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Commissioner of Education

December 9, 2015

The Honorable Ileana Ros-Lehtinen
U.S. House of Representatives
Washington DC Office
2206 Rayburn HOB
Washington, DC 20515

Dear Congresswoman Ros-Lehtinen:

Commissioner Stewart has forwarded your letter of November 6, 2015 concerning Dade Medical College and University of Southernmost Florida (“DMC/USMF”) to us for appropriate response. It is a difficult time for the students, and the Commission for Independent Education is trying to help them in a number of ways. For example, the Commission has established a link on its homepage to a special link for DMC/USMF students. It can be found here: <http://www.fldoe.org/policy/cie>. Moreover, the website established for DMC/USMF students does contain information on loan forgiveness, including a link to the applicable USDOE website, and other matters applicable to the affected. The Commission sent emails to all students on November 3rd, November 5th, November 10th, and November 18th explaining the choices available to the students. The emails are also available on the website for DMC/USMF students established by the Commission. Further, the Commission has created a flyer for DMC/USMF students which outlines the options available to them, and again that flyer is posted on the website. Additionally, the Commission has written Miami Dade College in an effort to assist DMC/USMF students.

In addition to these actions, the Commission has coordinated with accreditors, the Board of Nursing, the USDOE, and others to help develop alternatives for affected students. In addition, it has worked with Management Resources College and Dr. Jay Ober to provide a means for students who need only their Capstone courses to complete the program free of additional tuition. In this regard, Dr. Ober should be commended for volunteering to offer such training without recompense and without cost to the students. Commission staff attended the first of such Capstone classes, both in South Florida and in Jacksonville. Commission staff has also fulfilled hundreds (more than 500) transcript requests. We are separately enclosing a more comprehensive list of actions the Commission has taken and is taking.

As to the concern that only one option was disseminated, and that option would preclude loan forgiveness, the Commission has actually tried to make clear to the students that there is more than one alternative available, and that one of those options include seeking loan forgiveness. The other one

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Executive Director

Commission for Independent Education

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involves seeking to transfer to another institution, public or private. Essentially, there are two basic choices available to most of the affected students: 1) seek loan forgiveness; or 2) transfer to another institution. With respect to transfers, the Commission does not have authority to require other institutions to accept any credits earned at DMC/USMF - it is solely within the discretion of the gaining institution.

With respect to a teach-out option, because the Student Protection Fund is prohibited by statute from being used to pay for the teach-out of students in degree granting programs, and because all of the DMC/USMF students were in degree-granting programs, the Commission is unable to provide funds to other institutions for that purpose. In part for this reason the Commission is unable to arrange a comprehensive teach-out of the students.

It is important to note that the students' plight was created by the unannounced, precipitous, and potentially unlawful actions of the principal owner of DMC/USMF, Mr. Ernesto Perez. At no time prior to the actual school closing did he warn the Commission of its imminent shuttering. It appears the USDOE conducted an on-site visit relating to the use of federal Title IV funds although the Commission was not aware of the visit. As a result of that inspection, on October 21, 2015, the USDOE placed the institution on Heightened Cash Monitoring 2 (called HCM2) which has the effect of delaying disbursements of federal student aid funds. The delay can create significant cash flow problems for institutions – it was a significant factor in the ultimate collapse of Corinthian Colleges months after it was imposed.

On October 30, 2015, each campus was closed without warning. Students and employees reported to campus and were met with locked doors. An email was then sent to all students and employees saying in relevant part “[t]oday it is with great sadness that I must announce that Dade Medical College and the University of Southernmost Florida will be closing effective October 30, 2015 across all of our campuses and our corporate offices.” In other words, Mr. Perez did not meet his legal obligation to develop a plan for the students, have that plan approved by the Commission, and then implement an approved plan. On November 13, 2015, Mr. Perez filed a notice of assignment for the benefit creditors under Chapter 727, Fla. Stat., in effect declaring bankruptcy under state law. The Commission has made contact with the Assignee and his attorney, and the DMC/USMF websites now default to a webpage established by the Assignee. That webpage has information from the Commission and has a link to the Commission’s website.

We hope that this letter clarifies an unfortunate situation, answers your questions, and allays your concerns over the information being provided to the students affected by DMC/USMF actions. The Commission will continue to work diligently to minimize the effect of DMC/USMF’s actions on students and to inform them of their options.

Sincerely,

Samuel J Ferguson

Update on Commission actions

Since the October 30, 2015 closure of Dade Medical College and USMF, CIE has taken the following steps to assist affected students:

- Acquired all student transcripts from Dade Medical and University of Southernmost Florida. CIE has received and is processing approximately 2,000 transcript requests.
- Contacted the four accrediting agencies involved in programs offered at the closed schools to gain information and to request extended accreditation to facilitate the completion of education for near-graduates. At this time, the Accrediting Bureau of Health Education Schools (ABHES) has extended its accreditation until late January, 2016, the Accrediting Council for Independent Colleges and Schools (ACICS) has terminated its accreditation, and two other accrediting agencies involved—have not responded.
- Worked with institutions in the area to facilitate transfer of credits and students.
- Established an automated phone message for affected students providing them with CIE e-mail contact information.
- Established a CIE e-mail inbox dedicated solely to students affected by the closures.
- Responded to over 950 e-mails and are continuing to receive and respond to outstanding e-mails.
- Created a web page dedicated to students affected by the closures and containing information on student options.
- E-mailed students on November 3 to explain steps CIE is taking to assist them, including providing lists of schools with similar programs for transfer purposes.
- E-mailed students on November 5 to provide additional information about the process to request student transcripts, to transfer to other schools and to obtain loan forgiveness.
- E-mailed students on November 10 to update students on institutional closure and plans to assist students.
- E-mailed students on November 18 to provide details on the Capstone review course being offered by Management Resources College free of charge.
- Created a student flyer, printed in both English and Spanish, setting forth details on loan forgiveness and transfer options and providing instructions for requesting transcripts from the CIE office.

Ongoing CIE activities

- Responding daily to student requests received via e-mail and phone, including requests for transcripts and status of transcript requests, as well as information regarding transfer procedures, loan forgiveness, Pell grants, LPN equivalency exams, Capstone reviews, NCLEX application process, and online NCLEX review courses.
- Maintaining regular contact with the US DOE representative in Atlanta in an effort to assist students with issues relating to federal student loans, including loan forgiveness.
- Maintaining regular contact with Dr. Jay Ober, Management Resources College, to obtain updates on Capstone I and II review course and student progress and completion.
 - Capstone I review course has been completed at the Jacksonville location and is underway at the south Florida location. Plans are being finalized for the Capstone II review course offerings. Plans are also underway for on-line course offerings to assist students unable to attend on-ground review courses.
- Working with the Florida Board of Nursing to address issues relating to student transcripts, applications to sit for NCLEX, students opting to challenge the NCLEX-PN exam and transfers of nursing students to other schools.
- Working with other schools to facilitate transfers. including:
 - Management Resources College-has enrolled transfer students in its nursing program.
 - Health Career Institute-agreed to accept the transfer of registered nursing students in the Palm Beach area.
 - Florida National University-conducted an open house to address enrollment and transfer procedures for ultrasound and nursing students.
 - Cambridge Institute of Allied Health and Technology-has enrolled transfer students in its nursing program.
 - Institute of Healthcare Professions-has enrolled students in its ultrasound program and is working to sponsor continuation of current clinicals for ultrasound students.
 - ITT Institute/Jacksonville-has enrolled transfer students in its nursing program.