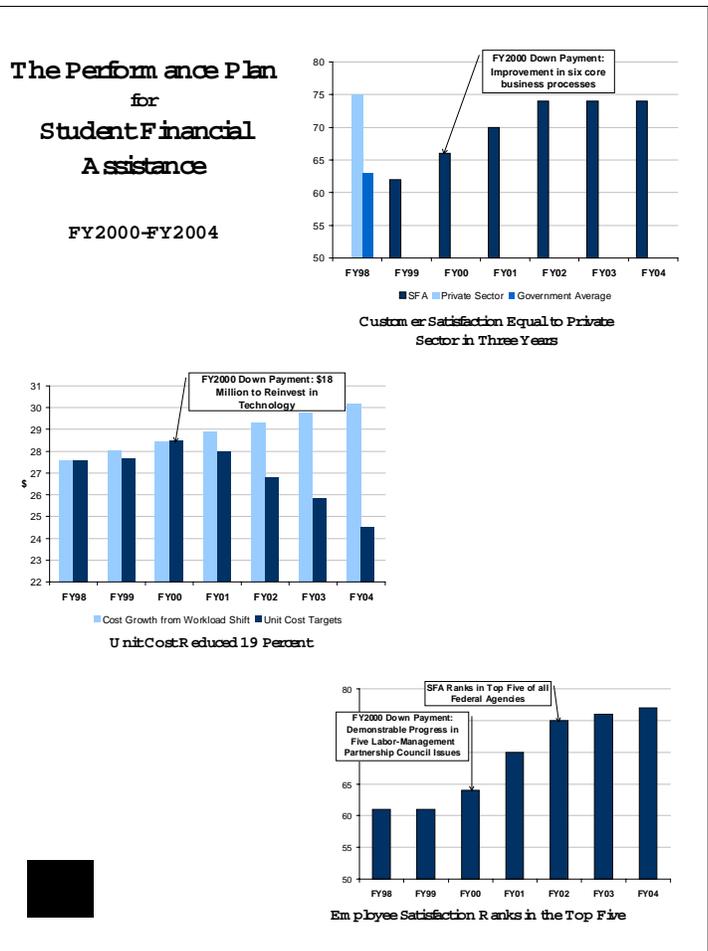


# Biweekly Status Report

## As of 7/7/00



## **SUMMARY**

### **GREEN LIGHT:**

- The CMO (Case Management and Oversight) announced the establishment of the “School Partnership Council Team” at the NASFAA Conference on July 9, 2000. The Team’s primary purpose will be to facilitate collaboration between SFA and schools to improve the delivery of financial aid to students.
- Through a joint effort with schools, duplicate Perkins Loans in NSLDS have been reduced by 60% since September 1999. In addition, the quality of PEPS data is improving due to training provided to schools during the month of June. This training will continue through July.
- The completion of Phases I and II of the Financial Management System are on track. The Functional Design Documents were completed in June and the Working Solutions Demonstrations for guaranty agencies are scheduled for July and August.
- “PBO on the Front Lines” training for SFA employees has been completed. All Action Plans have been presented to managers and managers are working with the teams to help implement the Plans.
- Senior management has identified the most frequently stated comments from the second employee survey and is addressing them. An update will be provided to all SFA employees in late July.
- The construction crew began pouring cement for the new SFA Headquarters facility on June 29. They will begin setting the tower crane to build the new office building within the next three weeks.

### **YELLOW LIGHT:**

- The deadline for entering into up to six Voluntary Flexible Agreements with guaranty agencies was June 2000.

## COMPLETED PROJECTS AS OF JULY 7, 2000

<b>CHANNELS</b>	<b>TOTAL # PROJECTS</b>	<b>TOTAL COMPLETED</b>	<b>% COMPLETED</b>
STUDENTS	21	9	43%
SCHOOLS	16	4	25%
FP	12	1	8%
CIO	8	5	63%
CFO	5	2	40%
TOTAL	62	21	34%

\* Measures are not included

**Completed Items from FY2000 Annual Plan**  
**Report Date: July 7, 2000**

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STU013	Students	Redesign the Direct Loan consolidation electronic application to make it demonstrably simpler and more user-friendly (by September 2000).	<b>COMPLETED</b>
STU014	Students	Work with five states and college consortia so data from college applications can be electronically applied to fill out FAFSA on the Web (by September 2000).	<b>COMPLETED</b>
STU015	Students	Expand FAFSA Correction on the Web capabilities (by September 2000).	<b>COMPLETED</b>
STU017	Students	Provide web-based mechanism for students to check the status of their FAFSAs and to notify students when processing is completed (by September 2000).	<b>COMPLETED</b>
STU019	Students	Develop a Direct Consolidation Loan web site and allow electronic submission of Direct Loan consolidation forms (except for forms requiring an actual signature) via the Internet (by September 2000).	<b>COMPLETED</b>
STU021	Students	Include all our forms in a "pdf" file format on our web site (by September 2000).	<b>COMPLETED</b>
STU025	Students	Eliminate paper processing (with the exception of promissory notes) for students participating in our MENTOR Project in the state of New York (by March 2000).	<b>COMPLETED</b>
STU026	Students	Partner with the National Student Loan Clearinghouse so we can eliminate mismatches in enrollment information between our own and our partner's processes (by August 2000).	<b>COMPLETED</b>

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STU029	Students	Resolve NY Guaranty Agency 1997 load issues and put processes in place to prevent issues from occurring again. <i>(Added March 2000).</i>	COMPLETED
SCH010	Schools	Expand our current initiatives to help non-compliant schools and schools on reimbursement prepare action plans to improve their management of Title IV programs (by September 2000).	COMPLETED
SCH012	Schools	Post the schedule of SFA publications needed by schools on our web site, and get public feedback on it (by January 2000).	COMPLETED
SCH014	Schools	Allow schools to download all SFA software and materials through IFAP or the SFA web site (by April 2000).	COMPLETED
SCH021	Schools	Revise the Pell Grant system to warn analysts with a pop-up screen that they must "save" payment batches when submitting them for rejection (by mid-April, 2000). Change the default to rejection (by June 30, 2000). <i>(Added March, 2000)</i>	COMPLETED
FP0008	Financial Partners	Involve our partners in the design of everything that affects them (by April 2000).	COMPLETED
CIO001	CIO	Provide outreach services to the school community in Year 2000 preparedness, which will result in a Year 2000 school readiness measure in excess of 70 percent as reflected in a Department focused survey (by October 1999).	COMPLETED
CIO002	CIO	Provide all Student Aid financial services without invoking contingency plans as a result of a major delivery system failure (by January 2000).	COMPLETED

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CIO003	CIO	Manage the transition of all systems into the millennium in accordance with OCIO Day One plans with all events occurring as planned (by January 2000).	<b>COMPLETED</b>
CIO004	CIO	Manage the implementation of new systems or changes to systems from November 1999 to March 2000 with minimum risk and resulting in no system failures (by March 2000).	<b>COMPLETED</b>
CIO009	CIO	Update and maintain Modernization Blueprint by including Level Three and Four details, as developed, for each project undertaken. Publish updated blueprint semi-annually.	<b>COMPLETED</b>
CFO001	CFO	Receive an unqualified opinion on the FY99 financial statement audit (by March 2000).	<b>COMPLETED</b>
CFO003	CFO	Interim Activity Based Cost accounting system is operational (by March 2000).	<b>COMPLETED</b>

