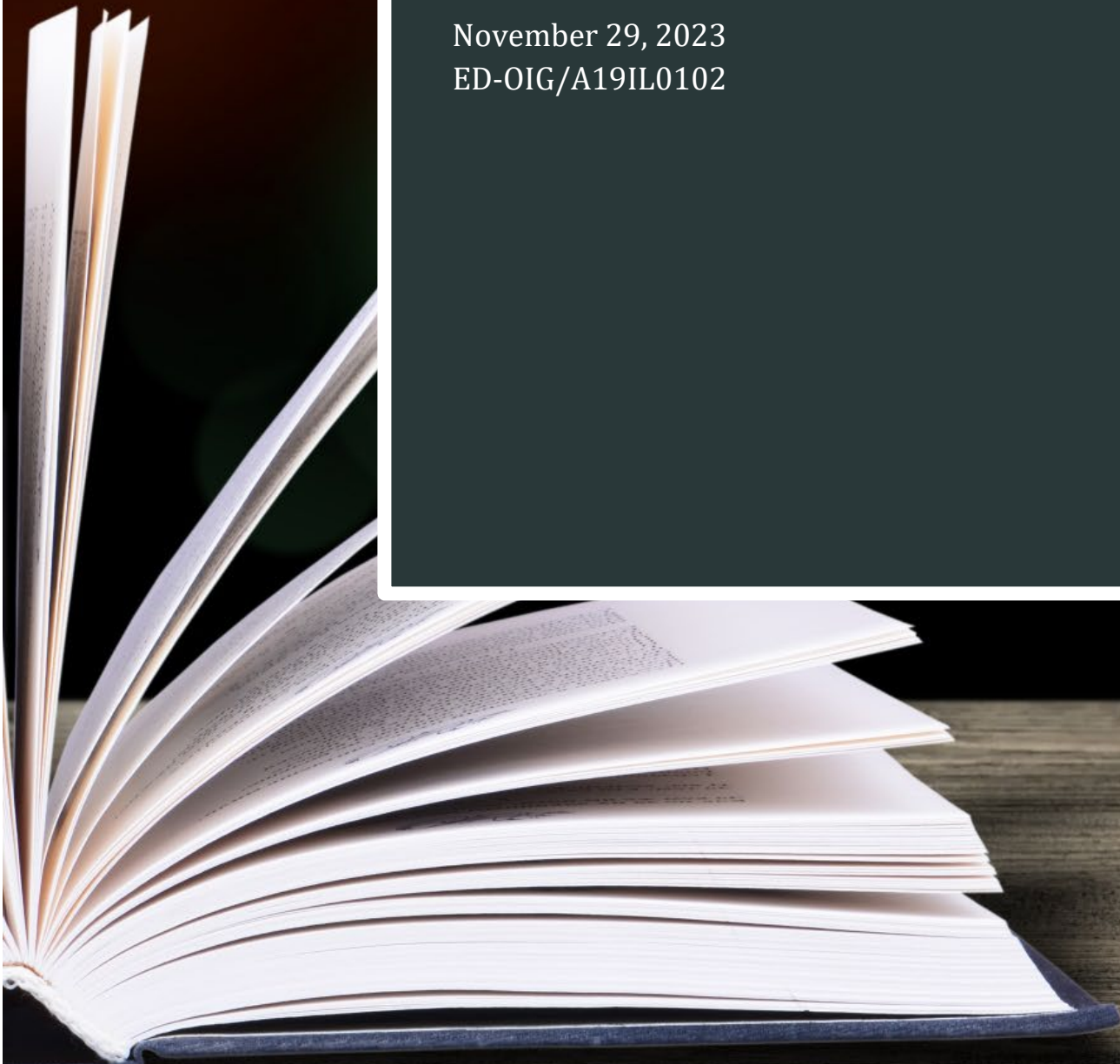




U.S. Department of Education  
Office of Inspector General

# Long Island Business Institute's Career Pathway Programs

November 29, 2023  
ED-OIG/A19IL0102



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UNITED STATES DEPARTMENT OF EDUCATION  
OFFICE OF INSPECTOR GENERAL

Audit Services

November 29, 2023

Monica Foote  
President  
Long Island Business Institute  
136-18 39th Avenue, 5th Floor  
Flushing, NY 11354

Dear President Foote,

Enclosed is our final audit report, "Long Island Business Institute's Career Pathway Programs," Control Number ED-OIG/ A19IL0102. This report incorporates the comments you provided in response to the draft report. The U.S. Department of Education's policy is to expedite audit resolution by timely acting on findings and recommendations. Therefore, if you have any additional comments or information that you believe may have a bearing on the resolution of this audit, you should send them directly to the following Department of Education official, who will consider them before taking final Departmental action on this audit:

Richard Cordray  
Chief Operating Officer  
Federal Student Aid  
U.S. Department of Education  
440 Maryland Avenue SW  
Washington, D.C. 20202

We appreciate your cooperation during this audit. If you have any questions, please contact Mr. Greg Bernert, Assistant Regional Inspector General for Audit, at [Gregory.Bernert@ed.gov](mailto:Gregory.Bernert@ed.gov) or (312) 730-1620 or me at [Gary.Whitman@ed.gov](mailto:Gary.Whitman@ed.gov) or (312) 730-1620.

