

Statement of Purpose

This document, which was prepared by the Modernization Partner team for the office of Student Financial Assistance (SFA), represents the initial Capability Release Plan deliverable (Version 1.0). The document provides an initial position about capabilities and initiatives that are required to improve SFA's current operations and short-term project investments. Specifically, this document focuses on process and technology initiatives. The document does not include organizational enablement initiatives which will be addressed in the next version of the document.

Overall, the deliverable is intended to serve as a catalyst for SFA to complete the next version of the Capability Release Plan (Version 2.0). The next version would map more closely to SFA's new vision and future market position and would contain additional insight about achieving "best in business" capabilities. Also, that plan is expected to represent a significant change in the number, sequence, and timing of recommended initiatives.

Table of Content

- Overview
- Capability Framework
- Recommended Initiatives and Proposed Schedule
- Benefits-Outcomes Summary
- Major Implications
- Next Steps
- Appendices

During the past eight weeks we have involved various members of the Modernization Partner team in developing the initial Capability Release Plan. Specifically, we . . .

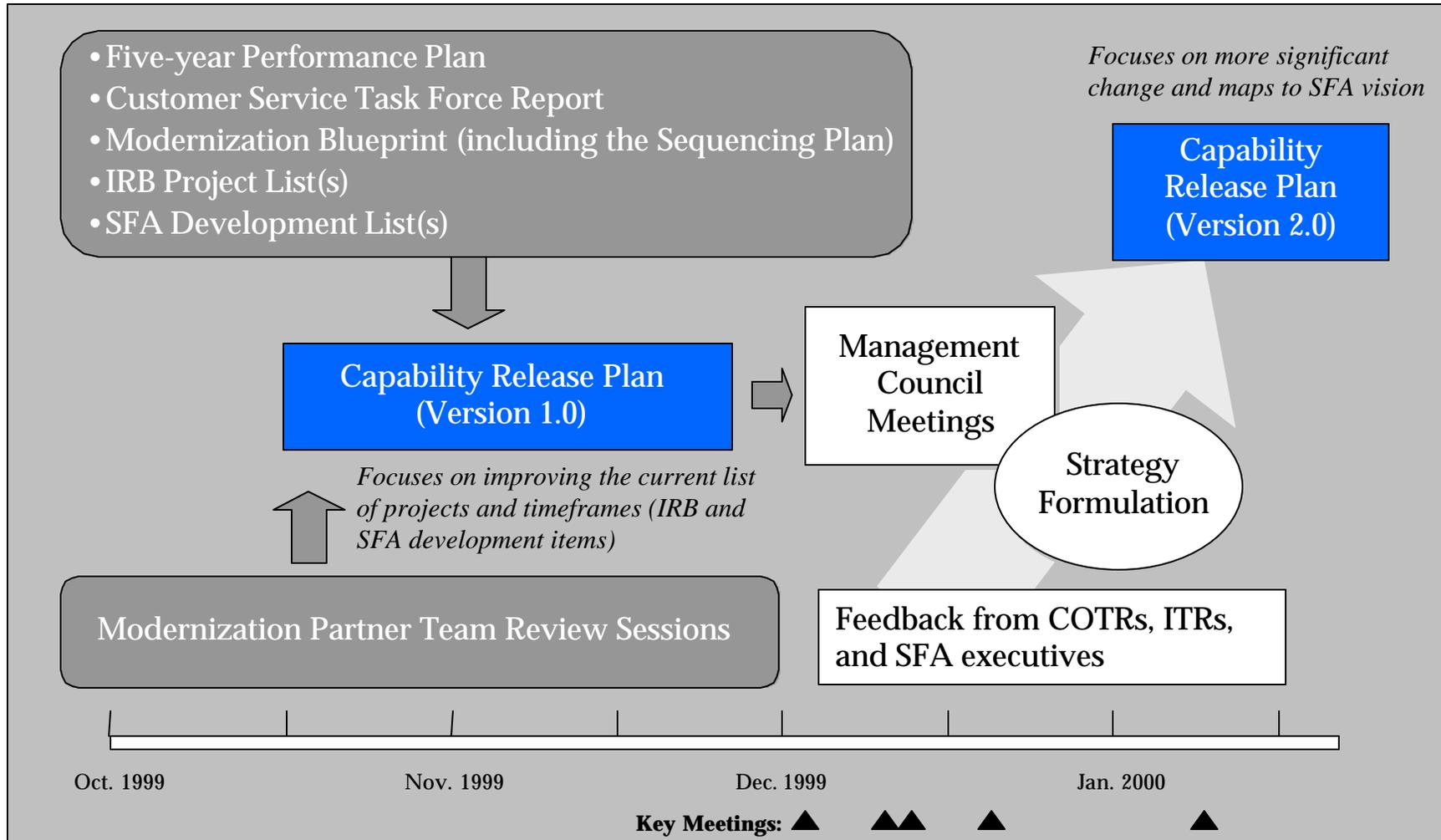
- ❑ Analyzed key documents in order to understand SFA’s business objectives, performance goals, and business requirements. These documents include the:
 - Five-year Performance Plan
 - Modernization Blueprint
 - Customer Service Task Force Report

- ❑ Identified current capabilities based on our understanding of SFA’s existing aid delivery operations.

- ❑ Reviewed more than 400 project requests that were part of SFA’s current investment plans:
 - Investment Review Board (IRB) projects (115 project requests)
 - SFA Development Items (222 project requests)
 - Modernization Blueprint’s Sequencing Plan (more than 60 projects)

- ❑ Used capabilities and the 400 plus project requests to identify program initiatives that will create value for SFA. Most of these program initiatives comprise a bundling of “silo-ed” projects.

Although the initial version of the Capability Release Plan is complete, development of the next version (2.0) will require an iterative process that incorporates input from various SFA and Modernization Partner team members.



To assist with reviewing the Capability Release Plan, a solid understanding of the terms below is critical.

- **Business Capability** - Refers to a combination of human performance, business process, and technology elements that collectively represents an organization's ability to create value through a distinct part of its operation. A business capability creates value by producing business outcomes and results.
- **Core Business Capability** - Describes the set of capabilities that are directly linked to an organization's core business processes (e.g., Aid Awareness, Loan Servicing, etc.).
- **Enabling Capability** - Describes the set of capabilities that support and enable the core business processes to operate efficiently. Many enabling capabilities are also closely aligned to the infrastructure and integration areas within an organization.
- **Initiative** - Describes a recommended program-level task effort that is focused on delivering capabilities. An initiative may have one or more projects associated with it.
- **Project** - Refers specifically to a task effort or request that is currently on the IRB request list, SFA Development request list, and/or Modernization Blueprint Sequencing Plan.

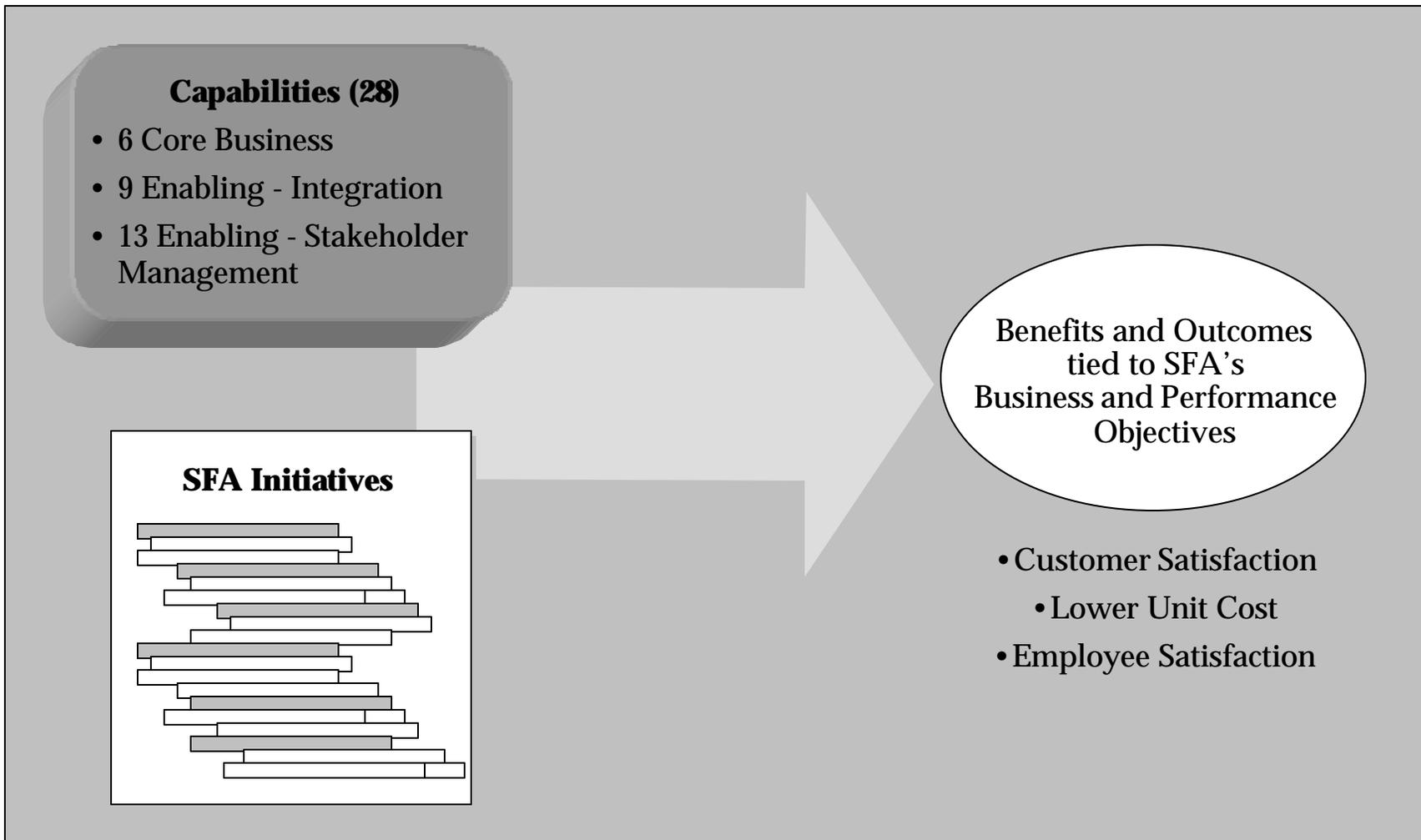
Table of Content

- Overview
- Capability Framework
- Recommended Initiatives and Proposed Schedule
- Benefits-Outcomes Summary
- Major Implications
- Next Steps
- Appendices

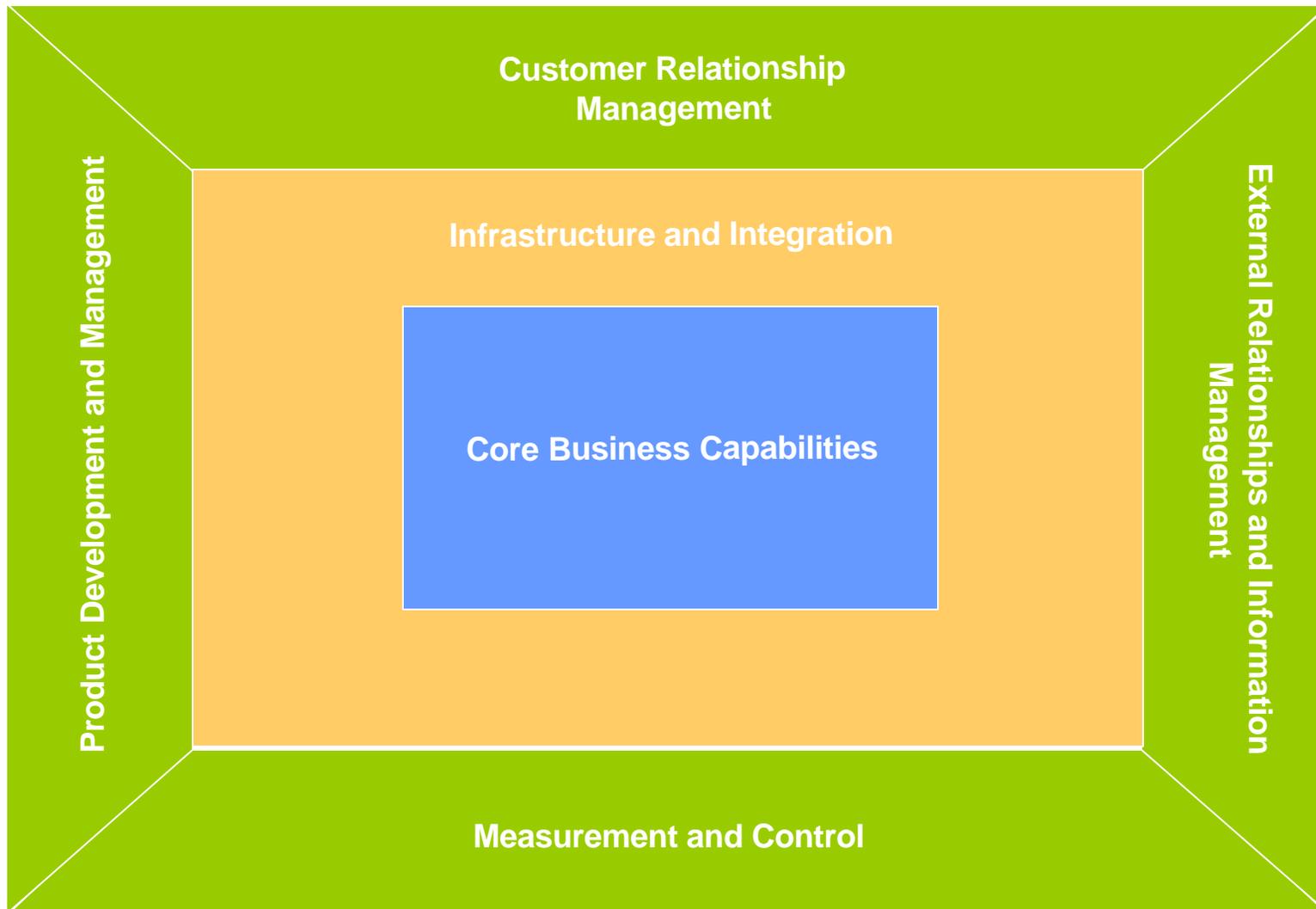
Capability Framework

This section outlines core business and enabling capabilities that comprise SFA's student aid delivery operations. The section provides a framework that is similar to one which Andersen Consulting has implemented for several "best-in-business" financial services organizations. We believe the framework is particularly useful in understanding and improving SFA's overall operations.

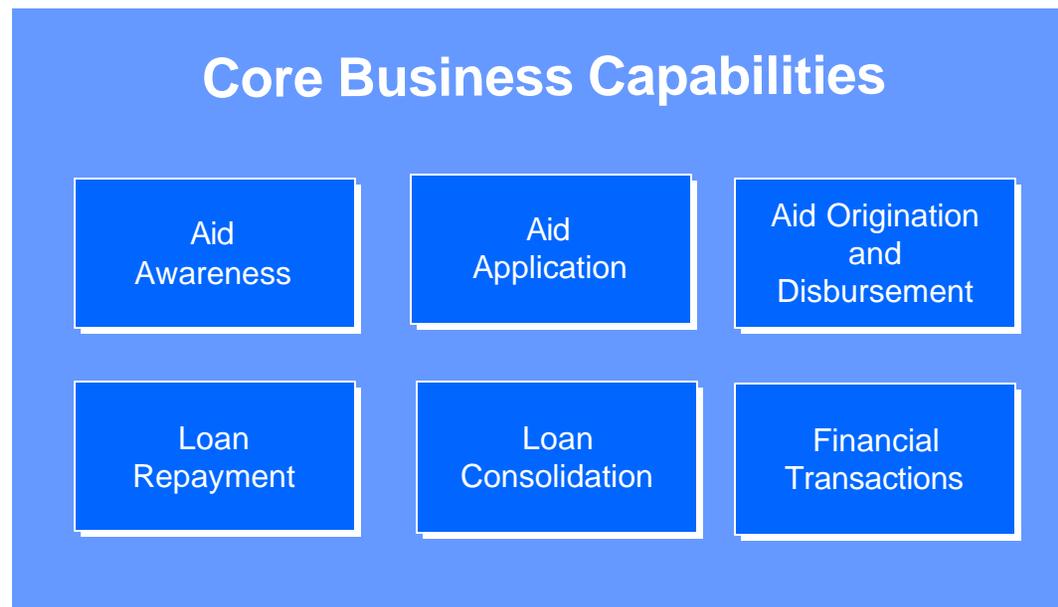
Capabilities drive specific benefits and outcomes that can be directly linked to achieving SFA's business and performance objectives.



The capability framework provides a logical business structure for capturing SFA's core business and enabling capabilities.



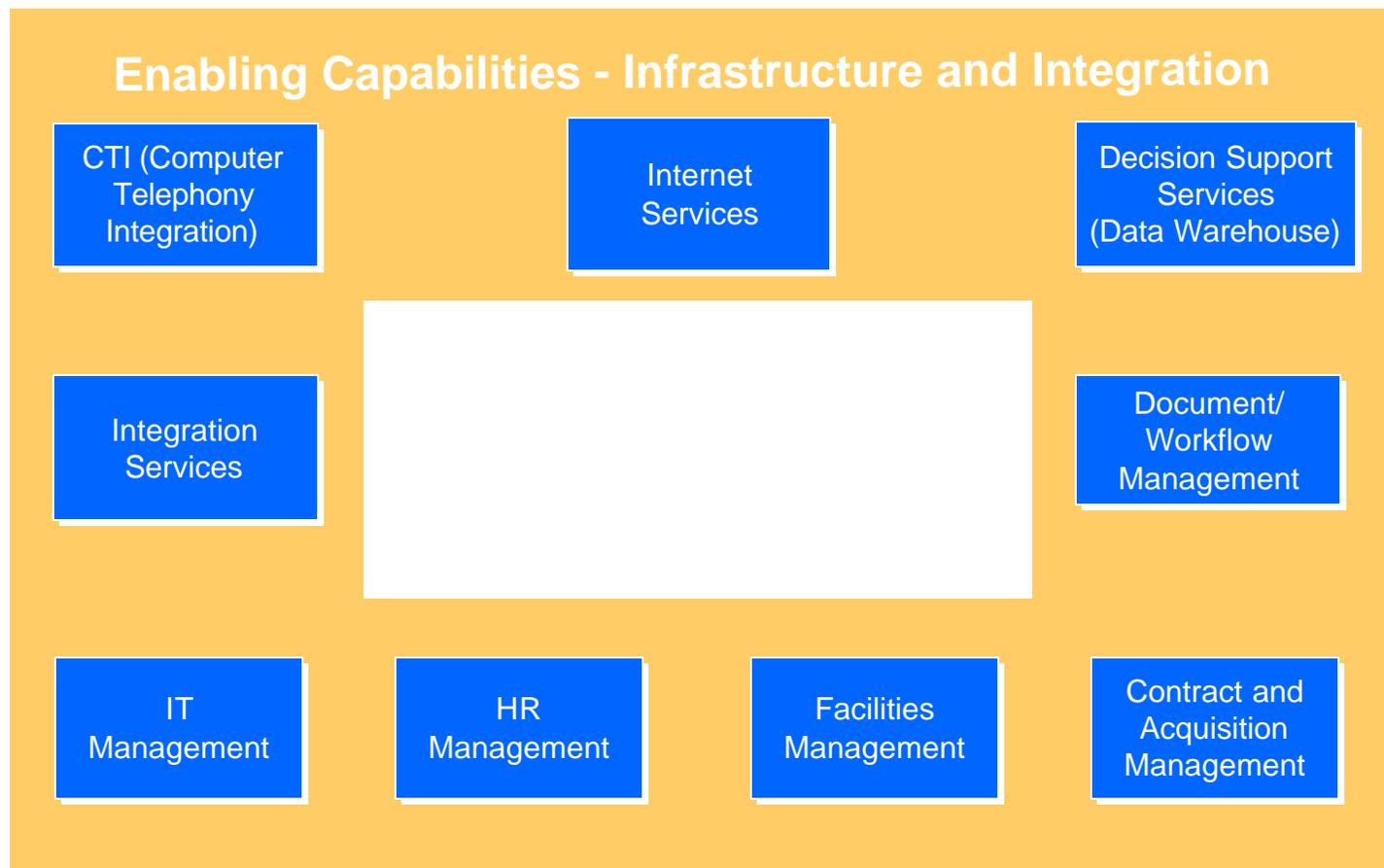
Core business capabilities are primary and central to SFA achieving “best-in-business” results in the areas of customer satisfaction, lower unit cost, and employee satisfaction.