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**STATUS OF FIVE-YEAR PLAN  
APPENDIX A PERFORMANCE MEASURES  
AS OF JULY 7, 2000**

<b>Activity Number</b>	<b>Channel</b>	<b>Action Item/ Performance Measure</b>	<b>Progress Summary Through 7/7/00</b>
STU001*	Students	Process loan consolidations in 60 days or less. Currently averaging 50 days.	<b>EXCEEDING BENCHMARK</b>  Goal has been exceeded. Loan consolidations are currently being processed in an average of 50 days.
STU002*	Students	Keep the default recovery rate at ten percent or higher. Rate is currently 10.5 percent.	<b>ON TRACK</b>  The recovery rate as of 6/30/00 is exceeding the performance for the same period last year. We expect the 10% recovery rate will be achieved The FY00 dollars collected are favorably running ahead of FY99—\$1,040,179,883 vs 886,390,418—note that these numbers are only ED and PCAs—GA \$ won't be available til early August—we get info from the 1189 which is submitted quarterly.
STU003*	Student	Call Center (1-800-4FED AID) answers 95 percent of phone calls.	<b>MEETING STANDARD</b>  New contract has been signed. The call completion rate has been over 99% for the last 3 weeks.
STU004*	Students	Reduce the lifetime default rate.	<b>ON TRACK</b>
STU005	Students	Process Free Applications for Federal Student Aid (FAFSAs) with an average turnaround time of eight days or less. Now currently averaging six days.	<b>EXCEEDING STANDARD</b>  We are currently processing applications with an average turnaround time of 5.2 days.  See Chart A.

\* Not updated this reporting period

**STATUS OF FIVE-YEAR PLAN  
APPENDIX A PERFORMANCE MEASURES  
AS OF JULY 7, 2000**

<b>Activity Number</b>	<b>Channel</b>	<b>Action Item/ Performance Measure</b>	<b>Progress Summary Through 7/7/00</b>
STU006*	Students	Respond to internal audit reports within the timeframe specified.	<b>MEETING STANDARD</b>
STU007	Students	Create a new, high-quality, SFA web site linked to the Access America web site and the Department's "Think College Early" web site. Pending OMB guidance, link to appropriate sites in the education community (by September 2000).	<b>ON TRACK</b>  Part One – Completed. SFA web site was redesigned in November and linked to Think College Early. SFA site also links to students.gov site, which in March received OMB permission to link to numerous non-federal sites.  Part Two – (Development of Students Channel web portal) is expected to commence following the implementation of the Schools channel web portal, tentatively scheduled for September.
STU008*	Students	Ensure that information is provided in accessible formats to meet Department of Education standards for special needs, such as Braille and TTY for the sight and hearing impaired (by September 2000).	<b>ON TRACK</b>  Special Needs IPT sub-team has conducted research on access technology for hearing- and vision-impaired persons. Recommendations and promotional campaign will be in place by September 2000.
STU009*	Students	Partner with the Puerto Rican education community to focus on their needs, translate more of our publications into Spanish and post them on a Spanish version of our web page (by September 2000).	<b>ON TRACK</b>  As of 6/2/00, purchase orders had been awarded for translating the 2000-01 Student Guide (so that the '01-02 translation can be done quickly) and for translating the April 19 draft of the '01-02 FAFSA (so that the translation of the final version can be done quickly).
STU010*	Students	Partner with an existing organization to promote student aid (by September 2000).	<b>ON TRACK</b>  Scheduled presentation with the National TRIO conference on June 5, 2000.

\* Not updated this reporting period

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APPENDIX A PERFORMANCE MEASURES  
AS OF JULY 7, 2000**

<b>Activity Number</b>	<b>Channel</b>	<b>Action Item/ Performance Measure</b>	<b>Progress Summary Through 7/7/00</b>
STU011*	Students	Test all new Aid Awareness products and services with students and parents to make sure they are understandable.	<b>ON TRACK</b>
STU012	Student	Redesign the 2001-2002 Free Application for Federal Student Aid (FAFSA) to make it demonstrably simpler and more user-friendly (by September 2000).	<b>ON TRACK</b>  Discussion on Q28 taking place. Meetings held with SFA Community Reps for ideas/suggestions—Ed Elmendorf, Dallas Martin, and Brian Fitzgerald.
STU013*	Students	Redesign the Direct Loan consolidation electronic application to make it demonstrably simpler and more user-friendly (by September 2000).	<b>COMPLETED</b>
STU014*	Students	Work with five states and college consortia so data from college applications can be electronically applied to fill out FAFSA on the Web (by September 2000).	<b>COMPLETED</b>
STU015*	Students	Expand FAFSA Correction on the Web capabilities (by September 2000).	<b>COMPLETED</b>
STU017*	Students	Provide web-based mechanism for students to check the status of their FAFSAs and to notify students when processing is completed (by September 2000).	<b>COMPLETED</b>

\* Not updated this reporting period

**STATUS OF FIVE-YEAR PLAN  
APPENDIX A PERFORMANCE MEASURES  
AS OF JULY 7, 2000**

<b>Activity Number</b>	<b>Channel</b>	<b>Action Item/ Performance Measure</b>	<b>Progress Summary Through 7/7/00</b>
STU018*	Students	Work with IRS to participate in a pilot test of electronic matching of income data (by September 2000).	<p><b>ON TRACK</b></p> <p>Phase I of study completed. Meeting with OMB was held on May17 to go over preliminary findings of this study; meeting with GAO was held on May 25 to go over preliminary findings.</p> <p>Finalizing plans for conducting Phase II of the study, where parent and student 2000-2001 FAFSA income data will be matched with 1999 IRS income data. Match with IRS for Phase II is scheduled to take place in July 2000. Final report will be issued by end of September.</p>
STU019*	Students	Develop a Direct Consolidation Loan web site and allow electronic submission of Direct Loan consolidation forms (except for forms requiring an actual signature) via the Internet (by September 2000).	<b>COMPLETED</b>
STU020*	Students	Test all proposed changes to our application processing forms with focus groups of current and former students (by September 2000).	<b>ON TRACK</b>
STU021*	Students	Include all our forms in a "pdf" file format on our web site (by September 2000).	<b>COMPLETED</b>
STU022*	Students	Establish one toll-free number for "one call" student customer service (by September 2000). This will include TTY.	<p><b>ON TRACK</b></p> <p>IPT continues to meet and move forward. Three sub-teams have convened.</p>
STU023	Students	Reduce turnaround time for processing Direct Loan forbearance and deferment requests (by September 2000). The current contract requirement is within ten days from the date of receipt and the current baseline averages between five and seven days.	<p><b>EXCEEDING STANDARD</b></p> <p>June turnaround of 4.73 days exceeded the standard.</p> <p>See Chart B.</p>

\* Not updated this reporting period

**STATUS OF FIVE-YEAR PLAN  
APPENDIX A PERFORMANCE MEASURES  
AS OF JULY 7, 2000**

<b>Activity Number</b>	<b>Channel</b>	<b>Action Item/ Performance Measure</b>	<b>Progress Summary Through 7/7/00</b>
STU024	Students	Increase the number of FAFSAs filed electronically from three million last year to four million in FY2000 (by September 2000).	<p><b>ON TRACK</b></p> <p>As of June 30, we have received nearly 2.9 million electronic FAFSA's. That represents an increase of roughly 40% from the same period last year. We are on target for meeting our goal of 4 million in FY 2000.</p> <p>See Chart C.</p>
STU025*	Students	Eliminate paper processing (with the exception of promissory notes) for students participating in our MENTOR Project in the state of New York (by March 2000).	<b>COMPLETED</b>
STU026*	Students	Partner with the National Student Loan Clearinghouse so we can eliminate mismatches in enrollment information between our own and our partner's processes (by August 2000).	<b>COMPLETED</b>