Sincerely,

/s/

Gary D. Whitman  
Regional Inspector General for Audit  
Chicago/Kansas City Audit Region

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## Results in Brief

### What We Did

The objectives of our audit were to determine whether (1) Long Island Business Institute's (LIBI) career pathway programs met the program eligibility requirements set forth in section 484(d)(2) of the Higher Education Act of 1965, as amended (HEA); (2) students enrolled in LIBI's career pathway programs met the student eligibility requirements set forth in section 484(d)(1)(A) of the HEA; and (3) LIBI excluded from students' enrollment statuses and costs of attendance the component of its career pathway programs that enables a student to attain a high school diploma or its recognized equivalent. We evaluated LIBI's compliance with Federal requirements relevant to career pathway programs during award year 2021–2022.

To accomplish our objectives, we reviewed LIBI's policies and procedures, records, and other information relevant to the school's determination that each of LIBI's career pathway programs met the requirements of an eligible career pathway program in section 484(d)(2) of the HEA. We also selected and reviewed the school's records on a partially dollar-weighted stratified sample of 111 students from the population of 740 students who were enrolled in a LIBI career pathway program and received at least 1 Title IV disbursement for award year 2021–2022. Additionally, we reviewed LIBI's ability-to-benefit (ATB) testing policies and the test publishers' user manuals and interviewed LIBI officials and employees, ATB test administrators, and students included in our sample to assess whether ATB tests were independently administered in accordance with 34 Code of Federal Regulations (C.F.R.) section 668.151 (July 1, 2021, version). Finally, we reviewed the New York State Education Department's requirements for a high school equivalency diploma and LIBI's student transcripts, course schedules, enrollment agreements, ledger cards, and financial aid records.

### What We Found

All six of LIBI's career pathway programs satisfied all seven of the program eligibility requirements in section 484(d)(2) of the HEA ([Finding 1](#)). Additionally, LIBI's records showed that all 111 students included in our sample met the student eligibility requirements in section 484(d)(1)(A) of the HEA ([Finding 2](#)). Finally, LIBI properly excluded the high school completion component of its career pathway programs from the enrollment statuses and costs of attendance for all 111 students (100 percent) included in our sample ([Finding 3](#)).

### What We Recommend

Because we did not identify any instances of noncompliance with section 484(d) of the HEA or 34 C.F.R. section 668.151, we are not making any recommendations.

## **Long Island Business Institute's Comments**

We provided a draft of this report to Long Island Business Institute for comment on September 28, 2023, and received its comments on October 10, 2023. Long Island Business Institute agreed with all three findings. We provide the full text of the school's comments at the end of this report (see [Long Island Business Institute's Comments](#)).

# Introduction

## Background

Long Island Business Institute (LIBI) is a proprietary institution of higher education as defined in 34 Code of Federal Regulations (C.F.R.) section 600.5.<sup>1</sup> The New York State Board of Regents accredited LIBI during award year 2021–2022 (July 1, 2021, through June 30, 2022). During award year 2021–2022, LIBI offered four certificate and nine associate degree programs at locations in Commack, Flushing, and New York, New York. Its total enrollment was 1,654 students, 740 of whom were enrolled in the school’s 6 career pathway programs.

The purpose of the programs authorized by Title IV of the Higher Education Act of 1965, as amended (HEA), is to provide financial assistance through grants, work-study, and loans to students and their parents. During award year 2021–2022, LIBI participated in the Federal Pell Grant Program, William D. Ford Federal Direct Loan Program, Federal Supplemental Educational Opportunity Grant Program, and Federal Work-Study Program. For award year 2021–2022, LIBI disbursed about \$8.1 million in Title IV funds to students, including about \$3.8 million to students enrolled in its career pathway programs.

## The HEA and Career Pathway Programs

In December 2014, Congress amended section 484(d) of the HEA to allow a student who does not have a high school diploma or its recognized equivalent, or who did not complete a secondary school education in a homeschool setting, to be eligible for Title IV funds. A student could be eligible for Title IV funds only if the student was enrolled in an eligible career pathway program and (1) passed an independently administered ability-to-benefit (ATB) test approved by the Secretary of Education, (2) completed at least 6 credit hours or 225 clock hours of postsecondary education coursework before being enrolled in a career pathway program, or (3) was determined able to benefit from postsecondary education or training in accordance with a State process approved by the Secretary of Education.