Definitions of Core Business Capabilities

- **Aid Awareness** - Increases the awareness of financial aid availability and counseling for borrowers. Includes identifying and educating potential program participants, students and their families, about various aid programs.
- **Aid Application** - Provides a streamlined, user-friendly means for students to apply for financial aid through various media (electronic, paper, etc.). Includes enhancing the application form (electronic and paper), collecting and organizing application information, verifying the information, and assisting in the creation of aid packages for schools and students.
- **Aid Origination and Disbursement** - Accommodates both scheduled and just-in-time methods of disbursement to schools and considers various requirements for different aid programs.
- **Loan Repayment** - Improves the counseling of borrowers on debt management and repayment options. Includes providing an easy and streamlined process to repay loans and consider repayment alternatives.
- **Loan Consolidation** - Provides borrowers with a simple and convenient way to manage their education debt by consolidating loans.
- **Financial Transactions** - Maximizes the accuracy and speed of administering and tracking of financial flows between SFA, schools, and financial partners. Includes coordinating the execution of financial activities conducted at the school and financial partner levels.

Capabilities linked to SFA's infrastructure will enable SFA to integrate and deliver all products and services consistently and effectively.



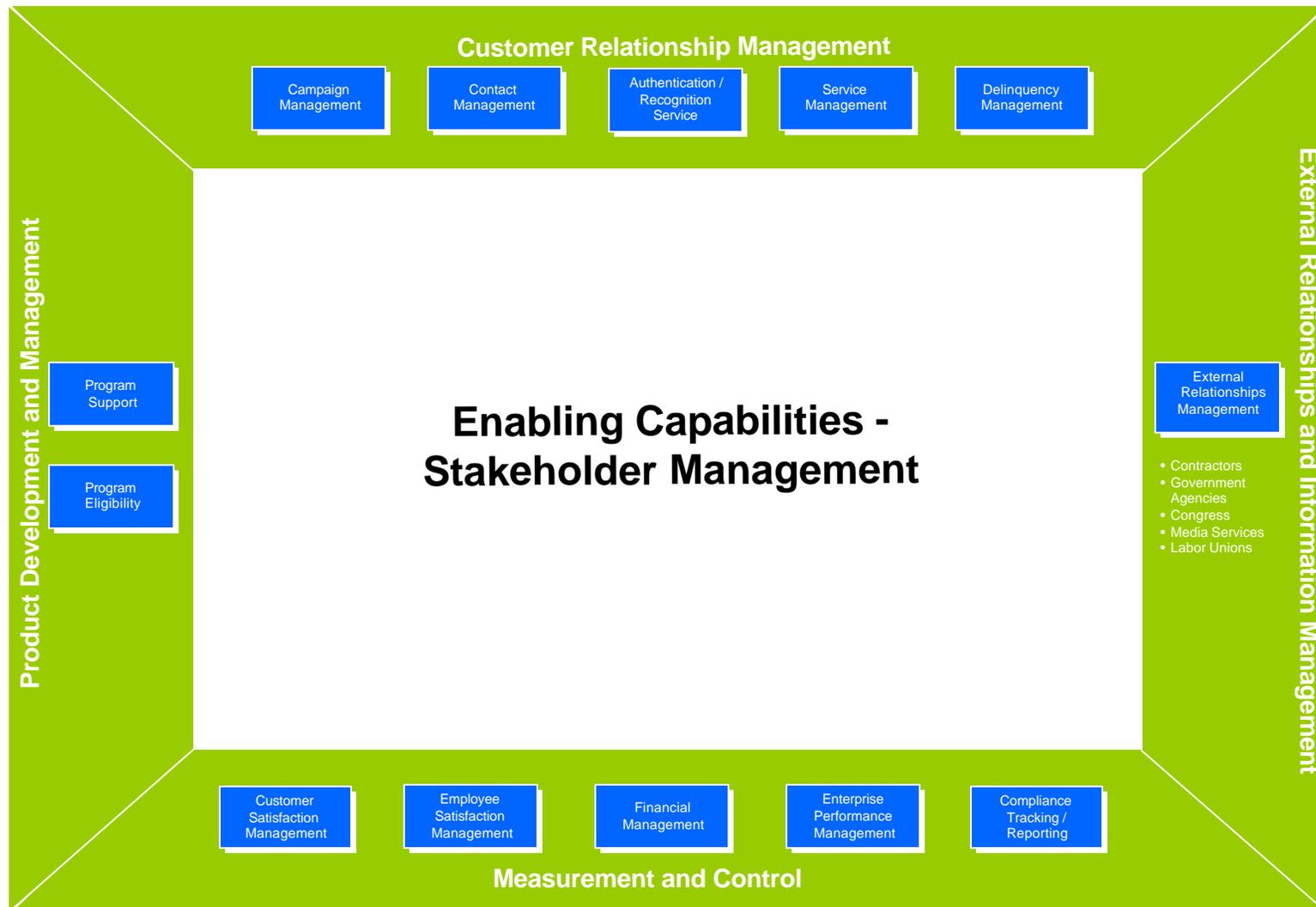
Definitions of Enabling Capabilities - Infrastructure and Integration

- **Integration Services** - Delivers business linkage among product applications and facilitates ability to provide seamless service delivery to customers across multiple channels. Includes delivering a unified view of core application and information environment to all touch points.
- **CTI (Computer Telephony Integration)** - Supports integration of call center infrastructure, equipment, and other technology. Includes technology supporting functionality within state-of-the-art call center systems. Incorporates the ability to transfer voice and data across applications.
- **Internet Services** - Supports hardware and software to enable information delivery and transaction execution readiness for a particular channel. Includes physical self-service devices (e.g., kiosks) and providing e-mail capability to facilitate internal/external communications and the use of intranets.
- **Decision Support Services (Data Warehouse)** - Provides decision support and synthesizes insight to execute a model, in batch or real-time, and provides customer optimization results (i.e., 'best fit' analysis) to multiple parties (customer, partners). Governs the storage of data and defines policies of "who will store what where", optimizes efficiencies of information storage and access.
- **Document/Workflow Management** - Supports an integrated system of queuing/routing of packets of work; and incorporates the assignment of tasks/packets of work to and between individuals/ work groups.

Definitions of Enabling Capabilities - Infrastructure and Integration (cont.)

- **IT Management** - Seeks to maximize the return on current and future information technology (IT) investments. Provides procedures for IT management discipline, including the use of standard tools, reporting, capacity planning, etc.
- **HR Management** - Provides procedures to manage SFA's human resources by ensuring that staff are continually trained, have room for personal and professional development, and have the tools needed to accomplish their work. Also supports the continued hiring of a talented workforce that is adequately compensated and rewarded.
- **Facilities Management** - Provides fixed procedures to coordinate SFA's physical workplace with its people and work. Uses best practices in business administration, architecture, and behavioral and engineering sciences to improve workplace conditions.
- **Contract and Acquisition Management** - Identifies, selects, and manages all external contractors who supply goods and services to SFA. Aims to reduce costs and improve service levels internally and externally.

Other capabilities are intended to enable SFA to establish and manage performance-based relationships with its internal and external stakeholders.



Definitions of Enabling Capabilities - Stakeholder Management

- **Campaign Management** - Includes campaign design, execution, and tracking; facilitates channel optimization tools to select the 'right' combination of delivery channels as well as the appropriate timing for distribution.
- **Contact Management** - Maintains a contact history log to track all customer interactions (e.g., "You opted not to pursue the loan consolidation option last time"). Includes facilitating the concept of 'organizational memory' by integrating contact knowledge into future customer interactions, capturing history across all customer touch points and across time, and capturing customer satisfaction data as an input for assessment tools.
- **Authentication/Recognition Service** - Provides the ability to implement consistent authentication rules for establishing remote access rights to all systems supporting SFA programs.
- **Service Management** - Receives customer data from multiple feeder applications (internal and external) and identifies source, conducts modeling to triage customer volume into several categories. Includes routing and assignment of customers to a variety of channels for processing, tracking the success of modeling and making appropriate adjustments to ensure continuous improvement.
- **Delinquency Management** - Supports collections processing to manage accounts with delinquent payments in the various payment categories and focuses on activities leading up to charge-off.

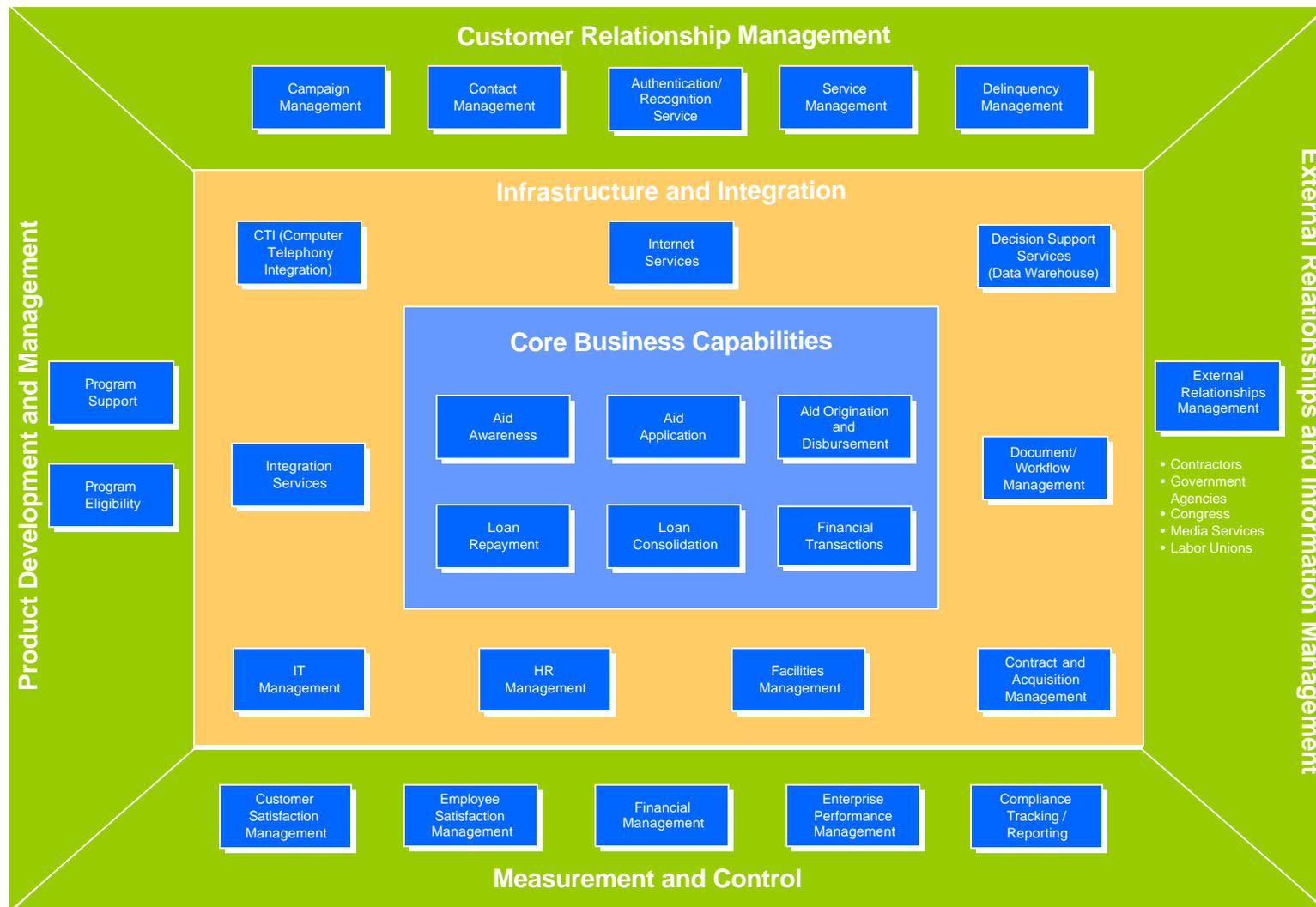
Definitions of Enabling Capabilities - Stakeholder Management (cont.)

- **Customer Satisfaction Management** - Improves the ability to collect, manage, and measure information about customer/partner preferences and satisfaction in a structured and systemic manner. Provides the ability to analyze this data to identify trends and gaps to be addressed through future changes.
- **Employee Satisfaction Management** - Improves the ability to develop detailed processes to identify critical employee programs for data collection in order to identify and address gaps affecting employee satisfaction. Includes building employee capabilities and motivating them in an effort to provide long-term growth opportunities and increase employee retention.
- **Financial Management** - Provides an integrated financial management system to manage the flow of financial information across all SFA systems. Includes traditional accounting activities necessary to manage the flow of funds between students, schools, financial partners, and other government agencies.
- **Enterprise Performance Management** - Ensures the SFA accomplishes its strategic objectives by using performance measures to understand, predict, and improve performance in customer satisfaction, lower unit cost, and employee satisfaction.
- **Compliance Tracking and Reporting** - Facilitates the capture of information to support compliance/regulatory factors. Incorporates reporting tools to govern compliance and regulatory changes across all internal and external interfaces.

Definitions of Enabling Capabilities - Stakeholder Management (cont.)

- **Program Eligibility** - Monitors eligibility requirements throughout a school's involvement in Title IV and other student aid programs and involves certifying and defining the scope of participation for schools and financial partners for these programs.
- **Program Support** - Ensures schools and financial partners have the tools and assistance they need to effectively manage Title IV and other financial aid programs.
- **External Relationship Management** - Manages improving the partnering relationship with contractors, government agencies, Congress, media services, labor unions, and other external bodies.

Collectively, core business and enabling capabilities provide a framework for SFA to achieve its mission to “Put America Through School”.



The capability framework presented by the Modernization Partner team maps closely to SFA's core business service processes that are outlined in the Modernization Blueprint.

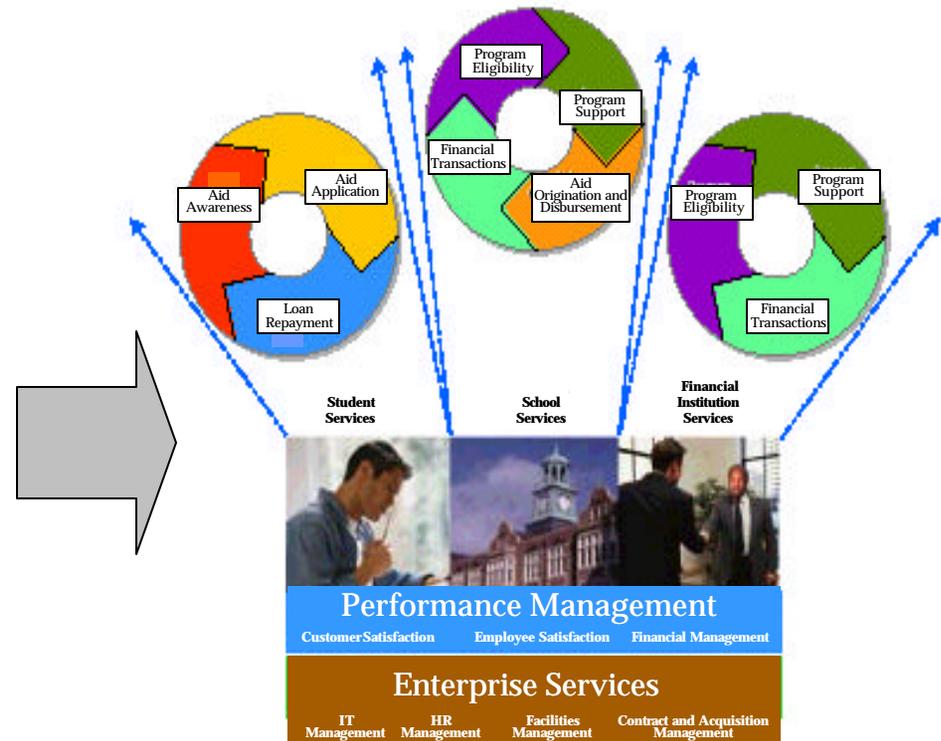
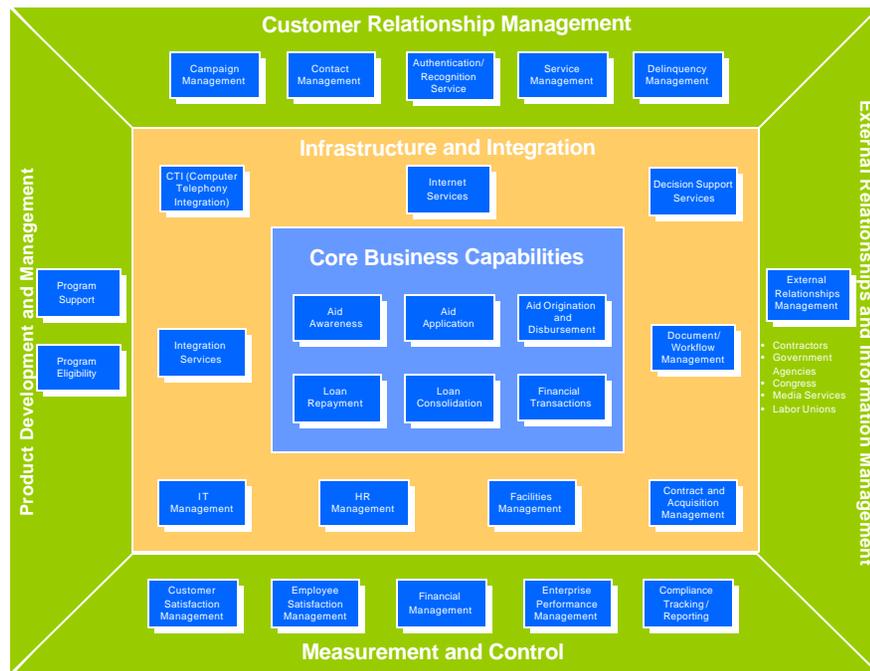


