

Information Technology (IT) Initiative Business Case Responses for BYs 2003 & 2004

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1.0 General Background

1.1 Initiative Name

Common Origination and Disbursement (COD Phase III and beyond)

1.2 Initiative Description

The Common Origination and Disbursement (COD) solution provides a common platform and record for schools to originate and disburse Title IV funds, as well as a common process that addresses both the overlapping and individual needs of each of the programs (i.e., Direct Loan, Pell, and Campus-based). This consolidation and integration of the systems and infrastructures that currently support the programs leads to reduced unit costs for FSA, lower costs for schools, a higher level of satisfaction for participants in the Title IV programs, and more proactive, detective, and preventive financial controls. With the COD solution, the team will fulfill the FSA Performance Based Organization (PBO) mandate of modernizing and integrating systems, as well as the FSA objective of providing a greater level of financial integrity. Financial integrity is a key objective of the COD solution. COD provides FSA and schools with more flexible tools to more easily reconcile Title IV data and manage funding. This leads to an enhanced ability to support schools in the reconciliation and substantiation processes.

The objective of this phase of the COD System Implementation Project is to operate a fully integrated Title IV Origination and Disbursement process and system in order to improve customer service, increase employee satisfaction, and reduce cost. During this phase, specific attention will be given to identifying the changes schools will need to make to successfully implement the new process and system.

The COD solution was developed as a Share in Savings initiative with the FSA Modernization Partner in FY2001-2002. Release dates, milestone payments, and share payments to the Modernization Partner have been contractually negotiated, and FSA is obligated to fulfill.

1.3 Initiative Type

Business Process Support System
 Financial Management System _____
 Non-Financial Management System _____

Program Delivery System
 Financial Management System X
 Non-Financial Management System _____

IT Infrastructure _____
 IT Services _____
 General Office Automation _____

1.4 Contact Information

	Name	Principal Office	Phone Number
Project Manager	Rosemary Beavers	FSA	202-377-3126
Program Manager	Jane Holman	FSA	202-377-4322
Project Sponsor	Kay Jacks	FSA	202377-4286
Contracting Officer	Janet Scott	FSA	202-377-3608
Contracting Officer's Representative	Steve Wingard	FSA	202-377-3127

2.0 Business Process

2.1 Business Process Support

<input type="checkbox"/> Grants <input type="checkbox"/> Evaluation <input type="checkbox"/> Research <input type="checkbox"/> Information <input type="checkbox"/> Dissemination <input type="checkbox"/> Enforcement <input type="checkbox"/> Resource <input type="checkbox"/> Management & Administration <input checked="" type="checkbox"/> Loans <input type="checkbox"/> Other: _____ _____	This initiative will support the Origination and Disbursement business process.
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2.2 Business Problem or Opportunity and Causing Conditions

The business opportunity of this initiative is found in the gain sharing (i.e. share-in-savings/Share-in-results plus value-based) arrangement between FSA and the Modernization partner for the completion of the COD implementation, deployment, and operations. Additionally, the business opportunity is found in the efficient process that schools will now use in maintaining and submitting financial data to multiple parties (i.e. FSA, banks, guarantors,

lenders, etc). This initiative is an enormous benefit to schools that previously maintained 30 record layouts for transmittal to multiple parties, currently will be able to transmit the data as one common record using an accepted business standard by all parties involved.

Conditions:

These business opportunities will help FSA satisfy the PBO mandate (Performance Based Organization mandate charged by the Higher Education Amendment of 1998) of modernizing the delivery of student financial aid. As one of the main objectives of this designation, Congress mandated that FSA implement a common, open, integrated system for student financial aid delivery. The current Pell, Direct Loan and Campus-based programs became obvious targets for modernization due to the overlap that exists between the processes and supporting systems.

2.3 Existing Systems

Schools currently originate Title IV funds using two separate systems:

- Recipient Financial Management System (RFMS) for Pell Grants
- Direct Loan Origination System (DLOS) for the Direct Loan Program

Schools currently disburse Title IV funds using three separate systems:

- Recipient Financial Management System (RFMS) for Pell Grants
- Direct Loan Origination System (DLOS) for the Direct Loan Program
- Campus-based System (CBS) for Campus-based Programs

As a result of having three separate systems, access to student and school data is fragmented and unreliable. FSA is finding it increasingly difficult to quickly access data required to support day-to-day operational and management decisions. Schools cannot easily access data to obtain a clear picture of the Title IV student aid that has been disbursed. Within the current systems (i.e., RFMS, DLOS, CBS), there exist independent and disparate processes, data, and organizational structures

2.4 Solution Impact

(If this is an implemented initiative with no enhancements, then address item (3) only)

1. Impact of the COD Initiative on Business Processes:

- Fund Administration: This initiative will help reduce cycle time for fund disbursement and reconciliation, facilitate fiscal responsibility by schools for FSA, improve fiscal integrity through funding options based on schools' reporting history
- Common Record Processing: This initiative will provide an integrated process and consistent interface, reduce system operation and maintenance costs, and contribute to the ability to provide improved access to "student history" for FSA and schools.
- Authorization and Disbursement: This initiative will reduce the amount of unaccounted dollars and required adjustments by FSA.
- Reporting: This initiative will integrate the information search process across the programs and provide the ability to access and report on targeted data requests.
- Support: This initiative will provide COD data to support on-line access to a student's entire financial aid history, and provide single point of contact for functional and technical support across the Pell, Direct Loan and Campus-based programs for students.