\* Not updated this reporting period

**STATUS OF FIVE-YEAR PLAN  
APPENDIX A PERFORMANCE MEASURES  
AS OF JULY 7, 2000**

<b>Activity Number</b>	<b>Channel</b>	<b>Action Item/ Performance Measure</b>	<b>Progress Summary Through 7/7/00</b>
STU027*	Students	<p>Try at least five new ways to make debt collection more effective, less costly, and more customer service oriented (by September 2000)</p> <ol style="list-style-type: none"> <li>1. On line access to ACB to correct borrower records that have been reported to the Credit Bureaus in error (Improve Customer Service)</li> <li>2. Process debt collateral electronically from Guaranty Agencies during the Mandatory Assignments process.</li> <li>3. Provide Borrowers option of direct debit payment for their student loans.</li> <li>4. Notepad Record Reduction</li> <li>5. Collection Agencies generate and mail CA letters (rather than ED).</li> </ol>	<p><b>ON TRACK</b> for 1, 3, 4, 5.</p> <p>Alternate options for 2 being discussed.</p> <ol style="list-style-type: none"> <li>1. Obtained test software from the credit bureaus, working with Collections to determine locations responsible for updates. Working agreement for usage fee.</li> <li>2. Working with Andersen Consulting and CIO staff to determine if initiative could be part of Enterprise solution. DCSS will present recommendations to Channel Management during week of 6/12/00.</li> <li>3. Reviewing MOU from Contractor. After MOU acceptance, Contractor will submit a Phase II proposal.</li> <li>4. Working with Collection Agencies and Collection Agency's COTR to implement Notepad reduction initiative.</li> <li>5. Completed a draft phase I task order that will provide system functionality for new Collection Agencies. CA letter issues will be addressed in this task order as well as within the new Collection Agency contract</li> </ol>
STU028*	Students	<p>Increase by five, the number of guaranty agency partnerships with SFA designed to improve portfolio management by September 2000.</p>	<p><b>ON TRACK</b></p> <p>The USAF partnership meeting is scheduled for 4/27/00.</p> <p>An Oklahoma partnership meeting will be scheduled in May 2000.</p>
STU029*	Students	<p>Resolve NY Guaranty Agency 1997 load issues and put processes in place to prevent issues from occurring again. (Added March 2000).</p>	<p><b>COMPLETED</b></p>

\* Not updated this reporting period

**STATUS OF FIVE-YEAR PLAN  
APPENDIX A PERFORMANCE MEASURES  
AS OF JULY 7, 2000**

<b>Activity Number</b>	<b>Channel</b>	<b>Action Item/ Performance Measure</b>	<b>Progress Summary Through 7/7/00</b>
SCH001*	Schools	Process 95 percent of school recertifications within 120 days of receipt. The current benchmark is 42 percent.	<b>BELOW STANDARD</b>  We have processed 88% of the recertifications within 120 days of receipt.
SCH002*	Schools	Complete 95 percent of reimbursement requests within 30 days	<b>EXCEEDING STANDARD</b>  We are completing 97.7% of reimbursement requests within 30 days. Contract support for CMIS and the Reimbursement Mgmt system has expired leaving us without software support.
SCH003*	Schools	Keep the cohort default rate under ten percent. The current baseline is 8.8 percent.	<b>EXCEEDING STANDARD</b>  Draft 1998 cohort rates were calculated in Dec 99 which indicate the standard will be exceeded.
SCH004*	Schools	Resolve 90 percent of school audits within six months of receipt. The current baseline is 82 percent.	<b>EXCEEDING STANDARD</b>  We have resolved 97 % of school audits within six months of receipt.
SCH005	Schools	Process Direct Loan origination and disbursement records within three days. The current baseline is three days.	<b>MEETING STANDARD</b>  Updated graph not available for this reporting period.
SCH006	Schools	Process PELL funding requests within 24-36 hours. The current baseline is three days.	<b>MEETING STANDARD</b>  We believe we consistently met the standard in June, although there were processing cycles that exceeded the standard. The maximum processing time to process a funding request through RFMS to GAPS took 45 hours, under the current baseline of three days. ACS is still not providing complete performance data.

\* Not updated this reporting period

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APPENDIX A PERFORMANCE MEASURES  
AS OF JULY 7, 2000**

<b>Activity Number</b>	<b>Channel</b>	<b>Action Item/ Performance Measure</b>	<b>Progress Summary Through 7/7/00</b>
SCH007*	Schools	Identify schools that fail to submit audits or that submit audit reports late and take appropriate action.	<p><b>MEETING STANDARD</b></p> <p>On March 21, 2000 DMAD sent out our first set of monthly reminder letters to proprietary institutions whose compliance audits and/or financial statements will be due within 60 days. Each month DMAD has been sending out reminder letters to proprietary institution for compliance audits and/or financial statements that will be due within 60 days and delinquency letters to proprietary institutions with compliance audits and/or financials statements that are overdue. By July 31, 2000, DMAD will identify for non-profit &amp; public institutions whose 1997 and 1998 A-133 audits are missing and provide a listing to the Federal Audit Clearinghouse. The Clearinghouse will then send out at letter to the institution seeking their missing A-133 audits(s).</p>
SCH008*	Schools	Respond to internal audit reports within the timeframe specified.	<b>ON TRACK</b>
SCH009*	Schools	Expand our current initiatives for new schools, including the creation of an eligibility checklist, preparing instructions on how to begin to draw funds, providing onsite technical assistance if requested, and extending an invitation to come to the regional office to meet the SFA staff (by September 2000).	<p><b>ON TRACK (60% complete)</b></p> <p>The Welcome Letters &amp; SFA Brochure - 90% complete. Feedback Mechanisms – complete Next Steps: Prepare instruction guide on how to drawdown funds, finish two letters, one to offer additional IIS consultation and one to invite school to visit regional office.</p>
SCH010*	Schools	Expand our current initiatives to help non-compliant schools and schools on reimbursement prepare action plans to improve their management of Title IV programs (by September 2000).	<b>COMPLETED</b>

\* Not updated this reporting period

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APPENDIX A PERFORMANCE MEASURES  
AS OF JULY 7, 2000**

<b>Activity Number</b>	<b>Channel</b>	<b>Action Item/ Performance Measure</b>	<b>Progress Summary Through 7/7/00</b>
SCH011*	Schools	Assign each school a contact point who will be a part of a Customer Service Team with the know-how and authority to solve problems with one call (by July 2000). The contact point for institutions will respond to an institution's inquiry within 48 hours.	<b>ON TRACK</b>  The committee has completed its staff work. Our report with recommendations has been submitted to the Schools Channel General Manager. The General Manager has requested that the committee complete several other assignments before releasing the committee from its charge.
SCH012*	Schools	Post the schedule of SFA publications needed by schools on our web site, and get public feedback on it (by January 2000).	<b>COMPLETED</b>  Completed 1/28/00. Updated version on 4/18/00 Next updated version to be posted to IFAP July 2000.
SCH013	Schools	Participate in the Partnership Forum (establish Partnership Council Teams with our school partners) to develop common business processes and interchange standards for Pell, Direct loans and FFELP. Ensure delivery of quality customer service and address other common concerns (by July 2000).	<b>ON TRACK</b>  The CMO has established the School Partnership Council Team. The team's primary purpose will be to facilitate collaboration between SFA and the Schools to improve delivery of financial aid to students. CMO plans to announce the formation of this Council at the NASFAA Conference.
SCH014*	Schools	Allow schools to download all SFA software and materials through IFAP or the SFA web site (by April 2000).	<b>COMPLETED</b>  All SFA software is available on <a href="http://www.sfadownload.ed.gov">www.sfadownload.ed.gov</a> With the exception of a few publications, all can be retrieved on the web. Very few publications are currently mailed to users.
SCH015*	Schools	Involve schools in operational decisions to assess their impact, and test changes with schools before implementing them (by September 2000).	<b>ON TRACK</b>  Focus Groups were held at the Software Developers Conference.