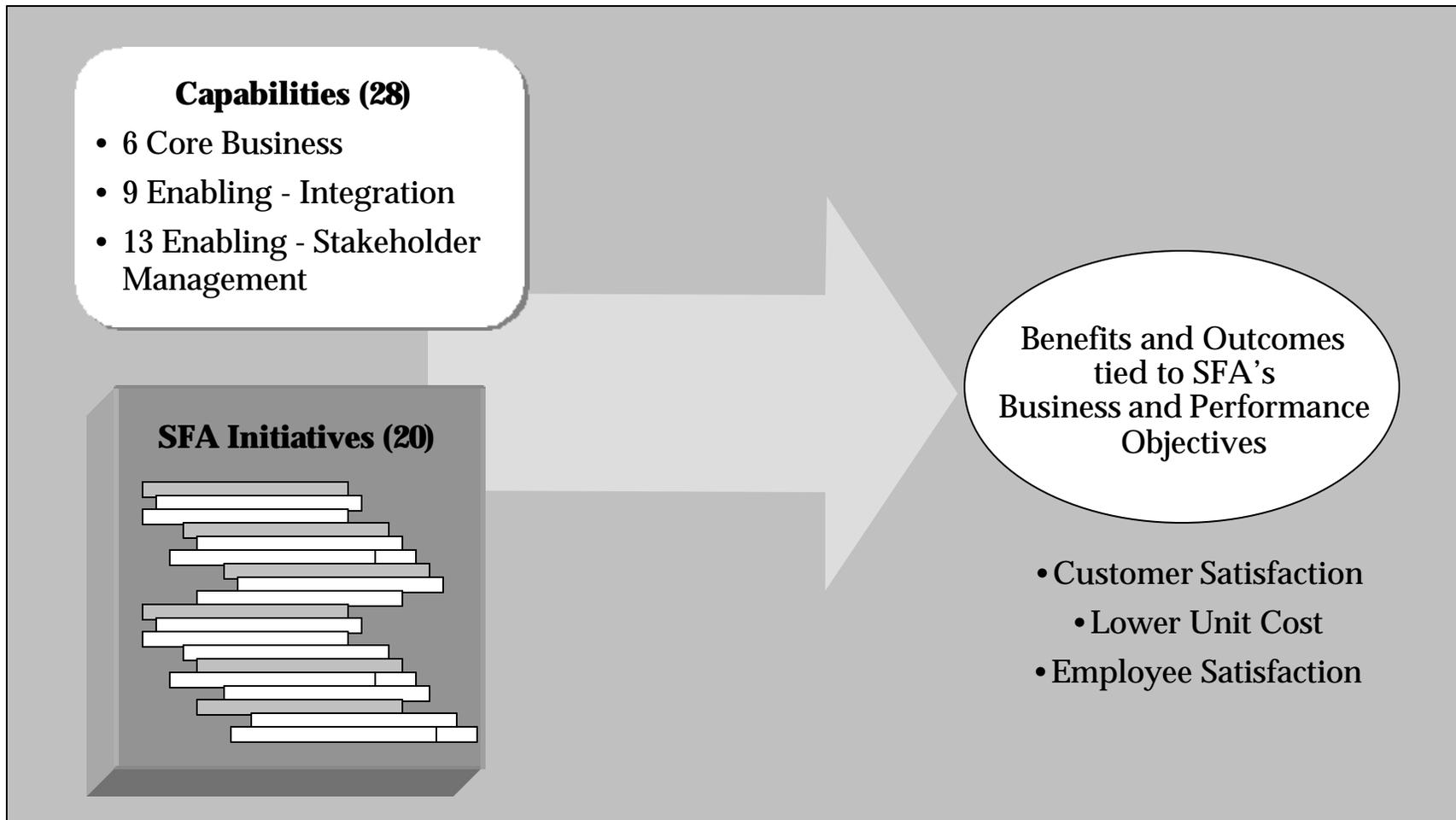
Table of Content

- Overview
- Capability Framework
- Recommended Initiatives and Proposed Schedule
- Benefits-Outcomes Summary
- Major Implications
- Next Steps
- Appendices

Recommended Initiatives and Proposed Schedule

This section describes program initiatives that the Modernization Partner team recommend for SFA to consider over the next 2-3 years as part of a “revised” sequencing plan . The section also provides a proposed schedule based on relative complexity, scope, external dependencies, and other implications associated with each initiative. A detailed account of these attributes can be found in Appendix A. In addition we have also provided the Modernization Blueprint Sequencing Plan in Appendix B.

The implementation of program initiatives are required to deliver capabilities and move SFA toward achieving its business and performance objectives.



Focusing on delivering capabilities, we have identified 20 initiatives that we recommend SFA execute over the next 2 - 3 years. These initiatives would address many of the existing IRB, SFA Development, and Sequencing Plan projects.

Quick Hit Initiatives (5)

- Web Portals Prototype
- Information Technology Management, including:
 - IT Management Plan
 - Enterprise Data Standardization
 - Enterprise Architecture Design for various platforms (i.e., Internet, Decision Support, Integration, and CTI)
- Enterprise Information System (Prototype and Implementation)
- Consolidated Data Center (VDC)
- Performance Measurements Analysis and Design

Reengineering Initiatives (8)

- Enhanced Customer Relationship Management - (Consolidated Call Center)
- Enhanced Aid Awareness
- Enhanced Electronic FAFSA (includes Spanish FAFSA)
- Financial Management System (FMS)
- Enhanced Aid Origination and Funds Disbursement
- Direct Loan Servicing Reengineering
- Enhanced Loan Repayment - Debt Collections
- Enhanced Outreach Services for Underserved Market Segments

Other Value Creating Initiatives (7)

- Enhanced Monitoring of External Entities
- Web Portals for Customers
- Common Third-Party Interfacing
- Consolidated Third-Party Support Services
- Compliance Tracking and Reporting
- Single Identifier for Each Entity (includes PIN usage)
- Existing Modernization Projects and Other SFA Initiatives - (Enhanced Procurement Process)

Quick hits represent incremental changes on a relatively small scale. We believe each of these initiatives could be completed within 6 months of start-up and provide early positive returns on SFA's change efforts.

- **Web Portals Prototype** - Design and implement a prototype to deliver capabilities for students, schools, financial partners, and/or employees. This will enable easier and more efficient data transfer through an internet interface.
- **Information Technology (IT) Management:**
 - **Information Technology Management Plan** - Create a plan to manage the various analysis/ design enterprise-wide architecture changes slated to occur in the SFA IT environment.
 - **Enterprise Data Standardization** - Develop data standards to improve data integrity.
 - **Enterprise Architecture Designs for Decision Support System (DSS), Integration, Internet, and Computer Telephony Integration (CTI)** - Complete planning and analysis/design for enterprise-wide architectures that will comprise SFA's new technical environment.
- **Enterprise Information System (EIS):**
 - **Prototype** - Design a prototype to enable the standardization of all SFA systems reports.
 - **Implementation** - Implement the system to enable the standardization of all SFA EIS reports.
- **Consolidated Data Center (VDC)** - Design and implement a Virtual Data Center (VDC) to streamline call center operations and "host" all Department of Education systems at a single data center. Includes procedures and processes about day-to-day operations.
- **Performance Measurements Analysis and Design** - Develop a process and framework for establishing, tracking, and reporting SFA current and target performance measures. The goal is to use the performance measures to understand, predict, and improve performance.

Reengineering initiatives would enhance and improve SFA's ability to deliver and support core business processes.

■ **Enhanced Customer Relationship Management:**

- **Consolidated Call Center** - Improve customer satisfaction by proactively seeking customers' input, and "reaching out" to train and assist them with all SFA-related concerns. This initiative includes the consolidation of multiple call center capabilities to provide "one-call-does-it-all" functionality for customers.

- **Enhanced Aid Awareness** - Enhance all programs designed to inform the public of the availability of student financial assistance and educate them on various aid options and processes of applying for aid.

- **Enhanced Electronic FAFSA** - Improve the electronic FAFSA through various modifications including the acceptance of data input through alternative means (e.g., tax preparer software), the creation of an electronic Spanish language FAFSA, and other value creating enhancements to the electronic FAFSA.

- **Financial Management System (FMS)** - Validate the current SFA financial management system, design an integrated financial management system to manage the flow of financial information across all SFA information systems, and analyze the financial impact of this conversion.

Reengineering Initiatives (cont.)

- **Enhanced Aid Origination and Funds Disbursement** - Modify or simplify existing Loan Origination processes. Provide ability to originate and disburse all types of financial aid through a single delivery system.
- **Direct Loan Servicing Reengineering** - Reduce cost while improving service to students and schools. Scope will include the existing processes and systems for the Students Channel, including loan consolidation, central database functions, recording the loan on the servicing system, repayment, early collection efforts, and customer service. The systems review will include LCS, CDS, and DLSS (in whole or in part).
- **Enhanced Loan Repayment for Debt Collections** - Determine the best approach for improving processes/methods for Debt Collections.
- **Enhanced Outreach Services for Under-Served Market Segments** - Improve the external communications to partners and borrowers to disseminate information on changes to existing programs, technology, etc. for the under-served customer markets. Includes initiating projects with partners to research, develop, and promote best business practices, new products, and improved customer service (e.g., Partnership Council Teams).

Other value creating initiatives represent additional opportunities for SFA to integrate its core business processes.

- **Enhanced Monitoring of External Entities** - Design and implement monitoring capabilities for existing channels including schools and financial partners as well as other external entities as required.
- **Web Portals for Customers** - Design and implement online capabilities for all customers (students, schools, financial partners, etc.) to enable easier and more efficient data transfer through internet and/or other online interfaces (including Student Account Manager functionality).
- **Common Third-Party Interfacing** - Implement a platform to provide standard interface capabilities for all SFA third parties (i.e., IRS, Department of Justice, etc.).
- **Consolidated Third-Party Support Services** - Streamline contracting with external vendors to manage services provided to SFA. Perform analysis and implement consolidated services such as fulfillment, imaging, and lockbox.
- **Compliance Tracking and Reporting** - Enhance the process by which existing and new legislation is tracked, communicated, and implemented.

Other Value Creating Initiatives (cont.)

- **Single Identifier for Each Entity (includes PIN usage)** - Design a uniform single identifying data element for each customer entity in SFA's system including students, schools, and financial partners. Include the use of PIN logic as a form of identification.

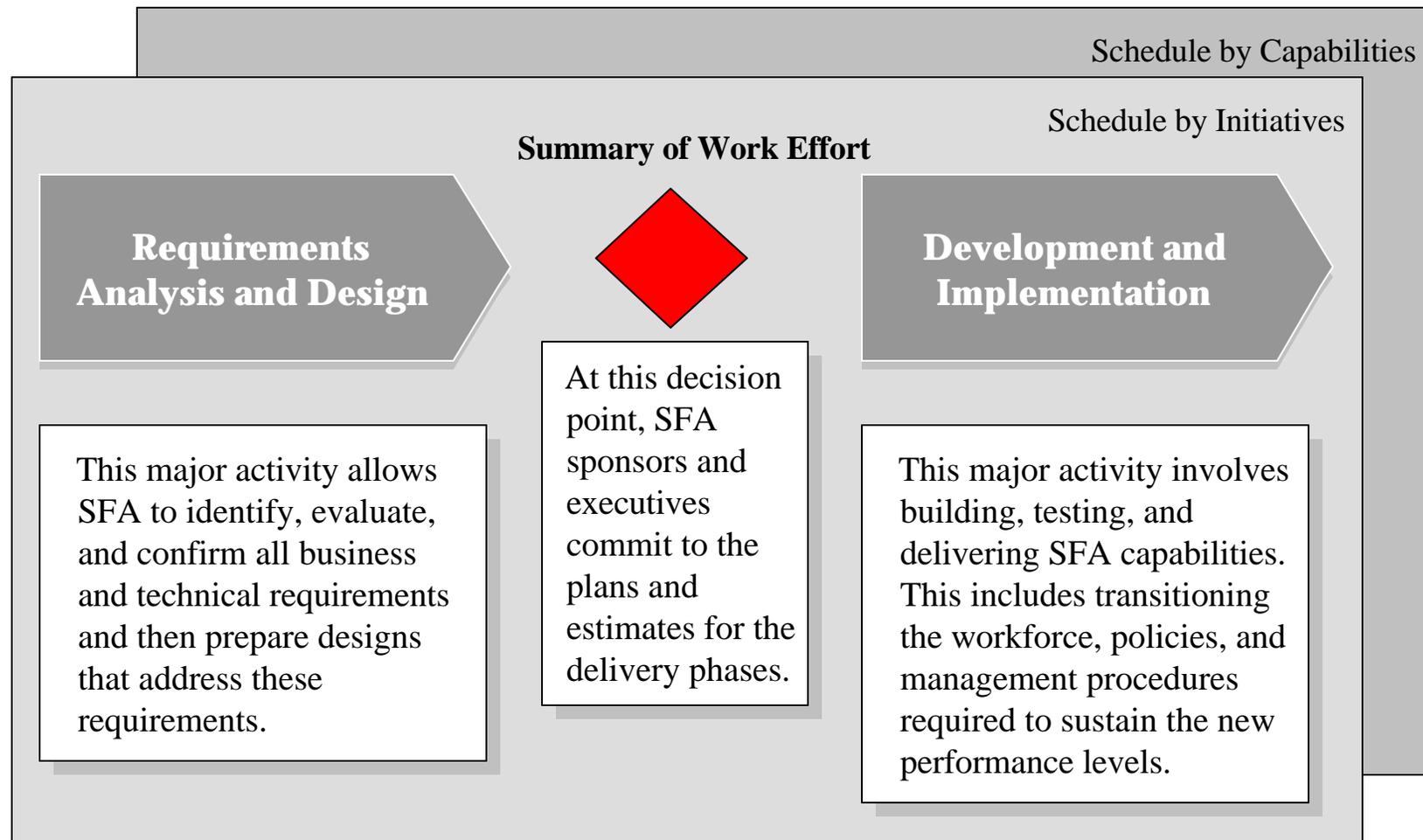
- **Existing Modernization Projects and Other SFA Initiatives** - Evaluate all initiatives currently being pursued under the Modernization Partner Project, including the enhancement of the procurement process.

In order to successfully complete the recommended initiatives and achieve SFA's three business objectives, the following organizational considerations must be addressed:

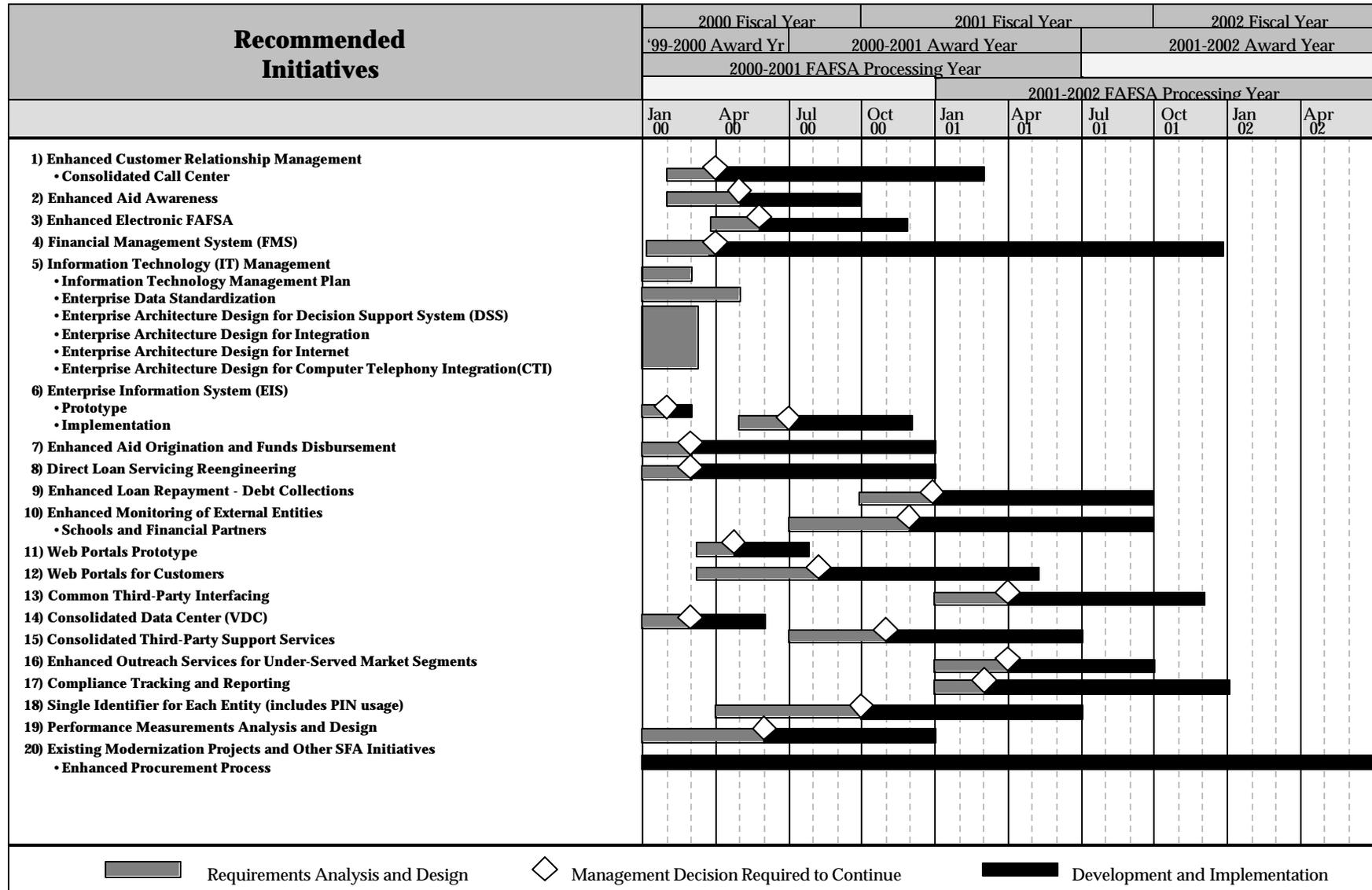
- Journey Management and Planning
- Organizational Architecture
- Business Processes and Governance Principles (i.e., Who's responsible for what?)
- Human Performance (e.g., competency model design, competency training, job design)
- Communications

These considerations would be addressed as part of detailed organizational enablement efforts to be included in version 2.0 of the Capability Release Plan.