The Workforce Innovation and Opportunity Act (Public Law 113-128, enacted July 22, 2014) requires States to align workforce development programs to coordinate the needs of employers and individuals, including low-skilled adults, youth, and individuals with barriers to employment. The programs should include strategies to help workers and

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<sup>1</sup> All references to the C.F.R. are to the July 1, 2021, version.

job seekers access employment, education, training, and support services needed to succeed in the labor market and to provide employers with the skilled workers they need to compete in the economy. The Consolidated Appropriations Act of 2016 (Public Law 114-113) amended section 484(d) of the HEA, revising the definition of an eligible career pathway program to align with the definition of a career pathway in section 3 of the Workforce Innovation and Opportunity Act.

Section 484(d)(2) of the HEA now defines an eligible career pathway program as a program that combines rigorous and high-quality education, training, and other services that

1. align with the skill needs of industries in the State or regional economy;
2. prepare students to be successful in a range of secondary or postsecondary education options, including apprenticeships;
3. include counseling to support students in achieving their education and career goals;
4. offer education concurrently with and in the same context as workforce preparation activities and training for a specific occupation or occupational cluster;
5. organize education, training, and other services to meet the needs of students in a manner that accelerates their education and career advancement;
6. enable students to attain a high school diploma or its equivalent and at least one postsecondary education credential; and
7. help students enter or advance within a specific occupation or occupational cluster.

Section 484(d) of the HEA does not require schools' career pathway programs to be approved by the U.S. Department of Education (Department). Each school makes its own determination whether its program is an eligible career pathway program; however, the Department may review the eligibility of the programs through audits and program reviews.

### **LIBI's Career Pathway Programs**

In response to the HEA amendments and subsequent Department guidance, LIBI evaluated its existing postsecondary education programs to determine whether they fit within the guidelines of eligible career pathway programs. After determining that some of them met the HEA requirements, the school started offering six of its postsecondary education programs as career pathway programs in April 2015. During award year



2021–2022, LIBI offered six of its associate degree programs—Accounting, Business Management, Homeland Security and Security Management, Hospitality Management, Office Technology, and Office Technology with Medical Option—as career pathway programs.

## **Finding 1. LIBI's Career Pathway Programs Met All Seven Requirements to be Considered Eligible Career Pathway Programs**

All six of LIBI's career pathway programs satisfied all seven of the program eligibility requirements in section 484(d)(2) of the HEA.

### **Eligibility Requirement 1. Aligns with the skill needs of industries in the State or regional economy.**

According to LIBI officials and employees, Career Services employees communicated with regional employers to identify the knowledge and skills graduates would need for employment. They then shared the employers' feedback with LIBI's Curriculum Standards Committee, which included LIBI faculty members and administrators. According to committee members, these discussions with Career Services employees and additional discussions with LIBI's provost informed the changes that needed to be made to the career pathway programs to address the needs of the local and regional market. We obtained and reviewed minutes of the 2019 through 2022 Curriculum Standards Committee meetings and verified that the meetings took place and participants discussed the skill needs of the regional economy.

Based on our interviews and reviews of the minutes of Curriculum Standards Committee meetings, we concluded that LIBI designed its career pathway programs to align with the skill needs of industries in the State or regional economies where its campuses were located.

### **Eligibility Requirement 2. Prepares students to be successful in a range of secondary or postsecondary education options, including apprenticeships.**

According to LIBI officials and the school's catalog, LIBI's career pathway programs focused on high school equivalency work and workplace readiness education that yielded a postsecondary education credential. Students who completed their career pathway programs earned associate degrees.

LIBI officials provided us with articulation agreements that they had negotiated with 16 colleges and universities. According to these agreements, LIBI graduates who met the grade and course requirements of the designated schools could transfer credits earned at LIBI to fulfill major or elective requirements at the designated schools. We reviewed the 16 articulation agreements and found that 7 of them had either expired or did not have enough supporting documentation to demonstrate that they were in effect for award year 2021-2022. The remaining nine agreements did not have expiration dates.

However, LIBI's Institutional and Advising Liaison, who negotiated the agreements, told us that they were still in effect as of September 14, 2023.

According to data provided by LIBI's Institutional and Advising Liaison, as of July 10, 2023, about 11 percent of LIBI students who earned their associate degrees from July 1, 2021, through June 30, 2022, continued their education at another college or university. We did not verify the data that LIBI provided but we reviewed the school's articulation agreements with the colleges and universities. Based on the school catalog, data provided by the Institutional and Advising Liaison, and the articulation agreements, we concluded that LIBI designed its career pathway programs so they could lead to additional degrees or credentials if the student decided the additional degrees or credentials would benefit them.