\* Not updated this reporting period

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APPENDIX A PERFORMANCE MEASURES  
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SCH016*	Schools	Increase schools access to SFA databases within Privacy Act constraints and with appropriate security measures (by June 2000).	<p><b>ON TRACK</b></p> <p>We involved schools in the LO web page development. Schools now have access to LO data through the web page.</p>
SCH017	Schools	Improve the Direct Loan origination, reconciliation and closeout process (by September 2000). Test and evaluate an alternative origination and payments system using a commercial servicer as part of the Access America for Students project.	<p><b>ON TRACK</b></p> <p>Isiah Dupree is leading a group to review school responses for 95/96 and 96/97. They are preparing to travel to Montgomery, AL to research files as appropriate. Lisa DiCarlo has agreed to lead the effort for 97/98 and 98/99. Letters for 97/98 will be going out within the next week. We are currently researching to ensure data is 100% complete. Lisa will also lead the Joint Reconciliation Workgroup. Currently all of the closeout tools are ready for use and the CAMs are working with their schools to develop action plans.</p> <p>We have redesigned the 732 and DLSAS to better meet the needs of the schools. The new reports will allow the schools to choose the one that best meets their needs, from several formats.</p> <p>We are discussing the possibility of using E.solutions to develop an internal and external communications plan and help implement some of the suggestions that were given during the Reconciliation evaluation.</p>

\* Not updated this reporting period

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APPENDIX A PERFORMANCE MEASURES  
AS OF JULY 7, 2000**

<b>Activity Number</b>	<b>Channel</b>	<b>Action Item/ Performance Measure</b>	<b>Progress Summary Through 7/7/00</b>
SCH018*	Schools	Electronically process official cohort rate appeals based on new data (by September 2000).	<p><b>PROGRESS CONCERNS</b></p> <p>The cost to develop this system will cost in excess of \$2M. A cost/benefit analysis indicates that due to the current downward trend in the number of appeals submitted each year, the benefits associated with developing this system do not warrant the cost. If the # of appeals climbs and if future technology can be leveraged to develop this system, the cost/benefit should be reevaluated.</p>
SCH019*	Schools	Initiate a feasibility study to identify the technology solutions that can be used to fully automate the compliance audit and financial statement submission and review process (by September 2000).	<p><b>ON TRACK</b> (60% complete)</p> <p>Funding for the study has been obtained. Next step is initiation of the contracting process.</p>
SCH020	Schools	Work with schools to improve the quality of data in PEPS.	<p><b>ON TRACK</b></p> <p>PEPS training sessions were held the entire month of June and continue the entire month of July. These sessions will result in better school data in PEPS.</p>
SCH021*	Schools	Revise the Pell Grant system to warn analysts with a pop-up screen that they must "save" payment batches when submitting them for rejection (by mid-April, 2000). Change the default to rejection (by June 30, 2000). ( <i>Added March, 2000</i> )	<p><b>COMPLETED</b></p>

\* Not updated this reporting period

**STATUS OF FIVE-YEAR PLAN  
APPENDIX A PERFORMANCE MEASURES  
AS OF JULY 7, 2000**

<b>Activity Number</b>	<b>Channel</b>	<b>Action Item/ Performance Measure</b>	<b>Progress Summary Through 7/7/00</b>
SCH022*	Schools	Strengthen controls between Loan Origination and GAPS and perform verification of the number of payment records and refund records in a payment request file to prevent duplicate payments. <i>(Added March, 2000)</i>	<p><b>ON TRACK</b></p> <p>The LOC is completing the final draft of the procedures for verification of payment records by batch run. The LOC is currently talking with GAPS on a daily basis; however, the procedures will finalize the process and give a specific time for the call to happen each day. It will also include a back up list of people and phone numbers in case the primary person to call is not available. The procedure will document the tracking process that will be used in order to report on a monthly basis that the calls have been made.</p>
FP0001*	Financial Partners	Reduce the lifetime default rate.	<p><b>ON TRACK</b></p> <p>Meetings on Default Reduction as Integrated Project will begin in April with members both within and outside of ED. Jack Reynolds will lead this team. In April, a core group of individuals will meet to discuss and plan for the Fall Default Symposium. Jack Reynolds will also lead this team.</p>
FP0002*	Financial Partners	Identify guaranty agencies and lenders that submit audit reports late and take appropriate action.	<p><b>ON TRACK</b></p> <p>Continuing to use our in-house tracking system to monitor guaranty agency and lender audit report. New initiative: representatives from FP, School Channel, OIG and CFO (Dept. of ED) are working together to resolve Clearinghouse issues and develop web based system for obtaining audits and financial reports.</p>
FP0003*	Financial Partners	Respond to internal audit reports within the timeframe specified.	<p><b>MEETING STANDARD</b></p> <p>Continued efforts to revise the current procedure and receive reports electronically directly from the submitting agency.</p>

\* Not updated this reporting period

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AS OF JULY 7, 2000**

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FP0004*	Financial Partners	Create a rapid response team to identify and to address serious administrative problems (by January 2000).	<b>ON TRACK</b>  Essentially in place with the regional office staff prepared to react as necessary.
FP0005*	Financial Partners	Continue to work with guaranty agencies and lenders to maintain the quality of data in NSLDS.	<b>ON TRACK</b>  Analyzing current requirements to determine unnecessary and non-viable requests. Also working with the FMS project to determine the proper use of NSLDS in fee billing.
FP0006*	Financial Partners	Assign each financial partner a contact point within a customer service team with the know-how and the authority to get questions answered and problems solved (by January 2000).	<b>ON TRACK</b>  The regions have been identified as the point of contact for our partners. Still in process of increasing authority and knowledge. Working with policy to establish a better process.
FP0007*	Financial Partners	Give guarantors access to all the information in the National Student Loan Data System, subject to Privacy Act considerations and appropriate security measures (by September 2000).	<b>ON TRACK</b>
FP0008*	Financial Partners	Involve our partners in the design of everything that affects them (by April 2000).	<b>COMPLETED</b>  Expanded this month to include development of B2B standards involving electronic invoicing and billing.
FP0009*	Financial Partners	Join current guarantor and lender groups or establish Partnership Council Teams with guaranty agencies and lenders to develop guiding principles of quality service, training and technical assistance materials, performance data for benchmarking purposes, develop common standards and operating rules to simplify transactions, and to address issues to improve service to students (by June 2000).	<b>ON TRACK</b>  See above. Also will be instrumental in NSLA conference in May to discuss and recommend improvements. Involvement includes participation with NCHELP, CBA, NSLA, SLSA, NASGAPP.