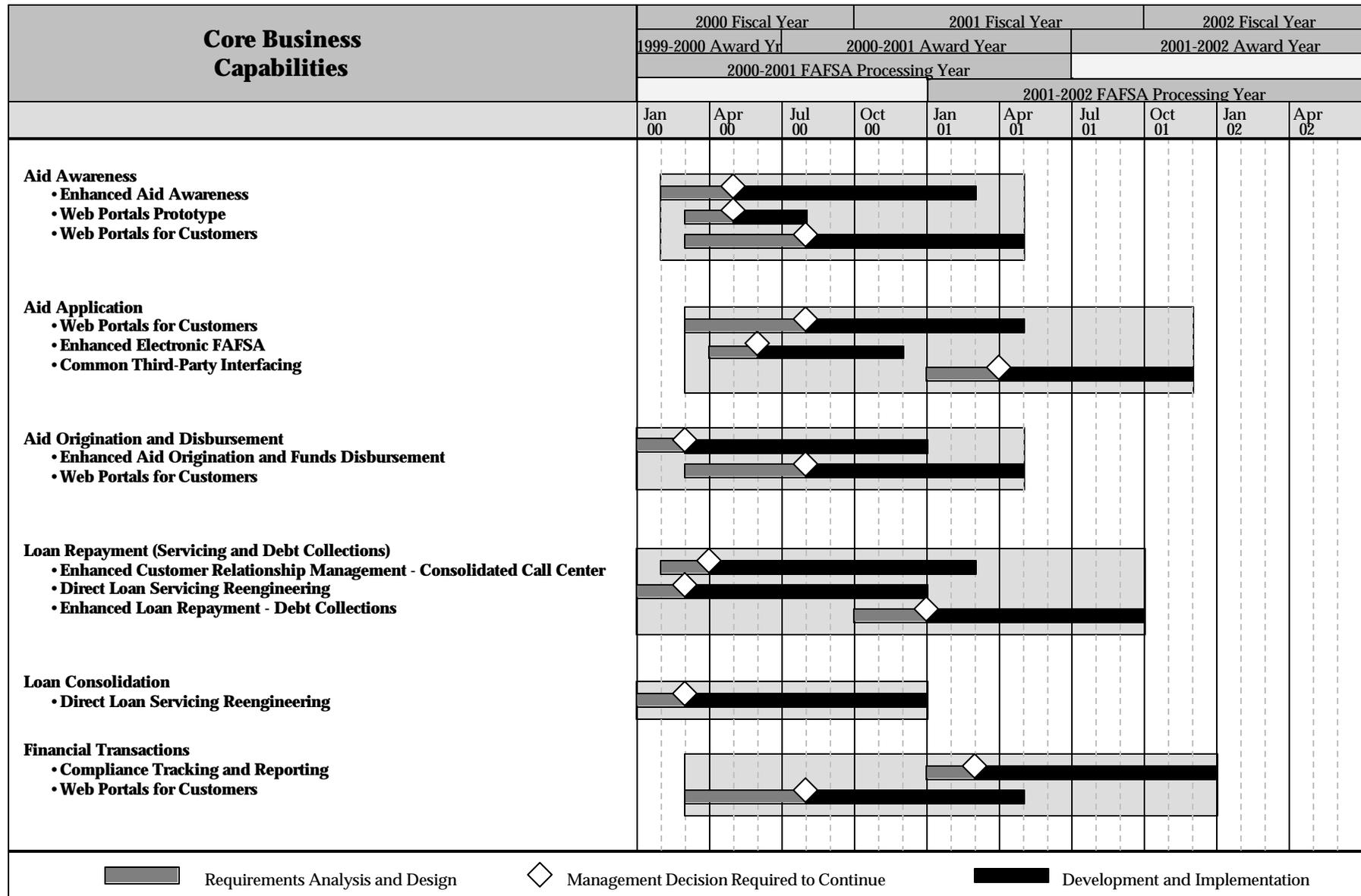
It is also important that a detailed review of each initiative occur to confirm the required work effort, planned start and completion time frames, and the necessary checkpoints. On the following slides our schedule depicts two different views of this information.



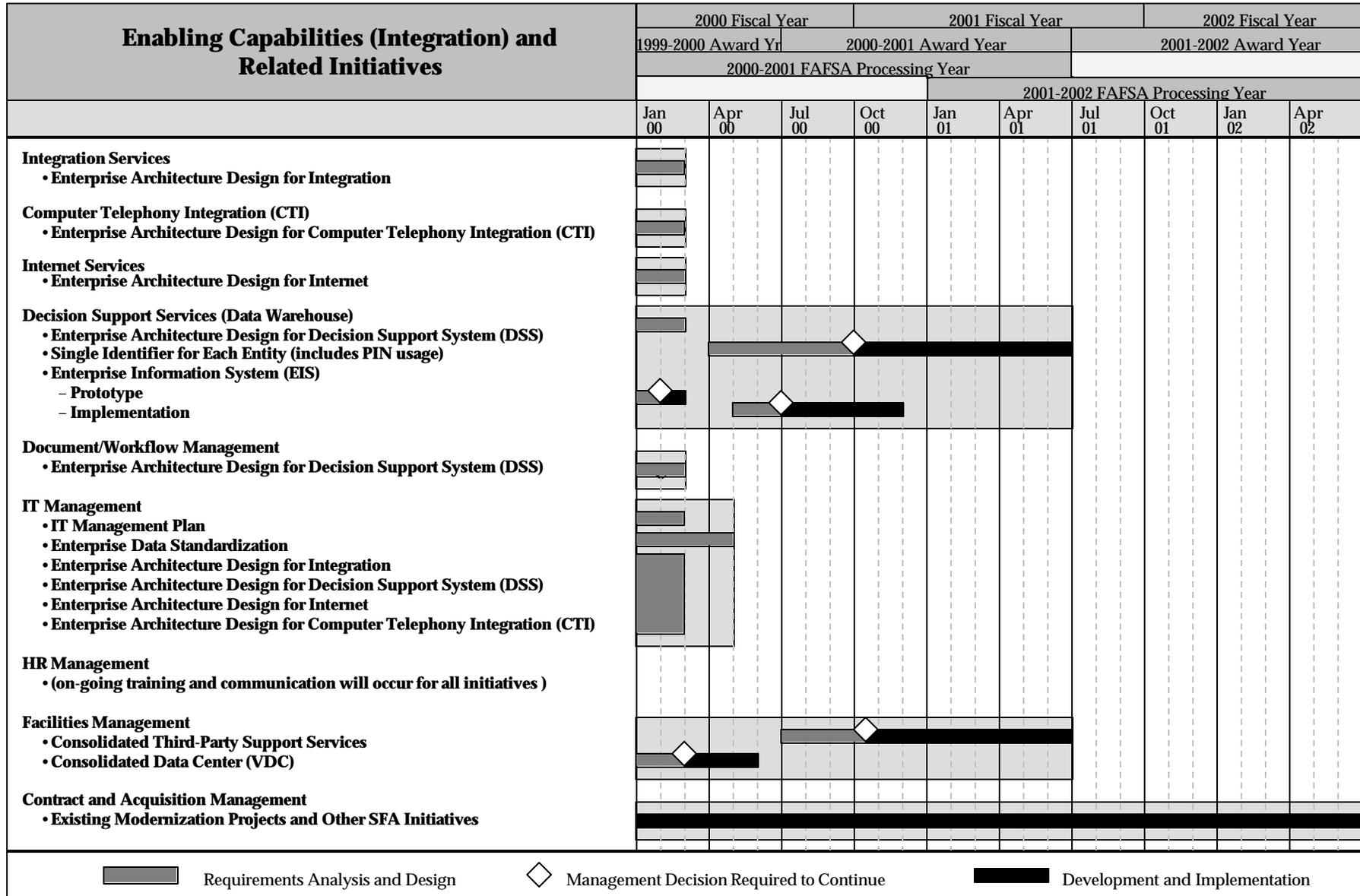
The schedule represents a timeline and management decision points that occur prior to beginning the development and implementation phase for an initiative.



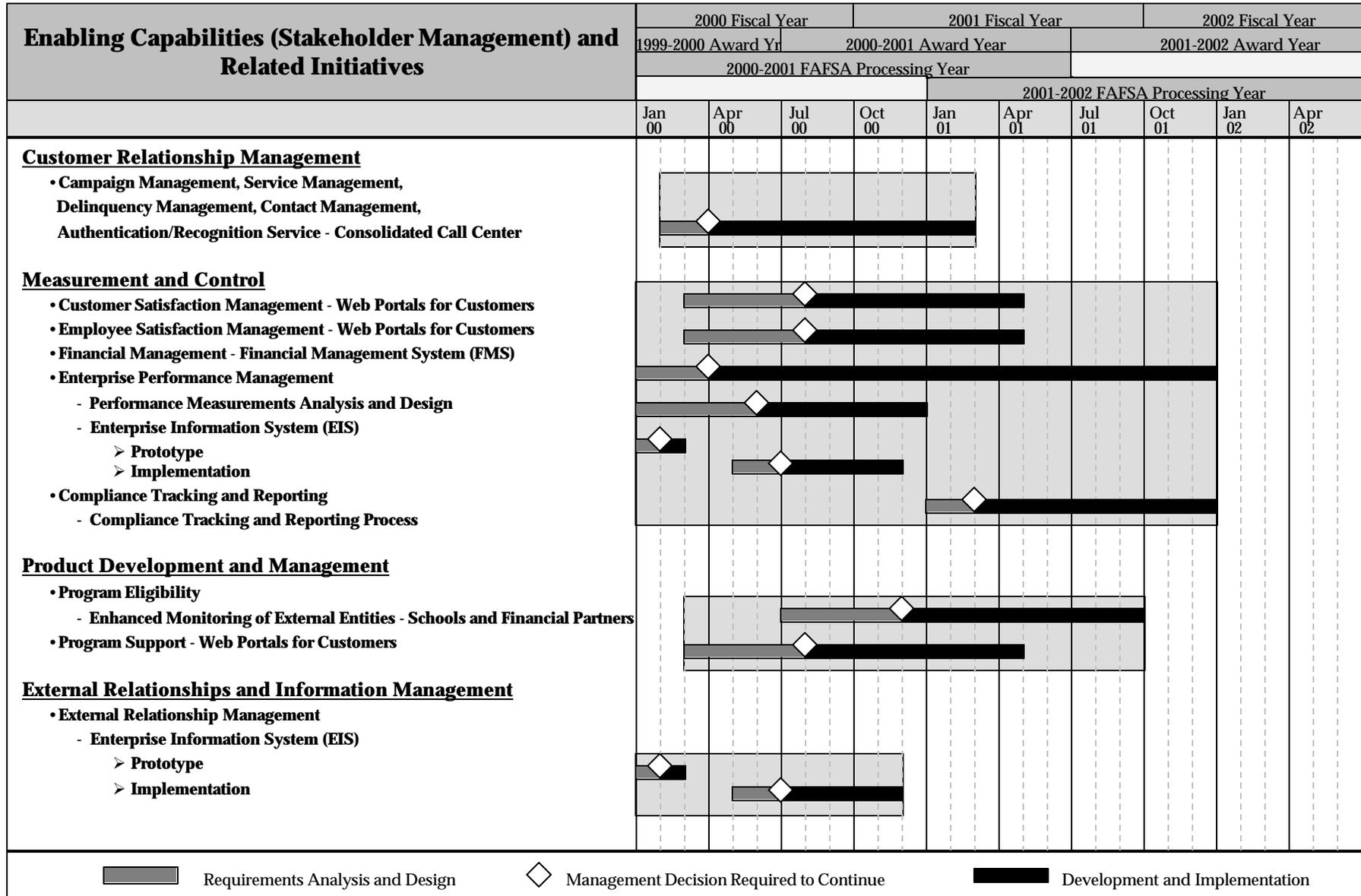
Another view of the schedule groups initiatives by capabilities.



Schedule - Initiatives by Capabilities: Enabling - Integration



Schedule - Initiatives by Capabilities: Enabling - Stakeholder Management



Requirements Analysis and Design
 Management Decision Required to Continue
 Development and Implementation

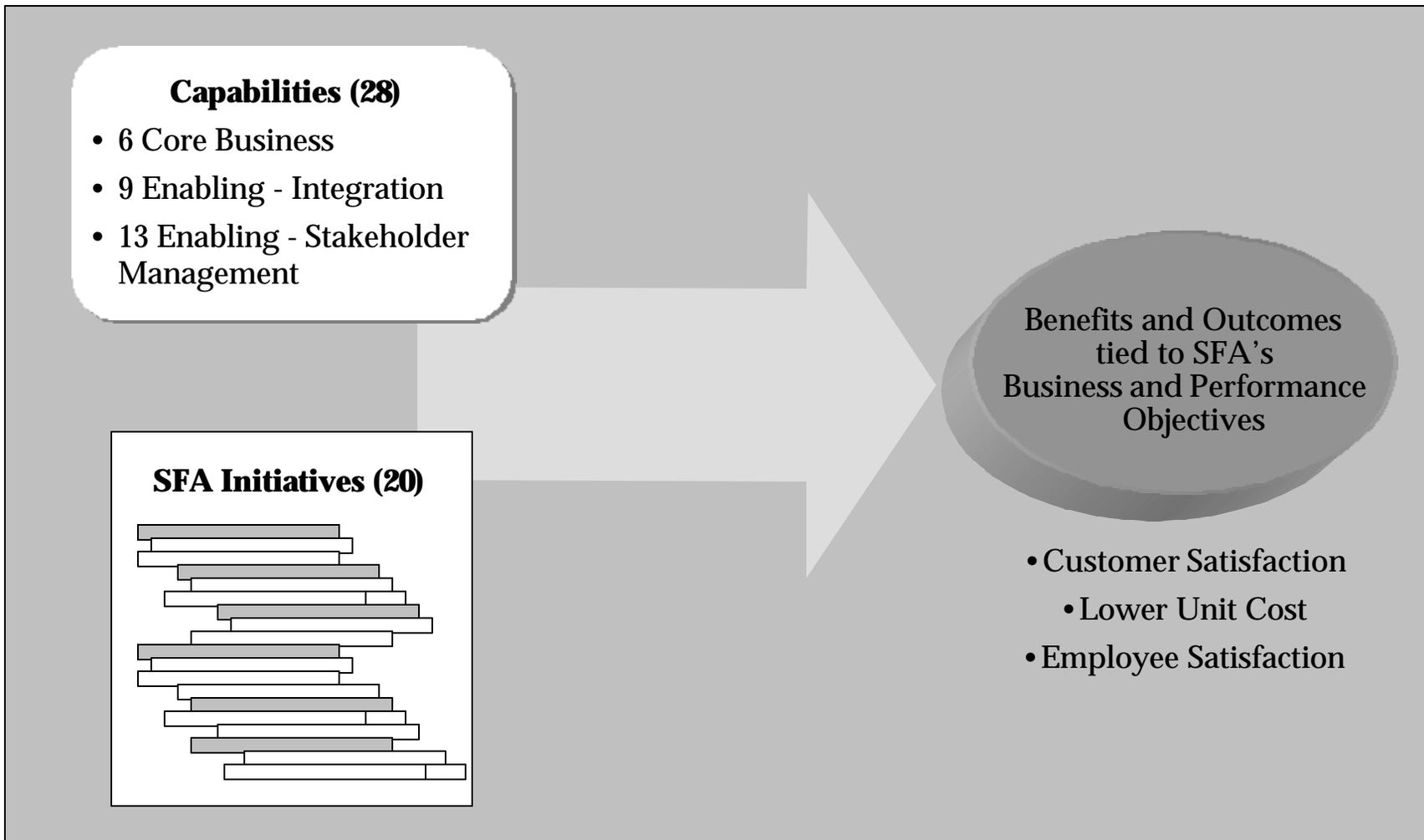
Table of Content

- Overview
- Capability Framework
- Recommended Initiatives and Proposed Schedule
- Benefits-Outcomes Summary
- Major Implications
- Next Steps
- Appendices

Benefits-Outcomes Summary

This section outlines capabilities, related benefits/outcomes, and recommended initiatives. First, an assessment of potential impacts relative to SFA's three business objectives of customer satisfaction, lower unit cost, and employee satisfaction , as well as for potential political impacts for each capability. Second, benefits/outcomes to be realized are summarized for each capability. Finally, we have mapped recommended initiatives to each capability.

Significant outcome related to business and performance objectives can be realized by SFA and directly tie to delivering improved capabilities.



Capability Summary: Core Business Capabilities

Capability	Potential Impacts				Benefit/Outcome	Recommended Initiatives
	C u s t o m e r S a t i s f a c t i o n	L o w e r C o s t	E m p l o y e e S a t i s f a c t i o n	P o l i t i c a l		
Aid Awareness	●	○	◐	◐	<ul style="list-style-type: none"> Educate buyers about their options Ensure aid information is clear and meaningful to customers. Increase awareness to a broader customer group. Provide information via multiple distribution channels. 	<ul style="list-style-type: none"> Enhanced Aid Awareness Web Portals for Customers Web Portals Prototype Enhanced Outreach Services for Under-Served Market Segments
Aid Application	●	◐	◐	◐	<ul style="list-style-type: none"> Simplify FAFSA application for all customers. Increase electronic filing. Enable online eligibility/validation Reduce processing time and cost. 	<ul style="list-style-type: none"> Web Portals for Customers Web Portals Prototype Common Third-Party Interfacing Enhanced Electronic FAFSA
Aid Origination and Disbursement	●	●	◐	◐	<ul style="list-style-type: none"> Lower unit cost to originate and disburse a direct loan and pell grant. Lower costs for schools to administer student aid program. Provide just-in-time (JIT) funding for schools. Reduce cycle time by eliminating hand-offs and redundant reconciliations. 	<ul style="list-style-type: none"> Enhanced Aid Origination and Funds Disbursement Web Portals for Customers Web Portals Prototype

Capability Summary: Core Business Capabilities (cont.)

Capability	Potential Impacts				Benefit/Outcome	Recommended Initiatives
	C u s t o m e r S a t i s f a c t i o n	L o a n C o s t	E m p l o y e e S a t i s f a c t i o n	P o l i t i c a l		
Loan Repayment <ul style="list-style-type: none"> • Servicing • Debt Collections 	●	●	◐	◐	<ul style="list-style-type: none"> • Provide improved customer satisfaction for borrowers: <ul style="list-style-type: none"> - Customer support - Financial counseling - Flexible payment options - Various repayment channels • Lower unit costs for servicing loans and borrowers. • Minimize the number of delinquencies. • Provide single interface for all loans. 	<ul style="list-style-type: none"> • Enhanced Customer Relationship Management (Consolidated Call Center) • Direct Loan Serving Reengineering (Loan Servicing) • Enhanced Loan Repayment - Debt Collections
Loan Consolidation	●	●	◐	◐	<ul style="list-style-type: none"> • Simplify the loan consolidation application and process. • Lower unit cost to consolidate loans. • Reduce time to consolidate loans. 	<ul style="list-style-type: none"> • Direct Loan Serving Reengineering (Loan Consolidation)
Financial Transactions	◐	◐	○	○	<ul style="list-style-type: none"> • Reduce time required to process a financial transaction (e.g., lender transactions). • Lower unit cost for processing financial transactions. 	<ul style="list-style-type: none"> • Web Portals for Customers • Web Portals Prototype

Potential Impacts: ● - High ◐ - Medium ○ - Low

Capability Summary: Enabling Capabilities - Integration

Capability	Potential Impacts				Benefit/Outcome	Recommended Initiatives
	C u s t o m e r S a t i s f a c t i o n	L o w e r C o s t s	E m p l o y e e S a t i s f a c t i o n	P o l i t i c i a n S a t i s f a c t i o n		
Integration Services	●	○	●	○	<ul style="list-style-type: none"> Provide a common operating environment across all elements of IT infrastructure and services. 	<ul style="list-style-type: none"> Enterprise Architecture Design for Integration
Computer Telephony Integration (CTI)	●	○	◐	○	<ul style="list-style-type: none"> Provide a single point of contact for customers via telephone. Increase understanding of customer interactions. 	<ul style="list-style-type: none"> Enterprise Architecture Design for Computer Telephony Integration (CTI)
Internet Services	●	◐	●	●	<ul style="list-style-type: none"> Improve collaboration with partners who serve customers. Provide a single interface for borrowers to access all of their Title IV and other aid information. 	<ul style="list-style-type: none"> Enterprise Architecture Design for Internet

Capability Summary: Enabling Capabilities - Integration (cont.)

Capability	Potential Impacts				Benefit/Outcome	Recommended Initiatives
	C u s t o m e r S a t i s f a c t i o n	L o w e r C o s t s	E m p l o y e e S a t i s f a c t i o n	P o l i t i c i a n		
Decision Support Services (Data Warehouse)	●	◐	◐	◐	<ul style="list-style-type: none"> • Improve identification of information to be collected from target segments to better understand key customer segments. • Allows discovery of patterns and trends, gaps in performance and customer opportunity areas. • Provide unique identifier to allow borrowers, schools, and financial partners to access information. 	<ul style="list-style-type: none"> • Enterprise Architecture Design for Decision Support System (Data Warehouse) • EIS Prototype and Implementation • Single Identifier for Each Entity (includes PIN usage)
Document/Workflow Management	●	◐	◐	○	<ul style="list-style-type: none"> • Provides an integrated system for routing and managing documents. 	<ul style="list-style-type: none"> • Enterprise Architecture Design for Decision Support System (Data Warehouse)

Capability Summary: Enabling Capabilities - Integration (cont.)