**Eligibility Requirement 3. Includes counseling to support students in achieving their education and career goals.**

According to LIBI officials and employees, LIBI assigned academic advisors to students when they enrolled in one of the school's career pathway programs. Each advisor held one-on-one meetings with their assigned students beginning in the third week of their first semester. During these meetings, the advisor and student discussed the student's program, goals, and any obstacles that might hinder the student's ability to complete their postsecondary education program. Each advisor then held a check-in meeting with their assigned students in the middle of each semester. The purpose of the midpoint check-in meeting was to monitor the student's progress toward completing the postsecondary education program requirements that semester. Additionally, Career Services employees contacted all career pathway program students at least once per semester and encouraged them to communicate with their advisors and Career Services employees. Career Services employees also helped students with resume and cover letter writing, interview preparation, and job searches. LIBI designed these services to help students in achieving their career goals.

To assess whether LIBI provided students with the counseling services as designed, we selected a partially dollar-weighted stratified sample of 111 of the 740 students enrolled in LIBI's career pathway programs during award year 2021–2022. For each of the 111 students, we reviewed (1) records demonstrating that the student attended counseling sessions, (2) records demonstrating that advisors held a one-on-one meeting during the third week of the student's first semester, (3) logs of communication between academic advisors and students, and (4) counseling notes maintained by academic advisors. These records confirmed that LIBI provided education-related counseling to all 111 students. The records also confirmed that LIBI provided career-

related counseling to 101 (91 percent) of the 111 students.<sup>2</sup> Therefore, we concluded that LIBI's career pathway programs included counseling to support students in achieving their education and career goals.

**Eligibility Requirement 4. Offers education concurrently with and in the same context as workforce preparation activities and training for a specific occupation or occupational cluster.**

According to LIBI officials and the school catalog, LIBI's career pathway programs integrated education with workforce preparation training. LIBI's curriculum incorporated soft skills and self-management skills necessary for workforce preparation. To provide the necessary skills, LIBI offered career pathway program students noncredit adult education classes alongside the career pathway program curriculum. The noncredit adult education classes provided the students additional learning in subjects like basic algebra, writing, and financial literacy. Additionally, LIBI required all students to complete noncredit adult education units, which provided students an opportunity to develop their workplace skills through workshops. The workshops helped students develop cover letter writing, interviewing, and job skills.

We reviewed LIBI's catalog and determined that the courses required to graduate from the school's six career pathway programs should prepare students to enter the workforce in their field of study. We also reviewed student records and verified that the students included in our sample who had earned their associate degree enrolled in noncredit adult education classes and completed noncredit adult education units. Therefore, we concluded that LIBI's career pathway programs included workforce preparation activities and training for specific occupations or occupational clusters.

**Eligibility Requirement 5. Organizes education, training, and other services to meet the needs of students in a manner that accelerates their education and career advancement.**

According to LIBI's catalog, students could complete their high school education and earn a career pathway program associate degree in 2 years or less. LIBI also offered day and night classes. According to LIBI officials, from March 2020 through June 2022, LIBI only offered its postsecondary education courses and adult education classes online.

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<sup>2</sup> The other 10 students either withdrew or were dismissed.

Students could choose between synchronous or asynchronous learning,<sup>3</sup> allowing them to complete their coursework and program of study at times convenient for them. Finally, LIBI used an accelerated academic calendar that consisted of three 15-week semesters per calendar year, allowing students to complete their academic programs more quickly than an academic calendar with only two semesters and a short summer term per year.

We reviewed the school's records for all 111 students included in our sample. The records demonstrated that students had the opportunity to take regular postsecondary education classes and adult education classes online. They also demonstrated that students had the opportunity to attend three 15-week semesters per calendar year and complete their programs in 2 years or less. Therefore, we concluded that LIBI designed its career pathway programs to meet students' needs in a manner that accelerated their educational and career advancement.

**Eligibility Requirement 6. Enables students to attain their high school diploma or its equivalent and at least one postsecondary education credential.**

According to LIBI's catalog, students could complete their high school education while completing their postsecondary education program. For the high school completion portion, LIBI used one of the New York State Education Department's four ways for students to earn a high school equivalency diploma. That method required students to complete 24 credit hours of postsecondary education coursework—6 credit hours in English Language Arts, 3 credit hours in Math, 3 credit hours in Social Science, 3 credit hours in Natural Science, 3 credit hours in Humanities, and 6 credit hours in courses required for the student's program. LIBI required students to complete these 24 credit hours as part of their associate degree programs.