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FP0010*	Financial Partners	In cooperation with guarantors, develop electronic payment/reporting systems (by September 2000).	<b>ON TRACK</b>
FP0011*	Financial Partners	Continuously ask our financial partners two questions: "Are we doing a better job as your partner?" and "What can we do next year to improve even more?"	<b>ON TRACK</b>
FP0013*	Financial Partners	Increase the default recovery rate for loans in default held by guaranty agencies (by September 2000)	<b>ON TRACK</b>  Also working on developing MIS requirements to provide better portfolio performance measures. Starting project to compare other industry trends and methods to manage delinquency and maintain portfolio wellness.
FP0014*	Financial Partners	Enter into up to six Voluntary Flexible Agreements with guaranty agencies in FY 2000, as called for in legislation, to experiment with improved ways to deliver aid, improve program integrity, and realize cost efficiencies (by June 2000).	<b>ON TRACK</b>
FP0015*	Financial Partners	Reduce fraudulent death and disability cases below 1998 baseline (by December 1999).	<b>ON TRACK</b>  Instituted method to detect potential fraud. Working to consolidate processing to better control.
FP0016*	Financial Partners	Within the Financial Partners channel, develop a project team and management methodology consistent with SFA enterprise-wide tools.	<b>ON TRACK</b>  Rolled out a channel wide transformation plan including 14+ projects aimed at modernization, better process development, reengineering and employee development. Effort includes training and use of project management tools.

\* Not updated this reporting period

**STATUS OF FIVE-YEAR PLAN  
APPENDIX A PERFORMANCE MEASURES  
AS OF JULY 7, 2000**

<b>Activity Number</b>	<b>Channel</b>	<b>Action Item/ Performance Measure</b>	<b>Progress Summary Through 7/7/00</b>
CIO001*	CIO	Provide outreach services to the school community in Year 2000 preparedness, which will result in a Year 2000 school readiness measure in excess of 70 percent as reflected in a Department focused survey (by October 1999).	<b>COMPLETED</b>
CIO002*	CIO	Provide all Student Aid financial services without invoking contingency plans as a result of a major delivery system failure (by January 2000).	<b>COMPLETED</b>
CIO003*	CIO	Manage the transition of all systems into the millennium in accordance with OCIO Day One plans with all events occurring as planned (by January 2000).	<b>COMPLETED</b>
CIO004*	CIO	Manage the implementation of new systems or changes to systems from November 1999 to March 2000 with minimum risk and resulting in no system failures (by March 2000).	<b>COMPLETED</b>
CIO005	CIO	Achieve 90 percent of the annual major modernization milestones that have been approved by the Information Technology Investment Review Board (by September 2000).	<b>ON TRACK</b>  Met all milestones for Intranet and Portals tasks.
CIO006	CIO	Reduce overall volume-adjusted operating costs for systems migrated to the consolidated data center by ten percent. (by September 2000).	<b>ON TRACK</b>  Operating costs, measured by Direct Access Storage Device (DASD) and Millions of Instructions Per Second (MIPS) have been reduced by 10% as of the end of the third quarter.  See Chart D.

\* Not updated this reporting period

**STATUS OF FIVE-YEAR PLAN  
APPENDIX A PERFORMANCE MEASURES  
AS OF JULY 7, 2000**

Activity Number	Channel	Action Item/ Performance Measure	Progress Summary Through 7/7/00
CIO007	CIO	Work with schools to improve the quality of data in NSLDS (by September 2000).	<b>ON TRACK</b>  Refers to reduction in duplicate Perkins Loans on NSLDS. In May 00, reached a 60% reduction over 9/99. On track for goal of 75% reduction by 9/30/00.
CIO008	CIO	Respond to internal audit reports within the timeframe specified.	<b>ON TRACK</b>  Responded timely to EDCIO on IG Security Audit. No other audits have been received.
CIO009*	CIO	Update and maintain Modernization Blueprint by including Level Three and Four details, as developed, for each project undertaken. Publish updated blueprint semi-annually.	<b>COMPLETED</b>  Updated version was posted to the Web on April 7. Next version is due after the close of this fiscal year.
CIO010*	CIO	Implement the recommendations that would rectify the procedural findings in the IG Security Audit. <i>(Added March 2000)</i>	<b>ON TRACK</b>
CFO001*	CFO	Receive an unqualified opinion on the FY99 financial statement audit (by March 2000).	<b>COMPLETED</b>
CFO002*	CFO	Respond to internal audit reports within the timeframe specified.	<b>MEETING STANDARD</b>
CFO003*	CFO	Interim Activity Based Cost accounting system is operational (by March 2000).	<b>COMPLETED</b>
CFO004*	CFO	Complete Phases I and II of the Financial Management System (to include the design and proof of concept).	<b>ON TRACK</b>  Phase II FFELP GA, LEAPP, and Fixed Assets pilot implementations remain on schedule.  Working Solutions Demonstrations for the FFELP GA scheduled for July and August.  Functional Design Documents for FFELP GA and Fixed Assets completed in June.

\* Not updated this reporting period

**STATUS OF FIVE-YEAR PLAN  
APPENDIX A PERFORMANCE MEASURES  
AS OF JULY 7, 2000**

<b>Activity Number</b>	<b>Channel</b>	<b>Action Item/ Performance Measure</b>	<b>Progress Summary Through 7/7/00</b>
CFO005	CFO	Separate the duties of ordering, receiving and paying for physical inventory. <i>(Added March 2000).</i>	<b>ON TRACK</b>  CIO is on track to award the contract for SEAT management by July 2000. A tentative award date has been set for July 25. CFO is incorporating the SFA fixed assets process within the new FMS system that is due to come online in October 2000.
CFO006*	CFO	Continue to improve the SFA and Department financial statement preparation and audit support process to assure a better opinion in FY 2000. <i>(Added March 2000).</i>	<b>ON TRACK</b>  SFA-CFO and ED-CFO project plans drafted into one document. Audit Steering Committee meeting each week (members from OUS/ED-CFO/SFA-CFO). SFA-CFO staff assigned to monitor and track the SFA "Prepared By Client" (PBC) listing to assure auditors have requested information timely and accurately.  SFA-CFO assigned additional staff to support analysis of the Net Position issues. Resolution of three FFEL issues on track for assuring appropriate accounting for FY 2000.  Met with ED-CFO and OUS to explain SFA's Activity Based Costing methodology. SFA's process may be used by the Department to allocate costs to Functions of the Department for the Statement of Net Costs.  ED-CFO on track to provide auditors March 31, 2000 financial statements on June 15. SFA working with CFO and OUS to analyze account balances and identify and correct discrepancies.  Kick-off meeting between auditors, IG, ED-CFO, SFA-CFO and other POCs is scheduled for June 12, 2000.