Capability	Potential Impacts				Benefit/Outcome	Recommended Initiatives
	C u s t o m e r S a t i s f a c t i o n	L o w e r C o s t s	E m p l o y e e S a t i s f a c t i o n	P o l i t i c i a n		
Information Technology (IT) Management	○	◐	◐	○	<ul style="list-style-type: none"> Improve planning, evaluating, and budgeting of IT requirements to support the business processes. Leverage new and mature technologies to design and rollout IT products and services to support business operations. Maintain the integrity of systems/operations by establishing configuration management process. 	<ul style="list-style-type: none"> IT Management Plan Enterprise Architecture (EA) Design for Integration EA Design for DSS EA Design for Internet EA Design for CTI Enterprise Data Standardization
Human Resource (HR) Management	◐	○	●	◐	<ul style="list-style-type: none"> Improve matching of employee skills with job assignments. Empower employees to deliver the best customer service. 	On-going training and communication will occur for all initiatives.
Facilities Management	○	◐	○	○	<ul style="list-style-type: none"> Streamline management of third-party services (e.g., facilities). Reduce daily computing costs by 10% or more. 	<ul style="list-style-type: none"> Consolidated Third-party Support Services Consolidated Data Center (VDC)
Contract and Acquisition Management	○	◐	◐	●	<ul style="list-style-type: none"> Enable value-based arrangements, moving SFA closer to becoming a PBO. 	<ul style="list-style-type: none"> Existing Modernization Projects and Other SFA Initiatives

Potential Impacts: ● - High ◐ - Medium ○ - Low

Capability Summary: Enabling Capabilities - Stakeholder Management

Capability	Potential Impacts				Benefit/Outcome	Recommended Initiatives
	Customer Satisfaction	Low Cost	Employee Satisfaction	Political		
Customer Relationship Management <ul style="list-style-type: none"> • Campaign Management • Service Management • Delinquency Management • Contact Management • Authentication/Recognition Service 	●	◐	◐	◐	<ul style="list-style-type: none"> • Allow “one call” customer service by establishing one toll-free number. • Reduce the time required to respond to and address customer complaints. • Allow students to validate user identification before allowing student access to OSFA resources. • Allow each student to be uniquely identified when accessing personal /sensitive information. • Empower employees with the information they need to answer customer questions and resolve customer issues quickly. 	<ul style="list-style-type: none"> • Enhanced Customer Relationship Management (Consolidated Call Center)

Capability Summary: Enabling Capabilities - Stakeholder Management (cont.)

Capability	Potential Impacts				Benefit/Outcome	Recommended Initiatives
	Customer Satisfaction	Employee Satisfaction	Operational Efficiency	Political		
Customer Satisfaction Management	●	○	○	●	<ul style="list-style-type: none"> Allow SFA to determine how well it is meeting the PBO objective of improving customer satisfaction. 	<ul style="list-style-type: none"> Web Portals for Customers Web Portals Prototype
Employee Satisfaction Management	○	○	●	◐	<ul style="list-style-type: none"> Measure and reward employees for attaining individual and corporate performance objectives. Provide long term growth opportunities to attract and retain employees. Build employee and organizational capabilities through knowledge sharing. 	<ul style="list-style-type: none"> Web Portals for Customers Web Portals Prototype

Capability Summary: Enabling Capabilities - Stakeholder Management (cont.)

Capability	Potential Impacts				Benefit/Outcome	Recommended Initiatives
	C u s t o m e r S a t i s f a c t i o n	L o w e r C o s t s	E m p l o y e e S a t i s f a c t i o n	P o l i t i c i a n		
Financial Management	◐	●	●	◐	<ul style="list-style-type: none"> • Provide financial information in a timely and useful fashion to support management’s fiduciary role • Ensure the integrity of financial information and enhance the ability to make cost-effective decisions that lead to desirable outcomes • Provide accurate measurement and monitoring of SFA’s performance in reducing overall cost of student financial assistance. • Integrate and manage the flow of financial information across all of SFA’s information systems. • Perform new PBO specific financial management functions mandated by legislature. • Facilitate clean audits and quicker response to audit reports. 	<ul style="list-style-type: none"> • Financial Management System (FMS)

Capability Summary: Enabling Capabilities - Stakeholder Management (cont.)

Capability	Potential Impacts				Benefit/Outcome	Recommended Initiatives
	C u s t o m e r S a t i s f a c t i o n	L o w e r C o s t s	E m p l o y e e S a t i s f a c t i o n	P o l i t i c a l		
Enterprise Performance Management	◐	◐	◐	●	<ul style="list-style-type: none"> Allow SFA to gauge its success in realizing the goals of the 5-year Performance Plan, Customer Service Task Force Report, and Modernization Blueprint as well as its three PBO objectives. 	<ul style="list-style-type: none"> Performance Measurements Analysis and Design Enterprise Information System (EIS)
Compliance Tracking and Reporting	○	○	◐	●	<ul style="list-style-type: none"> Implement a process to track and report regulatory and legislative requirements. Allows automation of compliance audit, financial statement submission, and review processes. 	<ul style="list-style-type: none"> Compliance Tracking and Reporting Process

Capability Summary: Enabling Capabilities - Stakeholder Management (cont.)

Capability	Potential Impacts					Benefit/Outcome	Recommended Initiatives
	C u s t o m e r S a t i s f a c t i o n	L o w e r C o s t s	E m p l o y e e S a t i s f a c t i o n	P o l i t i c i a n			
Program Eligibility	●	○	○	●		<ul style="list-style-type: none"> Facilitate faster partner participation by efficiently and accurately executing eligibility determination and certification processes. Allows reduction of program costs and continual compliance with statutory participation requirements by identifying and discontinuing ineligible schools and financial partners. 	<ul style="list-style-type: none"> Enhanced Monitoring of External Entities
Program Support	●	○	○	○		<ul style="list-style-type: none"> Ensure partners are aware of participation processes and statutory requirements. 	<ul style="list-style-type: none"> Web Portals for Customers Web Portals Prototype
External Relationship Management	○	○	●	●		<ul style="list-style-type: none"> Ability to better manage communication between external entities. Provide timely, more consistent information to external entities (e.g., media, government agencies). 	<ul style="list-style-type: none"> Enterprise Information System (EIS) EA Design for Internet

Table of Content

- Overview
- Capability Framework
- Recommended Initiatives and Proposed Schedule
- Benefits-Outcomes Summary
- Major Implications
- Next Steps
- Appendices

Major Implications

This section highlights the major enterprise architecture and deal structure implications for each initiative. The section provides a matrix which lists the proposed enterprise architectures (i.e., Internet, Integration, CTI, and Data Warehouse) that must be considered when evaluating the requirements for each initiative.

The section also outlines the deal structure implications. Specifically, we have listed SFA's options in structuring the arrangement for executing each initiative. The options include value based and fixed price arrangements.

Each recommended initiative must be evaluated against the four proposed technical architectures to fully understand all impacts.

Technical Implications

Recommended Initiatives	Internet Architecture	Integration Architecture	Computer Telephony (CTI) Architecture	Data Warehouse Architecture
1) Enhanced Customer Relationship Management • Consolidated Call Center			✓	✓
2) Enhanced Aid Awareness	✓	✓	✓	
3) Enhanced Electronic FAFSA	✓	✓		
4) Financial Management System (FMS)	✓	✓		✓
5) IT Management • IT Management Plan • Enterprise Data Standardization • Enterprise Architecture (EA) Design for Decision Support System (DSS) • EA Design for Integration • EA Design for Internet • EA Design for Computer Telephony (CTI)	✓ ✓	✓ ✓ ✓ ✓	✓ ✓	✓ ✓ ✓

Technical Implications (cont.)

Recommended Initiatives	Internet Architecture	Integration Architecture	Computer Telephony (CTI) Architecture	Data Warehouse Architecture
6) Enterprise Information System (EIS) <ul style="list-style-type: none"> • Prototype • Implementation 	✓ ✓	✓ ✓		✓ ✓
7) Enhanced Aid Origination and Funds Disbursement	✓	✓	✓	✓
8) Direct Loan Servicing Reengineering	✓	✓	✓	✓
9) Enhanced Loan Repayment - Debt Collections	✓	✓	✓	✓
10) Enhanced Monitoring of External Entities <ul style="list-style-type: none"> • Schools and Financial Partners 	✓	✓		✓
11) Web Portals Prototype	✓	✓		
12) Web Portals for Customers	✓	✓		
13) Common Third-Party Interfacing	✓	✓		

Technical Implications (cont.)

Recommended Initiatives	Internet Architecture	Integration Architecture	Computer Telephony (CTI) Architecture	Data Warehouse Architecture
14) Consolidated Data Center (VDC)		✓		
15) Consolidated Third-Party Support Services	✓	✓	✓	
16) Enhanced Outreach Services for Under-Served Market Segments	✓	✓	✓	
17) Compliance Tracking and Reporting				
18) Single Identifier for Each Entity (includes PIN usage)		✓		✓
19) Performance Measurements Analysis and Design				✓
20) Existing Modernization Projects and Other SFA Initiatives • Enhanced Procurement Process	✓	✓	✓	✓

Many of these recommended initiatives could be structured using a value based arrangement.

Deal Structure Implications

Recommended Initiatives	Value Based	Fixed Price Tasks
1) Enhanced Customer Relationship Management • Consolidated Call Center	✓	
2) Enhanced Aid Awareness	✓	✓
3) Enhanced Electronic FAFSA	✓	✓
4) Financial Management System (FMS)		✓
5) IT Management <ul style="list-style-type: none"> • IT Management Plan • Enterprise Data Standardization • Enterprise Architecture Design for Decision Support System (DSS) • Enterprise Architecture Design for Integration • Enterprise Architecture Design for Internet • Enterprise Architecture Design for Computer Telephony Integration (CTI) 	✓ ✓ ✓ ✓	✓ ✓ ✓ ✓ ✓ ✓

Deal Structure Implications (cont.)

Recommended Initiatives	Value Based	Fixed Price Tasks
6) Enterprise Information System (EIS) <ul style="list-style-type: none"> • Prototype • Implementation 	✓	✓
7) Enhanced Aid Origination and Funds Disbursement	✓	
8) Direct Loan Servicing Reengineering	✓	
9) Enhanced Loan Repayment - Debt Collections	✓	✓
10) Enhanced Monitoring of External Entities <ul style="list-style-type: none"> • Schools and Financial Partners 	✓	
11) Web Portals Prototype	✓	✓
12) Web Portals for Customers	✓	
13) Common Third-Party Interfacing	✓	✓

Deal Structure Implications (cont.)

Recommended Initiatives	Value Based	Fixed Price Tasks
14) Consolidated Data Center (VDC)	✓	
15) Consolidated Third-party Support Services (Plan)		✓
16) Enhanced Outreach Services for Under-Served Market Segments	✓	✓
17) Compliance Tracking and Reporting	✓	
18) Single Identifier for Each Entity (includes PIN usage)	✓	
19) Performance Measurements Analysis and Design		✓
20) Existing Modernization Projects and Other SFA Initiatives	✓	✓

Table of Content

- Overview
- Capability Framework
- Recommended Initiatives and Proposed Schedule
- Benefits-Outcomes Summary
- Major Implications
- Next Steps
- Appendices

In an effort to complete the Capability Release Plan, we recommend several next steps.

- 1) Schedule and meet with key SFA and Modernization Partner team members to review the initial Capability Release Plan. The review should focus on confirming capabilities, initiatives, and the schedule.
- 2) Identify the process to ensure that all revisions to capabilities and initiatives are captured and included in subsequent versions of the Capability Release Plan.
- 3) Begin implementation of the Capability Release Plan and evaluate all future SFA investment decisions against the plan.

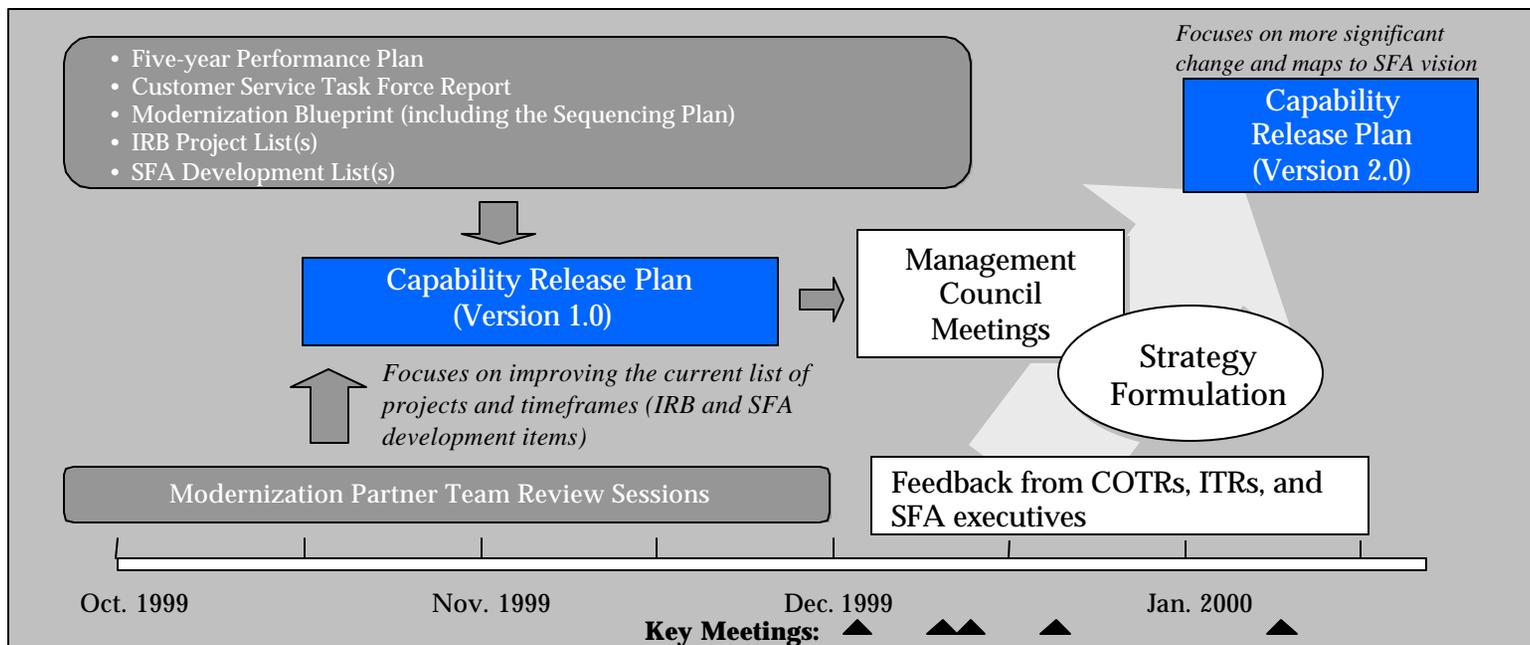


Table of Content

- Overview
- Capability Framework
- Recommended Initiatives and Proposed Schedule
- Benefits-Outcomes Summary
- Major Implications
- Next Steps
- Appendices

Appendices

This section provides details that support the capabilities, initiatives, and implications presented in the main sections. Specifically, we have included: A) Detailed write-ups for each recommended initiative, B) Modernization Blueprint Sequencing Plan, and C) Detailed matrix mapping business requirements and existing SFA projects to recommended initiatives.

Appendix A: Detailed Write-ups for Initiatives

This section is a supplement to the recommended initiatives section in the main body of the Capability Release Plan. The section contains detailed information for each initiative (in the form of a template) that is required for the IRB process. The information includes the description, scope, time frame, benefits/outcomes, etc. for each initiative.

Initiative Name: Enhanced Customer Relationship Management - (Consolidated Call Center)

INITIATIVE DEFINITION

Description: *Improve customer satisfaction by proactively seeking customers' input, and "reaching out" to train and assist them with all SFA-related concerns. This initiative includes the consolidation of multiple call center capabilities to provide "one-call-does-it-all" functionality for customers.*

Scope:

- | | |
|---|--|
| <u>In</u> | <u>Out</u> |
| <ul style="list-style-type: none"> • Call Centers for students and schools | <ul style="list-style-type: none"> • Internal Education Help Desk |

Timeframe:

Exp. Start:	Feb. 2000
Exp. Completion:	Feb. 2001
Exp. Duration:	13 months

Dependencies:

- Some level of standardization of data and common access to a variety of needed databases

Ease of Implementation:

Difficult - However some coordination amongst various call centers could be achieved in a shorter timeframe.

Risk Assessment:

Risk: High **Rationale:** Enhanced Customer Service

Implications:

Technical: Access to a variety of distributed databases.
Applications: LO, LC, DLSS, Web, PIC
Contracts: ACS, AFSA, EDS, NCS
Other:

BENEFIT ASSESSMENT

Benefits/Outcomes:

Tangible:

- Single (800) number access
- Enhanced Customer Service
- Possibility of reduced costs associated with economies of scale

Intangible:

- Additional volume resulting from increased efficiency

Business Objectives:

To provide a single Customer Service point of contact for all SFA customers / borrowers

As an interim solution, the concept of a consolidated call center could be obtained through the use of a single number where a VRU or live agents would route borrower calls to the appropriate destination.

CONTACT INFORMATION

Business Sponsor: Student Channel
IT Sponsor: CIO

Initiative Name: Enhanced Aid Awareness

INITIATIVE DEFINITION

Description: *Enhance all programs designed to inform the public of the availability of student financial assistance and educate them on various aid options and processes of applying for aid.*

Scope:

- | | |
|--|---|
| <p><u>In</u></p> <ul style="list-style-type: none"> • To be determined | <p><u>Out</u></p> <ul style="list-style-type: none"> • To be determined |
|--|---|

Timeframe:

Exp. Start: Feb. 2000
Exp. Completion: Sept. 2000
Exp. Duration: 8 Months

Dependencies:

- The establishment of a clear strategy for targeting various segments of the customer marketplace.

Ease of Implementation:

Medium

Risk Assessment:

Risk: Medium **Rationale:** Aid Awareness

Implications:

Technical: Enterprise Architecture for Internet, Integration, and CTI
Applications:
Contracts:
Other:

BENEFIT ASSESSMENT

Benefits/Outcomes:

Tangible:

- Improved public relations
- Better access to various aid packages available through SFA
- Improved customer satisfaction for borrowers and schools
- Improved employee satisfaction

Intangible:

- Possibility of increased volume due to enhanced awareness

Business Objectives:

To provide the public with a more thorough understanding of the various aid packages available through ED. This may be achieved in part through providing access to other financial partners, partnering with organizations used to disseminate aid information, sponsoring workshops, enhancing web presence and other creative options for meeting the objective of promoting aid awareness.