We reviewed the school's transcripts for all 16 students included in our sample who had completed their career pathway program and earned an associate degree from LIBI.<sup>4</sup> The transcripts showed that 15 of the 16 students' completed the 24 credit hours of postsecondary education coursework necessary to qualify for a high school equivalency diploma under the requirements set by the New York State Education Department. Therefore, we concluded that LIBI designed its career pathway programs to enable

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<sup>3</sup> Synchronous classes run in real time, with students and instructors attending together from the same or different locations. Asynchronous classes run on a more relaxed schedule, with students accessing class materials during different hours and from any location.

<sup>4</sup> Of the other 95 students included in our sample, 27 had been dismissed, 50 had withdrawn, and 18 were still enrolled in a LIBI career pathway program as of December 2, 2022.

students to earn a high school diploma or its equivalent and at least one postsecondary education credential.

**Eligibility Requirement 7. Helps students enter or advance within a specific occupation or occupational cluster.**

According to school officials and the school's catalog, LIBI designed its career pathway programs to help students with or without prior experience in their chosen occupation. A student without any experience in the occupation received training necessary to enter that field, and LIBI would help the student obtain employment in their chosen occupation. A student who was already working in the occupation and was seeking to advance with their current employer still had to fulfill all the requirements of the program to earn their associate degree.

According to LIBI officials and the school's catalog, LIBI offered job-specific workshops during which students could talk with professionals in their chosen occupation. LIBI's curriculum also included mandatory noncredit adult education units, which provided workshops on cover letter writing and interviewing skills. We reviewed LIBI's records on the 16 students included in our sample who completed their career pathway program and earned their associate degrees from LIBI. The records confirmed that all 16 students attended noncredit adult education units. According to data provided by LIBI's Institutional and Advising Liaison, about 55 percent of the students who completed their career pathway program and earned their associate degrees from July 1, 2021, through June 30, 2022, were employed in their field of study as of July 10, 2023.

Based on our interviews with school officials, our review of the school's records, and the school-provided employment data, we concluded that LIBI designed its career pathway programs to help students enter or advance within a specific occupation or occupational cluster.

Because all six of LIBI's career pathway programs met all seven requirements to be considered eligible career pathway programs, students enrolled in those six programs could have been eligible to receive Title IV funds.<sup>5</sup> Because we did not identify any instances of noncompliance with section 484(d)(2) of the HEA, we are not making any recommendations.

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<sup>5</sup> Students enrolled in eligible career pathway programs must still meet the career pathway program-related student eligibility requirements in section 484(d)(1)(A) of the HEA; they also must meet the Title IV general student eligibility requirements in subpart C of 34 C.F.R. Part 668.

## Finding 2. Students Enrolled in LIBI’s Career Pathway Programs Met the Student Eligibility Requirements in Section 484(d) of the HEA

Students enrolled in LIBI’s career pathway programs met the student eligibility requirements in section 484(d)(1)(A) of the HEA. Section 484(d) of the HEA allows a student who does not have a high school diploma or its recognized equivalent, or a student who did not complete a secondary school education in a homeschool setting, to be eligible for Title IV funds. The student could be eligible for these funds only if they enrolled in an eligible career pathway program and (1) completed at least 6 credit hours (or equivalent postsecondary education coursework) that are applicable toward a degree or certificate offered by the school before being enrolled and receiving Title IV funds, (2) passed a Department-approved and independently administered ATB test, or (3) were determined able to benefit from postsecondary education or training in accordance with a State process approved by the Department.

To determine whether students enrolled in LIBI’s six career pathway programs met one of these student eligibility requirements, we selected a partially dollar-weighted stratified sample of 111 students from the population of 740 students who were enrolled in the programs and received at least 1 Title IV disbursement for award year 2021–2022. To determine whether the 111 students met the student eligibility requirements in section 484(d) of the HEA, we reviewed the school’s and ATB test publishers’ records for evidence that the students received a passing score on an approved ATB test. LIBI’s records showed that all 111 students received a passing score on a Department-approved ATB test or were not required to take an ATB test.<sup>6</sup>

According to 34 C.F.R. section 668.151(b), an ATB test is independently administered if it is given by an independent test administrator who maintains the test at a secure location. Title 34 C.F.R. section 668.142 defines a test administrator as someone who is certified by the test publisher to administer ATB tests, protects the tests and results from improper disclosure, and is not compensated based on students’ test outcomes. An independent test administrator also (1) has no current or prior financial or ownership

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<sup>6</sup> One student failed the ATB test that they took in December 2019. However, the student had already established their Title IV eligibility by completing more than 6 credit hours or 225 clock hours of postsecondary education coursework before July 1, 2012 (Dear Colleague Letter GEN-12-09). We included this student in our population because LIBI considered them a career pathway program student.

interest in the school, its affiliates, or its parent corporation; (2) has no controlling interest in any other school; (3) is not a current or former member of the board of directors, a current or former employee of or a consultant to a member of the board of directors, chief executive officer, chief financial officer of the school, its affiliates, or its parent corporation; and (4) is not a current or former student.

