

SFA Modernization Partner Project LEGACY CONTRACT TRANSITION PLAN

Campus Based Maintenance and Development (CBMD)



**Part 1
System Write-up**

CAMPUS BASED MAINTENANCE AND DEVELOPMENT (CBMD)

CHANNEL:	Schools
BUSINESS MANAGER:	JoAnn Pease
COTR:	Art Iwanicki (through 2-24-00) Richard Coppage (effective 2-25-00)
CONTRACTOR:	UAL (8(a))
CONTRACT NUMBER:	PM-96-00010-01
CONTRACT AWARD DATE:	September 30, 1996
CONTRACT EXPIRATION DATE:	September 30, 2000
ANNUAL CONTRACT COSTS:	\$1.5 million

CBMD is a long-standing system (1979) within SFA. The system is written in COBOL 85 and uses “flat” files (it is not a relational database). The system is “archaic” and it cannot do data exchanges or calculations. The database is initialized each year making analysis comparing year-to-year statistics and funding very difficult. Functions are performed on cyclical basis throughout the year (the same functions are performed on the same dates each year - e.g. – by Congressional Mandate the Department of Education must notify schools of tentative awards for the next school year by February 1 each year and final award notification must be sent by April 1). The Department of Education uses CBMD to notify the schools. There are no development efforts under this contract – only maintenance.

CBMD FUNCTIONS

Customer Service - Schools:

CBMD sends approximately \$1.5 billion per year to approximately 4,000 schools under 3 programs, which are separate and distinct from PELL, FFEL Loans and Direct Loans. The schools report summary information (the school keeps the detailed transaction ledger and reports summary general ledger information to CBMD) each year. The 3 programs are as follows:

Perkins Loans - This is a revolving fund program. The portfolio value is approximately \$10 billion and the portfolio value increases by approximately \$100 million per year. The schools participating in the Perkins Loan Program maintain the paper (promissory notes) on these loans and either service these loans themselves, have a servicer provide the service (e.g. – a bank). All loan detail is reported to NSLDS on a student-by-student basis by the school or servicer (Note -CBMD has no detailed information on a student by student basis – it receives only summary information from the schools on an annual basis on a FISAP (Fiscal Operations Report and Application to Participate). All FISAP’s are transmitted to CBMD electronically. Defaults are also reported to CBMD at a summary level in order to calculate the next year’s awards. CBMD calculates default rates for Perkins Loans.

FSEOG (Federal Supplemental Educational Opportunity Grant)

These are grants (no repayment necessary) which generally piggyback on PELL Grants. The schools figure these grants out and request funds from SFA (Note – funds are disbursed by GAPS). Again, CBMD only receives summary information – they do not know, on a student-by-student basis, who receives these funds. All FSEOG detail is maintained on a student-by-student basis by the school or servicer (Note -CBMD has no detailed information on a student by student basis – it receives only summary information from the schools on an annual basis on a FISAP (Fiscal Operations Report and Application to Participate). Total amounts sent to schools for FSEOG are approximately \$600 million per year.

FWS (Federal Work Study Program)

This is a program designed to provide monies to schools for student jobs on campus. Schools provide 25% and CBMD provides 75% of on-campus job costs. Total amounts sent to schools by SFA for FWS are approximately \$800 million per year. Again, all FWS detail is maintained on a student-by-student basis by the school (Note -CBMD has no detailed information on a student by student basis – it receives only summary information from the schools on an annual basis on a FISAP (Fiscal Operations Report and Application to Participate).

WHO USES CBMD?

External Users:

- Schools
- Educational Entities
- U.S. Congress

Internal Users:

- GAPS
- Schools Channel
- Analysis (Policy)
- Office of Post-secondary Education (OPE)
- Office of the General Counsel (OGC)

ANNUAL CONTRACT COST – SFA FUNCTION PERCENTAGES

The annual contract costs for CBMD approximate \$1.5 million. The approximate percentages and annual cost for the base OFSA functions (as outlined in the OFSA Contracts/functions Matrix) are as follows:

Document Handling	2%	
Customer Service – Students	1%	
Customer Service – Schools	60%	\$.9 million
Analytical and Management Support	37%	\$.6 million

PLANNED ENHANCEMENTS

- Electronic Award Notification
- Teacher Cancellation – Low Income Directory placed on web-based platform
- Elimination of Teacher Cancellation Edit Cycle

PROBLEMS

- Contract needs to be extended and/or recompeted until the functionality can be migrated to other systems. The FISAP (Fiscal Operations Report and Application to Participate) will probably go away in the future but the functionality must first be migrated to other systems. In order for the vision of a “Student Account Manager” (one single source of information for all student aid) to be realized, detailed records from schools on FSEOG’s must be received. In addition detailed information on FWS’s (to include payroll information) must be received from the schools.
- UAL has been performing the CBMD functions for the past 15 years and has become the keeper of “Program Knowledge). There is one key person (Danny Dytang) who is the key contractor provided person. If Danny Dytang leaves UAL, CBMD is in trouble (“CBMD lives or dies with Danny Dytang”).
- CBDM has discovered that 800,000 duplicate Perkins Loan files exist in NSLDS.
- If recompeted, SFA may be required to meet the requirement through the 8(a) program.
- Because of cyclic nature of the services provided, CBMD must determine a good date for any extension to end.

PLANS

A decision should be made regarding what to do with the CBMD functionality (i.e., as a minimum should it be merged with another of the more up-to-date databases. While the decision is being made, market research will be accomplished to determine if the requirement can be obtained through a competitively issued task order against GSA Schedule or one of the other available GWAC’s (Government-wide Acquisition Contract) vehicles. Once the requirements determination is made, competition can be accomplished quickly.