2. Impact to other IT Initiatives: This initiative will have an impact on the DLOS and the RFMS IT Initiatives, because both of these systems will be retired and replaced by COD in the future.

3. Direct beneficiaries are the 5500 school administrators.

4. Administrators are involved through focus groups.

5. Restructuring and COD business capabilities that will be required include:

- Common Process for the following three functions: receiving records, processing records, and reporting
- Consistent data management through use of common record (i.e., common data definitions and standards) and one main data owner
- Fund accountability and management
- On-line access (i.e., web access), which provides real-time sharing of data and real-time access to information
- Common customer service through integrated knowledge of Title IV programs

2.5 Business Process Reengineering

(Applies only to New Business Process Support and Program Delivery Systems)

N/A - this was accomplished during earlier phases of the COD system project.

2.6 Mandatory Requirement

The Higher Education Amendments of 1998, Part D, Sec. 141 [20 U.S.C 1018] (a) (2), established FSA as a Performance Based Organization (PBO) within the Federal Government charged with modernizing the delivery of student financial aid. The underlying goal was to improve services to millions of students and the postsecondary institutions they attend. As one of the main objectives of this designation, Congress mandated that FSA implement a common, open, integrated system for student financial aid delivery. The current Direct Loan, Pell, and Campus-based programs delivery systems became obvious targets for modernization due to the overlap that exists between the processes and supporting systems. COD fulfills this directive by integrating the Direct Loan and Pell programs and providing the opportunity for new functionality related to the Campus-based program.

2.7 Consequence of Not Funding the Initiative

Consequences of not funding this initiative will result in an inability to process origination and disbursement information for over 5,000 institutions, 3 million recipients of the Pell and Direct loan, approximating \$20B of Federal money. There would be no Pell Grant or Direct Loan Program delivery system if this initiative is not funded.

3.0 Strategic Alignment

3.1 OMB E-Government Initiative Alignment

- ___ Consolidated Health Information
- ___ Disaster Assistance and Crisis Response
- ___ E-Authentication
- ___ E-Grants
- ___ E-Payroll/HR

- E-Training
- E-Travel
- E-Vital
- Electronic Records Management
- Eligibility Assistance Online
- Expanding Electronic Tax Products for Businesses
- EZ Tax Filing
- Federal Asset Sales
- Federal Enterprise Architecture
- Geospatial Information One Stop
- Integrated Acquisition Environment
- Integrated Human Resources/e-Clearance
- International Trade Process Streamlining
- One Stop Business Compliance Information
- Online Access for Loans
- Online Rulemaking Management
- Recreation One Stop
- Recruitment One Stop
- USA Services
- Wireless Public Safety Interoperable Communications – Project SAFECOM
- None of the Above

3.2 Mission Alignment

- Goal 1: Create a Culture of Achievement

- Objective 1.1 Link federal education funding to accountability for results.
- Objective 1.2 Increase flexibility and local control.
- Objective 1.3 Increase information and options for parents.
- Objective 1.4 Encourage the use of scientifically based methods within federal education programs.

- Goal 2: Improve Student Achievement

- Objective 2.1 Ensure that all students read at grade level by the third grade.
- Objective 2.2 Improve math and science for all students.
- Objective 2.3 Improve the performance of all high school students.
- Objective 2.4 Improve teacher and principal quality.

- Goal 3: Develop Safe Schools and Strong Character

- Objective 3.1 Ensure that our nation's schools are safe and drug-free and that students are free of alcohol, tobacco, and other drugs.
- Objective 3.2 Promote strong character and citizenship among our nation's youth.

- Goal 4: Transform Education into an Evidence-Based Field

- Objective 4.1 Raise the quality of research funded or conducted by the Department.
- Objective 4.2 Increase the relevance of our research in order to meet the needs of our customers.

- Goal 5: Enhance the Quality of and Access to Postsecondary & Adult Education

- Objective 5.1 Reduce the gaps in college access and completion among student populations differing by race/ethnicity, socioeconomic status, and disability while increasing the educational attainment of all.
- Objective 5.2 Strengthen accountability of postsecondary institutions.
- Objective 5.3 Establish effective funding mechanisms for postsecondary education.
- Objective 5.4 Strengthen Historically Black Colleges and Universities, Hispanic Serving Institutions, and Tribal College and Universities.
- Objective 5.5 Enhance the literacy skills of American adults.

- Goal 6: Establish Management Excellence

- Objective 6.1 Develop and maintain financial integrity and management and internal controls.
- Objective 6.2 Improve the strategic management of the Department's human capital.
- Objective 6.3 Manage information technology resources, using e-gov, to improve service for our customers and partners.
- Objective 6.4 Modernize the Student Financial Assistance programs and reduce their high-risk status.
- Objective 6.5 Achieve budget and performance integration to link funding decisions to results.
- Objective 6.6 By becoming a high performance, customer-focused organization, earn the President's Quality Award.