A test is not independently administered if a school compromises test security or test procedures, pays a test administrator a bonus or other incentive based on test scores or pass rates, or otherwise interferes with the test administrator's independence or the administration of tests (34 C.F.R. section 668.151(c)).

To determine whether the ATB tests for the 111 students included in our sample were independently administered, we obtained ATB test administrator certificates from the test publishers. The certificates showed that all 6 people who administered the ATB tests for the 111 students were certified by the test publisher when they administered the tests. We also reviewed the test publishers' user manuals for the three ATB tests that LIBI used. The user manuals all prescribed ATB testing procedures that the test publishers expected test administrators to follow. Those procedures aligned with the requirements in 34 C.F.R. section 668.151. Additionally, we interviewed (a) LIBI's associate director of financial aid, director of admissions, and coordinator of testing; (b) 2 current and 6 former admissions representatives; (c) 5 current test administrators and 1 former test administrator who administered ATB tests for the students included in our sample; and (d) 20 of the 111 students included in our sample.

Based on our reviews of the ATB test publishers' user manuals and test administrator certificates and our interviews, we concluded that the ATB test administrators met the definitions of both a test administrator and an independent test administrator. None of the ATB test administrators and LIBI officials and employees described situations when ATB tests and results were unprotected from improper disclosure. Also, none of the students included in our sample who we interviewed indicated that they received or were offered help while taking their ATB tests. Additionally, none of the test administrators and LIBI officials that we interviewed gave any indication that ATB test administrators received any compensation, bonus, or other incentive based on students' ATB test results or pass rates. Finally, none of the test administrators that we interviewed indicated that they had a current or prior relationship with the school.

Based on our reviews of LIBI's records and our interviews, we concluded that the ATB tests taken by the students included in our sample were independently administered in compliance with 34 C.F.R. section 668.151 and the ATB test publisher's rules. Because they received passing scores on independently administered ATB tests,



the students included in our sample could have been eligible to receive Title IV program funds.<sup>7</sup> Based on our sampling results, we are 90 percent confident that at least 98 percent (727) of the 740 students who were enrolled in the school's career pathway programs and received at least one Title IV disbursement for award year 2021–2022 either passed a Department-approved independently administered ATB test or were not required to take an ATB test.

Because we concluded that LIBI complied with the requirements in section 484(d)(1)(A) of the HEA and 34 C.F.R. section 668.151, we are not making any recommendations.

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<sup>7</sup> A student who receives a passing score on an ATB test and enrolls in an eligible career pathway program still must meet the Title IV general student eligibility requirements in subpart C of 34 C.F.R. Part 668.

### **Finding 3. LIBI Properly Excluded the High School Completion Component of Its Career Pathway Programs from Students' Enrollment Statuses and Costs of Attendance**

As required by Dear Colleague Letter GEN-16-09, LIBI excluded the high school completion component of its career pathway programs from students' enrollment statuses and costs of attendance. For the high school completion component, LIBI used one of the New York State Education Department's four ways for a student to earn a high school equivalency diploma. Pursuant to that requirement, students had to complete 24 credit hours of postsecondary education coursework—3 credit hours each in Math, Social Science, Natural Science, and Humanities; 6 credit hours in English; and 6 credit hours in courses required for the student's postsecondary education program. LIBI required students to complete these 24 credit hours as part of their associate degree programs. The 24 credit hours counted toward the high school completion component and the student's postsecondary education program. Given the design of its programs, LIBI should not have included unique courses or costs associated with the high school completion component of its career pathway programs.

To determine whether LIBI excluded the high school completion component of its career pathway programs from students' enrollment statuses and costs of attendance, we selected a partially dollar-weighted stratified statistical sample of 111 students from the population of 740 students who were enrolled in a LIBI career pathway program and received at least 1 Title IV disbursement for award year 2021–2022. For each of the 111 students, we reviewed LIBI's enrollment and financial aid records. We verified that the courses shown in the enrollment records matched the courses required for the postsecondary education program (as listed in the school's catalog). We also verified that the enrollment records did not include any high school completion-related courses other than the 24 college credit hours required by the New York State Education Department. Additionally, we verified that the institutional charges shown in the financial aid records matched the charges for the student's postsecondary education program (as shown in the school's catalog). Finally, we verified that the institutional charges and costs of attendance shown in the financial aid records did not include charges or costs unique to the high school completion component of a career pathway program.

Because we did not identify any instances of noncompliance for the 111 students included in our sample, we are 90 percent confident that LIBI excluded the high school completion component from the enrollment statuses and costs of attendance for at least 98 percent (727) of the 740 students who were enrolled in its career pathway

programs and received a Title IV disbursement for award year 2021–2022. Because we concluded that the school complied with the requirements in Dear Colleague Letter GEN-16-09, we are not making any recommendations.