\* Not updated this reporting period

**STATUS OF FIVE-YEAR PLAN  
APPENDIX A PERFORMANCE MEASURES  
AS OF JULY 7, 2000**

<b>Activity Number</b>	<b>Channel</b>	<b>Action Item/ Performance Measure</b>	<b>Progress Summary Through 7/7/00</b>
HR0001*	Human Resources	Implementation of a new SFA organizational design that is customer focused, like the best in business.	<p style="text-align: center;"><b>PROGRESS CONCERNS</b></p> <p>The work on organizational design is about 90% complete, and there continue to be some progress concerns. As of 6/9/00, there have been eight reorganization proposals developed. Five of these proposals (CIO, Accreditation, Communications, SFA Univ. and Contracting &amp; Acquisitions) have cleared all clearance levels. The Union's demand to bargain on the proposals for Financial Partners and Students is ongoing. Resolution of issues for Financial Partners is anticipated by the end of June. The reorganization proposal for Analysis was sent to OM and is in clearance. The reorganization proposal for Human Resources is still in the early stages of development.</p>
HR0002	Human Resources	Relocate SFA Headquarters to a more modern and up-to-date facility.	<p style="text-align: center;"><b>ON TRACK</b></p> <p>The construction crew began pouring concrete on June 29 and are expected to be completed by the end of July. They will begin setting the tower crane to build our new office building within the next three weeks. The exterior finishes have been approved.</p>

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**STATUS OF FIVE-YEAR PLAN  
APPENDIX A PERFORMANCE MEASURES  
AS OF JULY 7, 2000**

<b>Activity Number</b>	<b>Channel</b>	<b>Action Item/ Performance Measure</b>	<b>Progress Summary Through 7/7/00</b>
HR0003*	Human Resources	Identify and resolve five key issues identified by the labor management partnership council.	<p><b>ON TRACK</b></p> <p>The LMPC has endorsed the four key areas identified by the employee survey as important to employee satisfaction. The areas are: ensure each SFA staff member understands how the organization's transformation to a PBO touches them and affects their job, communicate to staff the opportunities resulting from Wave II activities, develop strong two-way communications and give people the basic tools they need to do their job. The SFA Management Council and LMPC are working together to clarify these issues.</p>
HR0004	Human Resources	Implement the "Performance Excellence Program." Standards will be applied to every one of our business processes. Staff will use these standards when dealing with customers, partners and each other. Each customer, employee and business process experience should be worthy of trust, delivered with courtesy, with great products and services, and efficiency.	<p><b>ON TRACK</b></p> <p>PBO on the Frontlines has been completed. All performance excellence matrices (Action Plans) have been presented to managers and the managers are working with the teams to help implement the Plans.</p>
HR0005*	Human Resources	Establish career management plan with every employee through an Individualized Development Plan.	<p><b>PROGRESS CONCERNS</b></p> <p>Still in the planning stages this work will be conducted when the Human Resources Director is on board.</p>

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**STATUS OF FIVE-YEAR PLAN  
APPENDIX A PERFORMANCE MEASURES  
AS OF JULY 7, 2000**

<b>Activity Number</b>	<b>Channel</b>	<b>Action Item/ Performance Measure</b>	<b>Progress Summary Through 7/7/00</b>
SFAU01	SFA University	Launch SFA University to transform SFA into a learning organization.	<p><b>ON TRACK</b></p> <p><b>PBO Training.</b> <i>PBO at the Front Lines</i> concluded the week of June 26 with graduation sessions for the second legion of DC teams; simultaneously the Dallas, Kansas City, Denver, and Seattle Regions attended their final compressed session in Denver. This month the University and Public Strategies Group begin development on <i>PBO Traditions</i> and <i>Student Aid Process Front to Back</i>, which are the remaining segments of the core curriculum. The "SFA Core Curriculum" (<i>Front Lines</i>, <i>Traditions</i> and <i>Front to Back</i>) will be provided to employees and to SFA's operating partners, using a combination of SFA staff and operating partner staff as trainers.</p> <p><b>SFA University training for schools.</b> EDEExpress training for Application Processing, Packaging, Pell and Direct Loans is continuing in all ten regions, and will end conclude in September 2000.</p> <p>The final <i>Super Week</i> training will take place in Ponce, Puerto Rico, August 1-4. These week-long compressed workshops for customers outside the continental United States have been well attended and very well received.</p> <p>Work began July 14 on analyzing the content of the Blue Book and deciding which pages need to be updated and replaced for the 1999 version. We expect the new pages to be issued to the fiscal and financial aid community in late March 2001.</p> <p><b>New Products.</b> <i>Direct Loans 101</i>, a new electronic training module that can be downloaded from the web, is in its final testing stage. It will be available to schools in September 2000. This module is similar to</p>

\* Not updated this reporting period

**STATUS OF FIVE-YEAR PLAN  
APPENDIX A PERFORMANCE MEASURES  
AS OF JULY 7, 2000**

<b>Activity Number</b>	<b>Channel</b>	<b>Action Item/ Performance Measure</b>	<b>Progress Summary Through 7/7/00</b>
			<p><i>SFA Coach</i> and covers the Direct Loan Basics that formerly were included in Direct Loan Overview training. Also included are a glossary of Direct Loan terms, a directory of personnel, and links to all Direct Loan websites.</p> <p><i>RFMS Customer Service Training.</i> SFA University began work with Pell Operations and the RFMS contractor to develop a curriculum for training RFMS customer service representatives. This new training program will focus on serving financial aid administrators, to help them understand the RFMS interface with NSLDS, EDEXpress, and the Central Processing System. The projected date for rollout is October 2000.</p>
SFAU02	SFA University	Define core competencies and conduct a gap analysis between current and desired level of skills.	<p><b>PROGRESS CONCERNS</b></p> <p>The "training analysis tool" is currently on hold.</p> <p>SFA University's Learning Consultant worked with TDC to develop basic College Accounting Courses for the CFO and other SFA employees. The classes started July 19. We also are working with TDC to place SFA CIO employees in Information Technology Certificate Programs beginning this fall.</p>