None of the Above

3.3 Strategic Plan Strategies Supported

Strategic Objective 6.1

Develop and maintain financial integrity and management and internal controls

- **Update and integrate financial systems.** We will implement a new financial system capable of producing timely and reliable financial data and reconcile systems to the general ledger.
- **Prepare financial statements to provide leading data on Department performance.** The Department will create quarterly financial statements to track financial performance against agreed upon budgets.
- **Analyze data to reduce fraud.** The Department will create data analysis capabilities within financial and program management systems and will refer any cases of suspected fraud to the Inspector General's office.
- **Review existing internal controls and implement changes where necessary.** These efforts will include processes for monitoring and holding grantees, contractors, guarantors and lenders accountable and closing open audit recommendations.

Strategies for Objective 6.3

Manage information technology resources, using e-gov

- **Encourage customers to conduct business with the Department on-line.** The Department will implement productivity improvements through implementation of e-gov applications, customer relationship management, supply chain management and knowledge management best practices, while at the same time protecting the privacy of our customers.
- **Ensure security of the IT infrastructure.** We will periodically update and validate the General Support Systems (GSS) and Major Applications (MA) Inventory. For each GSS and MA, assure a current risk assessment and security plan and that certification and accreditation are in place.
- **Reduce our partners' data reporting burden.** The Department will minimize burden on our partners and improve the quality of federal data by implementing a performance-based data management initiative. We will collect data once and use it in many ways. We will consolidate our data collections and data storage. With our stakeholders and customers, we will collaboratively build and publish data standards, including consensus data elements and definitions. The enterprise architecture will be structured to meet business needs. (See Objective 1.2 for more on this topic.)
- **Complete enterprise architecture.** The Department will create a business-focused enterprise architecture that describes long-term information system requirements and prioritizes IT business needs based on Strategic Plan Goals and Objectives.

Strategies for Objective 6.4

Modernize the Federal Student Aid programs and reduce their high-risk status

- **Create an efficient and integrated delivery system.** We will use new technologies and integrate systems by eliminating, consolidating, and redesigning the thirteen current legacy systems to improve service, cut costs and reduce the improper payment of student aid funds.
- **Improve program monitoring.** The Department will strengthen financial management and internal

controls so that relevant, timely information is available to manage day-to-day operations. We will improve technical assistance and increase program monitoring.

Strategies for Objective 6.5

Achieve budget and performance integration to link funding

- **Align Budget and Planning Processes.** The Department will integrate its budget requests with annual GPRA reports and plans. The Department will support programs and activities that have demonstrated their effectiveness and that are aligned with the President's strategic priorities. Spending plans will be aligned with the implementation of the Strategic Plan.
- **Track expenditures to strategic objectives.** The Department will ensure that full budgetary cost is charged to mission accounts and activities. The cost of outputs and programs will be integrated with performance in budget requests and execution. A cost accounting system will be developed.
- **Document program effectiveness.** The Department will use several strategies to determine program effectiveness. The performance-based data management initiative will allow for the collection of better data and stronger analysis of the impact of various federal programs. Program evaluation studies will be dramatically improved through the use of rigorous methods. Plus, randomized field trials of education interventions will be supported in order to build the knowledge base of what is working at the local level. (See Objective 1.1 for more on this topic.)

Strategies for Objective 6.6

By becoming a high performance, customer-focused organization, earn the President's Quality Award

- **Leadership** addresses how the senior leaders guide the organization in setting directions and seeking future opportunities, deploying clear values and high performance expectations that address the needs of all stakeholders.
- **Strategic Planning** address the strategic and action planning, and deployment of plans, stressing customer-driven quality and operational performance excellence.
- **Customer Focus** addresses how the Department seeks to understand the voices of customers and of the marketplace. Customer satisfaction results provide vital information for understanding customers and the marketplace.
- **Information and Analysis** examines the Department's performance measurement system and how it analyzes performance data and information necessary to effectively measure performance, manage the organization and improve performance and competitiveness.
- **Human Resource Focus** addresses key human resource practices-those directed toward creating a high performance workplace and toward developing employees to enable them and the organization to adapt to change in alignment with the organization's strategic directions.
- **Process Management** examines the key aspects of this organization's process.

3.4 Quality Indicators

Quality indicators include:

- Percentage of customers and employees characterized as very satisfied 80%
- Percent of drawn funds substantiated within 30 days
- Average unsubstantiated disbursement draw
- Number of schools as a ratio of total schools on administrative relief
- Number of schools as a ratio of total schools that are in the category of failure to closeout
- Average reported disbursement to draw down ratio 90%
- Average accepted disbursements to obligated funds ratio .90
- Average number of days from disbursement to reporting 30 days
- Average number of days from change in disbursement amount to reporting 30 days
- Average number of days from change in disbursement date to reporting 30 days
- Percentage of accepted disbursements without P-Notes on file 70%
- Timeliness of COD reconciliation to the general ledger to reduce by 3 days in FY03 and FY 04
- Financial management grade received on the "report card" to improve from a "B" to an "A" in FY04
- Federal administrative cost per grant transaction to reduce by 10% in FY04

4.0 Technology Initiative

4.1 Initiation Date

1/1/ 2001

4.2 Initiative Deployment / Implementation Date

4/1/2002 (Initial release) through June 2006

4.3 Initiative Phase

Under Development
 Maintenance Only
 Maintenance with Enhancements

4.4 Initiative Scope

The scope of Common Origination and Disbursement (COD) includes the following:

- Reengineered the current FSA business processes to eliminate redundancies and inefficiencies and developed a system that consolidates the delivery of the Title IV student financial assistance programs.
- Replacing the current FSA delivery processes for Pell, Direct Loan, and Campus-based programs with a common process that emphasizes the similarities among the programs and replacing the origination and disbursement systems for Pell Grants and Direct Loans.
- Created a source system of detailed student level disbursement transactions to support FSA's general ledger.
- Providing a flexible technology platform that allows FSA to take advantage of emerging financial industry

best practices and a variety of delivery vehicles (e.g., credit cards).

