

# **SFA Modernization Partner Project LEGACY CONTRACT TRANSITION PLAN**

Default Management System (DMS)



**Part 1  
System Write-up**

## **Default Management System (DMS)**

CHANNEL:	Schools
BUSINESS MANAGER:	Pat Trubia
COTR:	Tara Porter
CONTRACTOR:	KPMG
CONTRACT NUMBER:	?
CONTRACT AWARD DATE:	?
CONTRACT EXPIRATION DATE:	?
ANNUAL CONTRACT COSTS:	\$ million

DMS uses 2 major SFA systems – NSLDS and PEPS. DMS coordinates the calculating and storage of and disseminates the school Cohort Default Rates. (Note – NSLDS calculates the Cohort Default Rates, PEPS stores 3 years worth of data and DMS disseminates the data). Since there is a statutory requirement for the Secretary of Education to release this information at a certain date each year, DMS has a major concern if changes are to be made to the NSLDS system if DMS is not involved in the decision-making process.

The DMS system, is used to track appeal status and resolution tracking. It is a stand-alone (in-house) system, comprised of a Virtual Basic front-end with an Access Database back-end. All data entry is manual. The system has a feed to the PEPS system. There is login in PEPS to identify problem schools and the logic to identify which letter is to be sent out to the schools. The contract with KPMG is a Development contract for electronic process for dissemination. Trying to develop a web-based application front-end with an Oracle BD. back-end. When this is developed the system will use the TIV-WAN for transmission of data.

DMS has no authorization to change anything in the NSLDS database. DMS analyzes preliminary the Cohort Default Rates in February each year. Draft letters and hard copies of detailed reports (up to 1 foot thick) are sent by NCS each February to each of the 7,500 schools in the Title IV program. The schools then have a chance to appeal (there are 5 types of appeals) the data to DMS, which reviews the appeals. This appeal process is a manual process. If schools are deficient there are certain sanctions which can be levied, including lose of eligibility for FFEL and Direct Loans as well as Pell Grants. DNS also acts as the arbitrator between the Guaranty Agencies and schools over differences in data. Final rates are issued in August each year. DMS prepares the Press Package for the Secretary of Education for Press Conference held each September.

### **DMS FUNCTIONS**

#### **Document Handling:**

Draft letters and hard copies of detailed reports (up to 1 foot thick) are sent by NCS each February to each of the 7,500 schools in the Title IV program.

**Customer Service- Schools:**

Disseminates Cohort Default Rate data to schools. Acts as arbitrator between schools and GA’s in case of dispute of detailed data. Conducts training sessions with schools on appeals process and deadlines for appeals. Has a webpage which includes a Guide for school appeals, the press package for the Secretary of Education and a search engine either by school OPID# or name.

**Analytical/Management Support:**

DMS analyzes preliminary the Cohort Default Rates in February each year. DMS prepares the Press Package for the Secretary of Education for Press Conference held each September.

**WHO USES PEPS?**

**External Users:**

- Schools
- Guaranty Agencies

**Internal Users:**

- Secretary of Education

**ANNUAL CONTRACT COST – OFSA FUNCTION PERCENTAGES**

The annual contract costs for DMS are approximately \$ 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	?%	\$ million
Customer Service – Schools	?%	\$ million
Analytical/ Management Support	?%	\$ million

**PLANNED ENHANCEMENTS**

Developing system to be a web-based system.

**ISSUES**

- Redundancy with PEPS, which has similar capabilities.
- Manual data entry.
- Are there sufficient resources to make the web-based application work. Seems a little late since there is already a contract with KPMG to develop this web-based application.

