

DECISION

Appearances: Frank R. Brady, Esq. , for Medical Arts Training Center.

 Steven Finley , Esq., Office of the General Counsel, for the Office of Student Financial Assistance Programs, United States Department of Education.

Before: Judge Richard F. O'Hair

On December 13, 1993, the U.S. Department of Education (ED), through its Compliance and Enforcement Division, initiated procedures to terminate the eligibility of Respondent, Medical Arts Training Center (MATC), to participate in programs authorized under Title IV of the Higher Education Act of 1965. [See footnote 1 /](#) Following the submission of briefs, Respondent requested an opportunity to provide an oral argument by means of a telephone conference call, which was conducted on January 10, 1995.

This termination procedure was initiated against MATC, a proprietary institution of higher education, because of its failure to maintain its eligibility to participate in the Federal student financial aid programs. In order to be eligible to participate in the Federal student financial aid programs, an institution must be accredited by a nationally recognized accrediting agency. 34 C.F.R. § 600.5 On November 4, 1993, MATC's nationally recognized accrediting agency, the Accrediting Bureau of Health Education Schools (ABHES), notified MATC that its institutional accreditation had been withdrawn. This decision by ABHES precipitated the termination proceeding before me.

Federal regulations authorize an institution to challenge a termination procedure that is based on a loss of eligibility resulting from the withdrawal of the institution's accreditation. 34

C.F.R. § 600.41. However, if the institution requests a hearing to challenge the termination proceeding, the sole issue to be addressed by the tribunal is whether there has been a loss of accreditation. Any complaint the institution may have regarding the propriety of the accrediting agency's action will not be entertained by the hearing official. 34 C.F.R. § 600.41(g)(1).

MATC appeals this termination proceeding on two grounds. With regard to the first, MATC requests that I authorize it to expend federal student financial aid funds currently in its possession and to request additional funds that will allow the completion of the period of enrollment for all of its students who were enrolled at the time of the loss of accreditation. Respondent contends that relief of this nature may be extended to an institution whose eligibility is being terminated. Nonetheless, Respondent has not provided this tribunal with citations to any statutory or regulatory provisions which would empower me to make these types of determinations. Therefore, I must find that this request is outside the scope of my regulatory jurisdiction and authority. For this reason, I will not make a finding as to the consequences of the termination of MATC's eligibility. The determination of what financial relief should be made available to MATC to permit its current students to complete their period of enrollment is beyond my jurisdiction.

MATC also presents a second basis in support of its appeal of this termination action. Respondent argues that it should not be deprived of its eligibility to participate in Title IV programs because one of its programs, an emergency medical technician-paramedic program, is currently accredited by another accrediting agency recognized by ED, the Committee on Allied Health Education Accreditation (CAHEA). MATC points out that even though CAHEA provides only programmatic, and not institutional, accreditation, CAHEA's recognition by the Secretary of Education should result in MATC's eligibility for Title IV funds. MATC seeks support for this proposition in 34 C.F.R. § 600.40(a)(1), which addresses the loss of eligibility to participate by an institution, a location, or a program. From this reference, MATC urges me to find that each of these three entities stands alone and that a program can be accredited and thus eligible even though the institution that offers the program is not accredited. I am not willing to make this leap. The statutory and regulatory interpretations, plus common sense, clearly support the position that a program must be offered by an accredited institution before that institution will become eligible to offer Federal student financial aid. An unaccredited institution cannot be eligible regardless of how many accredited programs it offers. Accordingly, I conclude that MATC is not an accredited institution and, therefore, is not eligible to participate in the Federal student financial aid programs. [See footnote 2 2](#) As a result of this loss of institutional eligibility, MATC should be terminated.

Based on the foregoing, MATC should be terminated from further participation in Title IV programs.

SO ORDERED:

Judge Richard F. O'Hair

Issued: January 17, 1995
Washington, D.C.

S E R V I C E

A copy of the attached initial decision was sent by **CERTIFIED MAIL, RETURN RECEIPT REQUESTED** to the following:

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[Footnote: 1](#) 1 This includes Federal Pell Grant, Federal Supplemental Education Opportunity Grant, Federal Work-Study, Federal Perkins Loan, and Federal Family Education Loan programs.

[Footnote: 2](#) 2 This argument was also raised during the emergency action proceeding and was similarly rejected. In the Matter of Medical Arts Training Center, Dkt No. 93-164-EA, U.S. Dep't of Educ. (January 6, 1994).