The COD solution includes the following functions:

- Deploy a common, student-level data record to be used for Pell, Direct Loans, and Campus-based programs. Lenders and guaranty agencies that support the FFEL programs will have the ability to implement the common record, if desired.
- Create a common process for receiving, processing, and reporting on student records for Pell Grant, Direct Loans, and Campus-based programs. Campus-based will be an option for schools.
- Establish common business rules to be used by schools, guaranty agencies, lenders, and FSA for the Pell Grant and Direct Loan programs and, if possible, FFELP.
- Create the opportunity to use the common process in the processing of state grant, alternative loans, pre-paid tuition, scholarships, etc.
- Provide the ability to track school's history and performance.
- Provide schools with the ability to access data and perform key functions on-line (e.g., submitting records).
- Provide a single source for technical and functional support.
- Provide common reporting and reconciliation tools for Pell and Direct Loan.
- Support the Campus-based programs by providing the ability to receive student level detail records and aggregate data to pre-populate a portion of the FISAP.

4.5 Assumptions, Constraints, and Dependencies

1. The Modernization Partner will support FSA in managing the archiving of records based on the following assumptions:
 - Pell records must be retained for a period of 6 years and 3 months after the award year closes.
 - Direct Loan records must be retained for a period of 2.5 years after the award year.
2. Notwithstanding the ownership, title, or proprietary rights of the parties for the COD system being developed, it is understood that the Department of Education has exclusive and sole ownership of all data stored in, retrieved, modified and archived in the COD system. No other party has the right to copy, delete, archive or transfer this data without the express written consent of the Department of Education.
3. FSA and the Modernization Partner will work together so that data confidentiality concerns are effectively addressed.

4.6 Outstanding Issues

None

4.7 Benefits

FSA is undertaking the COD initiative in order to support FSA's strategic objectives of:

1. Reduced Unit Costs
2. Increased Customer Satisfaction
3. Increased Employee Satisfaction

4. Increased Financial Integrity
5. Integration and Modernization of Legacy Systems

Customer satisfaction will increase due to the simplification of the processes as well as the consolidation and improvements to the tools that support the disbursement of financial aid to the students. Schools currently are required to utilize two separate processes and systems to submit records to request or substantiate funds. Through the use of the common record and the common process, these two processes will be integrated into one common process.

FSA employees will be provided with tools and processes to more efficiently support their ability to administer the Title IV programs. This increased ease of use will lead to more highly satisfied and motivated employees.

1. Reduced Cost

The COD implementation will consolidate the existing operations and systems for the Pell and Direct Loan programs into one common process supported by the COD application. The COD solution will provide additional benefits and capabilities as well as reduce the costs related to origination and disbursement. The measurement and realization of these savings will be based on three primary cost drivers:

- Decreased Systems Operations Costs (including development and maintenance)
- Decreased Customer Service Costs
- Decreased VDC Costs

FSA has the potential to realize an estimated \$11-14 million in operational savings per year as a result of the COD implementation and the legacy systems retirement. The estimated savings per year are forecasted to begin around fiscal year 2003 and are directly dependent upon the realization of the COD implementation and the retirement of the legacy systems. The business case assumes that both DLOS and RFMS are retired at the end of December 2002.

The savings are not directly dependent upon the number or timing of schools adopting the common process and common record. The COD solution will use Middleware, wrapper technology, to accept the current legacy systems' record layouts and convert these old record layouts into a "common record" format. This Middleware approach enables the COD system to process all schools' records beginning in Award Year '02-'03 as well as enables the legacy systems to be retired after historical award year data is migrated regardless of the number of schools utilizing the common record. Savings are then derived from COD operational costs (e.g. systems operations, customer service, and VDC costs) being lower than the two legacy systems that are retired. The additional benefit of using the Middleware for the common record is that the technology will allow schools to migrate to the common record format and process based on their schedule, budget, and readiness to achieve all COD system benefits.

The following are some of the key assumptions for the costs and savings within each cost driver:

Operational Costs (includes development, maintenance, and systems operations)

- Consolidation from two systems to one system will lead to a direct reduction in costs associated with operating and maintaining the systems.
- In order to minimize the impact to schools, data migration of legacy data will be accomplished in a phased approach.
- Costs for development associated with enhancements to the COD system will be less than currently experienced due to the reduction in number of systems and the ease of use and adaptability of the selected COD system.
- Legacy systems operations costs are decreasing. An additional reduction to operations costs is realized once the historical data is migrated from the legacy system to COD, and once the legacy systems are retired, legacy operations costs will be reduced to \$0 (subject to out year impacts).

Customer Service Costs

- Enhanced and new capabilities related to the common record, management and online access of data, and the integrated and streamlined process will provide increased opportunities for schools to support themselves more independently. This is anticipated to reduce the number of basic inquiry type calls to customer service.
- Ability to run custom defined reconciliation reports and downloads will decrease the amount of time customer service and schools work together on reconciliation efforts in resolving the amount of unreconciled funds, number of unbooked disbursements, and related items.
- COD customer service costs will not decrease much from legacy customer service for the first year due to the support required by schools as they convert to the new COD common record and system. It is expected that customer service costs will decrease as schools become more familiar with the new environment.