CONTACT INFORMATION

Business Sponsor: COO, Students Channel
IT Sponsor: CIO

Initiative Name: Enhanced Electronic FAFSA

INITIATIVE DEFINITION

Description: *Improve the electronic FAFSA through various modifications including the acceptance of data input through alternative means (e.g., tax preparer software), the creation of an electronic Spanish language FAFSA, and other value creating enhancements to the electronic FAFSA.*

Scope:

- | | |
|---|--|
| In | Out |
| <ul style="list-style-type: none"> • Web • Tax Prep COTS • Spanish FAFSA | <ul style="list-style-type: none"> • Enhanced paper process |

Timeframe:

- Exp. Start:** Apr. 2000
Exp. Completion: Nov. 2000
Exp. Duration: 8 Months

Dependencies:

- Enterprise Architecture for the Internet
- CPS System Interface

Ease of Implementation:

Medium

Risk Assessment:

Risk: High **Rationale:** High customer interaction

Implications:

- Technical:** Web
Applications: LO, CPS
Contracts: EDS, NCS, CPS
Other:

BENEFIT ASSESSMENT

Benefits/Outcomes:

Tangible:

- Enhanced quality of application data
- Simplified loan application process

Intangible:

- Increased volume
- Enhanced borrower/customer service

Business Objectives:

To improve customer satisfaction by providing a way to eliminate much of the work to fill out a FAFSA for all students. Would allow the completion of the Direct Loan application with information used on Tax Preparation Software. Would also allow the Spanish student population to complete the FAFSA in their native language.

CONTACT INFORMATION

Business Sponsor: Student Channel
IT Sponsor: CIO

Initiative Name: Financial Management System (FMS)

INITIATIVE DEFINITION

Description: *Validate the current SFA financial management system, design an integrated financial management system to manage the flow of financial information across all SFA information systems, and analyze the financial impact of this conversion.*

Scope:

- | | |
|------------------|----------------|
| In | Out |
| • System Balance | • Origination |
| • Recon | • Servicing |
| • Reporting | • Student Data |
| • School Data | |

Timeframe:

- | | |
|-------------------------|------------|
| Exp. Start: | In process |
| Exp. Completion: | Dec. 2001 |
| Exp. Duration | 24 Months |

Dependencies:

- Details on Loan Origination, Consolidation, RFMS, and Servicing Systems.

Ease of Implementation:

Difficult - based on multiple phases

Risk Assessment:

Risk: High **Rationale:** Enhanced Financial Mgt and Reporting

Implications:

- | | |
|----------------------|--|
| Technical: | Possible use of COTS |
| Applications: | LO, LC, CDS, FARS, RFMS, SAM, GAPS, DLSS |
| Contracts: | ACS, EDS |
| Other: | |

BENEFIT ASSESSMENT

Benefits/Outcomes:

Tangible:

- A well-designed FMS will provide better tracking and reporting for the program
- Allows the various parties to establish correct and measurable baselines which can be used to manage performance

Intangible:

- A user friendly system will enhance end-user satisfaction with the financial system.

Business Objectives:

To maintain all Education related financial data and related decision making criteria on a single system.

CONTACT INFORMATION

Business Sponsor:	CFO
IT Sponsor:	CIO

Initiative Name: Information Technology (IT) Management - (IT Management Plan)

INITIATIVE DEFINITION

Description: *Create a plan to manage the various analysis/design enterprise-wide architecture changes slated to occur in the SFA IT environment.*

Scope:

- | | |
|--|---|
| <u>In</u> | <u>Out</u> |
| <ul style="list-style-type: none"> • Capacity Planning • Identification of tools | <ul style="list-style-type: none"> • |

Timeframe:

Exp. Start: In process
Exp. Completion: Feb. 2000
Exp. Duration: 4 Months

Dependencies:

- Overall architecture must precede implementation. Research of existing Legacy system, tools, etc.

Ease of Implementation:

Difficult - should encompass all systems necessary to support Education's loan programs.

Risk Assessment:

Risk: Medium **Rationale:** Standardization

Implications:

Technical: Underlying system and Web architecture
Applications: All
Contracts: All
Other:

BENEFIT ASSESSMENT

Benefits/Outcomes:

Tangible:

- Ability to implement standardization
- Ability to take advantage of new (and applicable) technology based on logical planning rather than distributed and disconnected strategies

Intangible:

- Lower costs through standardization.

Business Objectives:

A unified and globally applied IT management policy will not only facilitate ongoing system maintenance but will also allow better management of the various require systems. This also provides Education and its contractors will more standards policies and practices for undertaking system enhancement projects.

CONTACT INFORMATION

Business Sponsor: CIO
IT Sponsor:

Initiative Name: IT Management - (Enterprise Data Standardization)

INITIATIVE DEFINITION

Description: *Develop data standardization guidelines to improve data integrity.*

Scope:

- | | |
|-------------------|-------------------|
| In | Out |
| • Data elements | • Tools |
| • Data Dictionary | • Single ID |
| • External Sys | • Entity Database |

Timeframe:

Exp. Start: In process
Exp. Completion: Apr. 2000
Exp. Duration: 6 months

Dependencies:

- Selection of tools
- NACHA Initiatives
- Coordinated implementation

Ease of Implementation:

Difficult

Risk Assessment:

Risk: High **Rationale:** Standardization

Implications:

Technical: Enterprise Architecture for Integration
Applications:
Contracts:
Other:

BENEFIT ASSESSMENT

Benefits/Outcomes:

Tangible:

- Less risk - resulting from use of common data elements
- Better design - use of standard data elements and data dictionaries

Intangible:

- Long term cost savings resulting from ease of software maintenance

Business Objectives:

To provide the standardization of data and improve data integrity.

CONTACT INFORMATION

Business Sponsor: CIO
IT Sponsor:

Initiative Name: IT Management - (Enterprise Architecture Designs for DSS, Integration, Internet, and CTI)

INITIATIVE DEFINITION

Description: *Complete planning and analysis/design for enterprise-wide architecture that will comprise SFA's new technical environment.*

Scope:

- | | |
|---|--|
| <p>In</p> <ul style="list-style-type: none"> • Data warehouse | <p>Out</p> <ul style="list-style-type: none"> • External interface support |
|---|--|

Timeframe:

- Exp. Start:** Jan. 2000
Exp. Completion: Feb. 2000
Exp. Duration: 2 Months*
 * Complete Plan

Dependencies:

- Source of data for DSS must be clearly defined, understood and agreed to by the user community.

Ease of Implementation:

Medium - Possible candidate for phased implementation

Risk Assessment:

Risk: Medium **Rationale:** Need for up to date information

Implications:

Technical Applications: All
Contracts: All
Other:

BENEFIT ASSESSMENT

Benefits/Outcomes:

Tangible:

- Ability to provide decision makers with up-to-date and accurate information

Intangible:

- User "Buy In" of the system - If the information truly enhances the decision making process

Business Objectives:

A clear understanding of the Department of Education's needs for information and a plan for satisfying those needs which data from a variety of systems.

CONTACT INFORMATION

Business Sponsor: CIO
IT Sponsor: CIO

Initiative Name: Enterprise Information Systems (EIS) - (Prototype)

INITIATIVE DEFINITION

Description: *Design a prototype to enable standardization of all SFA systems reports.*

Scope:

- | | |
|--|---|
| <p><u>In</u></p> <ul style="list-style-type: none"> • To be determined | <p><u>Out</u></p> <ul style="list-style-type: none"> • To be determined |
|--|---|

Timeframe:

Exp. Start: Jan. 2000
Exp. Completion: Feb. 2000
Exp. Duration: 2 Months

Dependencies:

- Enterprise data standardization
- Selection of tools

Ease of Implementation:

Normal work, once data is standardized

Risk Assessment:

Risk: Low **Rationale:** Standardization

Implications:

Technical:
Applications:
Contracts:
Other: If FFELP included, must have lender & GA support

BENEFIT ASSESSMENT

Benefits/Outcomes:

Tangible:

- Increased end-user satisfaction

Intangible:

- Cross-training on the use of reports

Business Objectives:

Maintain a common operating environment (for reporting) across all elements of IT infrastructure and services

CONTACT INFORMATION

Business Sponsor: CIO
IT Sponsor:

Initiative Name: Enterprise Information Systems (EIS) - (Implementation)

INITIATIVE DEFINITION

Description: *Implement the system to enable the standardization of all EIS reports used by SFA systems.*

Scope:

- | | |
|--|---|
| <p><u>In</u></p> <ul style="list-style-type: none"> • To be determined | <p><u>Out</u></p> <ul style="list-style-type: none"> • To be determined |
|--|---|

Timeframe:

Exp. Start: May 2000
Exp. Completion: Nov. 2000
Exp. Duration: 7 Months

Dependencies:

- Enterprise data standardization
- Selection of tools

Ease of Implementation:

Normal work, once data is standardized

Risk Assessment:

Risk: Medium **Rationale:** Standardization

Implications:

Technical:
Applications:
Contracts:
Other: If FFELP included, must have lender & GA support

BENEFIT ASSESSMENT

Benefits/Outcomes:

- Tangible:**
- Increased end-user satisfaction
- Intangible:**
- Cross-training on the use of reports

Business Objectives:

To enable the standardization of EIS reports including standardizing documentation and providing more accurate data. Includes enhancing decision-making process by providing access to more accurate and timely information.

CONTACT INFORMATION

Business Sponsor: CIO
IT Sponsor:

Initiative Name: Enhanced Aid Origination and Funds Disbursement

INITIATIVE DEFINITION

Description: *Modify or simplify existing Loan Origination processes. Provide ability to originate and disburse all types of financial aid through a single delivery system.*

Scope:

- | | |
|---|---|
| In | Out |
| <ul style="list-style-type: none"> • Loan Orig. • Disbursement • Direct Loan • FFEL | <ul style="list-style-type: none"> • FAFSA Changes |

Timeframe:

Exp. Start: Jan. 2000
Exp. Completion: Dec. 2000
Exp. Duration: 12 Months

Dependencies:

- Direct Loan Origination & Disbursement IPT
- Consolidation & Servicing IPT
- NACHA
- Standard data elements

Ease of Implementation:

Medium

Risk Assessment:

Risk: High **Rationale:** Process Improvement

Implications:

Technical: Web, ACES, Architecture
Applications: LOS, RFMS, SAM, EDXpress, and all interface systems
Contracts: EDS, ACS, NCS, and all interface systems
Other: If FFELP included, must have lender & GA support

BENEFIT ASSESSMENT

Benefits/Outcomes:

Tangible:

- More efficient process
- Easier to bring on additional loan originators
- Increased customer (borrower/school) satisfaction

Intangible:

- Additional volume resulting from increased efficiency
- Enhanced customer relations in otherwise poor service area

Business Objectives:

To design a more efficient and state of the art loan origination sub-system. The current origination process for DL requires the use of EdExpress, DL Origination System, Central Database System and the DL Servicing System. It appears likely that this string of system could be reduced by combining their various functions into a Web based product.

CONTACT INFORMATION

Business Sponsor: School Channel
IT Sponsor:

Initiative Name: Direct Loan Servicing Reengineering

INITIATIVE DEFINITION

Description: *Reduce cost while improving service to students and schools. Scope will include the existing processes and systems for the Schools Channel, including loan consolidation, central database functions, recording the loan on the servicing system, repayment, early collection efforts, and customer service.*

Scope:

- | | |
|---------------|------------|
| In | Out |
| • CDS | • DCS |
| • DLSS | • NSLDS |
| • Collections | • FAFSA |
| • FFEL | |

Timeframe:

Exp. Start: Jan. 2000
Exp. Completion: Dec. 2000
Exp. Duration: 12 Months

Dependencies:

- LO, LC, FMSS and other related interfaces

Ease of Implementation:

Phased Implementation

Risk Assessment:

Risk: High **Rationale:** Process Improvement

Implications:

Technical: Possible use of COTS
Applications: CDS, FARS, DLSS and Related Interfaces
Contracts:
Other:

BENEFIT ASSESSMENT

Benefits/Outcomes:

Tangible:

- Lower servicing costs
- Ability to service additional volume
- Reduced processing time frames
- Enhanced fulfillment

Intangible:

- Additional volume resulting from increased efficiency

Business Objectives:

To design a more efficient and state of the art loan Servicing System which can take advantage of new technologies and economies of scale.

CONTACT INFORMATION

Business Sponsor: Student Channel, School Channel
IT Sponsor:

Initiative Name: Enhanced Loan Repayment - Debt Collections

INITIATIVE DEFINITION

Description: *Determine the best approach for improving processes/methods for Debt Collections.*

Scope:

- | | |
|--|--|
| <u>In</u> | <u>Out</u> |
| <ul style="list-style-type: none"> • To be determined | <ul style="list-style-type: none"> • To be determined |

Timeframe:

Exp. Start: Oct. 2000
Exp. Completion: Sept. 2001
Exp. Duration: 12 Months

Dependencies:

- Enhanced Loan Repayment (Servicing System)
- Interface with FFEL

Ease of Implementation:

Medium

Risk Assessment:

Risk: High **Rationale:** Automation for debt collection

Implications:

Technical:
Applications: FFEL and DLSS, CDS, NSLDS and Credit Bureaus
Contracts:
Other:

BENEFIT ASSESSMENT

Benefits/Outcomes:

Tangible:

- Ability to manage risk as the portfolio ages
- Ability to automate existing manual processes

Intangible:

- Increased ability to collect on delinquent borrowers
- Ability to utilize Best Practices as used by external collection agencies

Business Objectives:

To provide an automated means of placing loans with external collection agencies and of re-entering rehabilitated loans into the general servicing portfolio.

CONTACT INFORMATION

Business Sponsor: Student Channel/Financial Partner Channel
IT Sponsor:

Initiative Name: Enhanced Monitoring of External Entities (Schools and Financial Partners)

INITIATIVE DEFINITION

Description: *Design and implement monitoring capabilities for existing channels including schools and financial partners, as well as other external entities as required.*

Scope:

- | | |
|--------------------|--------------------|
| In | Out |
| • To be determined | • To be determined |

Timeframe:

Exp. Start: Jul. 2000
Exp. Completion: Sept 2001
Exp. Duration: 15 Months

Dependencies:

- Enterprise Architecture for the Internet

Ease of Implementation:

Medium

Risk Assessment:

Risk: Medium **Rationale:** Objective Assessment

Implications:

Technical Applications:
Contracts: All
Other:

BENEFIT ASSESSMENT

Benefits/Outcomes:

Tangible:

- Provide an objective means of monitoring performance
- Cross analysis of similar trading partners using standard guidelines

Intangible:

- Equitable comparisons

Business Objectives:

To implement a series of monitoring capabilities which can be used to objectively measure and track a variety of performance related factors.

CONTACT INFORMATION

Business Sponsor: All Channels
IT Sponsor:

Initiative Name: Web Portals Prototype

INITIATIVE DEFINITION

Description: *Design and implement a prototype to deliver capabilities for students, schools, financial partners, and/or employees. This will enable easier and more efficient data transfer through an internet interface.*

Scope:

- | | |
|---|--|
| <p><u>In</u></p> <ul style="list-style-type: none"> • Access America • CPS • DL Web | <p><u>Out</u></p> <ul style="list-style-type: none"> • Student Account Manager |
|---|--|

Timeframe:

Exp. Start: Mar. 2000
Exp. Completion: July 2000
Exp. Duration: 5 Months

Dependencies:

- Enterprise Architecture for the Internet
- VDC Migration
- Middleware
- Highway 1

Ease of Implementation:

Medium

Risk Assessment:

Risk: Low **Rationale:** Prototype

Implications:

Technical Applications: Enterprise Architecture for the Internet
Contracts:
Other:

BENEFIT ASSESSMENT

Benefits/Outcomes:

- Tangible:**
- Increased customer service
- Intangible:**
- Increased electronic volume

Business Objectives:

To provide a demonstration of how SFA can increase its presence on the web and improve electronic products/service offerings for students.

CONTACT INFORMATION

Business Sponsor: All General Managers
IT Sponsor: CIO

Initiative Name: Web Portals for Customers

INITIATIVE DEFINITION

Description: *Design and implement capabilities, for all customers, to enable easier and more efficient data transfer through internet and/or other online interfaces.*

Scope:

- | | |
|---|---|
| In | Out |
| <ul style="list-style-type: none"> • Access America • CPS • DL Web | <ul style="list-style-type: none"> • Student Account Manager |

Timeframe:

Exp. Start: Mar. 2000
Exp. Completion: Apr. 2001
Exp. Duration: 14 Months

Dependencies:

- Enterprise Architecture for the Internet
- VDC Migration
- Middleware
- Highway 1

Ease of Implementation:

Medium

Risk Assessment:

Risk: High **Rationale:** High customer interface

Implications:

Technical Applications: Enterprise Architecture for Internet and Integration
Contracts:
Other:

BENEFIT ASSESSMENT

Benefits/Outcomes:

Tangible:

- Increased Customer Service
- Enhanced image of SFA through increased web presence
- Possible candidate for phased implementation allowing incremental realization of benefits.

Intangible:

- Increased electronic volume

Business Objectives:

To standardize and increase SFA's presence on the web while facilitating enhanced electronic interfaces with all customers and partners. To increase SFA's electronic products/service offerings for all customers.

CONTACT INFORMATION

Business Sponsor: All General Managers
IT Sponsor: CIO

Initiative Name: Common Third-Party Interfacing

INITIATIVE DEFINITION

Description: *Implement a platform to provide standard interface capabilities for all SFA third parties (i.e., IRS, Department of Justice, etc.).*

Scope:

- | | |
|---|---|
| <u>In</u> | <u>Out</u> |
| <ul style="list-style-type: none"> • Existing Trading Partners | <ul style="list-style-type: none"> • |

Timeframe:

Exp. Start	Jan. 2001
Exp. Completion:	Nov. 2001
Exp. Duration:	11 Months

Dependencies:

- Enterprise Architecture for the Internet
- Decision Support and Middleware

Ease of Implementation:

Difficult - coordinating interfacing with multiple third-party vendors.

Risk Assessment:

Risk: Medium **Rationale:** Reduced customization

Implications:

Technical:
Applications: All
Contracts: All
Other:

BENEFIT ASSESSMENT

Benefits/Outcomes:

Tangible:

- Standardization of data
- Ease of maintenance
- Ability to incorporate additional interfaces more expeditiously

Intangible:

- Reduced risk of data corruption by only supporting standard interface rules

Business Objectives:

To investigate and agree upon standard criteria which may be used by all third parties in interfacing with SFA systems.

CONTACT INFORMATION

Business Sponsor: CIO
IT Sponsor: CIO

Initiative Name: Consolidated Data Center (VDC)

INITIATIVE DEFINITION

Description: *Design and implement a Virtual Data Center (VDC) to streamline call center operations and “host” all Department of Education systems at a single data center. Includes procedures and processes about day-to-day operations.*

Scope:

- | | |
|---|--|
| <u>In</u> | <u>Out</u> |
| <ul style="list-style-type: none"> • Common hardware | <ul style="list-style-type: none"> • Call Center Operations |

Timeframe:

- | | |
|-------------------------|-----------|
| Exp. Start: | Jul. 2000 |
| Exp. Completion: | May 2000 |
| Exp. Duration: | 5 Months |

Dependencies:

- CM Tools
- Technical Architecture

Ease of Implementation:

Medium

Risk Assessment:

Risk: Low **Rationale:** Use of a single data center operations

Implications:

- | | |
|----------------------|--------------------------------|
| Technical: | Standards, Operating Platforms |
| Applications: | All |
| Contracts: | All |
| Other: | |

BENEFIT ASSESSMENT

Benefits/Outcomes:

Tangible:

- Ability to take advantage of economies of scale

Intangible:

- Possible disaster recovery advantages through the use of a comprehensive and inclusive plan

Business Objectives:

To “host” all Department of Education systems in support of OSFA programs at a single data center.

