

STATEMENT FORTHE PRESS

March 4, 2016

On Friday February 26, 2016, Michigan Jewish Institute (MJII) was surprised to receive a letter from the U.S. Department of Education in which it stated that it was denying the school's application for recertification in Title IV federal student aid programs, effective February 29, 2016. Recertification is the process used by the Department to renew a school's eligibility to participate in the federal student aid programs such as the Pell Grants. Certification is necessary in order for eligible students of MJII to receive federal student aid. MJII's application for renewal had been pending with the Department for more than three years, since December 28, 2012.

Under the Department's rules, a school denied recertification has no right to an appeal or a hearing before an administrative judge. In other words, after having been considered an eligible institution by the Department for about 17 years, its eligibility has been terminated without notice or an opportunity to be heard. It has been offered only an opportunity to submit, within about two weeks, to the person who rendered this decision, written information it possesses in rebuttal. No rules exist regarding how long the Department may take to consider and respond to the response. While MJII has already begun the task of preparing a written response to the Department, the approach taken by the Department including the process followed is extremely harmful and unfair to our students, employees and contractors.

Rather than engaging the institution in any discussion about its concerns or issues and truly attempting to understand MJII's programs of study including why MJII is and has been in compliance with the Department's rules and those of its accreditor, the Department has acted precipitously, unfairly and unjustly.

The Department contends that MJII improperly permitted U.S. citizens who were full time Israeli residents to receive federal student aid in the form of Pell Grants. It contends that these students were enrolled for the sole purpose of receiving Pell Grants and had no interest or intent to obtain or receive a degree or certificate from MJII notwithstanding the fact, among other things, that students seeking federal student aid must complete a Free Application for Federal Student Aid (FAFSA) which includes a certification by the student that s/he intends to use the funds for educational purposes at the institution. MJII does not provide a study abroad program as described by the Department; rather, its students are almost all either enrolled entirely online with MJII or enrolled in a hybrid version in which the student is taking courses from MJII and courses for credit toward an MJII certificate/degree from a foreign institution that has signed a partnership agreement. This arrangement complies with Departmental regulations governing written arrangements between eligible institutions, such as MJII, and other institutions including ones located outside the U.S.

MJII has been accredited by the Accrediting Council of Independent Colleges and Schools (ACICS) since 1998. During this time, MJII has been the subject of several detailed reviews of its records and practices as part of the normal accreditation process and as part of extraordinary processes. ACICS was fully aware of the nature of the programs and the fact that nearly all MJII students were U.S. citizens living in Israel. ACICS concluded that the programs were legitimate

career focused programs and that MJI was in compliance with ACICS criteria. At no time has ACICS even implied that MJI submitted false information. In fact, ACICS in letter for the benefit of the Department in 2014 stated that MJI is fully accredited and in full compliance with its standards and criteria. One would expect ACICS to be more familiar with its standards and requirements than the Department.

The Department's action is extremely harmful, unfair and unjust to MJI, its students, employees and contractors. MJI disputes the Department's contentions and will contest the action to the fullest extent possible.