Virtual Data Center (VDC) Costs

- VDC costs will be significantly reduced since the proposed solution includes hosting the COD application on TSYs platform and not at the VDC.
- VDC costs will be incurred to support the EAI Bus (middleware) and the interfaces between FSA systems (i.e., PEPS, CPS, etc.) and COD as well as costs associated with hosting web access.

2. Increased Customer Satisfaction

COD will target improving efficiency, instruction clarity, and ease of submitting data for origination and disbursement.

Quantified/Qualitative Benefit	How will benefit be measured/ realized? * Scores - FSA 3Q 2000 Performance Plan	When will benefit be realized?
Improved efficiency and ease of understanding that comes with working with a single common process for Title IV aid	<ul style="list-style-type: none"> ▪ Current measurement data does not exist. Measures and targets will be defined later. 	<ul style="list-style-type: none"> ▪ Beginning in October - November 2003, when initial phase-in schools have processed Award Year '02-'03 data using the common record with the COD solution, and are beginning to close the award
Improved clarity of instructions for aid origination and disbursement	<ul style="list-style-type: none"> ▪ ACSI scores at or above PBO Performance Targets. (Currently 71.1). *Or some similar measure. ▪ Goal to sustain and improve existing scores by AY05-06. 	<ul style="list-style-type: none"> ▪ Beginning in October - November 2003, when initial phase-in schools have processed Award Year '02-'03 data using the common record with the COD solution, and are beginning to close the award

		<ul style="list-style-type: none"> ▪ Benefits will increase over subsequent award years, and as legacy systems are retired an increasing number of schools begin to use the common record within the COD program.
Improved ease of submitting data for aid origination and disbursement	<ul style="list-style-type: none"> ▪ ACSI scores at or above PBO Performance Targets (Currently 75.5). *Or some similar measure. ▪ Goal to sustain and improve existing scores by AY05-06. 	<ul style="list-style-type: none"> ▪ Beginning in October - November 2003, when initial phase-in schools have processed Award Year '02-'03 data using the COD solution, and are beginning to close the award year. ▪ Benefits will increase over subsequent award years, as an increasing number of schools join the COD program and legacy systems are retired.
Improved accuracy of records from school reports	<ul style="list-style-type: none"> ▪ ACSI scores at or above PBO Performance Targets (Currently 80.2). *Or some similar measure. ▪ Goal to sustain and improve existing scores by AY05-06. 	<ul style="list-style-type: none"> ▪ Beginning in October - November 2003, when initial phase-in schools have processed Award Year '02-'03 data using the COD solution, and are beginning to close the award year. ▪ Benefits will increase over subsequent award years, as an increasing number of schools join the COD program and legacy systems are retired.
<i>Assumptions</i>		

1. Benefits identified are based on specific comments that support the 2000 ACSI Scores for FSA. The following themes were identified in written comments section:
 - Requests to streamline and simplify the aid origination and disbursement process
 - Requests to improve the Pell Grant origination and disbursement process
 - Requests to provide clear, easy-to-understand instructions
 - Requests to improve information accuracy by reducing duplication of data entry
2. ACSI scores around the 80's are generally considered good and reflect best-in-business performance. The phased approach of migrating schools to the common record available with the COD solution over a schedule of several years implies a gradual increase in customer satisfaction toward this goal.
3. In the initial year of COD operations, customer satisfaction will be difficult to measure since a substantial amount of customer inquiries will focus on AY01-02 aid processed through legacy systems, RFMS and LOS.
4. Customer satisfaction will steadily increase as more schools utilize the common record with the COD solution and use to the common process for Title IV aid. The goal is that by AY05-06, ACSI scores are expected to reach target scores of 80 or better for improvements in ease for submitting data and accuracy of records.
5. Additional customer satisfaction benefits realized by COD include:
 - Improved self-service capabilities *through on-line access*
 - Proactive support and improved data analysis provided by FSA *through improved centralization and accuracy of data*
 - Centralized customer support provided *through one contact number.*

3. Increased Employee Satisfaction

Quantified/Qualitative Benefit	How will benefit be measured/ realized?	When will benefit be realized?
Reduced time spent accessing varied sources of student data to create a student record and access school disbursement data.	Ratings on Employee Satisfaction Surveys.	<ul style="list-style-type: none"> ▪ Beginning in Award Year '02-'03 when phase-in schools begin using the Common Record. ▪ Benefits will increase over subsequent years through Award Year '05-'06, as more schools implement the Common Record.
Reduced time spent reviewing accounts and reconciling fund discrepancies	Ratings on Employee Satisfaction Surveys.	<ul style="list-style-type: none"> ▪ Beginning in Award Year '02-'03 when phase-in schools begin using the Common Record. ▪ Benefits will increase over subsequent years through Award Year '05-'06, as more schools implement the Common Record.
Increased access to student disbursement and school data, enabling employees to more proactively manage the customer	Ratings on Employee Satisfaction Surveys.	<ul style="list-style-type: none"> ▪ Beginning in Award Year '02-'03 when pilot schools begin using the Common Record.

relationship

- Benefits will increase over subsequent years through Award Year '05-'06, as more schools implement the Common Record.