## Appendix A. Scope and Methodology

We evaluated LIBI’s compliance with Federal requirements relevant to career pathway programs during award year 2021–2022. We did not evaluate the quality of the school’s career pathway programs.

To accomplish our audit objectives, we first gained an understanding of

- section 484(d) of the HEA;
- 34 C.F.R. sections 668.24, 668.142, and 668.151;
- Department guidance in Dear Colleague Letter GEN-16-09, Electronic Announcement (EA ID: OPE Announcements-21-02) “Ability to Benefit Frequently Asked Questions,” and relevant sections of the Federal Student Aid Handbook 2021–2022; and
- lists of ATB tests approved by the Secretary of Education as set forth in a June 24, 2015, electronic announcement, “Approved Ability-to-Benefit (ATB) Tests,” and 85 Federal Register 71326–71328 (November 9, 2020), “List of Approved ‘Ability-to-Benefit’ (ATB) Tests and Passing Scores.”

We then reviewed information in the Department’s Common Origination and Disbursement system and the school’s Fiscal Operations Report and Application to Participate to identify the Title IV programs in which LIBI participated during award year 2021–2022. In addition, we reviewed the school’s catalog, accreditation documents, Eligibility and Certification Approval Report, and organizational charts to gain an understanding of the school’s history and organizational structure. Further, we interviewed school officials and reviewed LIBI’s policies and procedures relevant to career pathway programs and ATB testing to gain an understanding of the school’s processes for ensuring compliance with career pathway program requirements.

To identify any relevant findings or recommendations identified during prior audits and reviews, we reviewed required annual audit reports for the years ended August 31, 2019, through August 31, 2021; a September 28, 2018, Federal Student Aid program review report; and a May 31, 2018, New York State Board of Regents accreditation review report.

### Sampling Methodology

We used sampling to determine whether (1) students received counseling to support them in achieving their education and career goals, (2) students in LIBI’s career pathway programs achieved a passing score on a Department-approved ATB test before enrolling, and (3) LIBI excluded the high school completion component of its career

pathway programs from students’ enrollment statuses and costs of attendance. To select our sample, we first obtained a list of the 740 students who were enrolled in LIBI’s career pathway programs and who received at least 1 Title IV disbursement for award year 2021–2022. We then stratified the population of 740 students based on which of the school’s 6 career pathway programs they were enrolled (see [Table 1](#)). Finally, we selected a partially dollar-weighted stratified statistical sample of 111 students from the population of 740 students who were enrolled in a LIBI career pathway program and received at least 1 Title IV disbursement for award year 2021–2022.

Our sample design gave each sampled student a 50 percent chance of being selected based on Title IV funds received and a 50 percent chance of being selected at random. It also allowed each student to be selected from the population more than once.<sup>8</sup> For the dollar-weighted portion of the design, the probability of selecting a student was proportional to the total Title IV funds received by the student. For example, a student that received \$1,000 in Title IV funds would have twice the probability of being selected than a student who received \$500 in Title IV funds.

**Table 1. Population and Sample Sizes by Career Pathway Program**

Career Pathway Program	Population of Students Enrolled in the Program	Number of Students in Sample Enrolled in the Program
Accounting	119	16
Business Management	180	27
Homeland Security and Security Management	26	4
Hospitality Management	77	11
Office Technology	62	10
Office Technology with Medical Option	276	43
<b>Totals</b>	<b>740</b>	<b>111</b>

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<sup>8</sup> The sampling design allowed projection to both the population of students and the Title IV funds disbursed for these students. We selected a total of 119 students. Because 6 students were selected twice and 1 student three times, our sample included 111 unique students.

## Analysis Techniques

We reviewed LIBI's records to determine whether they demonstrated that each of the school's six career pathway programs met all seven career pathway program eligibility requirements in section 484(d)(2) of the HEA. Specifically, we reviewed LIBI's catalog, minutes of Curriculum Standards Committee meetings, job placement rates by program, and a written explanation of how the school's career pathway programs satisfied the requirements to be considered eligible career pathway programs as defined by section 484(d)(2) of the HEA.

To determine whether each of the 111 students included in our sample received counseling to support them in achieving their education and career goals, we reviewed records showing that advisors held one-on-one meetings during the third week of each student's first semester, logs of communications between advisors and students, and counseling notes that advisors maintained for each student. We concluded that students received the required counseling if the school's records showed that the advisors and students discussed academic- and career-related topics.

To determine whether students enrolled in LIBI's 6 career pathway programs met the student eligibility requirements in section 484(d)(1)(A) of the HEA, we reviewed student enrollment records and ATB test score reports for all 111 students included in our sample.<sup>9</sup> We also reviewed certificates provided by three ATB test publishers to verify that all six ATB test administrators who administered tests for the students included in our sample were certified when they administered the tests. We concluded that students met the student eligibility requirements in section 484(d)(1)(A) of the HEA if they were enrolled in one of LIBI's six career pathway programs and received a passing score on a Department-approved ATB test or had already established their Title IV eligibility by attending an eligible program at a Title IV participating postsecondary school before July 1, 2012.