CONTACT INFORMATION

Business Sponsor: CIO
IT Sponsor: CIO

Initiative Name: Consolidated Third-Party Support Services

INITIATIVE DEFINITION

Description: *Streamline contracting with external vendors to manage services provided to SFA. Perform analysis and implement consolidated services such as fulfillment, imaging, and lockbox.*

Scope:

- | | |
|--|---|
| <p><u>In</u></p> <ul style="list-style-type: none"> • To be determined | <p><u>Out</u></p> <ul style="list-style-type: none"> • To be determined |
|--|---|

Timeframe:

Exp. Start: Jul. 2000
Exp. Completion: Jun. 2000
Exp. Duration: 12 Months

Dependencies:

- Some level of standardization of data and common access to a variety of needed databases.

Ease of Implementation:

Medium

Risk Assessment:

Risk: Medium **Rationale:** Enhanced customer service

Implications:

Technical: Enterprise Architecture for the Internet, Integration, and CTI
Applications: All
Contracts: All
Other:

BENEFIT ASSESSMENT

Benefits/Outcomes:

Tangible:

- Integrated interfaces with other required partners
- Integrated interfaces with other required Federal Agencies - DOJ
- Enhanced customer service

Intangible:

- Improve relationships with external vendors

Business Objectives:

The ability to better interface with trading partners as well as satisfy federally mandated information exchange, such as a link with the Department of Justice.

CONTACT INFORMATION

Business Sponsor: CIO
IT Sponsor: CIO

Initiative Name: Enhanced Outreach Services for Under-Served Market Segments

INITIATIVE DEFINITION

Description: *Improve the external communications to partners and borrowers to disseminate information on changes to existing programs, technology, etc. for the under-served customer markets. Includes initiating projects with partners to research, develop, and promote best business practices, new products, and improved customer service.*

Scope:

- | | |
|--|---|
| <p><u>In</u></p> <ul style="list-style-type: none"> • To be determined | <p><u>Out</u></p> <ul style="list-style-type: none"> • To be determined |
|--|---|

Timeframe:

Exp. Start: Jun. 2001
Exp. Completion: Sept. 2001
Exp. Duration: 9 Months

Dependencies:

- An agreement on basic performance measures.

Ease of Implementation:

Medium

Risk Assessment:

Risk: Medium **Rationale:** Aid Awareness

Implications:

Technical:
Applications: Most applications are candidates
Contracts:
Other:

BENEFIT ASSESSMENT

Benefits/Outcomes:

Tangible:

- Improved awareness of available financial aid.

Intangible:

- Additional volume resulting from increased awareness
- Expand current initiatives for new schools, including education & training on eligibility, draw-down of funds, and on-site technical assistance

Business Objectives:

To enhance outreach services with ED's contractors and partners through improved dissemination of information, legislative guidelines and business requirements. Includes training of partners to more clearly encompass the needs and goals of SFA. Initiating projects with partners to research, develop and promote best business practices, new products and improved customer service.

CONTACT INFORMATION

Business Sponsor: COO
IT Sponsor: CIO

Initiative Name: Compliance Tracking and Reporting

INITIATIVE DEFINITION

Description: *Enhance the process by which existing and new legislation is tracked, communicated, and implemented.*

Scope:

<u>In</u>	<u>Out</u>
• To be determined	• To be determined

Timeframe:

Exp. Start: Jan. 2001
Exp. Completion: Dec. 2001
Exp. Duration: 12 months

Dependencies:

- Ability to manage information flow between contractors, ED and policy staff

Ease of Implementation:

Medium

Risk Assessment:

Risk: Medium **Rationale:** Common application of changes

Implications:

Technical Applications: All
Contracts: All
Other:

BENEFIT ASSESSMENT

Benefits/Outcomes:

Tangible:

- Timely management of legislative related implementations
- Ability to more quickly gauge the cost of implementing new legislation

Intangible:

- Ability to “Push Back” or challenge legislative initiatives based on cost considerations.

Business Objectives:

Tracking legislative initiatives and changes will allow the SFA to uniformly implement these changes across its various system.

CONTACT INFORMATION

Business Sponsor: All Channels
IT Sponsor: CIO

Initiative Name: Single Identifier for Each Entity (includes PIN usage)

INITIATIVE DEFINITION

Description: *Design a uniform single identifying data element for each customer entity in SFA's system including students, schools, and financial partners. Includes the use of PIN logic as a form of identification.*

Scope:

- | | |
|--|---|
| <p><u>In</u></p> <ul style="list-style-type: none"> • To be determined | <p><u>Out</u></p> <ul style="list-style-type: none"> • To be determined |
|--|---|

Timeframe:

Exp. Start: Apr. 2000
Exp. Completion: Jun. 2001
Exp. Duration: 15 Months

Dependencies:

- Compile initial requirements for loan origination, loan servicing and financial management systems.

Ease of Implementation:

Difficult - requires coordination with all entities who participate and support ED Programs.

Risk Assessment:

Risk: High **Rationale:** Standardization across all SFA systems

Implications:

Technical: Enterprise Architecture for Integration & Data Warehouse
Applications:
Contracts:
Other:

BENEFIT ASSESSMENT

Benefits/Outcomes:

Tangible:

- Enhanced customer service
- Enhanced reporting across all programs

Intangible:

- Provides a single point of interface for receiving student aid data and payment history for Federal loans

Business Objectives:

To develop a uniform means of identifying borrowers, schools and lenders across the various portfolios and systems sponsored by the Department of Education.

CONTACT INFORMATION

Business Sponsor: All Channels
IT Sponsor: CIO

Initiative Name: Performance Measurements Analysis and Design

INITIATIVE DEFINITION

Description: *Develop a process and framework for establishing, tracking, and reporting SFA current and target performance measures. The goal is to use the performance measures to understand, predict, and improve performance.*

Scope:

- | | |
|--------------------|--------------------|
| In | Out |
| • To be determined | • To be determined |

Timeframe:

Exp. Start: Jan.2000
Exp. Completion: Dec. 2000
Exp. Duration: 12 Months

Dependencies:

- An agreement between SFA and its contractors on implementing performance measures.

Ease of Implementation:

Medium - Possible candidate for phased implementation and each contractor site and by function..

Risk Assessment:

Risk: Medium **Rationale:** Performance-based contracts

Implications:

Technical Applications: All
Contracts: All
Other: Required by HEA Auth. Act of 1988

BENEFIT ASSESSMENT

Benefits/Outcomes:

Tangible:

- Uniform and objective assessments
- Increase SFA satisfaction and ease of contracts management with focus on outcomes not implementation details
- Outcome based leads to gain sharing and other cost efficiency measures

Intangible:

- Increased sense of partnership

Business Objectives:

Design outcome based contracts for all current and future SFA contracts.

CONTACT INFORMATION

Business Sponsor: All Channels
IT Sponsor: CIO

Initiative Name: Existing Modernization Projects and Other SFA Initiatives

INITIATIVE DEFINITION

Description: *Evaluate all initiatives currently being pursued under the Modernization Partner Project and including the enhancement of the procurement process.*

Scope:

- | | |
|---|-------------------|
| <u>In</u> | <u>Out</u> |
| <ul style="list-style-type: none"> • Enhanced Procure • Program Mgmt Office • Contract Acquisition | |

Timeframe:

Exp. Start:	Ongoing
Exp. Completion:	n/a
Exp. Duration:	n/a

Dependencies:

- Varies

Ease of Implementation:

Varies

Risk Assessment:

Risk: Varies	Rationale: Multiple initiatives
---------------------	--

Implications:

Technical:	All
Applications:	All
Contracts:	All, Modernization Partner
Other:	

BENEFIT ASSESSMENT

Benefits/Outcomes:

Tangible:

- Ongoing support of SFA's Modernization Blueprint
- Enhanced customer satisfaction
- Increased employee satisfaction
- Overall reduction in operating costs

Intangible:

- Increase in loan volume through more efficient business processes

Business Objectives:

Ongoing review of all initiatives currently monitored or undertaken by the Modernization Partner.

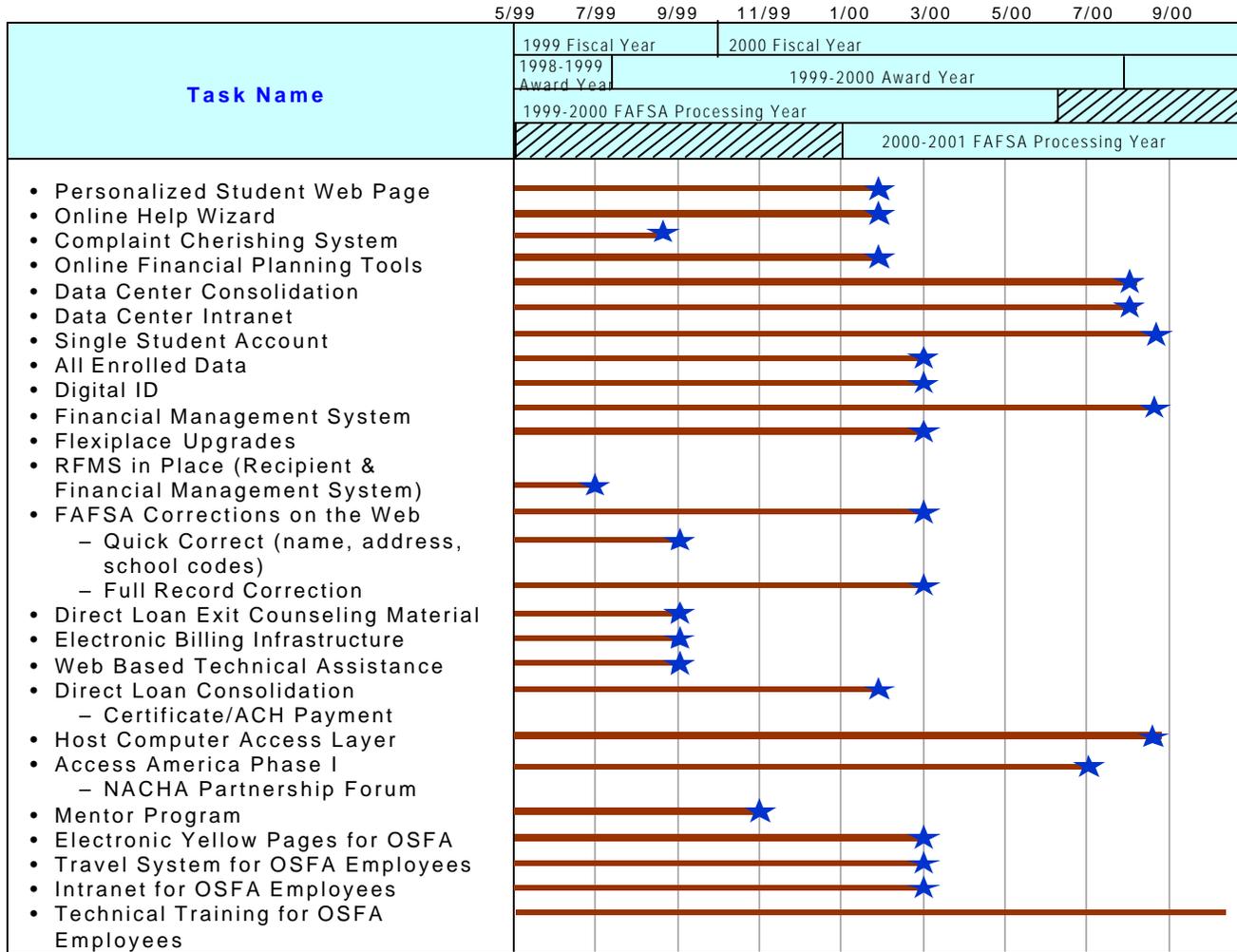
CONTACT INFORMATION

Business Sponsor:	All Channels
IT Sponsor:	CIO

Appendix B: Modernization Blueprint Sequencing Plan

This section contains the Modernization Blueprint Sequencing Plan which represents SFA's initial schedule of major activities and projects currently planned for the next 2 - 3 years.

Current Sequencing Plan



10044162-191

Appendix C: Detailed Mappings of Initiatives

This section is a supplement to the benefits-outcome section in the main body of the Capability Release Plan. The section contains a detailed matrix which maps many of the business requirements and performance objectives from the Five-year Performance Plan, Modernization Blueprint, and Customer Service Task Force Report to recommended initiatives. The matrix also contains a mapping of current IRB, Development, and Sequencing Plan projects to the recommended initiatives.

The mapping does not represent a comprehensive list of all requirements and performance objectives. Also, it is NOT intended to suggest that all business requirements, performance objectives, and projects that are mapped would be addressed by the initiative. However, we do expect that each of the mapped items would be reviewed during the requirements analysis and design efforts for the initiative.

Detailed Mapping of Initiatives

Initiative	Business Requirement/ Performance Objective	Projects
<p>Enhanced Customer Relationship Management:</p> <ul style="list-style-type: none"> • Consolidated Call Center 	<p><u>Customer Service Task Force Report:</u></p> <ul style="list-style-type: none"> • Give phone operators the best technology to serve students (i.e., "screen pop", anticipatory call center technology) (STU037) • Provide 24-hour access to accounts through a choice of the web or a toll-free call (STU051) • Assign more OSFA people to give schools technical assistance in all programs (SCH004) <p><u>Performance Plan:</u></p> <ul style="list-style-type: none"> • Establish one toll-free number for students, for "one call" customer service, including TTY. Also, 1-800-4FEDAID answers 95% of phone calls • Assign each external entity 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 • Create a rapid response team to address serious administrative problems for financial partners 	<p><u>IRB projects:</u></p> <ul style="list-style-type: none"> • Consolidated Customer Call Center (IRB039)
<p>Enhanced Aid Awareness</p>	<p><u>Customer Service Task Force Report:</u></p> <ul style="list-style-type: none"> • Teach local, state, and federal agencies, non-profit, community, and national organizations about financial aid (STU004) <p><u>Blueprint:</u></p> <ul style="list-style-type: none"> • Disseminate awareness information and tools through conventional mechanisms (e.g., mail, web, meetings, speakers bureaus, conferences, etc.) (AW-03) • Identify which segments of the student population (both students and families) to target for Aid Awareness programs and develops profiles to distinguish markets from one another (AW-01) • Structure Aid Awareness programs to suit the characteristics of each target market (AW-02) 	<p><u>IRB projects:</u></p> <ul style="list-style-type: none"> • Collect Financial Aid Packaging Information (pilot) (IRB005) <p><u>Sequencing Plan projects:</u></p> <ul style="list-style-type: none"> • Aid Awareness Program (Table V.D-2)

Detailed Mapping of Initiatives (cont.)

Initiative	Business Requirement/ Performance Objective	Projects
<p>Enhanced Electronic FAFSA</p>	<p><u>Customer Service Task Force:</u></p> <ul style="list-style-type: none"> • Partner with tax preparers & tax software developers to feed 1040 data to FAFSA on the Web (<i>STU020</i>) • Partner with colleges to build software that transfers data from college applications into FAFSA on the web (<i>CSTF - STU021, Performance Plan</i>) <p><u>Performance Plan:</u></p> <ul style="list-style-type: none"> • Partner to focus on translating more publications into Spanish and post them on a Spanish version of our web page • Simplify FAFSA renewal so that the form is mostly filled out by ED • Enable students to correct FAFSA errors on the web • Notify Students when their electronic FAFSAs have been received, and again when processing is completed • Test all proposed form changes with focus groups 	<p><u>IRB / SFA Development projects:</u></p> <ul style="list-style-type: none"> • Partner with tax software preparers for tax information prepopulation (<i>IRB023</i>) • Spanish FAFSA on the Web CPS (<i>IRB009</i>) • 799 on the Web (<i>IRB088</i>) • FISAP Software, Version 3.0 (<i>SFA061</i>) • WIN 2000 testing for EDExpress CPS (<i>IRB050</i>) • Increase FAFSA on the Web Capacity (<i>IRB117</i>) • Collect student email/Provide automated notifications (<i>SFA052</i>) • PLUS Redesign-FAFSA (<i>IRB012</i>) • Test FAFSA with students and parents (<i>IRB022</i>)

Detailed Mapping of Initiatives (cont.)

Initiative	Business Requirement/ Performance Objective	Projects
<p>Financial Management System (FMS)</p>	<p><u>Blueprint:</u></p> <ul style="list-style-type: none"> • Maintain system processing rules consistent with established financial management policy (FS-01) • Maintain account balances by the fund structure and individual GL accounts established in the Core Financial System Management subprocess. Maintain audit trail information of all financial transactions sent to and received from ED/CFO, ED/Budget, and OSFA (FS-02) <p><u>Performance Plan</u></p> <ul style="list-style-type: none"> • Develop and implement the FFEL and Direct Loan Subsidiary Ledger 	<p><u>IRB / SFA Development projects:</u></p> <ul style="list-style-type: none"> • Financial Management Systems - Create a “best in business” financial management and accounting system (IRB090) • Redesign Lender Report system for a relational database (IRB080) • Replace FARS w/ Oracle Financial (SFA169) <p><u>Sequencing Plan projects:</u></p> <ul style="list-style-type: none"> • Subsidiary Ledger for Direct Loans (Table V.D-10) • Financial Reconciliation of Direct Loan Consolidation (Table V.D-10) • Reconciliation of NSLDS with DLSS (Table V.D-10) • Reconciliation of DLSS with NSLDS (Table V.D-10) • Managerial Cost Accounting System (Table V.D-10, Table V.D-11) • Use Dollars and cents for all Financial management systems (Table V.D-11) • Subsidiary Ledger for AAFS (Table V.D-11)

Detailed Mapping of Initiatives (cont.)

Initiative	Business Requirement/ Performance Objective	Projects
<p>Information Technology (IT) Management:</p> <ul style="list-style-type: none"> • IT Management Plan • Enterprise Data Standardization • Enterprise Architecture Design for DSS • Enterprise Architecture Design for Integration • Enterprise Architecture Design for Internet • Enterprise Architecture Design for CTI 	<p><u>Customer Service Task Force:</u></p> <ul style="list-style-type: none"> • Maintain a stable cycle for systems changes. Reduce or eliminate crises-generated "quick fixes" that require extensive school reprogramming (<i>CSTF:SCH016</i>) <p><u>Performance Plan:</u></p> <ul style="list-style-type: none"> • Provide all Student Aid Financial services without invoking contingency plans as a result of a major delivery system failure • Manage the transition of all systems into the millennium in accordance with OCIO Day One plans with all events occurring as planned <p><u>Blueprint:</u></p> <ul style="list-style-type: none"> • Leverage the benefit of new and mature technologies to design and rollout IT products and services to support business operations (<i>IT03</i>) • Ensure the privacy, integrity and availability of data by administering systems and physical security practices for IT infrastructure (<i>IT06</i>) • Maximize system availability through risk mitigation and recovery planning (<i>IT05</i>) 	<p><u>IRB / SFA Development projects:</u></p> <ul style="list-style-type: none"> • Investment Management Implementation (IRB102) • Independent Quality Assurance Unit for RFMS (IRB049) • Implement Standards and Tools (SFA194) • TIVWAN Web Interface-online query (IRB116) • TIVWAN Implementation / Internet (IRB094) • Web Standardization (IRB106) • Security Services Infrastructure (IRB111) • PINs to schools for web access (SFA175) / Digital ID • ACES Development for CPS (IRB016) • Enterprise Encyclopedia / Data Model Management (SFA182) • System Sizing Analysis (SFA187) • Help Desk Support Standardization (IRB110) • Enterprise Requirements Database (SFA186) • Decision Support System (SFA190) • Data Center Intranet/Host Computer Access Layer (IRB098)

Detailed Mapping of Initiatives (cont.)