Assumptions

1. The implementation of each COD Business Capabilities will have a positive impact on the level of FSA employee satisfaction with their work.
2. COD will have some level of impact on the daily work effort of FSA employees that have direct or indirect involvement with Title IV delivery (e.g. Pell Systems, CAMs, CMOs).
3. A detailed assessment of the COD impacts on the organization will be conducted to further define and plan for communications and training needs.

4. Increased Financial Integrity

- Ensures program and financial integrity by supporting the concept of “right funds to the right students at the right time”
- Provides tools for increased monitoring of funds management by school to allow for early prevention and correction.
- Provides systematic escalation of issues through established protocol.
- Strengthens and simplifies reconciliation, which leads to greater financial integrity
- Supports access to consolidated funding information for FSA and schools (both funds received and records reported
- Provides quick turnaround on exceptions via real-time processing to increase timely and accurate reporting
- Reduces operational expenses (including customer service and ongoing development and maintenance)
- Increases the opportunity for clean audits by more closely monitoring schools as they draw down funds and providing the supporting records to substantiate all transactions

5. Integration and Modernization of Legacy Systems

- Addresses the PBO mandate to integrate and eliminate systems by retiring the current DLOS and RFMS legacy applications
- Provides an integrated, streamlined process for multiple Title IV programs
- Enables common business processes by eliminating inconsistencies across multiple systems
- Facilitates a better linkage with the FFEL community by adopting the Common Record
- Decreases the cycle time and resources dedicated to processing records on multiple platforms
- Provides schools with integrated customer service through the use of one call center
- Creates flexibility and choices in how records are processed
- Supports access to consolidated data
- Simplifies testing and ongoing developments

4.8 Crosscutting Initiative

- Entire Department
- Office for Civil Rights
- Office of Educational Research and Improvement
- Office of Elementary and Secondary Education
- Office of English Language Acquisition
- Office of Postsecondary Education
- Office of Special Educational and Rehabilitation Services
- Federal Student Aid
- Office of Vocational and Adult Education
- Office of the Chief Financial Officer
- Office of the Chief Information Officer
- Office of the General Counsel
- Office of Inspector General
- Office of Intergovernmental and Interagency Affairs
- Office of Legislation and Congressional Affairs
- Office of Management
- Office of Public Affairs
- Entities outside of the Department

4.9 Audit Finding

None

4.10 Alternatives Analysis

(This Applies Only To Initiatives Under Development or Being Implemented.)

Alternatives	Description	Total Life Cycle Costs	Benefits	Drawbacks
Alternative 1	N/A	N/A	N/A	N/A
Alternative 2	N/A	N/A	N/A	N/A
Alternative 3	N/A	N/A	N/A	N/A
Alternative 4	N/A	N/A	N/A	N/A

This section is not applicable because this initiative is in the Maintenance phase.

5.0 Enterprise Architecture

5.1 Use of COTS/GOTS

Percentage of COTS/GOTS Components:

- 0 - 25%
- 26 - 50%
- 51 - 75%
- 76 - 100%
- Not Applicable

5.2 Consistency with Product Support Plan

(Please refer to Appendix A to identify supported products and indicate non-supported products below)

- Enterprise Application Integration (EAI)
- IBM MQSeries
- TS2 products

5.3 Section 508 Compliance

(Accessibility)

1. No
2. Yes
3. The Common Origination and Disbursement (COD) initiative will comply with the guidelines outlined in Section 508 of the Rehabilitation Act of 1973. In particular, the following COD components will be implemented in consideration of Section 508: On-line Access, Customer Service, and Organizational and Human Performance (O&HP).

5.4 Government Paperwork Elimination Act (GPEA)

(Business Process Support and Program Delivery Systems only)

Yes.

1. This initiative implements electronic transaction keeping, that is covered by the Government Paperwork Elimination Act (GPEA). Specifically, the electronic Master Promissory Note (e-MPN) for Stafford Direct Loans (Clearance package) satisfies GPEA. An electronic Parent Loan for Undergraduate Students Promissory Note (e-PLUSN) is being entered into the clearance process and is expected to be operational for the 2003-2004 loan year.
2. COD currently provides an electronic option
3. 5500 administrators/yr. Control# does not exist

5.5 Information Management

(Business Process Support and Program Delivery Systems only)

1. Respondents include:
 - Schools - providing a common record of origination and disbursement.
 - Third party software developers – These external entities will support only one record instead of multiple records in the future.
 - FFEL Community - Modifications to FFEL systems (operated by guaranty agencies and lenders) will be needed to receive and process the common record as well as to send acknowledgements.
2. Timetable for schools and FFEL community will be on a monthly basis.
3. The COD uses three forms that have received OMB clearance for collection of privacy data. (1) Master Promissory Note for Subsidized/Unsubsidized Stafford Direct Loans, Promissory Note, Parent Loans for Undergraduate Students (PLUS), and Endorser Application and Promissory note for PLUS loans.

5.6 Privacy

- (1) Yes.
- (2) A Privacy Act Notice (Notice of Privacy Act System of Records) has been prepared and is being published in the **Federal Register**, as required by law, for the Common Origination and Disbursement system (COD).

5.7 Security

(This question applies if the initiative meets the definition of major application or general support system as defined in OMB Circular A-130.)