To determine whether ATB tests were independently administered in accordance with 34 C.F.R. section 668.151, we reviewed three ATB test publishers' user manuals. We also interviewed (a) LIBI's associate director of financial aid, director of admissions, and coordinator of testing; (b) 2 current and 6 former admissions representatives;

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<sup>9</sup> One of the students included in our sample enrolled in a LIBI career pathway program based on completing 225 clock hours of postsecondary coursework that were applicable toward a degree or certificate offered by the school. None of the students enrolled based on being determined able to benefit from postsecondary education or training in accordance with a State process approved by the Secretary of Education.

(c) 5 current test administrators and 1 former test administrator who collectively administered ATB tests for 110 of the 111 students included in our sample; and (d) 20 of the 111 students included in our sample.<sup>10</sup> We concluded that ATB tests were independently administered if we could determine that the test administrators maintained ATB tests at a secure location and met the definition of a test administrator and independent test administrator, and LIBI officials did not (1) compromise test security or testing procedures; (2) pay a test administrator a bonus, commission, or other incentive based on test scores or pass rates; or (3) otherwise interfere with the test administrator’s independence or test administration.

To determine whether LIBI excluded from students’ enrollment statuses and costs of attendance the component of its career pathway programs that enables a student to attain a high school diploma or its recognized equivalent, we reviewed the New York State Education Department’s requirements for a high school equivalency diploma. We also reviewed LIBI’s records for all 111 students included in our sample; specifically, we reviewed student transcripts, course schedules, enrollment agreements, ledger cards, and financial aid records. We concluded that LIBI excluded the high school completion component of its career pathway programs if the student’s (1) course schedule did not include high school courses and (2) ledger card and financial aid records did not include costs unique to obtaining a high school diploma or its recognized equivalent.

### **Use and Reliability of Computer-Processed Data**

We relied, in part, on data that LIBI retained in its information systems. Specifically, we relied on a list identifying students who were enrolled in the school’s career pathway programs and received at least one Title IV disbursement for award year 2021–2022. We assessed the reliability of the list by comparing the students’ names with those showing a Title IV disbursement and a student eligibility code relevant to career pathway programs in the Department’s Common Origination and Disbursement system.<sup>11</sup> We did not identify any unexplained differences. Therefore, we concluded that the list LIBI provided us was sufficiently reliable for identifying students whom the school reported as enrolled in a career pathway program and received at least one Title IV disbursement for award year 2021–2022.

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<sup>10</sup> We attempted to arrange interviews with all 111 students included in our sample; we were able to contact 42 students but only 20 of them agreed to be interviewed.

<sup>11</sup> Schools self-report student eligibility codes relevant to career pathway programs to the Department’s Common Origination and Disbursement system.

## **Compliance with Auditing Standards**

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We remotely conducted our audit from September 2022 through July 2023. We discussed the results of our audit with LIBI officials on July 13, 2023, and provided the school with the draft of this report on September 28, 2023.



## Appendix B. Acronyms and Abbreviations

ATB	ability-to-benefit
C.F.R.	Code of Federal Regulations
Department	U.S. Department of Education
HEA	Higher Education Act of 1965, as amended
LIBI	Long Island Business Institute

# Long Island Business Institute's Comments



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October 10, 2023

Gary D. Whitman  
Regional Inspector General for  
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400 Maryland Avenue, S.W.,  
Washington, Dc 20202-1510

Dear Mr. Whitman,

Thanks for sending the Draft Report outlining the findings, methodology, and results of LIBI's Career Pathway Programs Audit conducted by your department. After reviewing the report, we have concluded the following:

- a) The scope of the review and the results outlined in the draft report are congruent with the objectives of the audit. We agree with the results outlined in the draft report, considering the scope and objectives of the audit.
- b) The methodology and scope of the audit described in the draft report is accurate, and outlines the correct procedures and samples utilized for the review.
- c) We agree with the results outlined in the report:
  - a. All six of LIBI's Career Pathways program satisfied all seven of the program eligibility requirements set forth in section 484(d)(2) of the HEA.
  - b. All students included in the audit sample met the student eligibility requirements in section 484(d)(1)(A) of the HEA.
  - c. LIBI excluded from students' enrollment statuses and costs of attendance the component of its career pathway programs.

Based on the scope of the review and results outlined on the draft report we do not have any other comments regarding the results of the audit and this report.

Sincerely,

Monica W. Foote  
President  
Long Island Business Institute (LIBI)  
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