Initiative	Business Requirement/ Performance Objective	Projects
<p>Information Technology (IT) Management:</p> <ul style="list-style-type: none"> • IT Management Plan • Enterprise Data Standardization • Enterprise Architecture Design for DSS • Enterprise Architecture Design for Integration • Enterprise Architecture Design for Internet • Enterprise Architecture Design for CTI 	<p><u>Customer Service Task Force:</u></p> <ul style="list-style-type: none"> • Maintain a stable cycle for systems changes. Reduce or eliminate crises-generated "quick fixes" that require extensive school reprogramming (<i>CSTF:SCH016</i>) <p><u>Performance Plan:</u></p> <ul style="list-style-type: none"> • Provide all Student Aid Financial services without invoking contingency plans as a result of a major delivery system failure • Manage the transition of all systems into the millennium in accordance with OCIO Day One plans with all events occurring as planned <p><u>Blueprint:</u></p> <ul style="list-style-type: none"> • Leverage the benefit of new and mature technologies to design and rollout IT products and services to support business operations (<i>IT03</i>) • Ensure the privacy, integrity and availability of data by administering systems and physical security practices for IT infrastructure (<i>IT06</i>) • Maximize system availability through risk mitigation and recovery planning (<i>IT05</i>) 	<p><u>IRB / SFA Development projects (continued):</u></p> <ul style="list-style-type: none"> • CIO Intranet • Intranet for OSFA Employees (IRB118) • METHOD 1 (SDLCM) (IRB114) • Electronic Yellow Pages for OSFA (IRB128)

Detailed Mapping of Initiatives (cont.)

Initiative	Business Requirement/ Performance Objective	Projects
<p>Enterprise Information System (EIS):</p> <ul style="list-style-type: none"> • Prototype • Implementation 	<ul style="list-style-type: none"> • Maintain a common operating environment (for reporting) across all elements of IT infrastructure and services 	<p><u>IRB / SFA Development projects:</u></p> <ul style="list-style-type: none"> • Create Enterprise models (IRB105) • High-Level Enterprise Information System-EIS Prototype (SFA186)
<p>Enhanced Aids Origination & Funds Disbursement</p>	<p><u>Customer Service Task Force:</u></p> <ul style="list-style-type: none"> • Revamp the Student Aid Report (SAR) in its current format. ITIRB Ref #16 (FY99) - Replace SAR with letter, \$90k. (STU027) <p><u>Performance Plan:</u></p> <ul style="list-style-type: none"> • Process Direct Loan origination and disbursement records within three days - current baseline is three days • Process PELL origination and disbursement records within 24-36 hours - current baseline is three days • Improve the Direct Loan origination, reconciliation and closeout process • Ensure funds are available within ten days of determining appropriate funding eligibility at least 95 percent of the time • Reduce percentage of applicants with Defaulted loans and grant overpayments who receive additional Title IV aid • Complete school reimbursement requests within 30 days <p><u>Blueprint:</u></p> <ul style="list-style-type: none"> • Assist schools in creating aid packages (e.g., provide participant aid history), forward aid package information to the participant, and maintain changes in information (AA05) 	<p><u>IRB / SFA Development projects:</u></p> <ul style="list-style-type: none"> • Filenet imaging system enhancements (SFA152) • Mega-Record reconciliation with LO (SFA151) • Replace SAR with letter (IRB021) • LO generated Letters to Schools (IRB060) <p><u>Sequencing Plan projects:</u></p> <ul style="list-style-type: none"> • Common Origination and Disbursement Process (Table V.D-5) • Just-in-Time Disbursement Pilot (Table V.D-10)

Detailed Mapping of Initiatives (cont.)

Initiative	Business Requirement/ Performance Objective	Projects
<p>Direct Loan Servicing Reengineering</p>	<p><u>Customer Service Task Force:</u></p> <ul style="list-style-type: none"> • Work with DCS operations to make it more effective, less costly, and customer service oriented (<i>STU047</i>) • Test all changes to Direct Consolidation Loan application with focus groups (consisting of DL and FFEL borrowers) (<i>STU030</i>) • Reduce interest rates for on-time payers or who use methods that reduce OSFA's costs (<i>STU043</i>) <p><u>Performance Plan:</u></p> <ul style="list-style-type: none"> • Reduce turnaround time for processing Direct Loan forbearance and deferment requests (by 9/00). The current baseline is 5 days from the date of receipt • Process loan consolidations in 60 days or less • Redesign the consolidation application to make it simpler and user friendly 	<p><u>IRB / SFA Development projects:</u></p> <ul style="list-style-type: none"> • Electronic Bill Presentation and Payment extension (SFA171) • Modify CDS (IRB122) • CDS Release- 99-R3 and Yr 00/01 changes (SFA160) • Modify DLSS (IRB122) • Band 1 DEC Alpha move-Servicing (SFA155) • DL Servicing Interest rate discount CDS (IRB030) • DL Servicing letters -- reduce # of letters (SFA163) • Implement Pell Changes-NSLDS (IRB041) • Modify DLSAS cash detail record layout for LO (IRB061) <p><u>Sequencing Plan projects:</u></p> <ul style="list-style-type: none"> • Eliminate EX Errors in LC (Table V.D-1)

Detailed Mapping of Initiatives (cont.)

Initiative	Business Requirement/ Performance Objective	Projects
<p>Enhanced Loan Repayment - Debt Collections</p>	<p><u>Customer Service Task Force:</u></p> <ul style="list-style-type: none"> • Give borrowers flexible & practical payment options (STU042), like loan repayment through salary withholding (STU044) • Give borrowers a choice of how to apply overpayments to direct loan accounts (STU048) • Offer a voluntary tax refund offset for borrowers in addition to their regular monthly payments (STU049) • Process forbearance and deferment requests efficiently (STU050) • Give student borrowers debt management information electronically and in paper (PAR037) <p><u>Performance Plan:</u></p> <ul style="list-style-type: none"> • In cooperation with guarantors, develop electronic payment / reporting systems • Reduce percentage of applicants with Defaulted loans and grant overpayments who receive additional Title IV aid • Keep the default recovery rate at 10% or higher • Increase the default recovery rate for loans in default held by guaranty agencies • Keep the cohort default rate under 10% • Try at least five new ways to make debt collection more effective, less costly, and more customer service oriented • Work with financial partners to create programs to continue to reduce the lifetime default rate for each cohort of FFEL loan 	<p><u>IRB / SFA Development projects:</u></p> <ul style="list-style-type: none"> • Analysis of Servicing / Collections Future Support (IRB034) • In cooperation w/ guarantors, develop electronic payment/reporting systems (IRB087) • Web-based deferment and forbearance requests (SFA173) • Analyze and Initiate Online Exit Counseling (IRB032) <p><u>Sequencing Plan projects:</u></p> <ul style="list-style-type: none"> • DL Repayment Reengineering (Table V.D-2) • Improve Default Rate System (Table V.D-4) • Cohort Default Rate Appeal Processing (Table V.D-5) • Subsidiary Ledger for Campus Based Program (Table V.D-11) • Portfolio Risk Management Tools (Table V.D-11) • Servicing/Collections Technical Strategy (Table V.D-14)

Detailed Mapping of Initiatives (cont.)

Initiative	Business Requirement/ Performance Objective	Projects
<p>Enhanced Monitoring of External Entities</p>	<p><u>Customer Service Task Force:</u></p> <ul style="list-style-type: none"> • Expand current initiatives to help non-compliant schools and schools on reimbursement with an action plan to improve their management of Title IV programs (<i>SCH003</i>) <p><u>Performance Plan:</u></p> <ul style="list-style-type: none"> • Identify schools, guarantee agencies and lenders that fail to submit audits or that submit audit reports late and take appropriate action • Using case management tools and risk analysis to ensure that participating schools meet regulatory standards • Reduce fraudulent loan discharge cases below 1998 baseline • Resolve 95 percent of school audits within six months of receipt • Process 95 percent of school recertifications within 120 days of receipt 	<p><u>IRB / SFA Development projects:</u></p> <ul style="list-style-type: none"> • PEPS (IRB044) • PEPS to WEB (SFA198) • TO-XX Reengineer Lender System (SFA223) • Develop Admin Action and Appeals Module (SFA191) • Revised Eligibility. Certification. Module (SFA199) • Revised Foreign School Functionality (SFA200) • Revised Security (SFA202) <p><u>Sequencing Plan projects:</u></p> <ul style="list-style-type: none"> • Enhanced School Monitoring Systems (Table V.D-4) • School Tracking Strategy (Table V.D-5) • School Closure participant support process (Table V.D-5) • Reengineer Aggregate Formulas and Calculations (Table V.D-8) • Financial Partner Tracking Strategy (Table V.D-8) • Initiate Performance Indicators for Voluntary Flexibility Agreements with Guaranty Agencies (Table V.D-9)

Detailed Mapping of Initiatives (cont.)

Initiative	Business Requirement/ Performance Objective	Projects
Web Portals Prototype	<ul style="list-style-type: none"> • See Web Portals for Customers input below. 	<ul style="list-style-type: none"> • See projects which are mapped to the Web Portals for Customers.
Web Portals for Customers	<p><u>Customer Service Task Force:</u></p> <ul style="list-style-type: none"> • Put OSFA web site links on various web site banners, subject to OGC concurrence (STU009) • Include FFEL info on the OSFA web site, including consolidation forms, and permit electronic submission (STU052) • Include information on the Ed.gov web site regarding both Direct Loan and FFEL consolidation options subject to appropriate disclosure and privacy and security measures (PAR038) <p><u>Performance Plan:</u></p> <ul style="list-style-type: none"> • Allow electronic submission of the Direct Loan consolidation forms via the web • At every contact, give students access to educational debt counseling, in addition to “Entrance” and “Exit” counseling • Allow schools to download all SFA software and materials through the SFA web site • Enable schools to electronically submit official cohort rate appeals based on new data <p><u>Blueprint:</u></p> <ul style="list-style-type: none"> • Feedback and Communication maintains an interactive employee communication tool (e.g., Web, Lotus Notes, virtual “Water Cooler”) (ES-05.09) 	<p><u>IRB / SFA Development projects:</u></p> <ul style="list-style-type: none"> • Single Student Account (IRB040) • Develop AAFS Student Account Manager (IRB123) • Develop AAFS Gateway Website (IRB126) • TO-XX WEB page for borrowers (SFA227) • Add RAD request process to the Web (SFA050) • FAA Access to CPS via the Web • Modify CDS (IRB122) • NSLDS Common FFEL Format for Partners (IRB084) • Internet website enhancement (Exit counseling - A PBO Performance measure) (SFA153) Student/Partner Web Page Development. Includes On-line Help Wizard and Personalized Student Web Page (IRB095) • Online Financial Planning Tool • Access America (mult svcrs) - On Hold per AAFS (SFA168)

Detailed Mapping of Initiatives (cont.)

Initiative	Business Requirement/ Performance Objective	Projects
<p>Web Portals for Customers (continued)</p>	<p><u>Customer Service Task Force:</u></p> <ul style="list-style-type: none"> • Put OSFA web site links on various web site banners, subject to OGC concurrence (STU009) • Include FFEL info on the OSFA web site, including consolidation forms, and permit electronic submission (STU052) • Include information on the Ed.gov web site regarding both Direct Loan and FFEL consolidation options subject to appropriate disclosure and privacy and security measures (PAR038) <p><u>Performance Plan:</u></p> <ul style="list-style-type: none"> • Allow electronic submission of the Direct Loan consolidation forms via the web • At every contact, give students access to educational debt counseling, in addition to “Entrance” and “Exit” counseling • Allow schools to download all SFA software and materials through the SFA web site • Enable schools to electronically submit official cohort rate appeals based on new data <p><u>Blueprint:</u></p> <ul style="list-style-type: none"> • Feedback and Communication maintains an interactive employee communication tool (e.g., Web, Lotus Notes, virtual “Water Cooler”) (ES-05.09) 	<p><u>IRB / SFA Development projects (continued):</u></p> <ul style="list-style-type: none"> • Increase student access to CPS via the Web (SFA051) • Flexiplace Equipment Needs (IRB131) • Travel System for OSFA (IRB130) <p><u>Sequencing Plan projects:</u></p> <ul style="list-style-type: none"> • Online Eligibility (Table V.D-2) • Web-based Technical Assistance (Table V.D-5) • Migrate all internal NSLDS functions to the Web (Table V.D-5) • Online Technical Assistance for Schools (Table V.D-5) • On-line Technical Assistance for Financial Partners (Table V.D-8) • Necessary Support for Distance Learning (Table V.D-5) • Direct Report from lender to NSLDS (Table V.D-9) • SFA University CBT/Distance Learning (Table V.D-14)

Detailed Mapping of Initiatives (cont.)

Initiative	Business Requirement/ Performance Objective	Projects
<p>Common Third-party Interfacing</p> <ul style="list-style-type: none"> • External-Internal Data Matching 	<p><u>Performance Plan:</u></p> <ul style="list-style-type: none"> • Increase schools access to SFA databases and guarantors access to NSLDS subject to Privacy Act constraints and with appropriate security measures (<i>Performance Plan</i>) • Partner with the National Student Loan Clearinghouse so we can eliminate mismatches in enrollment information between our own and our partner’s processes (<i>Performance Plan</i>) 	<p><u>IRB / SFA Development projects:</u></p> <ul style="list-style-type: none"> • Expand INS match, include secondary confirm (SFA009) • SSA and HUD Data Exchange/Tape Processing (SFA108) • IRS Match Pilot (IRB018) • Convert Credit Bureau reporting to Metro 2 format (SFA172) <p><u>Sequencing Plan projects:</u></p> <ul style="list-style-type: none"> • Eligibility Sharing (Table V.D-5)
<p>Consolidated Data Center (VDC)</p>	<p><u>Performance Plan:</u></p> <ul style="list-style-type: none"> • Work with schools to improve the quality of data in NSLDS & PEPS (<i>Performance Plan</i>) 	<p><u>IRB / SFA Development projects:</u></p> <ul style="list-style-type: none"> • VDC Telecommunications (IRB100) • VDC Hardware Acquisition (IRB099) • Data Center Consolidation (VDC) DLS (IRB091)
<p>Consolidated Third-Party Support Services</p>	<p><u>Blueprint:</u></p> <ul style="list-style-type: none"> • Practice Need-based Planning. Identify and determine in-house vs. external goods and services (<i>Blueprint-CAM01</i>) 	<p><u>IRB / SFA Development projects:</u></p> <ul style="list-style-type: none"> • Consolidate Support Services (IRB103)

Detailed Mapping of Initiatives (cont.)

Initiative	Business Requirement/ Performance Objective	Projects
<p>Enhanced Outreach Services for Under-Served Populations</p>	<p><u>Performance Plan:</u></p> <ul style="list-style-type: none"> • Expand our current initiatives for new schools, including education & training on eligibility and draw-down of funds, as well as on-site technical assistance • Expand our current initiatives to help non-compliant schools and schools on reimbursement improve their management of Title IV programs • Create a Partnership Council with software providers to satisfy school needs in a timely manner • Establish Partnership Council Teams with our school, guaranty agencies, and financial partners to ensure delivery of quality customer service, offer training and technical assistance materials, develop performance data for benchmarking purposes, develop common standards and operating rules to simplify transactions • Involve our partners in the design of everything that affects them. Involve schools in operational decisions to assess impact and test changes with schools before releasing • 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 	<ul style="list-style-type: none"> • None

Detailed Mapping of Initiatives (cont.)

Initiative	Business Requirement/ Performance Objective	Projects
<p>Compliance Tracking and Reporting</p>	<p><u>Customer Service Task Force:</u></p> <ul style="list-style-type: none"> • Once lenders have the electronic reporting process, explore monthly instead of quarterly reporting (PAR048) • Train Title IV auditors (SCH033) • Work with the Office of the Inspector General (OIG) to increase the confidence in annual audits (SCH034) <p><u>Performance Plan:</u></p> <ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • None
<p>Single Identifier for Each Entity</p>	<p><u>Customer Service Task Force:</u></p> <p>Give guarantors Dun and Bradstreet (DUNS) numbers electronically, so they can update their participant database (PAR045)</p> <p><u>Blueprint:</u></p> <ul style="list-style-type: none"> • Process Loan Payment and Grant Overpayment provides a single point of interface for receiving student aid data and payment history for Federal loans (LR-04-1280-1282) 	<p><u>IRB / SFA Development projects:</u></p> <ul style="list-style-type: none"> • Single Identifier Analysis (IRB059) • Loan Number Standardization (IRB082) • Financial Institution Identifier Standardization (IRB083) • Provide DUNS to guarantors electronically (IRB086) • TO-XX Single School Identifier (SFA224)

Detailed Mapping of Initiatives (cont.)

Initiative	Business Requirement/ Performance Objective	Projects
<p>Performance Measurements Analysis and Design</p>	<p><u>Performance Plan:</u></p> <ul style="list-style-type: none"> • Closely monitor customer/partner satisfaction information • Develop process that identifies critical employee programs and converts data from these programs into managerially-significant information. Use this information to identify gaps in program performance, initiate corrective action, address critical employee concerns, and continually improve employee programs <p><u>Blueprint:</u></p> <ul style="list-style-type: none"> • Develop indicators to measure, monitor, and analyze SFA’s performance in customer service, lower unit costs, and employee satisfaction (<i>section IIID-paraphrased</i>) • Collect data from various sources and rigorously analyze to produce trends, gaps, etc. to identify necessary changes to processes, performance objectives and technology (<i>p.IIID-74</i>) 	<p><u>IRB / SFA Development projects:</u></p> <ul style="list-style-type: none"> • Performance Measurements Analysis and Design (No Project Number) <p><u>Sequencing Plan projects:</u></p> <ul style="list-style-type: none"> • Collect and Analyze OSFA Performance Data (Table V.D-14)

Detailed Mapping of Initiatives (cont.)

Initiative	Business Requirement/ Performance Objective	Projects
<p>Existing Modernization Projects and Other SFA Initiatives</p>	<p><u>Customer Service Task Force:</u></p> <ul style="list-style-type: none"> • Structure Requests For Proposals (RFPs) so they emphasize results versus process (PAR023) • Have OSFA staff from each channel develop outcome-based performance standards early in the procurement process (PAR027) • Delegate acceptance/rejection authority from the COTR to employees who receive contractor products and outputs (PAR035) • Coordinate contract implementation period with RFP respondents (PAR030) • Build in incentives and consequences based on customer satisfaction-linked performance. Implement same standards across all contracts in same customer segment (PAR028) 	<p><u>IRB / SFA Development projects:</u></p> <ul style="list-style-type: none"> • Procure IV&V Services (SFA178) • Task Modernization Partner (SFA180) / Modernization Partner Services (SFA197) • Implement Modernization Infrastructure (SFA193) <p><u>Sequencing Plan projects:</u></p> <ul style="list-style-type: none"> • IT Asset Management (Table V.D-14)

Several projects contained in the current Sequencing Plan do not map directly to the list of recommended initiatives. Each of these projects (which are listed below) should be reviewed and evaluated during the requirements analysis and design efforts of various initiatives.

- Complaint Cherishing System (Table V.C-1)
- All Enrolled Data (Table V.C-1)
- Flexi-place Upgrade (Table V.C-1)
- Borrower Tracking Strategy (Table V.C-1)
- Simplify Paper Application Process (Table V.D-2)
- DRCC (Table V.D-4)