Part 1 – a. (Please enter a date in the form of MM/DD/YYYY or N/C)

01/15/2002

Part 1 – b. (Please enter a date in the form of MM/DD/YYYY or N/A)

NA

Part 1 – c.

NA

Part 2 – a. (Please enter a date in the form of MM/DD/YYYY or N/C)

01/07/2002

Part 2 – b. (Please enter a date in the form of MM/DD/YYYY or N/A)

N/A

Part 2 – c.

N/A

Part 3 – a. (Please enter a date in the form of MM/DD/YYYY or N/C)

04/01/2002. Configuration Management Plan has been completed.

Part 3 – b. (Please enter a date in the form of MM/DD/YYYY or N/A)

04/25/2002. System Security Plan
06/15/2002. Disaster Recovery Plan

Part 3 – c.

The Disaster Recovery Plan is in its 5th draft version and is expected to meet the Department deadline currently set for June 15.

Part 4 – a. (Please enter a date in the form of MM/DD/YYYY or N/C)

N/C

Part 4 – b. (Please enter a date in the form of MM/DD/YYYY or N/A)

6/30/2002

Part 4 – c.

The NIST Self-Assessment is scheduled to meet the Department deadline currently set for June 30.

Part 5 – a. (Please enter a date in the form of MM/DD/YYYY or N/C)

4/11/02

Part 5 – b. (Please enter a date in the form of MM/DD/YYYY or N/A)

N/A

Part 5 – c.

N/A

Part 6 – a. (Please enter a date in the form of MM/DD/YYYY or N/C)

N/C

Part 6 – b. (Please enter a date in the form of MM/DD/YYYY or N/A)

12/31/02

Part 6 – c.

The IATO is expected to be signed on 04/25/2002 and meet the Department date currently set for December 31.

6.0 Risk and Project Management

6.1 Risk Management

Risk Category	Risk Description	Risk Probability	Risk Impact	Management Strategy
Strategic	N/A	N/A	N/A	N/A

Organizational/Change Management	Organizational Readiness: All staff (FSA and Contractor) are prepared for COD rollout	Medium	If this risk is not mitigated, there will be delays in disbursing checks by the FSA	<ul style="list-style-type: none"> Maintain focus on internal communications and training efforts Ensure FSA organizational changes and issues are addressed prior to rollout Engage FSA staff and Customer Service staff in COD development efforts
Project Resources (Financial, Personnel, etc.)	N/A	N/A	N/A	N/A
Project Management	N/A	N/A	N/A	N/A
Business	N/A	N/A	N/A	N/A
Data/Information	N/A	N/A	N/A	N/A
Application	Heavily modified COTS application. COTS application provider not software developer.	High	If not mitigated, software will not work and programs will not deliver funding to schools and recipients when required.	Rigorous structured testing methodology was required by FSA to ensure system viability.
Technology/Infrastructure	N/A	N/A	N/A	N/A
Security	Given that COD is a critical FSA system, it runs the risk of data being deleted or changed by unauthorized users.	Medium	High	Build controls, create security plans, risk assessments, test, certify and accredit the system with these changes.
Privacy	N/A	N/A	N/A	N/A

6.2 Operational Performance Measures

Performance measures include:

- The number of Pell and Direct Loan Originations received within 24 hours that are processed, exclusive of rejects or pending transactions for disbursements are targeted for 99%
- Percent of Pell Disbursements sent to GAPS is targeted for 95% within 36hrs
- System response time is targeted for 90% within 30 seconds
- Average number of days from disbursement to reporting is targeted for 30 days
- % Of Accepted Disbursements without P-Notes on file is targeted for 70 percent
- Percent of records processed within 24 hours
- Percent of resolved errors returned by other systems 80% within 7 business days, 19.5% within 22 Business Days, 100% within 88 Business Days
- Percentage of Production System Incidents resolved
- Percent of error rate per transaction 95% within 30 seconds, 4.5% within Two Minutes, 100% within one hour
- Percent of Direct Loan schools PLUS credit check completed 95% within 30 seconds, 4.5% within Two Minutes, 100% within one hour
- System availability 99.4% per 24 hour period
- Disaster recovery 72 hours
- Number of unplanned system events in backlog
- Number of defects still outstanding at the time of release
- Number of fixes related to defects in software code moved into production outside a regularly scheduled release

6.3 General Acquisition Strategy

1. Single Contract.
2. This initiative will be contracted as a Firm Fixed Price with the FSA Modernization Partner.
3. No financial incentives or performance based contracting components will be used. The contract type is Blanket Purchase Agreement (BPA) under GSA Schedule 70 Contract (GS-35F-4692G) implemented using Task Orders (FP, FP Share in Savings IF, and T&M).
4. 9/30/02. Same as GSA Contract (9/7/99 – 9/30/02, with two 5 year options)
5. Blanket Purchase Agreement (BPA) under GSA Schedule 70 Contract (GS-35F-4692G) implemented using Task Orders (FP, FP Share in Savings IF, and T&M) for the Mod Partner project. BPA #:ED-99-DO-0002.
6. N/A
7. N/A
8. N/A
9. N/A
10. N/A

APPENDIX A

Hardware

Personal Computers

Primary Support

___ Compaq Professional Pentium II (266 MHz or faster), minimum 64 MB of RAM, 3.0 GB of Hard Drive available for OCIO configuration