\* Not updated this reporting period

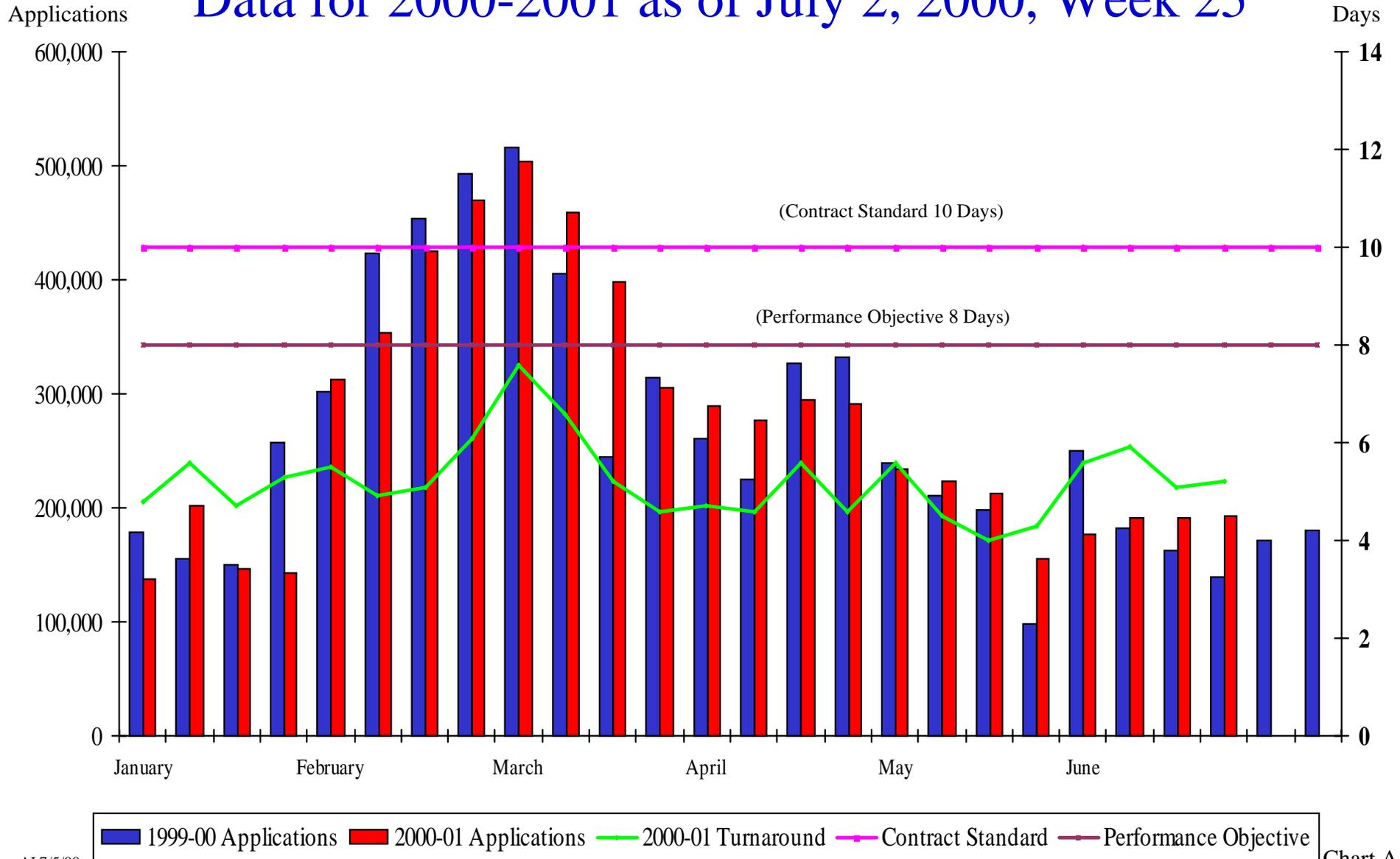
**STATUS OF FIVE-YEAR PLAN  
APPENDIX A PERFORMANCE MEASURES  
AS OF JULY 7, 2000**

<b>Activity Number</b>	<b>Channel</b>	<b>Action Item/ Performance Measure</b>	<b>Progress Summary Through 6/23/00</b>
ANAL01	Analysis	Routinely Measure Employee Satisfaction. SFA University will help individual work-units identify issues and develop resolutions.	<b>ON TRACK</b>  Senior leadership has determined the most frequently stated comments and are addressing them. An update will be sent to all SFA employees in late July.

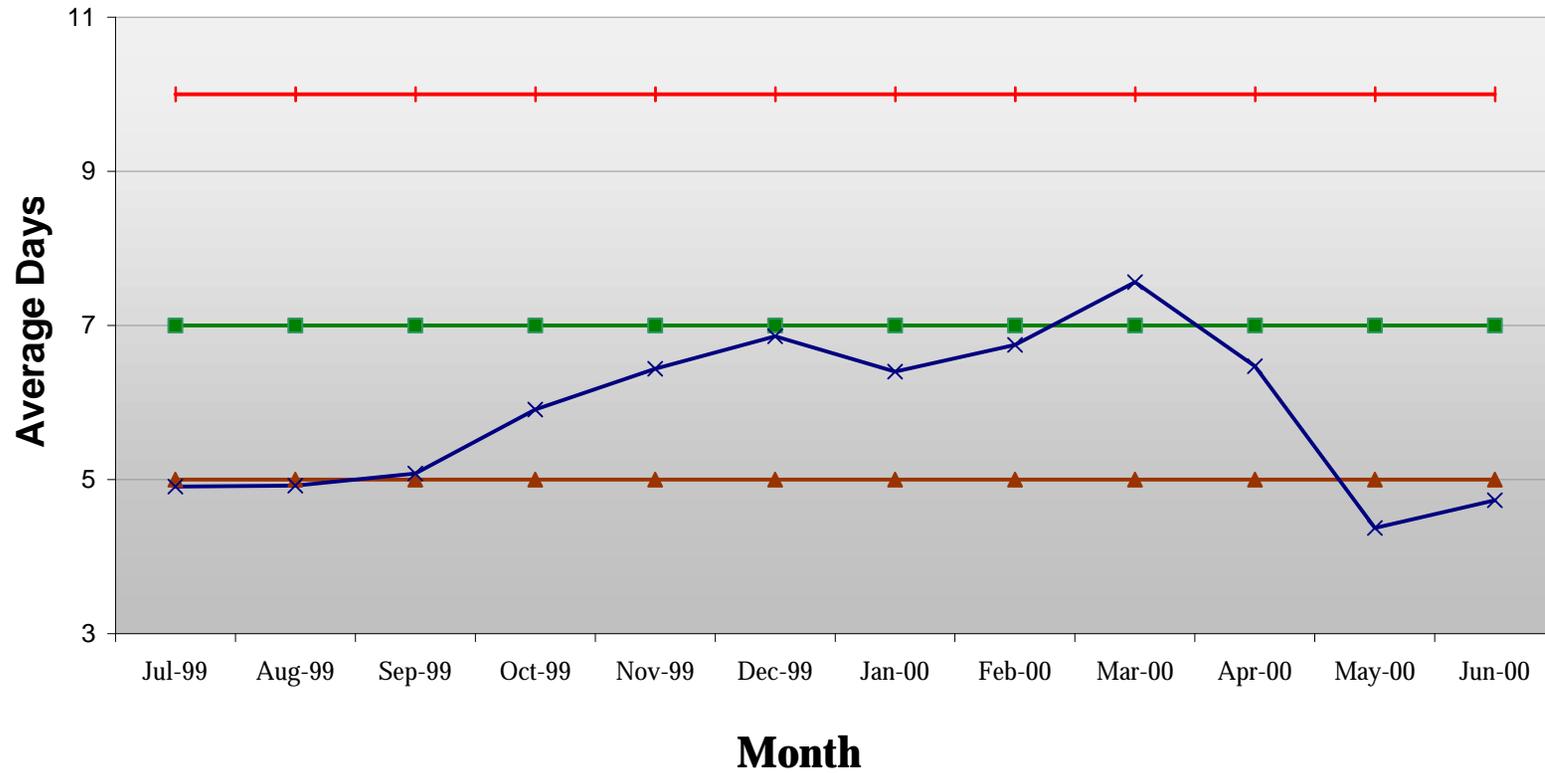
\* Not updated this reporting period

# 2000-2001 Application Volume Turnaround

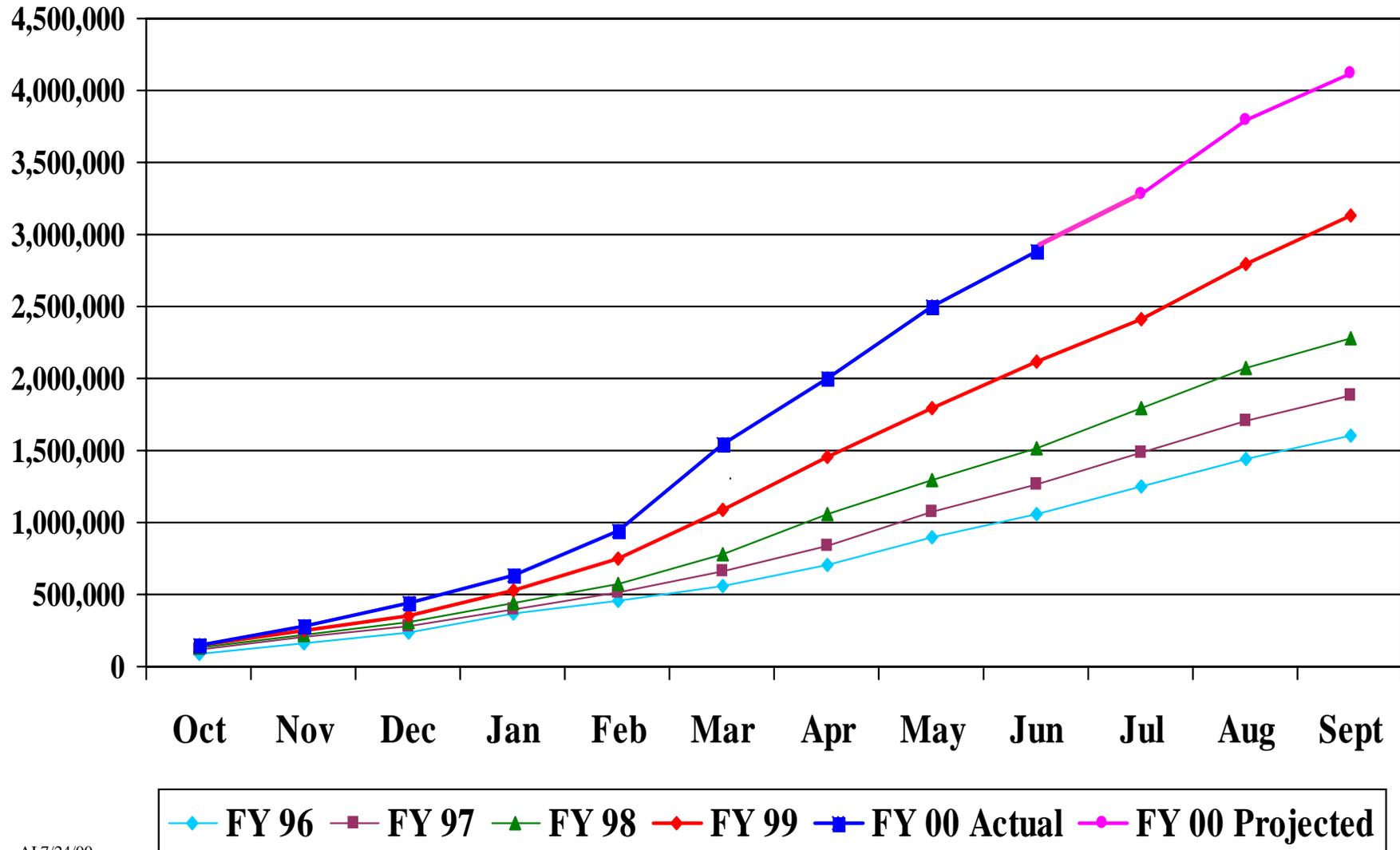
Data for 2000-2001 as of July 2, 2000, Week 25



# Turn Around Time for Direct Loan Deferments and Forbearances



# FAFSAs Filed Electronically By Fiscal Year



**CUMULATIVE RESOURCE USAGE COST,  
VIRTUAL DATA CENTER  
3Q 1999 vs 3Q 2000**

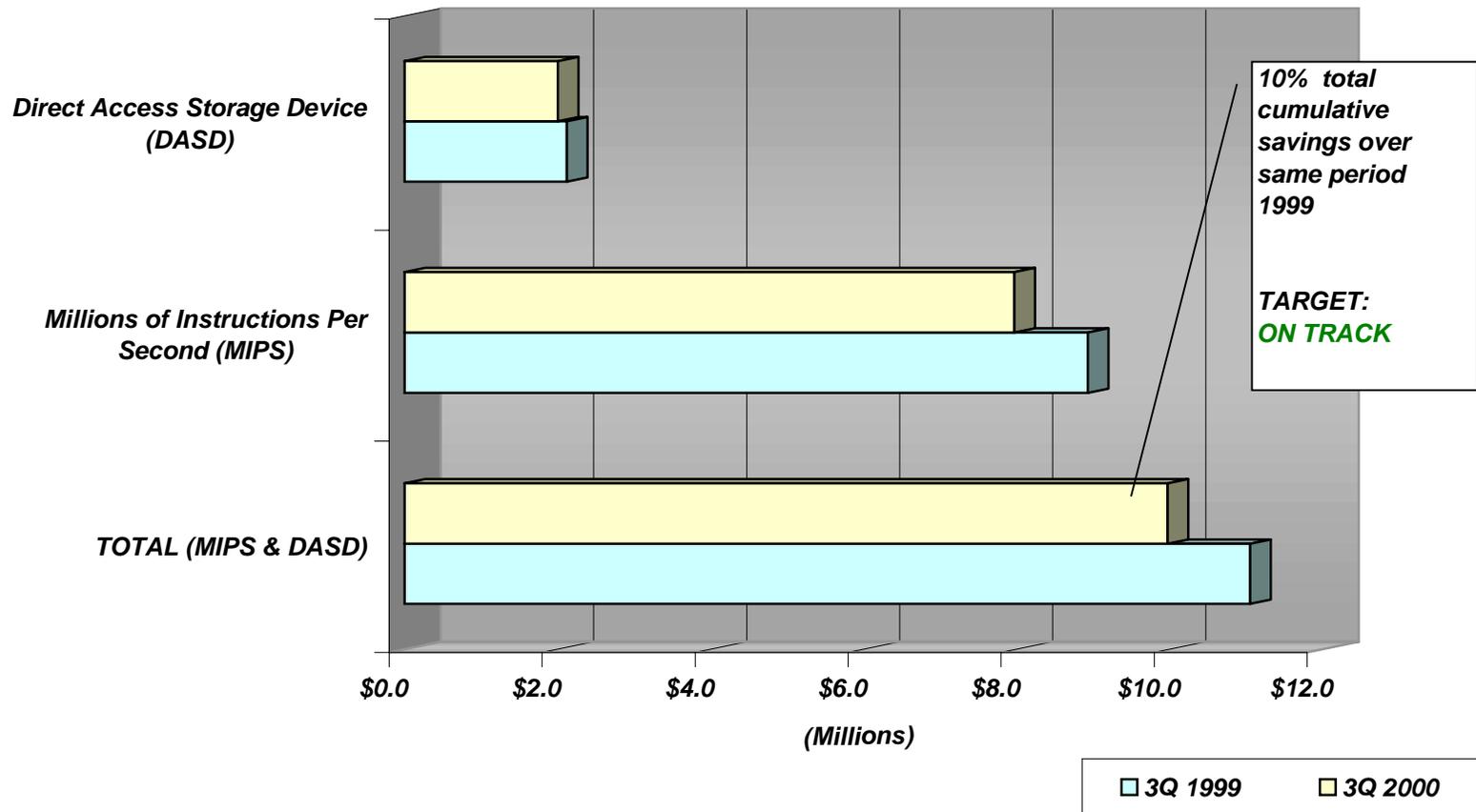


Chart D