___ Professional Dell Pentium II (266 MHz or faster), minimum 64 MB of RAM, 3.0 GB of Hard Drive available for OCIO configuration

Secondary Support

___ As defined in OCIO non-standard workstation policy

Laptops

Primary Support

___ Dell Pentium II (266 MHz or faster), minimum 64 MB of RAM, 3.0 GB of Hard Drive available for OCIO configuration

___ Toshiba Pentium II (266 MHz or faster), minimum 64 MB of RAM, 3.0 GB of Hard Drive available for OCIO configuration

Secondary Support

___ As defined in OCIO non-standard workstation policy

Printers

Primary Support

___ HP LaserJet 5 and newer

Secondary Support

___ HP LaserJet 4

Monitors

Primary Support

___ 17-inch or larger, capable of 1024x768 resolution

Personal Digital Assistants (PDA)

Primary Support

___ Blackberry RIM 957

___ Blackberry RIM 950

Secondary Support

___ IntelliSync

___ Microsoft ActiveSync 3.1 or newer

Software

Client Operating Systems

Primary Support

___ Windows 2000 Professional Service Pack (SP)2

Secondary Support

___ As defined in OCIO non-standard workstation policy

Office Suites

Primary Support

___ Office 2000 Service Release (SR) 1A with Word 2000, Excel 2000, PowerPoint 2000, Access 2000

Anti-Virus Software

Primary Support

___Norton AntiVirus 2000 Corporate Edition 7.5

Communications

Primary Support

___ Citrix ICA

Secondary Support

___ Citrix Winframe

Terminal Emulation Software

Primary Support

___ Attachmate 6.5

Database Clients

Primary Support

___ Oracle 8.1.7 Client

___ Microstrategy 7

Electronic Mail Software

Primary Support

___ Outlook 2000

Internet Browsers

Primary Support

___ Internet Explorer 5.5 SP1 (128-bit encryption)

Secondary Support

___ Netscape 4.x

Helper Plug-Ins

Primary Support

___ Adobe Acrobat Reader 5.0 and newer

___ RealPlayer 8.0 Intranet

Project Management Software

Primary Support

___ Microsoft Project 2000

___ TeamMate 2000

Web/Desktop Publishing Software

Secondary Support

___ Adobe Illustrator 7.0

___ Adobe PageMaker 6.5 and newer

___ Adobe Photoshop 5.0

___ Interwoven LaunchPad

___ Macromedia Dreamweaver 2.0 and newer

___ Macromedia Fireworks 2.0 and newer

___ Macromedia FreeHand 7.0

___ Macromedia HomeSite 4.0

___ NetViz 4.0

___ Publisher 2000

Groupware

Secondary Support

___ Lotus Notes Client (all versions)

Assistive Technology Software

Primary Support

- ___ Aladdin Genie CCTV
- ___ Dragon Systems NaturallySpeaking 4.0 and newer
- ___ Freedom Scientific JAWS for Windows 3.7
- ___ Gus Word Prediction
- ___ IBM Homepage Reader 2.5 and newer
- ___ NexCom 300 TTY modem, which requires an ISA slot
- ___ NexTalk/NTS, NXI Communications NTS 3.41 and newer
- ___ ZoomText Xtra Level 2 7.04 and newer

Secondary Support

- ___ NXI Communications NexTalk for Windows
- ___ WinTalk modem

Principal Office-Specialized Applications

Primary Support

- ___ ARCHIBUS/FM-10
- ___ CARS
- ___ CCM Plus
- ___ CMIS
- ___ DACS
- ___ EDCAPS
- ___ EDICS
- ___ Folio Builder 4.2
- ___ Folio Views 4.2
- ___ HEATWEB 3.11
- ___ IAS
- ___ Method/1 GuideVersion 11
- ___ Monarch Professional 5.02
- ___ Ombusman Case Tracking System 2.0
- ___ Peer Review System
- ___ TRAINS

Secondary Support

- ___ CMTS
- ___ DLOS
- ___ Folio Views 3.11
- ___ GAPS
- ___ GPAS
- ___ IEFARS
- ___ OCR Electronic Library
- ___ OSERS Quick
- ___ PC Travel Drop Box
- ___ PEPS
- ___ PFIE
- ___ Response Phone System
- ___ SACONS
- ___ Total Access Agent

Network Operating Systems and Enterprise Software

Primary Support

- ___ Cisco IOS 12.1(5) (Router)

- ___ Cisco IOS 6.1(2) and newer (Switch)
- ___ Microsoft Exchange 5.5 SP4
- ___ Microsoft SMS 2.0 SP3
- ___ Microsoft NT Server 4.0 SP6a
- ___ Microsoft Windows 2000 Server SP2
- ___ Netscape Compass Server 3.0 (SPARC)
- ___ Netscape Enterprise Server 3.51 (SPARC)
- ___ Oracle 8.1.7
- ___ Raptor Firewall with PowerVPN Version 6.5
- ___ Solaris 2.6 (SPARC)
- ___ SQL Server 7.0 SP5
- ___ SQL Server 2000 SP1
- ___ Terminal Server 4.0 SP6a

Secondary Support

- ___ All versions of Linux
- ___ All versions of Lotus Notes
- ___ Microsoft Internet Information Server 4.0 and newer
- ___ SQL Server 6.5